



TABCORP Holdings Limited Financial Statements
for the year ended 30 June 2001



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Directors' Report

The Board of Directors of TABCORP Holdings Limited has pleasure in submitting the statement of financial position of the company and the economic entity in respect of the financial year ended 30 June 2001, and the related statement of financial performance and statement of cash flows for the year then ended.

Directors

The names and details of the directors in office at the date of this report are:

M.B. Robinson

(Chairman)

Michael Robinson became the Co-Chairman of the law firm, Allens Arthur Robinson upon its formation in July 2001. He was the Senior Partner of Arthur Robinson & Hedderwicks from 1996 to 2001 and was its Managing Partner from 1980 to 1988. Mr Robinson is Chairman of the Bionic Ear Institute and he is a director of Gandel Management Limited, the Asia Society AustralAsia Centre, the Australia-Malaysia Society, the National Australia Day Council and the State Orchestra of Victoria. He is a member of the TABCORP Audit, Remuneration and Compliance Committees.

I.R. Wilson

(Managing Director and Chief Executive Officer)

Ross Wilson was Managing Director and Chief Executive Officer of Southcorp Holdings Limited (formerly SA Brewing Holdings Limited) from August 1987 until taking up the position as Managing Director and Chief Executive Officer of TABCORP in 1994. He is a member of the Business Council of Australia and a member of the Council of Swinburne University of Technology. Mr Wilson is a member of the TABCORP Audit, Remuneration and Compliance Committees.

A.G. Hodgson

(Deputy Chairman)

Tony Hodgson was the co-founder and was formerly Senior Partner of the chartered accounting firm Ferrier Hodgson and is a consultant to the firm. Mr Hodgson is Chairman of the TABCORP Audit Committee and Chairman of RMG Limited. Mr Hodgson is a director of HSBC Bank Australia Limited, Vice-Chairman of the Committee of the Moonee Valley Racing Club and Chairman of the Advisory Board to the Victorian Rugby Union.

P.G. Satre

Phil Satre has been Chairman of Harrah's Entertainment, Inc. ('Harrah's') since January 1997, Chief Executive Officer of Harrah's since April 1994 and President from April 1991 to April 2001. Mr Satre joined Harrah's in 1980 as Vice-President, General Counsel and Secretary. Mr Satre is a director of the National Center for Responsible Gaming and the American Gaming Association. He is Chairman of JCC Holding Company and is a director of JDN Realty Company.

D.J. Simpson

(Finance Director)

David Simpson was Executive General Manager – Finance of Southcorp Holdings Limited from 1988 until taking up the position of Executive General Manager – Finance of TABCORP in March 1995. He has over 33 years experience in accounting and finance.

P.H. Wade

Peter Wade was Managing Director of North Broken Hill Peko Limited until his retirement in 1993. He is Chairman of CSL Limited. Mr Wade is Chairman of the TABCORP Remuneration Committee and the TABCORP Staff Superannuation Fund. He is also a member of the TABCORP Audit Committee.

R.F.E. Warburton

Richard Warburton was formerly Chairman of Star City Holdings Limited. He is currently Chairman of David Jones Limited, Caltex Australia Limited, Goldfields Limited, HCS Ltd and the Board of Taxation. Mr Warburton is also a director of the Reserve Bank of Australia, Southcorp Limited and Nufarm Limited. He was appointed a director of TABCORP on 28 June 2000 and is a member of the TABCORP Remuneration Committee.

W.V. Wilson

Warren Wilson held executive posts at the South Australian and Tasmanian Totalizator Agency Boards from 1967 until he joined the Royal Hong Kong Jockey Club in 1978. In 1980 Mr Wilson became the Executive Director responsible for all betting and lottery activity. He retired from the Club in January 1994. Mr Wilson is a Board Member of the South Australian Forestry Corporation. He is Chairman of the TABCORP Compliance Committee.

All directors held their position as a director throughout the entire financial year and continue to hold that position. George Bennett retired as a non-executive director on 30 June 2001.

Directors' Interests

At the date of this report, the relevant interests of the directors in the shares, options or other instruments of the companies within the economic entity, as notified by the directors to the Australian Stock Exchange in accordance with Section 205G(1) of the Corporations Act (2001), are:

TABCORP Holdings Limited		
	Ordinary Shares	Options
M.B. Robinson	54,500	
I.R. Wilson	3,926,000	3,000,000*
A.G. Hodgson	100,000	
G.H. Bennett	37,500 ⁽¹⁾	
P.G. Satre	–	
D.J. Simpson	500,000	
P.H. Wade	30,000	
R.F.E. Warburton	12,500	
W.V. Wilson	50,000	

*3,000,000 options were issued to Mr I.R. Wilson on terms approved at the Annual General Meeting on 10 November 1999 and can only be exercised if certain performance criteria are satisfied (see page 3).

Directors' Meetings

During the year the company held 12 meetings of directors. The attendances of the directors at meetings of the Board and its committees were:

	Board of Directors		Committees of the Board of Directors	
	Attended	Maximum possible attended	Attended	Maximum possible attended
M.B. Robinson	12	12	7	7
I.R. Wilson	12	12	9	9
A.G. Hodgson	12	12	6	6
G.H. Bennett ⁽¹⁾	11	12	4	4
P.G. Satre	9	12	1	2
D.J. Simpson	12	12	–	–
P.H. Wade	11	12	5	5
R.F.E. Warburton	9	12	–	1
W.V. Wilson	11	12	4	4

⁽¹⁾ Mr Bennett retired as a Non-Executive Director of the company on 30 June 2001.

In addition to the scheduled Board meetings, the Board meets as needs dictate.

The company has an Audit Committee of the Board of Directors which met four times during the year. The Remuneration Committee met once and the Compliance Committee met on two occasions. The company's Risk Management Committee, which was established to review the risk associated with Star City's international rebate play program met twice during the year, prior to being disbanded following the decision to suspend that program. The details of the functions and memberships of the committees of the Board are presented in the Statement of Corporate Governance Practices contained in the Annual Report.

Directors' and Officers' Remuneration

Remuneration of directors and senior executives of the company is established by the Remuneration Committee. Remuneration is determined as part of an annual performance review, having regard to market factors, a performance evaluation process and independent remuneration advice. For executive directors and officers, remuneration packages generally comprise salary, a performance-based bonus and superannuation. Executives are also provided with longer-term incentives through the Senior Executive Long Term Incentive Plan and the General Employee Share Plan, which act to align the executives' actions with the interests of the shareholders. Non-executive directors are not entitled to performance-based bonuses.

The remuneration provided to directors and the five most highly remunerated officers are as follows:

\$	Base		Superannuation Benefits	Accrued Retirement Benefits ⁽²⁾		FBT		Total ⁽⁴⁾
	Salary ⁽¹⁾	Incentive		Benefits	Payable	Loans ⁽³⁾		
Directors								
M.B. Robinson	235,000		8,416	42,770				243,416
I.R. Wilson	1,558,991	343,077			98,402	120,466	87,397	2,208,333
A.G. Hodgson	135,000		8,416	24,030				143,416
G.H. Bennett	90,000		7,200	16,200				97,200
P.G. Satre	90,000			16,200				90,000
D.J. Simpson	370,991	52,428	70,667		33,019	31,168		558,273
P.H. Wade	100,000		8,000	20,300				108,000
R.F.E. Warburton	90,000		7,200	16,200				97,200
W.V. Wilson	100,000		8,000	18,200				108,000

\$	Base		Superannuation Benefits	Benefits	FBT Payable	Total
	Salary	Incentive				
Senior Executives						
P.R. Broberg		323,709	44,565	60,974	32,454	492,668
J.C. Read		244,454	31,982	44,786	20,095	360,480
M.J. Piggott		350,556	70,490	67,749	32,312	551,839
D.E. Elmslie		375,607	52,328	72,412	27,675	554,210
D.C.P. Banks		526,581	64,516	101,546	41,539	773,498

⁽¹⁾ Salaries for executive directors and senior executives include accruals for annual and long service leave.

⁽²⁾ Accrual of retirement benefits approved by the company's shareholders on 10 November 1999.

⁽³⁾ Cost to company to provide low interest/interest free loan(s).

⁽⁴⁾ The total does not include accruals of retirement benefits for non-executive directors.

Share Options

At the 1999 Annual General Meeting, shareholders approved the granting of 3,000,000 options to acquire ordinary shares in TABCORP Holdings Limited to Mr I.R. Wilson. These options were granted in four tranches and will be exercisable at \$10.18 subject to the achievement of certain annual and cumulative performance benchmarks. These benchmarks require the company to reach a minimum ranking of the 50th percentile of a peer group of companies listed on the Australian Stock Exchange before any options become available to be exercised, and require the company to reach the 80th percentile for 100% of the available options to be exercisable. To the extent to which any options are not able to be exercised or are not exercised by 30 June 2004, they will lapse.

At 30 June 2001, which is the end of the second performance period, despite the record profit achieved by the company, the performance benchmark was not reached. Accordingly, there are no options available to be exercised by Mr I.R. Wilson at this time.

The directors believe that, as the options cannot be traded and given the nature of the performance benchmarks, it is not feasible to apply a credible value, or range of values, to the options at this stage. This position will be reviewed annually and if a point is reached where a value can realistically be placed on the options, this will be done.

No other options have been granted by the economic entity.

Principal Activities

The principal activities of the economic entity during the financial year comprised the provision of gambling and other entertainment services.

Results

Consolidated profit after income tax of the economic entity for the financial year was \$187.7 million, being \$12.9 million (7.4%) above the previous financial year. The economic entity generated profit before interest and tax of \$365.1 million, which was \$38.9 million (11.9%) above the previous financial year. It generated operating revenue of \$1,811.6 million, which was \$215.8 million (13.5%) above the operating revenue achieved in the previous financial year of \$1,595.8 million.

Dividends

The following dividends have been paid, declared or recommended since the end of the preceding financial year by the parent entity:

	\$'000
Final fully franked dividend for 2000 of 24.0 cents per share on ordinary shares as declared by directors on 17 August 2000 and paid on 29 September 2000.	89,219
Interim fully franked dividend for 2001 of 25.0 cents per share on ordinary shares as declared by directors on 22 February 2001 and paid on 30 March 2001.	93,071
Final fully franked dividend for 2001 of 26.0 cents per share on ordinary shares as declared by directors payable on 28 September 2001.	96,794

Review of Operations

The economic entity achieved profit after tax for the year of \$187.7 million which was 7.4% ahead of last year. Although net borrowing costs grew by 45.8% to \$66.5 million, reflecting the full year cost of the debt associated with the acquisition of Star City, the economic entity successfully controlled costs. The economic entity's strong cash flow enabled it to pay down debt at a high rate, with net borrowings reduced by over \$70 million during the year to \$815.5 million.

These results were adversely affected by a disappointing win rate in the international rebate business which has now been suspended. There were also a significant number of regulatory changes, some of which are referred to below.

During the financial year, the Victorian Government announced an increase to the annual levy paid by gaming operators in Victoria by \$1,200 per gaming machine to \$1,533 per gaming machine. The Treasurer of Victoria has publicly stated that there will be no increase in the levy during the remaining period of this term of government and that the Victorian Government will honour the principles and terms on which the gaming licences were granted.

As mentioned in the Annual Report, the economic entity has continued its commitment to responsible gambling. This includes entering into an agreement with Harrah's Entertainment Inc. to undertake joint research and share other data and research into the causes of problem gambling as well as potential remedial and preventative measures.

Wagering

The Wagering Division generated profit before interest and tax of \$52.5 million, which was \$4.9 million (10.3%) above the previous financial year. Wagering operating revenue increased by \$17.2 million (4.7%) to \$380.3 million.

This strong result was partly attributable to the economic entity's continued focus on making its wagering products more accessible and enjoyable through increasing the number of outlets, refurbishing existing outlets as well as the introduction of new technology such as touch-tone phone betting, easy bet terminals and an improved website for internet betting. The Wagering Division's non-traditional betting products, such as the simulated racing game known as 'Trackside', have also continued to perform well.

Gaming

The Gaming Division continued to provide strong growth, achieving profit before interest and tax of \$218.4 million, which was \$16.4 million (8.1%) above the previous financial year. Gaming revenue increased by \$52.0 million (6.5%) to \$846.4 million.

