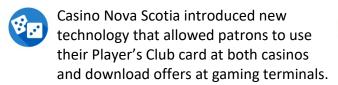
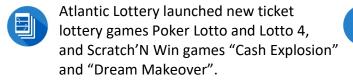
### —— NOVA SCOTIA PROVINCIAL —— LOTTERIES & CASINO CORPORATION

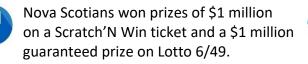
# **QUARTERLY REPORT**

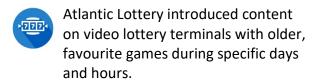
For the fourth quarter ended March 31, 2018

### **OPERATIONAL HIGHLIGHTS**

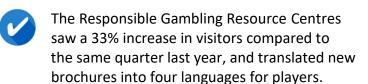


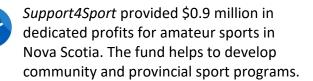






#### **COMMUNITY HIGHLIGHTS**





Support4Culture provided \$3.2 million for initiatives such as the Artistic Innovation Program, the Built Heritage Development Fund and the Mi'kmaq Cultural Activities Program.

NSPLCC supported two Monte Carlo nights as part of the *Support4Communities* Casino Nights Program, helping raise more than \$14,500 for organizations in Nova Scotia.



### \$35.9 million was paid to the Province in the fourth quarter.

This is \$2.4 million lower than the same quarter last year primarily due to increased expenses from new lottery technology.

Overall, revenue from gaming is higher than the same quarter last year due to increased Scratch'N Win sales and casino promotions and marketing.

Contributions and expenditures for responsible gambling and prevention programming initiatives totaled \$1.6 million.



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31 (unaudited) (in thousands)

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Current accets	<u>2018</u>	<u>2017</u>
Current assets Cash and cash equivalents Cash – restricted Trade and other receivables Prepaid expenses Inventories	\$ 7,041 5,297 1,304 4,754 2,048 20,444	\$ 6,130 5,290 1,491 6,537 2,260 21,708
Non-current assets Property, plant and equipment Cash – casino capital replacement reserve Disputed HST assessments Investment in Atlantic Lottery Corporation Investment in Interprovincial Lottery Corporation	75,664 6,522 61,483 13,990 1 157,660	79,198 10,548 53,473 10,559 1 153,779 \$ 175,487
LIABILITIES and EQUITY	·	* <u> </u>
Current liabilities Bank indebtedness Trade and other payables Deferred revenue Liabilities for unclaimed prizes Due to Atlantic Gaming Equipment Limited Other liabilities Due to Province of Nova Scotia	\$ 115 17,889 589 5,297 6,970 1,274 104,648 136,782	\$ 365 17,528 754 5,290 6,885 1,098 101,166 133,086
Non-current liabilities  Due to Atlantic Gaming Equipment Limited  Other long term liabilities - asset retirement obligation  FOUTTY	12,376 253 12,629	18,826 254 19,080
Casino capital replacement reserve Retained earnings	16,723 11,970 28,693 \$ 178,104	15,975 7,346 23,321 \$ 175,487
	Ψ 170,104	Ψ 175,407



#### CONSOLIDATED STATEMENT OF NET AND COMPREHENSIVE INCOME

For the fourth quarter ended March 31 (unaudited) (in thousands)

								(III triododrido)						
	2018						2017							
	Casinos	Ticket Lottery	Video Lottery	RG	Other	4th Quarter	Year to date	Casinos	Ticket Lottery	Video Lottery	RG	Other	4th Quarter	Year to date
Revenues	\$ 19,838	\$ 57,176	\$ 33,199	\$ -	\$ 14	\$ 110,227	\$ 447,568	\$ 18,349	\$ 55,399	\$ 34,175	\$ -	\$ 7	\$ 107,930	\$ 431,691
Expenses	17,019	46,129	10,491	393	654	74,686	301,456	15,670	42,443	10,017	495	1,569	70,194	288,274
Net profit	2,819	11,047	22,708	(393)	(640)	35,541	146,112	2,679	12,956	24,158	(495)	(1,562)	37,736	143,417
Contributions				(1,205)	(2,009)	(3,214)	(14,654)				(1,185)	(1,573)	(2,758)	(12,609)
Net Income	2,819	11,047	22,708	(1,598)	(2,649)	32,327	131,458	2,679	12,956	24,158	(1,680)	(3,135)	34,978	130,808
Win Tax	3,556					3,556	15,443	3,285					3,285	13,770
Payment to Province	\$ <u>6,375</u>	\$ 11,047	\$ 22,708	\$ <u>(1,598)</u>	\$ <u>(2,649)</u>	\$ 35,883	\$ <u>146,901</u>	\$5,964_	\$ <u>12,956</u>	\$ 24,158	\$ <u>(1,680)</u>	\$ <u>(3,135)</u>	\$ 38,263	\$ <u>144,578</u>

#### **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the fourth quarter ended March 31 (unaudited) (in thousands)

	20	018	2017			
	4th Quarter	Year to date	4th Quarter	Year to date		
Casino Capital Replacement Reserve						
Casino Capital Replacement Reserve, beginning of period	\$ 20,028	\$ 15,975	\$ 17,865	\$ 14,294		
Change in reserve	(3,305)	748	(1,890)	1,681		
Casino Capital Replacement Reserve, end of period	16,723	16,723	15,975	15,975		
Retained Earnings (deficit)						
Retained earnings (deficit), beginning of period	10,925	7,346	3,122	(457)		
Net and comprehensive income	35,883	146,901	38,263	144,578		
Change in investment in Atlantic Lottery Corporation	1,045	4,624	4,224	7,803		
Payment to Province	(35,883)	(146,901)	(38,263)	(144,578)		
Retained earnings, end of period	11,970	11,970	7,346	7,346		
Equity, end of period	\$ 28,693	\$ <u>28,693</u>	\$ 23,321	\$ <u>23,321</u>		



### CONSOLIDATED STATEMENT OF CASH FLOWS

For the fourth quarter ended March 31 (unaudited) (in thousands)

		<u>2018</u>	<u>2017</u>
Operating			
Net and comprehensive income	\$	35,883	\$ 38,263
Allocation of income to Province		(35,883)	(38,263)
Depreciation		6,278	5,215
Loss on disposal of capital assets		13	6
Net transfers of property, plant and equipment		(124)	(100)
Net changes in non-cash working capital	_	(10,901)	(10,091)
Financing	_	(4,734)	(4,970)
Decrease in obligation to			
Atlantic Gaming Equipment Limited		(1,623)	(1,553)
Investing			
Purchases of capital assets, net additions		(1,197)	(1,830)
Change in investment of Atlantic Lottery Corporation		1,230	823
Decrease in Casino Capital Replacement Reserve, net of cash	_	(3,310)	(1,834)
	_	(3,277)	(2,841)
Net decrease in cash & cash equivalents		(9,634)	(9,364)
Cash & cash equivalents, beginning of quarter	_	16,560	15,129
Cash & cash equivalents, end of quarter	\$	6,926	\$ 5,765

