

RHODIUM ASSET SOLUTIONS LIMITED

Objectives

Rhodium Asset Solutions Limited provides fleet services to the government and the non-government sectors.

2005-06 Highlights

Strategic and operational issues to be pursued in 2005-06 include:

- implementing a customer relations plan to ensure key clients are retained;
- continuing to improve the range and quality of services provided to customers;
- implementing a new information technology platform, which is required to maintain existing business and meet customer needs;
- restructuring the business operations to be more customer focused;
- completing a workforce skills gap analysis and implementing a plan to address the gaps; and
- continuing to contribute to the local community through sponsorships and donations.

Rhodium Asset Solutions Ltd Operating Statement

| 2004-05 Budget \$'000 | 2004-05 Est.Outcome \$'000 | 2005-06 Budget \$'000 | Var % | 2006-07 Estimate \$'000 | 2007-08 Estimate \$'000 | 2008-09 Estimate \$'000 |
|-----------------------------|--|-----------------------------|------------|-------------------------------|-------------------------------|-------------------------------|
| Income | | | | | | |
| Revenue | | | | | | |
| 0 | 6 840 | 17 878 | 161 | 25 474 | 34 125 | 41 552 |
| | User Charges - Non ACT Government | | | | | |
| 0 | 1 746 | 3 614 | 107 | 3 740 | 3 870 | 4 005 |
| | User Charges - ACT Government | | | | | |
| 0 | 96 | 165 | 72 | 138 | 138 | 138 |
| | Interest | | | | | |
| 0 | 45 | 90 | 100 | 90 | 90 | 90 |
| | Other Revenue | | | | | |
| 0 | 8 727 | 21 747 | 149 | 29 442 | 38 223 | 45 785 |
| | Total Revenue | | | | | |
| Gains | | | | | | |
| 0 | 0 | 0 | - | 0 | 0 | 0 |
| | Total Gains | | | | | |
| 0 | 8 727 | 21 747 | 149 | 29 442 | 38 223 | 45 785 |
| | Total Income | | | | | |
| Expenses | | | | | | |
| 0 | 1 170 | 2 128 | 82 | 2 199 | 2 711 | 3 293 |
| | Employee Expenses | | | | | |
| 0 | 122 | 223 | 83 | 230 | 285 | 347 |
| | Superannuation Expenses | | | | | |
| 0 | 693 | 1 807 | 161 | 2 017 | 2 078 | 2 140 |
| | Supplies and Services | | | | | |
| 0 | 3 042 | 6 450 | 112 | 9 350 | 12 350 | 15 350 |
| | Depreciation and Amortisation | | | | | |
| 0 | 1 777 | 5 101 | 187 | 7 449 | 10 793 | 13 350 |
| | Borrowing Costs | | | | | |
| 0 | 972 | 4 188 | 331 | 5 464 | 6 172 | 6 691 |
| | Cost of Goods Sold | | | | | |
| 0 | 900 | 1 350 | 50 | 1 800 | 2 250 | 2 725 |
| | Other Expenses | | | | | |
| 0 | 8 676 | 21 247 | 145 | 28 509 | 36 639 | 43 896 |
| | Total Ordinary Expenses | | | | | |
| 0 | 51 | 500 | 880 | 933 | 1 584 | 1 889 |
| | Operating Result From Ordinary Activities | | | | | |
| 0 | 15 | 150 | 900 | 280 | 475 | 567 |
| | Income Tax Equivalent | | | | | |
| 0 | 36 | 350 | 872 | 653 | 1 109 | 1 322 |
| | Operating Result | | | | | |

**Rhodium Asset Solutions Ltd
Balance Sheet**

| Budget as at 30/6/05 \$'000 | Est.Outcome as at 30/6/05 \$'000 | Planned as at 30/6/06 \$'000 | Var % | Planned as at 30/6/07 \$'000 | Planned as at 30/6/08 \$'000 | Planned as at 30/6/09 \$'000 | |
|--|---|---|------------------|---|---|---|----------------|
| Current Assets | | | | | | | |
| 0 | Cash | 2 139 | 2 994 | 40 | 2 947 | 2 951 | 2 940 |
| 0 | Receivables | 16 538 | 25 067 | 52 | 33 707 | 42 389 | 50 958 |
| 0 | Other | 250 | 275 | 10 | 350 | 425 | 520 |
| 0 | Total Current Assets | 18 927 | 28 336 | 50 | 37 004 | 45 765 | 54 418 |
| Non Current Assets | | | | | | | |
| 0 | Property, Plant and Equipment | 28 810 | 47 310 | 64 | 57 810 | 65 310 | 69 810 |
| 0 | Intangibles | 69 | 1 019 | # | 919 | 819 | 719 |
| 0 | Other | 30 667 | 47 057 | 53 | 63 205 | 79 259 | 95 325 |
| 0 | Total Non Current Assets | 59 546 | 95 386 | 60 | 121 934 | 145 388 | 165 854 |
| 0 | TOTAL ASSETS | 78 473 | 123 722 | 58 | 158 938 | 191 153 | 220 272 |
| Current Liabilities | | | | | | | |
| 0 | Payables | 4 467 | 4 748 | 6 | 5 405 | 6 088 | 6 693 |
| 0 | Finance Leases | 22 975 | 37 288 | 62 | 48 515 | 58 686 | 67 855 |
| 0 | Employee Benefits | 165 | 146 | -12 | 167 | 192 | 222 |
| 0 | Total Current Liabilities | 27 607 | 42 182 | 53 | 54 087 | 64 966 | 74 770 |
| Non Current Liabilities | | | | | | | |
| 0 | Finance Leases | 45 949 | 74 576 | 62 | 97 031 | 117 378 | 135 715 |
| 0 | Employee Benefits | 23 | 28 | 22 | 35 | 40 | 48 |
| 0 | Other Provisions | 600 | 792 | 32 | 988 | 1 188 | 1 386 |
| 0 | Total Non Current Liabilities | 46 572 | 75 396 | 62 | 98 054 | 118 606 | 137 149 |
| 0 | TOTAL LIABILITIES | 74 179 | 117 578 | 59 | 152 141 | 183 572 | 211 919 |
| 0 | NET ASSETS | 4 294 | 6 144 | 43 | 6 797 | 7 581 | 8 353 |
| REPRESENTED BY FUNDS EMPLOYED | | | | | | | |
| 0 | Accumulated Funds | 4 294 | 6 144 | 43 | 6 797 | 7 581 | 8 353 |
| 0 | TOTAL FUNDS EMPLOYED | 4 294 | 6 144 | 43 | 6 797 | 7 581 | 8 353 |