The economic entity's Gaming Division benefited from recent investment in a new gaming network monitoring system and new games. However, its performance was adversely affected by a number of regulatory changes in Victoria, including restricted trading hours, the introduction of regional caps on gaming machines as well as changes to the approval process for new venues and applications for additional gaming machines. It also experienced a considerable amount of negative publicity in the media which increased negative sentiment by some members of the public towards the economic entity's gaming products.

Star City

Star City achieved a profit before interest and tax of \$112.3 million, which was \$29.3 million (35.3%) above that achieved for the 8.5 months of the previous financial year in which it was part of the economic entity. Star City's operating revenue increased by \$146.5 million (33.4%) to \$584.9 million.

The main gaming floor area and gaming machines performed well throughout the year and hotel occupancy was consistently high. However Star City's performance was adversely affected by its international rebate play business which experienced a win rate which was significantly below the theoretical win rate. The economic entity has decided to suspend its participation in the international rebate business. This decision is expected to reduce profit volatility, but not have a material impact on profitability.

During the year, the New South Wales Casino Control Authority completed its second triennial review and, once again, concluded that Star City is a suitable person to hold a casino licence and it is in the public interest for the licence to continue. The report identified a number of areas and controls which could be improved and the economic entity is working closely with the Authority to positively address these matters.

The economic entity has continued to review a number of options to maximise its investment by improving the operation of its businesses and enhancing the Star City Casino complex.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the economic entity that occurred during the year other than as set out elsewhere in this directors' report.

Significant Events after Year End

No other matter or circumstance has arisen since the end of the financial year which is not otherwise dealt with in this report or in the consolidated financial statements, that has significantly affected or may significantly affect the operations of the economic entity, the results of those operations or the state of affairs of the economic entity in subsequent financial years.

Likely Developments and Future Results

The economic entity will continue with the strategies largely responsible for generating the growth in the year under review and is confident that the results achieved in the last financial year can be sustained.

The directors have excluded from this report any further information on the likely developments in the operations of the economic entity and the expected results of those operations in future financial years, as the directors have reasonable grounds to believe that to include such information will be likely to result in unreasonable prejudice to the economic entity.

Directors' Interests in Contracts

During the year, the economic entity entered into contracts with entities in which certain directors declared an interest. Details of the directors' interests in those contracts are set out in Note 39 which forms an integral part of this report. Mr M.B. Robinson is a partner of the firm of Arthur Robinson & Hedderwicks which provided legal services to the economic entity in the ordinary course of business and in respect of which professional fees were received by the firm on normal commercial terms and conditions. In addition, Mr P.G. Satre is Chairman, President and Chief Executive Officer of Harrah's Entertainment Inc. which has entered into a casino services agreement with the economic entity. This agreement gives the economic entity access to the knowledge and experience of Harrah's Entertainment Inc. in operating casinos for use in the management of the operations of Star City casino. As mentioned in Note 39, the term of this contract was extended during the year. Mr A.G. Hodgson is a director of HSBC Bank Australia Limited. The economic entity maintains operating accounts with this bank in the ordinary course of business and on normal commercial terms and conditions.

Mr R.F.E. Warburton is a director of Southcorp Limited which has supplied alcoholic beverages to the economic entity in the ordinary course of business and on normal commercial terms and conditions.

Environmental Regulation Performance

The consolidated entity's environmental obligations and waste discharge quotas are regulated under both State and Federal law. The consolidated entity has a policy of complying as a minimum, but in most cases exceeding its environment performance obligations.

TABCORP's wholly owned subsidiary, Star City, is a participant in the Federal Government's 'Greenhouse Challenge Program'. Star City has implemented a program to reduce greenhouse gas emissions by 783 tonnes of CO₂ equivalent during the year. Some key initiatives to achieve this target include changes to the operation of the mechanical services systems servicing the main gaming floor and, changes to the lighting system at the five level car park at the complex. Initiatives for further energy savings to the hotel and apartment rooms during unoccupied periods are also being investigated.

No environmental breaches have been notified to the economic entity by any government agency.

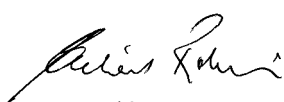
Indemnification of Officers


TABCORP Holdings Limited has entered into a contract insuring each of the directors of the company named earlier in this report and each full-time executive officer, director and secretary of group entities, against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. In accordance with section 300(9) of the Corporations Act (2001) further details have not been disclosed due to confidentiality provisions in the insurance contracts.

Rounding of Amounts

The parent entity is a company of the kind specified in Australian Securities and Investments Commission class order 98/100. In accordance with that class order, amounts in the financial statements and the directors' report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

This report has been made in accordance with a resolution of directors.


M.B. Robinson
Director


I.R. Wilson
Director

Melbourne
16 August 2001

Statement of Financial Performance

for the year ended 30 June 2001

	Note	Consolidated		TABCORP Holdings	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Total operating revenues	2	1,811,599	1,595,831	21,702	20,980
Other revenues from ordinary activities	2	25,958	34,747	219,817	203,316
Revenues from ordinary activities	2	1,837,557	1,630,578	241,519	224,296
Government taxes		(556,526)	(500,423)	–	–
Commissions and fees		(406,952)	(382,550)	(15,191)	(14,686)
Employee costs		(238,997)	(187,188)	(16,949)	(18,287)
Depreciation and amortisation		(113,398)	(95,094)	(1,709)	(1,623)
Borrowing costs		(70,994)	(49,307)	(5,178)	(2,868)
Other expenses from ordinary activities		(152,157)	(135,440)	(12,936)	(17,198)
Profit from ordinary activities before income tax expense		298,533	280,576	189,556	169,634
Income tax (expense)/benefit relating to ordinary activities	4	(110,851)	(105,796)	303	(2,076)
Net profit attributable to members of the parent entity		187,682	174,780	189,859	167,558
Basic earnings per share (cents per share)	6	50.4	50.1		
Basic earnings per share (cents per share) (pre amortisation of goodwill)	6	55.3	53.7		

The accompanying notes form an integral part of this Statement of Financial Performance.

Statement of Financial Position

as at 30 June 2001

	Note	Consolidated		TABCORP Holdings	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Current assets					
Cash assets	8	123,534	91,019	3,989	403
Receivables	9	7,612	5,726	230,287	198,084
Inventories	10	4,968	4,925	–	–
Other	11	17,300	19,808	2,795	3,265
Total current assets		153,414	121,478	237,071	201,752
Non-current assets					
Receivables	12	–	–	581,229	597,151
Other financial assets	13	–	–	3,241	3,192
Property, plant and equipment	14	850,258	898,251	5,077	5,212
Intangible assets – licences	15	836,515	839,133	597,450	597,476
Intangible assets – other	16	531,860	550,293	–	–
Deferred tax assets	17	38,784	60,408	3,576	2,782
Other	18	91,144	101,644	34,678	34,995
Total non-current assets		2,348,561	2,449,729	1,225,251	1,240,808
TOTAL ASSETS		2,501,975	2,571,207	1,462,322	1,442,560
Current liabilities					
Payables	19	105,025	98,724	119,640	112,878
Interest bearing liabilities	20	229,052	196,871	–	–
Current tax liabilities	22	24,854	73,756	–	1,478
Provisions	23	121,798	114,201	98,846	91,336
Other	24	446	586	–	–
Total current liabilities		481,175	484,138	218,486	205,692
Non-current liabilities					
Payables	25	5,745	9,928	23,767	23,950
Interest bearing liabilities	26	710,000	780,154	–	–
Deferred tax liabilities	27	52,408	48,086	510	662
Provisions	28	7,989	9,131	532	552
Other	29	1,448	1,706	–	–
Total non-current liabilities		777,590	849,005	24,809	25,164
TOTAL LIABILITIES		1,258,765	1,333,143	243,295	230,856
NET ASSETS		1,243,210	1,238,064	1,219,027	1,211,704
Equity					
Contributed equity	30	1,218,819	1,211,454	1,218,819	1,211,454
Retained profits	31	24,391	26,610	208	250
TOTAL EQUITY		1,243,210	1,238,064	1,219,027	1,211,704

The accompanying notes form an integral part of this Statement of Financial Position.

Statement of Cash Flows

for the year ended 30 June 2001

	Note	Consolidated		TABCORP Holdings	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Cash flows from operating activities					
Net cash receipts in the course of operations		1,834,553	1,621,473	50,047	45,743
Payments to suppliers, service providers and employees		(828,370)	(692,428)	(47,656)	(43,825)
(Payment)/Refund of State Government betting taxes and GST		(519,885)	(501,901)	3,865	–
Dividends received		–	–	148,775	5,226
Interest received		4,308	3,730	658	693
Interest and other costs of finance paid		(64,618)	(51,751)	–	(3,283)
Income tax paid		(136,323)	(92,170)	(1,512)	(3,876)
Net operating cash flows	34(b)	289,665	286,953	154,177	678
Cash flows from investing activities					
Loans pursuant to employee share plan		6,993	4,102	6,993	4,102
Payment for controlled entities (net of cash acquired)	34(c)	–	(473,347)	–	(2,703)
Payment for unlisted securities		–	(258)	–	(258)
Redemption of unlisted securities		–	–	–	258
Payment for property, plant and equipment		(47,005)	(75,916)	(1,191)	(2,059)
Proceeds from sale of property, plant and equipment		1,691	13,975	339	11,479
Payment for the acquisition of licences		–	(30)	–	(30)
Other		1,427	(135)	1,196	(135)
Loans advanced to controlled entities		–	–	(5,152)	(9,941)
Loans repaid by controlled entities		–	–	17,296	–
Net investing cash flows		(36,894)	(531,609)	19,481	713
Cash flows from financing activities					
Loans from controlled entities		–	–	38,218	157,472
Repayment of loans from controlled entities		–	–	(26,000)	–
Proceeds from issue of securities		–	92,270	–	–
Proceeds from borrowings		262,000	629,898	–	122,000
Repayment of borrowings		(291,133)	(310,133)	–	(110,000)
Proceeds from loans repaid		–	703	–	–
Dividends paid		(182,290)	(170,683)	(182,290)	(170,683)
Other		–	(29)	–	(29)
Net financing cash flows		(211,423)	242,026	(170,072)	(1,240)
Net increase/(decrease) in cash held		41,348	(2,630)	3,586	151
Cash at the beginning of the financial year		82,186	84,816	403	252
Cash at the end of the financial year	34(a)	123,534	82,186	3,989	403

The accompanying notes form an integral part of this Statement of Cash Flows.

Note 1

Statement of significant accounting policies

The significant policies which have been adopted in the preparation of these financial statements are:

(a) Basis of Preparation

The financial statements have been drawn up as a general purpose financial report in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and the Corporations Act (2001). The accounting policies used are consistent with those adopted in the previous year. The Directors have elected under section 334(5) of the Corporations Act (2001) to apply Accounting Standard AASB 1041 'Revaluation of Non-Current Assets' (revised 2001) for the financial year ended 30 June 2001. The financial statements have also been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies described below have been consistently applied by all entities in the economic entity.

(b) Principles of Consolidation

The consolidated financial statements of the economic entity include the financial statements of the parent entity, TABCORP Holdings Limited, and its controlled entities, referred to collectively throughout these financial statements as the 'economic entity'. Where an entity began to be controlled during the year, the results are included only from the date control commenced. The balances, and effects of transactions, between controlled entities included in the consolidated financial statements have been eliminated.

(c) Goodwill

Goodwill, representing the excess of the purchase consideration plus incidental costs over the fair value of the identifiable net assets acquired on the acquisition of a controlled entity, is amortised over the period of time during which benefits are expected to arise.

Goodwill is amortised on a straight line basis over 20 years.

The unamortised balance of goodwill is reviewed at least at each reporting date. Where the balance exceeds the value of expected future benefits, the difference is charged to the statement of financial performance.

In establishing the fair value of the identifiable net assets acquired, a liability for restructuring costs is only recognised at the date of acquisition where there is a demonstrable commitment and a detailed plan. The liability is only recognised where there is little or no discretion to avoid payment to other parties in settlement of costs of the restructuring and a reliable estimate of the amount of the liability as at the date of acquisition can be made.

(d) Revenue Recognition

Revenue

Wagering and Gaming revenue is recognised as the residual value after deducting the statutory return to customers from the Wagering and Gaming turnover. Casino revenue is the net gaming win plus the retail sales of food, beverages, accommodation and other services.

Revenues from ordinary operations includes revenue derived from monitoring operations which is recognised as earned.

Interest Income

Interest income is recognised as it accrues.

Asset Sales

The gross proceeds of asset sales are included as revenue of the entity. The profit and loss on disposal of assets is brought to account at the completion of the sale.

(e) Foreign Currency

Foreign Currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are translated at the rates of exchange ruling on that date.

Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the statement of financial performance in the financial period in which the exchange rates change.

(f) Taxation

The economic entity follows the policy of tax effect accounting. The income tax expense in the statement of financial performance represents the tax on pre-tax accounting profit adjusted for income and expenses never to be assessed or allowed for taxation purposes. The tax effect of timing differences which arise from items being brought to account in different periods for income tax and accounting purposes is carried forward in the statement of financial position as a future income tax benefit or a provision for deferred income tax liability, calculated at the tax rates expected to apply when the differences reverse.

Future income tax benefits are not brought to account unless realisation of such benefit is assured beyond any reasonable doubt.

Future income tax benefits relating to entities with tax losses are only brought to account when their realisation is virtually certain.

Note 1 Statement of significant accounting policies (continued)

(g) Non-Current Assets

The carrying amounts of non-current assets are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower amount. In assessing recoverable amounts the relevant cash flows have not been discounted to their present value.

(h) Financial Instruments

Trade accounts receivable generally settled within 60 days are carried at amounts due, and are non-interest bearing.

A provision is raised for any doubtful debts based on a review of all outstanding amounts at balance date. Bad debts are written off in the period in which they are identified.

Short-term deposits and bank accepted bills are carried at cost. Interest revenue is recognised on an effective yield basis.

Trade accounts payable, including accruals not yet billed, are recognised when the economic entity becomes obliged to make future payments as a result of a purchase of assets or services. Trade accounts payable are generally settled within 30 days, and are non-interest bearing.

Bank overdraft and loans are carried at cost. Borrowing costs, including interest, are expensed as incurred.

Bank bills are carried at the principal amount.

Loans pursuant to employee share plan are held at the outstanding value applicable to the loan at balance date.

The provision for dividend is payable on the day as disclosed in the Directors' Report, and is non-interest bearing.

Ordinary share capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

Refer to Note 41(c) for details of interest rate swap agreements.

(i) Property, Plant and Equipment

Items of property, plant and equipment excluding freehold land are recorded at cost and depreciated by the straight line method to write off the original cost over the estimated useful lives. Assets are depreciated from the date of acquisition.

The depreciation rates used for each class of asset are within the following ranges:

– buildings	1.05% to 11.10%
– leasehold improvements	1.05% to 14.00%
– plant and equipment	5.26% to 33.33%
– consumables	20.00% to 33.33%

Freehold land is recorded at cost and is not depreciated.

Assets acquired under finance leases are capitalised and amortised over the life of the relevant lease, or where ownership is likely to be obtained on expiration of the lease, over the expected useful life of the asset. Lease payments are allocated between interest expense and reduction in the lease liability.

Operating lease assets are not capitalised and rental payments are charged against profits in equal instalments over the accounting periods covered by the lease term. Provision is made for future operating lease payments in relation to surplus lease space.

(j) Licences

The wagering and gaming licence has not been amortised as the payment to be received by the parent entity under Section 21 of the Gaming and Betting Act 1994 at the end of the licence period is currently expected to be not less than the carrying value of the asset. The licence period expires in the year 2012.

The casino licence is amortised over the life of the casino licence, being ninety-nine years, from the date of issue, 14 December 1994.

Other licences are amortised over the period of operation of the licences.

(k) Rights to Management Agreement

The rights to the Casino Complex Management Agreement in relation to the operation, management and supervision of the casino is being amortised over the life of the agreement, which coincides with the term of the casino licence.

(l) Rental Expenditure

The payment made for rental in advance for the casino site for twelve years has been deferred in the statement of financial position and is being amortised over twelve years commencing from the date of issue of the casino licence, being 14 December 1994.

The payment made for rental in advance in respect of a property (switching station) has been deferred in the statement of financial position and is being amortised over ninety-five years commencing from the date of acquisition of the site, being 5 December 1997.

(m) Deferred Revenue

Deferred Revenue comprises two elements, being an amount representing an initial lease incentive period at the commencement of a non-cancellable operating lease which is being reduced on an imputed interest basis over the lease term at the rate implicit in the lease; and deferred revenue relating to exclusivity contracts which is being reduced over the period of the contracts.

(n) Investments

Investments in controlled entities are carried in the parent entity's financial statements at the lower of cost and recoverable amount. Dividends and distributions are brought to account in the statement of financial performance when they are proposed by the controlled entities.

(o) Inventories

Inventories include consumable stores, food and beverages, finished goods and work in progress and are carried at the lower of cost and net realisable value. Costs are assigned on a weighted average basis.

(p) Employee Entitlements**Annual Leave**

The provision for employee entitlements to annual leave represents the amount which the economic entity has a present obligation to pay resulting from employees' services provided up to the balance date. The provision has been calculated at nominal amounts based on current wage and salary rates and includes on-costs.

Long Service Leave

The liability for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the balance date.

Liabilities for employee entitlements which are not expected to be settled within twelve months are discounted using the interest rate applicable to 10 year Commonwealth Government bonds at balance date.

In determining the liability for employee entitlements, consideration has been given to future increases in wage and salary rates. Related on-costs have also been included in the liability.

Employee Share Plan

A TABCORP employee share plan has been established under which shares in TABCORP Holdings Limited and loans to acquire shares in the parent entity are made available to eligible employees (refer Note 32).

Superannuation

TABCORP Holdings Limited and its controlled entities contributed to a number of employee superannuation funds. Contributions are charged against income as incurred (refer Note 32).

Workers' Compensation

Star City Holdings Limited self-insures in relation to workers' compensation, and a provision has been brought to account.

(q) Joint Venture Operation

The economic entity's interest in an unincorporated joint venture operation is brought to account by including the following appropriate categories in the statement of financial position and statement of financial performance:

- the economic entity's interest in each of the individual assets employed and liabilities incurred in the joint venture operation; and
- the economic entity's share of product and expenses relating to the joint venture operation (refer Note 38).

(r) Rounding of Amounts

The company is of a kind referred to in class order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that class order to the nearest thousand dollars.

(s) Comparative Information

Comparative information has been reclassified to achieve consistency in disclosure with current financial year and other disclosures, where necessary.

(t) Changes in Accounting Policy

In accordance with the requirements of AASB 1041 'Revaluation of Non-Current Assets', capital works in progress and freehold land previously carried at valuation were reverted to a cost basis of measurement. For the purpose of transitioning to a cost basis, the existing revalued carrying amounts at 1 July 2000 were deemed to be their cost. This change in policy had no impact on the financial position or financial performance of the consolidated entity as presented in this financial report.

Notes to and forming part of the financial statements
for the year ended 30 June 2001

	Consolidated		TABCORP Holdings	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Note 2 Profit from ordinary activities				
Profit from ordinary activities has been determined after crediting the following revenues:				
Wagering and Gaming revenue	1,226,688	1,157,455	21,702	20,980
Casino revenue	572,899	429,307	–	–
Other operating revenues	12,012	9,069	–	–
Total operating revenues	1,811,599	1,595,831	21,702	20,980
Other revenues:				
Interest received or due and receivable from:				
– related parties	–	–	9	–
– other than related parties	4,460	3,664	679	689
Dividends received or due and receivable from related parties	–	–	192,000	164,250
Gross proceeds from sale of non-current assets ^(a)	1,473	13,975	339	11,479
Rental	3,889	3,060	46	314
Net foreign exchange gain	2,420	1,257	–	–
Other revenue items	13,716	12,791	26,744	26,584
Total other revenues	25,958	34,747	219,817	203,316
Total revenues from ordinary activities	1,837,557	1,630,578	241,519	224,296
(a) Net gain on disposal of property, plant and equipment	101	6,806	33	6,355
Individually significant items				
Gains				
Net gain on disposal of property, plant and equipment includes the following gain on sale of freehold land and buildings in the prior year:				
Consideration	–	11,472	–	11,472
Carrying amount of land and buildings sold	–	(5,147)	–	(5,147)
Gain on sale	–	6,325	–	6,325

	Consolidated		TABCORP Holdings	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Note 2 Profit from ordinary activities (continued)				
Profit from ordinary activities has been determined after charging the following expenses:				
Depreciation of:				
– buildings	5,339	3,771	–	176
– leasehold improvements	1,974	2,023	–	–
– plant and equipment	72,344	65,504	1,709	1,447
– consumables	848	1,085	–	–
Total depreciation	80,505	72,383	1,709	1,623
Amortisation of:				
– goodwill	18,093	12,696	–	–
– casino licence	2,591	1,840	–	–
– other licences	26	26	–	–
– rights to management agreement	2,185	1,025	–	–
– leased assets capitalised	7	7	–	–
– rental in advance	9,991	7,203	–	–
Total amortisation	32,893	22,797	–	–
Operating lease rentals:				
– minimum lease payments	7,641	5,419	2,075	1,931
Borrowing costs:				
– related parties	–	–	5,178	–
– other parties	70,992	49,307	–	2,744
– finance charges on capitalised leases	2	3	–	–
Net bad and doubtful debts expense	1,161	2,478	–	–
Research and development expenditure written off	–	30	–	–
Amounts set aside to provisions for:				
– employee entitlements	13,631	11,040	1,042	1,157
– inventory obsolescence	229	519	–	–
Total amount set aside to provisions	13,860	11,559	1,042	1,157
Note 3 Auditors' remuneration				
Total remuneration received or due and receivable by the auditor of TABCORP Holdings Limited and its controlled entities in respect of:				
– audit and review services	547	461	248	209
– other services	107	354	–	27

Notes to and forming part of the financial statements
for the year ended 30 June 2001

Note	Consolidated		TABCORP Holdings	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Note 4	Income tax			
	Income tax expense			
	The difference between income tax expense/(benefit) provided in the financial statements and the prima facie income tax expense/(benefit) is reconciled as follows:			
	Profit from ordinary activities before income tax expense			
	298,533	280,576	189,556	169,634
	Prima facie tax thereon at 34% (2000: 36%)			
	101,501	101,008	64,449	61,068
	Tax effect of permanent and other differences:			
	– dividends received			
	–	–	(65,280)	(59,130)
	– amortisation of goodwill			
	6,152	4,570	–	–
	– amortisation of rights to management agreement			
	743	369	–	–
	– amortisation of licences			
	890	671	–	–
	– sundry items			
	1,092	359	179	(73)
	– (over)/under provision in prior year			
	(1,827)	12	1	–
	– restatement due to change in tax rates			
	2,300	(1,193)	348	211
	Aggregate income tax expense/(benefit)			
	110,851	105,796	(303)	2,076
	Aggregate income tax expense/(benefit) comprises movements in:			
	– provision for income tax – (increase)			
	(86,110)	(89,126)	(945)	(3,388)
	– provision for deferred income tax – (increase)/decrease			
	(4,107)	(5,939)	152	(147)
	– future income tax benefits – increase/(decrease)			
	(20,634)	(10,731)	1,096	1,459
	Income tax (expense)/benefit			
	(110,851)	(105,796)	303	(2,076)
	Future income tax benefit			
	Future income tax benefit comprises the estimated future benefit at current income tax rates on the following items:			
	– tax losses carried forward			
	16,222	34,210	–	–
	– timing differences			
	22,562	26,198	3,576	2,782
	17			
	38,784	60,408	3,576	2,782

	Note	Consolidated		TABCORP Holdings	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Note 5	Dividends				
Dividends provided for or paid by the economic entity are:					
(a) an interim dividend of 25.0 cents per share, franked to 100% with Class C (34%) franking credits, was paid on 30 March 2001 (2000: 23.0 cents per share, franked to 100% with Class C (36%) franking credits was paid on 31 March 2000)					
		93,071	85,456	93,071	85,456
(b) a final dividend of 26.0 cents per share, franked to 100% with Class C (30%) franking credits, is provided (2000: 24.0 cents per share, franked to 100% with Class C (34%) franking credits was paid on 29 September 2000)					
	23	96,794	89,183	96,794	89,183
(c) a final dividend of 24.0 cents per share applicable to shares issued on 6 September 2000, franked to 100% with Class C (34%) franking credits was paid on 29 September 2000					
		36	–	36	–
	31	189,901	174,639	189,901	174,639
Franking credits					
Franking credits/(debits) available at the 30% (2000: 34%) corporate tax rate after allowing for tax payable provided for in the financial statements, payment of proposed dividends and receipt of dividends receivable					
				(575)	(5,247)

	Consolidated	
	2001 \$'000	2000 \$'000
Note 6	Earnings per share	
Basic earnings per share (cents per share)		
		50.4
Basic earnings per share (cents per share) (pre amortisation of goodwill)		
		55.3
Weighted average number of ordinary shares used in the calculation of basic earnings per share		
		372,071,766
		348,845,111

Diluted earnings per share is not materially different from basic earnings per share and accordingly is not disclosed.

Note 7 Segment information

The economic entity operates predominantly in the leisure and entertainment industry, providing wagering and gaming services and facilities within Australia.

Notes to and forming part of the financial statements
for the year ended 30 June 2001

	Note	Consolidated		TABCORP Holdings	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Note 8	Cash assets				
Cash on hand and in banks		58,852	40,395	249	–
Short-term deposits, maturing within 30 days (2000: 30 days)		40,423	35,699	3,740	403
Bank accepted bills, maturing within 60 days (2000: 60 days)		24,259	14,925	–	–
	34(a)	123,534	91,019	3,989	403
Note 9	Receivables (current)				
Trade debtors		10,702	11,311	–	–
Provision for doubtful debts		(6,178)	(5,961)	–	–
		4,524	5,350	–	–
Sundry debtors		2,822	262	2,446	53
Amounts receivable from controlled entities		–	–	227,817	198,028
Accrued interest income		266	114	24	3
		7,612	5,726	230,287	198,084
Note 10	Inventories (current)				
Consumable stores at cost		5,220	5,171	–	–
Provision for obsolescence		(666)	(429)	–	–
		4,554	4,742	–	–
Finished goods and stores at net realisable value		414	177	–	–
Work in progress at cost		–	6	–	–
		4,968	4,925	–	–
Note 11	Other assets (current)				
Rental in advance		10,214	10,222	–	–
Prepayments		4,752	6,631	540	381
Loans pursuant to employee share plan		2,255	2,884	2,255	2,884
Other		79	71	–	–
		17,300	19,808	2,795	3,265
Loans pursuant to employee share plan mature at either five years from the date of the loan or cessation of employment.					
Note 12	Receivables (non-current)				
Amounts receivable from controlled entities		–	–	581,229	597,151
Note 13	Other financial assets (non-current)				
Shares in controlled entities – at cost		–	–	3,241	3,192

		Consolidated		TABCORP Holdings	
		2001	2000	2001	2000
		\$'000	\$'000	\$'000	\$'000
Note 14	Property, plant and equipment				
Land and buildings:					
Freehold land					
– at cost		19,146	20,517	–	–
Buildings:					
– at cost		475,819	473,741	–	–
– accumulated depreciation		(21,317)	(15,856)	–	–
		454,502	457,885	–	–
Total land and buildings, net		473,648	478,402	–	–
Capital works in progress:					
– at cost		755	794	–	–
Leasehold improvements:					
– at cost		20,867	19,437	–	–
– accumulated amortisation		(9,504)	(7,837)	–	–
Total leasehold improvements, net		11,363	11,600	–	–
Consumables:					
– at cost		9,789	10,294	–	–
– accumulated depreciation		(4,636)	(4,006)	–	–
Total consumables, net		5,153	6,288	–	–
Leased plant and equipment:					
– at cost		45	45	–	–
– accumulated amortisation		(25)	(18)	–	–
Total leased plant and equipment, net		20	27	–	–
Plant and equipment:					
– at cost		693,234	683,352	8,873	7,541
– accumulated depreciation		(333,915)	(282,212)	(3,796)	(2,329)
Total plant and equipment, net		359,319	401,140	5,077	5,212
		850,258	898,251	5,077	5,212

Note 14 Property, plant and equipment (continued)

(a) Independent valuations of applicable freehold land and buildings were carried out as at 30 June 2001 and at 31 December 1999 in accordance with the economic entity's policy of obtaining an independent valuation of land and buildings every three years. These valuations are on the basis of the open market value of the properties concerned in either their existing use or alternative use where the properties are identified as not long term operational assets. The directors are of the opinion that these bases provide a reasonable estimate of recoverable amount.

	Valuation \$'000	Carrying Value \$'000
Consolidated		
The amount of the valuation as at 30 June 2001 is:	460,127	455,853
The amount of the valuation as at 31 December 1999 is:	12,200	12,200

(b) Refer to Note 21 for information on non-current assets pledged as security by the parent entity or its controlled entities.

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial year are set out below.

	Freehold Land \$'000	Buildings \$'000	Capital Works in Progress \$'000	Leasehold Improvements \$'000	Consumables \$'000	Leased Plant and Equipment \$'000	Plant and Equipment \$'000
2001 – Consolidated							
Carrying amount at beginning of year	20,517	457,885	794	11,600	6,288	27	401,140
Additions	14	2,417	–	3,531	219	–	49,129
Disposals	(1,385)	(461)	(39)	(1,198)	(506)	–	(7,534)
Depreciation/Amortisation expense	–	(5,339)	–	(2,570)	(848)	(7)	(83,416)
Carrying amount at end of year	19,146	454,502	755	11,363	5,153	20	359,319
2000 – Consolidated							
Carrying amount at beginning of year	10,073	7,064	–	9,460	–	–	145,454
Additions	244	1,552	6	4,150	–	–	61,433
Disposals	(2,000)	(3,780)	–	(205)	–	(203)	(3,594)
Additions through acquisition of entity	12,200	457,219	788	864	7,373	237	274,665
Depreciation/Amortisation expense	–	(4,170)	–	(2,669)	(1,085)	(7)	(76,818)
Carrying amount at end of year	20,517	457,885	794	11,600	6,288	27	401,140
2001 – TABCORP Holdings Limited							
Carrying amount at beginning of year	–	–	–	–	–	–	5,212
Additions	–	–	–	–	–	–	1,880
Disposals	–	–	–	–	–	–	(306)
Depreciation/Amortisation expense	–	–	–	–	–	–	(1,709)
Carrying amount at end of year	–	–	–	–	–	–	5,077
2000 – TABCORP Holdings Limited							
Carrying amount at beginning of year	2,000	3,244	–	–	–	–	4,973
Additions	–	–	–	–	–	–	1,788
Disposals	(2,000)	(3,068)	–	–	–	–	(103)
Depreciation/Amortisation expense	–	(176)	–	–	–	–	(1,446)
Carrying amount at end of year	–	–	–	–	–	–	5,212

	Note	Consolidated		TABCORP Holdings	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Note 15	Intangible assets – licences				
Wagering and Gaming licence at cost	1(j)	597,240	597,240	597,240	597,240
Casino licence:					
– at cost	1(j)	256,000	256,000	–	–
– accumulated amortisation		(16,935)	(14,343)	–	–
		239,065	241,657	–	–
Other licences:					
– at cost	1(j)	280	280	280	280
– accumulated amortisation		(70)	(44)	(70)	(44)
		210	236	210	236
		836,515	839,133	597,450	597,476
Note 16	Intangible assets – other				
Goodwill:					
– at cost		360,635	358,790	–	–
– accumulated amortisation		(30,789)	(12,696)	–	–
		329,846	346,094	–	–
Rights to Management Agreement:					
– at cost		205,224	205,224	–	–
– accumulated amortisation		(3,210)	(1,025)	–	–
		202,014	204,199	–	–
		531,860	550,293	–	–
Note 17	Deferred tax assets				
Future income tax benefits	4	38,784	60,408	3,576	2,782
Note 18	Other assets (non-current)				
Rental in advance		56,409	66,614	–	–
Loans to executive directors	39(c)	5,923	7,241	5,923	7,241
Loans pursuant to employee share plan		28,755	27,754	28,755	27,754
Other		57	35	–	–
		91,144	101,644	34,678	34,995
Loans pursuant to employee share plan mature at either five years from the date of the loan or cessation of employment.					
Note 19	Payables (current)				
Trade creditors and accrued expenses – unsecured		105,025	98,724	1,746	3,154
Amounts due to controlled entities		–	–	117,894	109,724
		105,025	98,724	119,640	112,878

Notes to and forming part of the financial statements
for the year ended 30 June 2001

	Note	Consolidated		TABCORP Holdings	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Note 20	Interest bearing liabilities (current)				
Bank loans – unsecured	21	228,898	187,898	–	–
Bank overdraft – secured	21, 34(a)	–	8,833	–	–
Other loans		133	133	–	–
Lease liabilities	33(c)	21	7	–	–
		229,052	196,871	–	–
Details of the security relating to the bank overdraft is disclosed in Note 21.					
Note 21	Financing arrangements				
The economic entity has access to the following financing facilities:					
Total facilities available:					
Working capital		200,000	200,000	–	–
Term debt/revolving		1,205,000	1,235,000	–	–
		1,405,000	1,435,000	–	–
Facilities utilised at balance date:					
Working capital	20, 26	91,000	58,833	–	–
Term debt/revolving	20, 26	847,898	917,898	–	–
		938,898	976,731	–	–
Facilities not utilised at balance date:					
Working capital		109,000	141,167	–	–
Term debt/revolving		357,102	317,102	–	–
		466,102	458,269	–	–

The economic entity has two distinct financing facilities. One to meet the general requirements of the group, and the other established by Star City Holdings Limited and its controlled entities ('Star').

General Requirements

This facility consists of:

- a \$100 million working capital facility expiring 30 June 2002;
- a \$200 million short-term facility expiring 31 August 2001; and
- a \$350 million revolving facility expiring 30 June 2003.

Existing loans incur interest at the bank bill swap rate (BBSY) on the date of funding for the term equivalent to the funding period plus an agreed margin.

Each of the above facilities is subject to a negative pledge agreement under which the economic entity undertakes to comply with financial undertakings as to its tangible net worth, gearing and interest cover.

Star Facilities

Star have a facility as follows:

- a \$400 million term facility expiring 30 April 2004;
- a \$255 million revolving facility which reduces by \$30 million per annum until 30 June 2004 when the balance of the facility expires; and
- a \$100 million working capital facility which is to be utilised for general corporate purposes and the Star City Complex. This facility is renewable annually.

Bank bills have an average maturity of seven days.

Note 21 Financing arrangements (continued)

Star was granted a Group Limit Facility on 10 May 1996 which enables certain of the controlled entities of Star to net the balances of the bank accounts required as part of the working capital facility.

These facilities have been secured by charges over assets (as detailed below), undertakings and cash flows of Star.

	Note	Consolidated		TABCORP Holdings	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
The carrying amount of non-current assets pledged as security are:					
– Property, plant and equipment		694,256	726,259	–	–
Note 22 Current tax liabilities					
Taxation		24,854	73,756	–	1,478
Note 23 Provisions (current)					
Dividends	5	96,794	89,183	96,794	89,183
Employee entitlements	32	19,143	17,864	2,052	2,153
Workers' compensation		3,480	1,418	–	–
Surplus lease space	33(b)	156	168	–	–
Restructuring costs		245	2,791	–	–
Other		1,980	2,777	–	–
		121,798	114,201	98,846	91,336
Note 24 Other liabilities (current)					
Deferred revenue		446	586	–	–
Note 25 Payables (non-current)					
Trade creditors and accrued expenses – unsecured		5,745	9,928	245	428
Amounts due to controlled entities		–	–	23,522	23,522
		5,745	9,928	23,767	23,950
Note 26 Interest bearing liabilities (non-current)					
Bank loans – unsecured	21	350,000	350,000	–	–
Bank loans – secured	21	360,000	430,000	–	–
Other loans		–	133	–	–
Lease liabilities	33(c)	–	21	–	–
		710,000	780,154	–	–
Details of the security relating to the bank loans is disclosed in Note 21.					
Note 27 Deferred tax liabilities					
Provision for deferred income tax – timing difference		52,408	48,086	510	662

Notes to and forming part of the financial statements
for the year ended 30 June 2001

	Note	Consolidated		TABCORP Holdings	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Note 28	Provisions (non-current)				
Employee entitlements	32	6,311	5,669	532	552
Surplus lease space	33(b)	1,678	1,835	–	–
Other		–	1,627	–	–
		7,989	9,131	532	552
Note 29	Other liabilities (non-current)				
Deferred revenue		1,448	1,706	–	–
Note 30	Contributed equity				
Issued and paid up capital:					
Ordinary shares, fully paid		1,218,819	1,211,454	1,218,819	1,211,454

(a) Movements in ordinary share capital

Date	Details	Number of Shares	Issue Price \$	\$'000
1 July 1999	Opening balance	304,380,206		600,734
28 October 1999	Part consideration for the acquisition of Star City Holdings Ltd	59,424,729	9.06	538,388
10 November 1999	Part consideration for the acquisition of Star City Holdings Ltd	3,105,339	9.06	28,134
11 November 1999	Issue to employees under the Employee Share Plan*	670,500	10.65	7,141
9 December 1999	Part consideration for the acquisition of Star City Holdings Ltd	2,720,929	9.06	24,652
14 December 1999	Part consideration for the acquisition of Star City Holdings Ltd	77,607	9.06	703
21 December 1999	Part consideration for the acquisition of Star City Holdings Ltd	2,750	9.06	25
18 January 2000	Part consideration for the acquisition of Star City Holdings Ltd	8,441	9.06	76
31 January 2000	Part consideration for the acquisition of Star City Holdings Ltd	103,833	9.06	941
7 March 2000	Issue to employees under the Employee Share Plan*	240,000	9.74	2,338
10 March 2000	Issue to employees under the Employee Share Plan*	814,500	9.74	7,933
3 May 2000	Issue to employees under the Employee Share Plan*	30,000	9.29	279
15 May 2000	Issue to employees under the Employee Share Plan*	15,000	9.29	139
	Less: transaction costs arising on share issues			(29)
30 June 2000	Balance	371,593,834		1,211,454
6 September 2000	Issue to employees under the Employee Share Plan*	152,500	9.70	1,479
3 November 2000	Issue to employees under the Employee Share Plan*	537,500	10.95	5,886
30 June 2001	Balance	372,283,834		1,218,819

*Refer Note 32 for details of the Employee Share Plan.

(b) Ordinary Shares

There is only one class of share (ordinary shares) on issue. These ordinary shares entitle the holder to participate in dividends and proceeds on winding up of the company in proportion to the number and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(c) Options

At the 1999 Annual General Meeting, shareholders approved the granting of 3,000,000 options to Mr I.R.Wilson to acquire ordinary shares in TABCORP Holdings Limited. These options were granted in four tranches and will be exercisable at \$10.18, subject to the achievement of certain annual and cumulative performance benchmarks. To the extent to which any options are not able to be exercised or are not exercised by 30 June 2004, they will lapse.

	Note	Consolidated		TABCORP Holdings	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Note 31	Retained profits				
Retained profits at the beginning of the financial year		26,610	26,469	250	7,331
Net profit attributable to members of the parent entity		187,682	174,780	189,859	167,558
Dividends provided for or paid	5	(189,901)	(174,639)	(189,901)	(174,639)
Retained profits at the end of the financial year		24,391	26,610	208	250
Note 32	Employee entitlements				
Aggregate employee entitlements, including on-costs					
Current	23	19,143	17,864	2,052	2,153
Non-current	28	6,311	5,669	532	552
		25,454	23,533	2,584	2,705
		2001	2000	2001	2000
Employee Numbers					
Number of employees at 30 June		4,499	4,658	174	155

Employee Share Plan

A TABCORP Employee Share Plan has been established and approved by shareholders under which shares in the parent entity and loans to acquire shares in the parent entity are available to eligible employees. Other than shares applied for in the TABCORP float, the shares are issued at market price at the date of offer. The maximum number of shares that can be outstanding at any time under the Plan is limited to 3% of the issued capital of the parent entity.

Details of the employee share plan for the parent entity are as follows:

	Ordinary Shares			
	2001 ^(a)	2001 ^(b)	2000 ^(a)	2000 ^(b)
Total number issued to employees during the year ('000)	690	–	1,770	–
Total number issued to employees since commencement of the plan ('000)	7,939	3,500	7,249	3,500
Total number that have become available for purchase since commencement of the plan ('000)	17,384	3,500	16,694	3,500
Purchase entitlements not taken up by employees are not available at balance date for purchase.				
Total number of employees eligible to participate in this plan at balance date	4,043	1	4,191	1
Total number of employees participating in this plan at balance date	1,315	1	1,629	1
Total market value, at date of issue, of issues during the year (\$'000)	7,365	–	17,277	–
Proceeds received from issues during the year (\$'000)	7,365	–	17,830	–

^(a) shares issued to employees

^(b) shares issued to a director under a service agreement

Note 32 Employee entitlements (continued)

Superannuation Funds

The economic entity maintains three superannuation funds covering all of its employees and the employees of controlled entities.

The TABCORP Superannuation Fund and the TABCORP Staff Superannuation Fund comprise:

- (a) a defined benefit section (closed to new entrants): providing benefits based on salary and length of service; and
- (b) an accumulation section: providing benefits based on contributions accumulated with interest.

An additional section is included in the TABCORP Staff Superannuation Fund covering non-executive directors of TABCORP Holdings Limited which provides benefits based on remuneration and period of service, as approved by shareholders.

The Star City Superannuation Fund is an accumulation fund. This fund was closed to new members on 1 December 2000.

The most recent actuarial reviews of the TABCORP Superannuation Fund and the TABCORP Staff Superannuation Fund were carried out effective at 1 July 1998 by Mr A. Sach, FIAA, of William M. Mercer Pty Ltd. The actuary's investigation for those reviews confirmed that both Funds held sufficient assets to meet any benefits that would have been vested under each Fund in the event of termination of the Funds or the voluntary or compulsory termination of employment of each employee.

The next actuarial investigations of the TABCORP Superannuation Fund and the TABCORP Staff Superannuation Fund are being undertaken as at 30 June 2001, and are not available at the date of this report.

TABCORP Holdings Limited and controlled entities are obliged to contribute to the Superannuation Funds as a consequence of legislation or trust deeds; legal enforceability is dependent on the terms of the legislation and the trust deeds. The rate of payment of contributions to the Funds is based on advice from the actuary.

The information disclosed at the last actuarial review of the TABCORP Superannuation Fund and the TABCORP Staff Superannuation Fund is as follows:

	TABCORP Superannuation Fund \$'000	TABCORP Staff Superannuation Fund \$'000	Total \$'000
At 30 June 1998			
Fund assets at market value	34,323	39,923	74,246
Accrued benefits	16,070	17,262	33,332
Excess of Fund assets over accrued benefits	18,253	22,661	40,914
Information disclosed in the most recent audited financial statements of both Funds is as follows:			
At 30 June 2000			
Fund assets at market value	38,621	46,341	84,962
Vested benefits	20,499	24,365	44,864
At 30 June 1999			
Fund assets at market value	36,529	43,478	80,007
Vested benefits	17,887	20,214	38,101

	Note	Consolidated		TABCORP Holdings	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Note 33	Commitments				
(a) Capital expenditure commitments					
Contracted but not provided for and payable not later than one year		4,280	4,565	745	881
(b) Operating lease commitments					
Contracted but not provided for and payable:					
Not later than one year		9,045	8,746	2,247	2,062
Later than one year but not later than five years		27,844	25,817	10,150	8,985
Later than five years		35,279	38,357	1,659	3,850
		72,168	72,920	14,056	14,897
Surplus lease space exists in relation to the operating lease commitments disclosed above, in respect of which a liability has been recognised in the financial statements as follows:					
Current provisions	23	156	168	–	–
Non-current provisions	28	1,678	1,835	–	–
		1,834	2,003	–	–
Non-cancellable sub-leases exist in relation to the operating lease commitments disclosed above with the following future minimum lease payments expected to be received:					
Not later than one year		2,426	3,086	–	–
Later than one year but not later than five years		4,871	4,545	–	–
Later than five years		1,648	2,147	–	–
		8,945	9,778	–	–
The consolidated entity leases property under operating leases expiring from one year to ninety-two years. Leases generally provide the consolidated entity with a right of renewal at which time all terms are renegotiated. Lease payments comprise a base amount plus an incremental contingent rental. Contingent rentals are based on either movements in the Consumer Price Index or are subject to market rate review.					
(c) Finance lease commitments					
Not later than one year		21	9	–	–
Later than one year but not later than five years		–	21	–	–
Later than five years		–	–	–	–
		21	30	–	–
Future finance charges		–	(2)	–	–
		21	28	–	–
Lease liabilities provided for in the financial statements:					
Current	20	21	7	–	–
Non-current	26	–	21	–	–
		21	28	–	–

The consolidated entity leases a motor vehicle under a finance lease expiring within one year. At the end of the lease term the consolidated entity has the option to purchase the motor vehicle at a price of \$18,179.

Notes to and forming part of the financial statements
for the year ended 30 June 2001

	Note	Consolidated		TABCORP Holdings	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Note 34	Notes to the statement of cash flows				
(a) Reconciliation of cash					
For the purposes of the statement of cash flows, cash includes cash on hand and in banks, deposits at call and bank accepted bills, net of outstanding bank overdrafts.					
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:					
Cash	8	123,534	91,019	3,989	403
Bank overdraft	20	–	(8,833)	–	–
		123,534	82,186	3,989	403
(b) Reconciliation of profit from ordinary activities after income tax to net cash provided by operating activities					
Profit from ordinary activities after income tax		187,682	174,780	189,859	167,558
Add/(less) items classified as investing/financing activities:					
Profit on sale of non-current assets		(101)	(6,806)	(33)	(6,355)
Add/(less) non-cash income and expense items:					
Depreciation expense		80,505	72,383	1,709	1,623
Amortisation expense		22,902	15,594	–	–
Write-off fixed assets		550	(255)	–	–
Net cash provided by operating activities before change in assets and liabilities		291,538	255,696	191,535	162,826
Change in assets and liabilities:					
(Increase)/decrease in:					
– trade and sundry debtors		(1,600)	4,870	(2,393)	12
– inventories		(43)	(281)	–	–
– prepayments		11,993	9,107	(159)	(79)
– accrued interest income		(121)	65	(21)	4
– amounts receivable from controlled entities		–	–	(28,054)	(23,523)
– future income tax benefits		21,617	10,729	(953)	(1,699)
(Decrease)/increase in:					
– trade creditors and accrued expenses		10,810	7,072	(2,207)	(571)
– amounts due to controlled entities		–	–	(4,048)	(137,040)
– provisions		369	(3,281)	408	946
– provision for deferred income tax		4,322	5,940	(152)	147
– provision for income tax		(49,425)	(3,043)	221	(345)
– deferred revenue		205	79	–	–
Net cash provided by operating activities		289,665	286,953	154,177	678

	Note	Consolidated	
		2001 \$'000	2000 \$'000
Note 34	Notes to the statement of cash flows (continued)		
(c) Acquisition of controlled entities			
During the previous financial year the consolidated entity purchased 100% of the ordinary shares of Star City Holdings Limited, 100% of the ordinary shares of Showboat Australia Pty Ltd and 100% of the ordinary shares of Structured Data Systems Limited.			
Details of the acquisitions are as follows:			
Consideration		–	(1,112,053)
Net Cash acquired		–	44,881
Shares issued by TABCORP Holdings Limited (non-cash)		–	592,919
Other non-cash consideration (accruals for pre-acquisition costs, escrow funds)		–	906
Outflow of cash		–	(473,347)
Fair value of net assets of entities acquired:			
Net cash		–	44,881
Accounts receivable		–	101,713
Prepayments		–	89,957
Inventory		–	1,633
Property, plant and equipment		–	764,776
Rights to management agreement		–	205,225
Casino licence		–	243,497
Other assets		–	66,890
Accounts payable		–	(54,854)
Borrowings		–	(610,524)
Provisions*		–	(97,546)
Other liabilities		–	(2,385)
Goodwill on acquisition	16	–	753,263
Consideration (total)	35	–	1,112,053
Less non-cash consideration		–	(593,825)
Consideration (cash)		–	518,228

*Includes \$6,200,000 provision for restructuring in relation to Star City Holdings Limited covering staff rationalisation and review of operations.

Notes to and forming part of the financial statements
for the year ended 30 June 2001

Note 35 Acquisition of controlled entities

The following controlled entities were acquired in the previous year at the dates stated and their operating results have been included in the statement of financial performance in the previous year from the relevant date.

Entity and consideration given	Note	Date Acquired	Cost of Acquisition \$'000	The Consolidated Entity's Interest %
Star City Holdings Limited and its controlled entities:		14 October 1999	902,327	100
– cash				
– issue of 65,443,628 ordinary shares in TABCORP Holdings Limited at \$9.06 per share				
Showboat Australia Pty Ltd and its controlled entity		11 January 2000	206,534	100
– cash				
Structured Data Systems Limited		14 April 2000	3,192	100
– cash				
	34		1,112,053	

Note 36 Controlled entities

The following were controlled entities at 30 June 2001, and have been included in the consolidated financial statements. The financial years of all controlled entities are the same as that of TABCORP Holdings Limited.

Name of Controlled Entity	Note	Place of Incorporation	Type of Shares	Interest held	
				2001 %	2000 %
TABCORP Holdings Limited		Australia	–	–	–
TABCORP Assets Pty Ltd	(a)	Australia	ordinary	100	100
TABCORP Manager Pty Ltd	(a)(c)	Australia	ordinary	100	100
TABCORP Participant Pty Ltd	(a)	Australia	ordinary	100	100
TABCORP (Queensland) Pty Ltd	(a)(c)	Australia	ordinary	100	100
TABCORP Investments Pty Ltd	(b)	Australia	ordinary	100	100
TABCORP Online Pty Ltd	(c)	Australia	ordinary	100	100
Star City Holdings Limited	(b)(d)	Australia	ordinary	100	100
Star City Pty Ltd	(b)(d)	Australia	ordinary	100	100
Star City Entertainment Pty Ltd	(b)(d)	Australia	ordinary	100	100
Sydney Harbour Casino Properties Pty Ltd	(b)(d)	Australia	ordinary	100	100
Sydney Harbour Apartments Pty Ltd	(b)(d)	Australia	ordinary	100	100
Star City Investments Pty Ltd	(b)(d)	Australia	ordinary	100	100
Showboat Australia Pty Ltd	(b)	Australia	ordinary	100	100
Sydney Casino Management Pty Ltd		Australia	ordinary	85	85
Structured Data Systems Pty Ltd	(a)(c)	Australia	ordinary	100	100

(a) These companies have entered into a Deed of Cross Guarantee dated 8 June 1995 with TABCORP Holdings Limited which provides that all parties to the deed will guarantee to each creditor payment in full of any Debt of each company participating in the deed in certain circumstances, including the winding up of that company. In addition, as a result of the class order issued by the Australian Securities and Investments Commission, TABCORP Assets Pty Ltd and TABCORP Participant Pty Ltd are relieved from the requirements to prepare financial statements.

The consolidated statement of financial performance and statement of financial position of all entities included in this class order 'closed group' are set out at footnote(f). Structured Data Systems Pty Ltd was approved to become a party to Deed of Cross Guarantee on 13 November 2000, therefore is only included in the 'closed group' for the 30 June 2001 year.

Note 36**Controlled entities (continued)**

(b) These companies have entered into a Deed of Cross Guarantee dated 4 June 2001 with TABCORP Investments Pty Ltd which provides that all parties to the deed will guarantee to each creditor payment in full of any Debt of each company participating in the deed in certain circumstances, including the winding up of that company. In addition, as a result of the class order issued by the Australian Securities and Investments Commission, Star City Holdings Limited, Star City Pty Ltd, Star City Entertainment Pty Ltd, Sydney Harbour Casino Properties Pty Ltd, Sydney Harbour Apartments Pty Ltd, Star City Investments Pty Ltd and Showboat Australia Pty Ltd are relieved from the requirements to prepare financial statements.

The consolidated statement of financial performance and statement of financial position of all entities included in this class order 'closed group' are set out at footnote (g).

(c) These companies are relieved from the requirements to prepare financial statements as they are all small proprietary companies as defined by the Corporations Act (2001).

(d) These companies have provided a charge over their assets and undertakings and have entered into a guarantee and indemnity agreement as explained in Note 40(c) and (d).

(e) TABCORP Superannuation Pty Ltd, TABCORP Staff Superannuation Pty Ltd and Star City Superannuation Fund Pty Ltd are wholly owned subsidiaries of TABCORP Holdings Limited, and are not considered to be controlled entities in accordance with section 50AA(4) of the Corporations Act (2001).

(f) Financial information for class order closed group – entities denoted as (a) above.

TABCORP Holdings Limited Closed Group

	2001	2000
	\$'000	\$'000
Statement of Financial Performance for the year ended 30 June 2001		
Revenues from ordinary activities	1,280,556	1,188,880
Government taxes	(433,002)	(409,072)
Commissions and fees	(395,822)	(370,617)
Employee costs	(50,293)	(52,417)
Depreciation and amortisation	(36,583)	(38,535)
Borrowing costs	(37,450)	(21,488)
Other expenses from ordinary activities	(56,840)	(58,966)
Profit from ordinary activities before income tax expense	270,566	237,785
Income tax expense relating to ordinary activities	(80,858)	(84,736)
Net profit attributable to members of the parent entity	189,708	153,049
Retained profits at the beginning of the financial year	4,694	26,469
Net profit attributable to members of the parent entity	189,708	153,049
Dividends provided for or paid	(189,901)	(174,639)
Retained profits at the end of the financial year	4,501	4,879

TABCORP Holdings Limited Closed Group

	2001 \$'000	2000 \$'000
Note 36 Controlled entities (continued)		
Statement of Financial Position as at 30 June 2001		
Cash assets	77,737	59,861
Receivables	25,315	4,269
Inventories	4,012	3,381
Other	3,861	4,961
Total current assets	110,925	72,472
Receivables	1,106,837	1,108,837
Other financial assets	–	3,192
Property, plant and equipment	156,002	171,970
Intangible assets – licences	597,450	597,476
Intangible assets – other	1,864	–
Deferred tax assets	8,868	5,751
Other	34,678	34,995
Total non-current assets	1,905,699	1,922,221
TOTAL ASSETS	2,016,624	1,994,693
Payables	79,019	86,125
Interest bearing liabilities	229,031	187,898
Current tax liabilities	18,903	44,811
Provisions	103,889	95,697
Total current liabilities	430,842	414,531
Payables	245	428
Interest bearing liabilities	350,000	350,000
Deferred tax liabilities	8,850	9,887
Provisions	3,103	3,514
Other	264	–
Total non-current liabilities	362,462	363,829
TOTAL LIABILITIES	793,304	778,360
NET ASSETS	1,223,320	1,216,333
Contributed equity	1,218,819	1,211,454
Retained profits	4,501	4,879
TOTAL EQUITY	1,223,320	1,216,333

TABCORP Investments Pty Ltd Closed Group

**2001
\$'000**

Note 36	Controlled entities (continued)	2001 \$'000
	(g) Financial information for class order closed group – entities denoted as (b) above	
	Statement of Financial Performance for the year ended 30 June 2001	
	Revenues from ordinary activities	593,337
	Government taxes	(123,524)
	Commissions and fees	(11,130)
	Employee costs	(188,761)
	Depreciation and amortisation	(76,815)
	Borrowing costs	(33,544)
	Other expenses from ordinary activities	(96,366)
	Profit from ordinary activities before income tax expense	63,197
	Income tax expense relating to ordinary activities	(29,993)
	Net profit attributable to members of the parent entity	33,204
	Retained profits at the beginning of the financial year	21,916
	Net profit attributable to members of the parent entity	33,204
	Dividends provided for or paid	(35,230)
	Retained profits at the end of the financial year	19,890

TABCORP Investments Pty Ltd Closed Group

**2001
\$'000**

Note 36	Controlled entities (continued)		
Statement of Financial Position as at 30 June 2001			
	Cash assets	45,797	
	Receivables	8,384	
	Inventories	956	
	Other	13,439	
	Total current assets	68,576	
	Property, plant and equipment	694,256	
	Intangible assets – licences	239,065	
	Intangible assets – other	529,996	
	Deferred tax assets	29,916	
	Other	56,466	
	Total non-current assets	1,549,699	
	TOTAL ASSETS	1,618,275	
	Payables	31,068	
	Interest bearing liabilities	21	
	Current tax liabilities	5,951	
	Provisions	38,759	
	Other	446	
	Total current liabilities	76,245	
	Payables	1,112,512	
	Interest bearing liabilities	360,000	
	Deferred tax liabilities	43,558	
	Provisions	4,886	
	Other	1,184	
	Total non-current liabilities	1,522,140	
	TOTAL LIABILITIES	1,598,385	
	NET ASSETS	19,890	
	Contributed equity	–	
	Retained profits	19,890	
	TOTAL EQUITY	19,890	

Note 37**Staff costs****(a) Remuneration of Directors**

Prepared in accordance with Accounting Standard AASB 1017 and Urgent Issues Group Abstract 14 and reported on the basis of gross cost to the entity of remuneration paid or payable, or otherwise made available.

The numbers of directors of TABCORP Holdings Limited whose remuneration (including brokerage, commission, bonuses, retirement payments and salaries), paid or payable directly or indirectly by the parent entity or any related party, as shown in the following bands, were:

	TABCORP Holdings	
	2001	2000
\$0 – \$9,999	–	3
\$100,000 – \$109,999	1	2
\$110,000 – \$119,999	2	–
\$120,000 – \$129,999	2	–
\$130,000 – \$139,999	–	1
\$160,000 – \$169,999	1	–
\$230,000 – \$239,999	–	1
\$280,000 – \$289,999	1	–
\$550,000 – \$559,999	1	–
\$570,000 – \$579,999	–	1
\$2,200,000 – \$2,209,999	1	–
\$2,690,000 – \$2,699,999	–	1
	\$'000	\$'000
The aggregate remuneration of the directors referred to in the above bands was:	3,808	3,881

The total of all remuneration paid or payable directly or indirectly, by the respective corporations of which they are director, or any related party, to all the directors of each corporation in the economic entity was \$3.830 million (2000: \$3.890 million). This amount includes the value of insurance premiums paid for the benefit of directors.

Note 37 Staff costs (continued)

(b) Remuneration of Executives

Prepared in accordance with Accounting Standard AASB 1034 and reported on the basis of gross cost to the entity of remuneration paid or payable, or otherwise made available.

The numbers of executive officers domiciled in Australia who received, or were due to receive, directly or indirectly from the parent entity, or from any related party, a total remuneration in connection with the management of affairs of the parent entity, or any of its subsidiaries whether as executive officers or otherwise, as shown in the following bands, were:

	Consolidated		TABCORP Holdings	
	2001	2000	2001	2000
\$100,000 – \$109,999	–	1	–	1
\$120,000 – \$129,999	–	1	–	1
\$130,000 – \$139,999	–	1	–	1
\$140,000 – \$149,999	–	2	–	2
\$150,000 – \$159,999	–	1	–	1
\$170,000 – \$179,999	1	–	–	–
\$190,000 – \$199,999	–	1	–	1
\$200,000 – \$209,999	1	2	1	1
\$210,000 – \$219,999	2	4	–	3
\$220,000 – \$229,999	4	2	1	1
\$230,000 – \$239,999	1	3	1	1
\$240,000 – \$249,999	3	–	–	–
\$250,000 – \$259,999	1	3	–	2
\$260,000 – \$269,999	1	1	–	1
\$270,000 – \$279,999	2	–	–	–
\$280,000 – \$289,999	1	–	–	–
\$290,000 – \$299,999	2	–	1	–
\$310,000 – \$319,999	1	–	–	–
\$340,000 – \$349,999	2	–	–	–
\$360,000 – \$369,999	1	–	1	–
\$460,000 – \$469,999	1	–	–	–
\$490,000 – \$499,999	1	–	1	–
\$500,000 – \$509,999	–	2	–	2
\$520,000 – \$529,999	–	1	–	–
\$550,000 – \$559,999	3	–	2	–
\$570,000 – \$579,999	–	1	–	1
\$620,000 – \$629,999	–	1	–	1
\$770,000 – \$779,999	1	–	–	–
\$930,000 – \$939,999	–	1	–	–
\$2,200,000 – \$2,209,999	1	–	1	–
\$2,690,000 – \$2,699,999	–	1	–	1

	\$'000	\$'000	\$'000	\$'000
The aggregate remuneration of the executives referred to in the above bands was:	11,603	10,825	5,136	7,996

Remuneration of executives includes executive directors of the parent entity who are already disclosed within 'Remuneration of Directors'.

Note 38 Interest in joint venture operation

TABCORP Holdings Limited and certain of its controlled entities (TABCORP Assets Pty Ltd, TABCORP Manager Pty Ltd and TABCORP Participant Pty Ltd) conduct an unincorporated joint venture operation with VicRacing Pty Ltd. TABCORP Holdings Limited and the abovenamed controlled entities manage the joint venture whose principal activity is the organisation, conduct, promotion and development of wagering and gaming within the State of Victoria. The economic entity receives 75% of the product and expenses of the joint venture.

	Consolidated	
	2001 \$'000	2000 \$'000
Assets employed in joint venture operations:		
Current Assets:		
– cash assets	73,544	57,620
– receivables	1,251	1,884
– other	124	3
	74,919	59,507
Total assets employed	74,919	59,507

Note 39 Related parties**(a) Directors**

The following persons held the position of director of TABCORP Holdings Limited during all of the past two financial years, unless otherwise stated:

M.B. Robinson
 I.R. Wilson
 A.G. Hodgson
 G.H. Bennett (appointed on 28 June 2000) (retired on 30 June 2001)
 P.G. Satre (appointed on 28 June 2000)
 D.J. Simpson
 P.H. Wade
 R.F.E. Warburton (appointed on 28 June 2000)
 W.V. Wilson

Shares Issued by Parent Entity

	2001	2000
	Number	Number
(b) Directors' Shareholdings		
Shares and share options acquired from the entity during the year:		
– ordinary shares	50,000	50,000
– options over ordinary shares	–	3,000,000
Shares and share options held at end of the year:		
Directly or indirectly		
– ordinary shares	4,710,500	4,661,500
– options over ordinary shares	3,000,000	3,000,000

Note 39 Related parties (continued)

(c) Directors' Loans

Director loans have been made to executive directors I.R. Wilson and D.J. Simpson. Interest, where applicable, is charged at a rate to a maximum of 5% and totalled \$51,229 (2000: \$53,142) during the year. The loans are to be repaid following cessation of employment, and, where advanced to finance the acquisition of shares in the company, the dividends received on those shares are applied towards loan repayment. The loans are secured by an equitable mortgage over the shares held by the directors. In the prior year, TABCORP Holdings Limited made a loan, approved by shareholders, of \$381,250 to I.R. Wilson as provided for under his service agreement. I.R. Wilson repaid \$1.300 million (2000: \$1.395 million) and D.J. Simpson repaid \$18,083 (2000: \$20,377) of the balance outstanding on their loans during the year.

	Note	Consolidated		TABCORP Holdings	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Loans to directors outstanding at year end:					
Non-current	18	5,923	7,241	5,923	7,241

(d) Director Transactions

The directors of the economic entity, or their director-related entities, conduct transactions with entities within the economic entity that occur within a normal employee, customer or supplier relationship on terms and conditions no more favourable than those with which it is reasonable to expect the entity would have adopted if dealing with the director or director-related entity at arm's length in similar circumstances. These transactions include the following and have been quantified below where the transactions are considered likely to be of interest to users of these financial statements:

- (i) Mr M.B. Robinson is a partner in the legal firm of Arthur Robinson & Hedderwicks. This firm rendered legal advice to the economic entity. All dealings with the firm were in the ordinary course of business and on normal commercial terms and conditions. The amount paid by the economic entity during the year was \$0.481 million.
- (ii) Mr P.G. Satre is the Chairman, President and Chief Executive Officer of Harrah's Entertainment Inc. This company provides the economic entity with access to their knowledge and experience in operating casinos via an agreement which commenced in January 2000. During the financial year, the term of the agreement was extended for a further two years until 10 January 2005 (subject to Casino Control Authority agreement and necessary regulatory approvals). The fees payable by the economic entity to Harrah's Entertainment Inc. will be \$5.3 million per annum for the duration of the extended term. All dealings with the company are in the ordinary course of business and on normal commercial terms and conditions.
- (iii) Mr A.G. Hodgson is a director of HSBC Bank Australia Limited. The economic entity maintains operating accounts with this bank in the ordinary course of business and on normal commercial terms and conditions.
- (iv) Mr R.F.E. Warburton is a director of Southcorp Limited. The economic entity purchases alcoholic beverages from this company in the ordinary course of business and on normal commercial terms and conditions.

(e) Transactions with Related Parties in the Wholly Owned Group

In addition to those transactions disclosed in Note 2, the parent entity entered into the following transactions during the year with related parties in the wholly owned group:

- loans were advanced and repayments received on short-term intercompany accounts;
- loans were advanced between controlled entities and are not expected to be repaid within the next twelve months; and
- management and service fees were received from certain wholly owned controlled entities.

These transactions were undertaken on commercial terms and conditions. Certain loans advanced which are sourced from debt capital are charged interest at a rate at or above the bank bill rate plus net settlement payments on interest rate swaps (refer Note 41(c)) and bank fees on facilities, with other loans being interest free.

Amounts due to and receivable from related parties in the wholly owned group

Appropriate disclosure of these amounts is contained in the respective notes to the financial statements.

Ownership interests

The ownership interests in related parties in the wholly owned group are disclosed in Note 36.

Note 39 Related parties (continued)**(f) Transactions with Other Related Parties**

The economic entity has one partly-owned (85%) controlled entity, Sydney Casino Management Pty Ltd (SCM). This entity acts as nominee for the Showboat Leighton Partnership.

Star City Pty Ltd and Sydney Harbour Casino Properties Pty Ltd entered into a Casino Complex Management Agreement with SCM in previous years. Under this agreement, SCM provides services to Star City Pty Ltd and Sydney Harbour Casino Properties Pty Ltd in relation to planning, decorating, furnishing, managing and equipping of the Star City Casino Complex.

SCM is paid a fee equal to the sum of (i) 1.5% of Casino Revenue, (ii) 6% of Casino Gross Operating Profit, (iii) 3.5% of Non-Casino Revenue, and (iv) 10% of Non-Casino Complex Gross Operating Profit, each fiscal year for services rendered by SCM pursuant to the management agreement. Casino Gross Operating Profit and Non-Casino Gross Operating Profit are determined after deducting revenue-based management fees. A management fee of \$22.276 million was paid or payable for the year (2000: \$11.120 million for the period from 12 January 2000 (the date the company became a controlled entity) to 30 June 2000).

SCM is also paid a supplemental management fee by Star City Pty Ltd for expenses incurred by Showboat Australia Pty Ltd, which are reimbursed by SCM. This fee is based on salary and related costs incurred. The total supplemental fee paid or payable for the year was \$6.045 million (2000: period from 12 January 2000 to 30 June 2000 was \$0.408 million).

(g) Ultimate Controlling Entity

The ultimate controlling entity of the economic entity is TABCORP Holdings Limited.

Note 40 Contingent liabilities**(a) Parent Entity**

As explained in Note 36, the parent entity has entered into a deed of cross guarantee in accordance with a class order issued by the Australian Securities and Investments Commission. The parent entity, and all the controlled entities which are a party to the deed, have guaranteed the repayment of all current and future creditors in the event any of these companies are wound-up.

(b) Director Related

Contingent liabilities at balance date, not otherwise provided for in these financial statements are shown below:

	Consolidated		TABCORP Holdings	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Service Agreement				
The maximum contingent liabilities for termination benefits under a service agreement with a director in the economic entity	1,854	1,800	1,854	1,800

(c) CCA Charge

The controlled entities denoted (d) in Note 36 have provided the NSW Casino Control Authority (CCA) with a fixed and floating charge over all of the assets and undertakings of each company to secure payment of all monies and the performance of all obligations which they have to the CCA. The charge has a value of \$1.5 billion and ranks second behind the Commonwealth Bank of Australia charge under its facility agreement.

(d) Cross Guarantee

The controlled entities denoted (d) in Note 36 have entered into a guarantee and indemnity agreement in favour of the CCA whereby all parties to the agreement are jointly and severally liable for the performance of the obligations and liabilities of each company participating in the agreement with respect to agreements entered into and guarantees given.

(e) Legal Challenges

There are outstanding legal actions between controlled entities and third parties as at 30 June 2001. The economic entity has notified its insurance carrier of all litigation, and believes that any damages (other than exemplary damages) that may be awarded against the economic entity, in addition to its costs incurred in connection with the action, will be covered by its insurance policies where such policies are in place. However, given the nature of insurance, no assurance can be given that any such claims are not likely to have a material adverse effect on the economic entity.

In the case of possible actions which, due to the demise of an underwriter do not have insurance cover, the economic entity considers that, on the balance of probability, no material losses will arise. This position will be monitored and in the event that a loss becomes probable, an appropriate provision will be made.

Note 41 Additional financial instruments disclosure

(a) Interest Rate Risk

The consolidated entity's exposure to interest rate risk and the effective interest rate for classes of financial assets and financial liabilities is set out below:

	Note	Effective Interest Rate %	Floating Interest Rate \$'000	Fixed Interest Maturing in: 1 Year or Less \$'000	1 to 5 Years \$'000	Interest Bearing Employee Share Plan Loans* \$'000	Non- Interest Bearing \$'000	Statement of Financial Position \$'000
2001 Financial Assets								
Cash assets	8	3.51–4.85	28,222	960			29,670	58,852
Short term deposits	8	4.85–4.90	40,423					40,423
Bank accepted bills	8	4.87–5.04		24,259				24,259
Receivables	9	–					7,612	7,612
Loans pursuant to employee share plan	11, 18	up to 5.00				7,564	23,446	31,010
Loans to executive directors	18	up to 5.00				1,131	4,792	5,923
Total financial assets			68,645	25,219		8,695	65,520	168,079
2001 Financial Liabilities								
Trade creditors and accrued expenses	19, 25	–					110,770	110,770
Bank loans – unsecured	20, 26	5.28–5.44	578,898					578,898
Bank loans – secured	26	7.94**	360,000					360,000
Other loans	20	4.50		133				133
Finance lease liability	20	7.25		21				21
Dividend payable	23	–					96,794	96,794
Total financial liabilities			938,898	154			207,564	1,146,616
Interest rate swaps***	41(c)		(446,000)	52,000	394,000			–
2000 Financial Assets								
Cash assets	8	5.50	14,744				25,651	40,395
Short-term deposits	8	5.85–5.90	35,699					35,699
Bank accepted bills	8	6.10–6.18		14,925				14,925
Receivables	9	–					5,726	5,726
Loans pursuant to employee share plan	11, 18	up to 5.00				10,481	20,157	30,638
Loans to executive directors	18	up to 5.00				1,149	6,092	7,241
Total financial assets			50,443	14,925		11,630	57,626	134,624
2000 Financial Liabilities								
Bank overdraft	20	8.47	8,833					8,833
Trade creditors and accrued expenses	19, 25	–					108,652	108,652
Bank loans – unsecured	20, 26	4.96	537,898					537,898
Bank loans – secured	26	7.94**	430,000					430,000
Other loans	20, 26	4.50		133	133			266
Finance lease liability	20, 26	7.25		7	21			28
Dividend payable	23	–					89,183	89,183
Total financial liabilities			976,731	140	154		197,835	1,174,860
Interest rate swaps***	41(c)		(461,000)	15,000	446,000			–

*Interest bearing employee share loans are repayable from dividends with outstanding balances settled on cessation of employment.

**The effective interest rate incorporates the effect of interest rate swaps.

***Notional principal amounts.

Note 41**Additional financial instruments disclosure (continued)****(b) Net Fair Values**

The carrying amount of the entity's financial assets and financial liabilities approximate their net fair value.

The exception to the above is the net fair value of interest rate swap contracts, being unrecognised financial instruments amounts to \$23 million (2000: \$22 million). This value represents the estimated cost of cancelling the instruments (net of transaction costs) at balance date and is determined using independent market quotations and adopting conventional market valuation techniques.

(c) Unrecognised Financial Instruments – Interest Rate Swaps

The entity has a policy of controlling exposure to interest rate fluctuations by the use of interest rate swaps or caps, accordingly a controlled entity has entered into interest rate swap agreements that are used to convert the variable interest rate of its long term borrowings to medium term fixed interest rates. These swaps are in accordance with the objective of hedging a portion of the interest rate risk in respect of its term and revolving debt facilities.

At 30 June 2001, a controlled entity has forward rate swap agreements which hedge a portion of the debt facilities through to their maturity in June 2004. The controlled entity will pay fixed interest rates ranging from 7.28% to 8.61% (2000: 7.28% to 8.61%) and receive the bank bill swap rate calculated on the notional principal amount of the contracts.

At 30 June 2001, the notional principal amount of swaps in place at each year end through to the maturity of the contracts will be:

	30 June 2001	30 June 2002	30 June 2003	30 June 2004
\$ million	446	394	350	–

The economic entity's policy is not to recognise interest rate swaps in the financial statements. Net settlement receipts and payments are recognised as an adjustment to interest expense on an accruals basis over the term of the swaps such that the overall interest expense on term debt reflects the average long-term cost of funds achieved by entering into the swap agreements.

(d) Credit Risk Exposures

The credit risk on financial assets which have been recognised on the statement of financial position, is the carrying amount, net of any provision for doubtful debts. The economic entity is not materially exposed to one individual debtor. The economic entity minimises credit risk via adherence to a strict cash management policy.

In relation to unrecognised financial liabilities, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The economic entity's maximum credit risk exposure in relation to these is in respect of the interest rate swap contracts, which is limited to the net fair value of the swap agreements at balance date, being \$23 million (2000: \$22 million).

Credit risk in trade receivables is managed in the following ways:

- the provision of cheque cashing facilities for casino gaming patrons is subject to detailed policies and procedures designed to minimise any potential loss, including the taking up of bank opinions and the use of a central credit agency which collates information from major casinos around the world; and
- the provision of non-gaming credit is covered by a risk assessment process for all customers using the Credit Reference Association of Australia, bank opinions and trade references.

The maximum credit exposure does not take into account the value of any collateral or other security held, in the event other entities/parties fail to perform their obligations under the financial instruments in question.

Directors' Declaration & Independent Audit Report

Directors' Declaration


The directors declare that:

- (a) the financial statements and associated notes comply with the accounting standards and Urgent Issues Group Consensus Views;
- (b) the financial statements and notes give a true and fair view of the financial position as at 30 June 2001 and performance of the company and economic entity for the year then ended; and
- (c) in the directors' opinion:
 - (i) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, and the companies and parent entity who are party to the deed described in Note 36, will as an economic entity be able to meet any obligations or liabilities to which they are, or may become subject by virtue of the Deeds of Cross Guarantee dated 8 June 1995 and 4 June 2001; and
 - (ii) the financial statements and notes are in accordance with the Corporations Act (2001), including sections 296 and 297.

Made in accordance with a resolution of directors.



M.B. Robinson
Director



I.R. Wilson
Director

Melbourne
16 August 2001

Independent Audit Report

To the members of TABCORP Holdings Limited

Scope

We have audited the financial report of TABCORP Holdings Limited for the financial year ended 30 June 2001 as set out on pages 6 to 40. The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

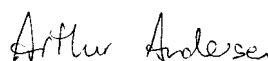
Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and statutory requirements, in Australia, so as to present a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of TABCORP Holdings Limited is in accordance with:

- (a) the Corporations Act (2001), including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2001 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations (2001); and
- (b) other mandatory professional reporting requirements.



Chartered Accountants
Melbourne
16 August 2001



Partner

Five Years in Review

TABCORP Holdings Limited

	2001 \$'000	2000 \$'000	1999 \$'000	1998 \$'000	1997 \$'000
Financial Summary for Year Ending 30 June					
Wagering, Gaming and Star City revenue	1,811,599	1,595,831	1,066,165	937,953	815,610
EBITDA	478,465	421,287	254,748	216,313	178,832
PBIT	365,067	326,219	220,135	183,753	150,345
Operating profit after income tax	187,682	174,780	143,341	121,317	100,761
Operating profit after income tax (pre goodwill)	205,775	187,476	143,341	121,317	100,761
Dividend	189,901	174,639	130,884	115,378	106,160
Cash & deposits	123,534	91,019	84,816	141,660	111,454
Other current assets	29,880	30,459	9,958	7,185	4,853
Licences / Management Agreement Rights	1,038,529	1,043,332	597,472	597,490	597,240
Goodwill	329,846	346,094	–	–	–
Other non-current assets	980,186	1,060,303	199,396	147,911	152,202
Total assets	2,501,975	2,571,207	891,642	894,246	865,749
Current interest-bearing liabilities	229,052	196,871	38,000	–	–
Other current liabilities	252,123	287,267	211,412	171,848	156,076
Non-current interest-bearing liabilities	710,000	780,154	–	–	–
Other non-current liabilities	67,590	68,851	15,027	14,825	13,663
Total liabilities	1,258,765	1,333,143	264,439	186,673	169,739
Shareholders' funds	1,243,210	1,238,064	627,203	707,573	696,010
Capital expenditure	46,672	67,715	97,101	39,232	34,637
Earnings per share (cents) - pre goodwill	55.3	53.7	47.1	40.0	33.3
Earnings per share (cents) - post goodwill	50.4	50.1	47.1	40.0	33.3
Dividend per share (cents)	51.0	47.0	43.0	38.0	35.0
Operating cash flow per share (cents)	65.2	60.5	39.1	45.6	32.2
Return on shareholders' funds (% per annum)	16.6	17.7	21.5	17.3	14.5
Net assets per share (\$)	3.34	3.33	2.06	2.33	2.30
Operating Revenue					
-Wagering	380,339	363,107	352,967	329,253	311,842
-Gaming	846,349	794,348	713,198	608,700	503,768
-Star City	584,911	438,376	–	–	–
Total	1,811,599	1,595,831	1,066,165	937,953	815,610

Shareholder Information

Substantial Shareholders as at 21 August 2001

As at 21 August 2001, there were no substantial shareholders.

Distribution of Shareholdings as at 21 August 2001

Shares Held	Number of Shareholders
1 – 1,000	43,531
1,001 – 5,000	19,604
5,001 – 10,000	1,812
10,001– 100,000	927
100,001 and over	154
Total	66,028
Less than marketable parcel (\$500) based on market price of \$9.04 on 21 August 2001	128

Voting Rights

All shares issued by TABCORP Holdings Limited carry one vote per share. Part 4 of the Gaming and Betting Act 1994 and Rules 134 to 142 of the Company's Constitution contain certain restrictions in relation to shareholding interests. Failure to comply with certain provisions of the Gaming and Betting Act or the Constitution can result in suspension of voting rights.

Twenty Largest Shareholders as at 21 August 2001*

Name	Number of ordinary shares	%
Chase Manhattan Nominees Limited	52,759,599	14.17
National Nominees Limited	39,152,774	10.52
Westpac Custodian Nominees Limited	29,119,548	7.82
Citicorp Nominees Pty Limited	19,232,284	5.17
RBC Global Services Australia Nominees Pty Limited	15,793,948	4.24
Commonwealth Custodial Services Limited	7,016,356	1.88
MLC Limited	6,545,683	1.76
ANZ Nominees Limited	6,496,671	1.75
Perpetual Trustees Nominees Limited	6,031,362	1.62
Queensland Investment Corporation	4,750,343	1.28
AMP Life Limited	4,125,179	1.11
HSBC Custody Nominees (Australia) Limited	3,948,970	1.06
Cogent Nominees Pty Ltd	3,742,462	1.01
Mr Ian Ross Wilson	3,740,000	1.00
ING Life Limited	3,716,939	1.00
Perpetual Trustees Victoria Limited	3,256,532	0.87
Government Superannuation Office	3,228,408	0.87
Westpac Financial Services Limited	3,218,381	0.86
NRMA Nominees Pty Limited	3,114,192	0.84
Victorian Workcover Authority	2,477,237	0.67
		59.50

* On a grouped basis as identified to the Company.

In addition, 3,000,000 options were issued to Mr I.R. Wilson on terms approved by the Company's shareholders at the Annual General Meeting on 10 November 1999 and can only be exercised if certain performance criteria are satisfied.

Investor Information

Shareholder Enquiries

Investors seeking information about their shareholding should contact the company's Share Registry:

ASX Perpetual Registrars Limited
GPO Box 1736P
Melbourne VIC 3001
Telephone: 03 9615 9999
Toll Free: 1800 420 044
Facsimile: 03 9615 9900
E-mail: registrars@aprl.com.au
ASX Perpetual Registrars' Website:
www.registrars.aprl.com.au

Shareholders should have their Shareholder Reference Number (SRN) available to assist in responding to their enquiries.

Share registry on-line

Our Share Registry's website (www.registrars.aprl.com.au) allows shareholders to check their current and previous holding balances. Shareholders can also check and update their annual report election and Tax File Number or ABN. There are also a number of forms that can be downloaded to advise a change of address or change of direct credit details for dividend payments.

General enquiries about TABCORP

Contact: TABCORP Shareholder Relations Manager
Telephone: 03 9868 2779
Facsimile: 03 9868 2639
E-mail: investor@tabcorp.com.au
Website: www.tabcorp.com.au

Removal from the Annual Report Mailing List

Shareholders who do not wish to receive the Annual Report or Half-Yearly Report should advise the company's Share Registry in writing. The last four Annual Reports are currently available from the Investor Information section of the company's website. This report and future reports will be made available on the website shortly after being mailed to shareholders.

TABCORP on the Web

Investor information is available on TABCORP's website at www.tabcorp.com.au. This website includes key Australian Stock Exchange announcements, Annual and Half-Yearly Reports and general company information.

Stock Exchange Listing

The company's shares are listed on the Australian Stock Exchange under the code 'TAH'. Trading information is published in daily newspapers.

American Depositary Receipts

The company's shares are traded in sponsored American Depositary Receipts (ADR) form in the United States of America. ADR holders receive all information sent to shareholders and receive their dividends in US dollars. Enquiries about ADRs should be made to Gina Avanceña, The Bank of New York – ADR Division, 101 Barclay Street, New York 10286 USA.
Telephone: +1212 815 5838
Facsimile: +1212 571 3050
Website: www.adrbny.com

Change of Address

Shareholders should advise the Share Registry immediately in writing as soon as there is a change to their address. Broker sponsored shareholders should advise their sponsoring broker.

Direct Credit of Dividends

Dividend payments may be credited into a nominated financial institution account in Australia. You should advise the Share Registry in writing of your details.

Tax File Number

The company is obliged to deduct tax at the top marginal rate plus Medicare levy from unfranked or partially franked dividends paid to Australian resident shareholders who have not supplied their Tax File Number or exemption details. For those shareholders who have not provided this information and would like to do so, please call the company's Share Registry on the above telephone number.

Consolidation of Shareholdings

If you have received more than one Annual Report for the same shareholding, please contact the company's Share Registry.

Key Dates*

2001

Annual General Meeting	1	November
------------------------	---	----------

2002

Half-year results announced	21	February
Ex-dividend for interim dividend	4	March
Record date for interim dividend	8	March
Interim dividend paid	28	March
End of financial year	30	June
Full-year results announced	15	August
Ex-dividend for final dividend	2	September
Record date for final dividend	6	September
Final dividend paid	27	September
Annual General Meeting	1	November

*These dates may change

Company Directory

Directors

M.B. Robinson
Chairman

I.R. Wilson
Managing Director & Chief Executive Officer

A.G. Hodgson
Deputy Chairman

P.G. Satre

D.J. Simpson
Finance Director

P.H. Wade

R.F.E. Warburton

W.V. Wilson

Company Secretary

P.H. Caillard

Registered Office

5 Bowen Crescent
Melbourne VIC 3004
Telephone: 03 9868 2100

Share Registry

ASX Perpetual Registrars Limited
Level 4
333 Collins Street
Melbourne VIC 3000

Auditors

Arthur Andersen

Stock Exchange Listing

TABCORP Holdings Limited shares are quoted on the Australian Stock Exchange.