**Rhodium Asset Solutions Ltd
Cash Flow Statement**

| 2004-05 Budget \$'000 | 2004-05 Est.Outcome \$'000 | 2005-06 Budget \$'000 | Var % | 2006-07 Estimate \$'000 | 2007-08 Estimate \$'000 | 2008-09 Estimate \$'000 | |
|---|--|-----------------------------|----------------|-------------------------------|-------------------------------|-------------------------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Receipts | | | | | | | |
| 0 | User Charges | 9 460 | 21 234 | 124 | 28 663 | 37 354 | 45 017 |
| 0 | Interest Received | 96 | 165 | 72 | 138 | 138 | 138 |
| 0 | Operating Receipts | 9 556 | 21 399 | 124 | 28 801 | 37 492 | 45 155 |
| Payments | | | | | | | |
| 0 | Related to Employees | 1 272 | 2 537 | 99 | 2 590 | 2 888 | 3 653 |
| 0 | Related to Supplies and Services | 753 | 1 746 | 132 | 1 922 | 1 945 | 2 050 |
| 0 | Borrowing Costs | 1 777 | 5 101 | 187 | 7 449 | 10 793 | 13 350 |
| 0 | Other | 4 188 | 5 814 | 39 | 7 597 | 9 625 | 11 224 |
| 0 | Operating Payments | 7 990 | 15 198 | 90 | 19 558 | 25 251 | 30 277 |
| 0 | NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES | 1 566 | 6 201 | 296 | 9 243 | 12 241 | 14 878 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Receipts | | | | | | | |
| 0 | Proceeds from Sale of Property, Plant & Equipment | 750 | 1 800 | 140 | 1 850 | 1 925 | 1 980 |
| 0 | Investing Receipts | 750 | 1 800 | 140 | 1 850 | 1 925 | 1 980 |
| Payments | | | | | | | |
| 0 | Purchase of Property, Plant and Equipment | 10 000 | 20 000 | 100 | 20 600 | 20 600 | 20 600 |
| 0 | Purchase of Land and Intangibles | 0 | 1 000 | # | 0 | 0 | 0 |
| 0 | Investing Payments | 10 000 | 21 000 | 110 | 20 600 | 20 600 | 20 600 |
| 0 | NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES | -9 250 | -19 200 | -108 | -18 750 | -18 675 | -18 620 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Receipts | | | | | | | |
| 0 | Capital Injection from Government | 0 | 1 500 | # | 0 | 0 | 0 |
| 0 | Borrowings Received | 19 851 | 59 414 | 199 | 62 978 | 68 880 | 69 510 |
| 0 | Receipt of Transferred Cash Balances | 3 954 | 0 | -100 | 0 | 0 | 0 |
| 0 | Financing Receipts | 23 805 | 60 914 | 156 | 62 978 | 68 880 | 69 510 |

Rhodium Asset Solutions Ltd
Cash Flow Statement

| 2004-05 Budget \$'000 | 2004-05 Est.Outcome \$'000 | 2005-06 Budget \$'000 | Var % | 2006-07 Estimate \$'000 | 2007-08 Estimate \$'000 | 2008-09 Estimate \$'000 |
|--------------------------------------|---|--------------------------------------|------------------|--|--|--|
| Payments | | | | | | |
| 0 | 0 | 0 | - | 0 | 0 | 325 |
| 0 | 13 982 | 47 060 | 237 | 53 518 | 62 442 | 65 454 |
| 0 | 13 982 | 47 060 | 237 | 53 518 | 62 442 | 65 779 |
| 0 | 9 823 | 13 854 | 41 | 9 460 | 6 438 | 3 731 |
| 0 | 2 139 | 855 | -60 | -47 | 4 | -11 |
| 0 | 0 | 2 139 | # | 2 994 | 2 947 | 2 951 |
| 0 | 2 139 | 2 994 | 40 | 2 947 | 2 951 | 2 940 |

Rhodium Asset Solutions Ltd
Statement of Changes in Equity

| Budget as at 30/6/05 \$'000 | | Est.Outcome as at 30/6/05 \$'000 | Planned as at 30/6/06 \$'000 | Var % | Planned as at 30/6/07 \$'000 | Planned as at 30/6/08 \$'000 | Planned as at 30/6/09 \$'000 |
|-----------------------------------|--|--|------------------------------------|----------|------------------------------------|------------------------------------|------------------------------------|
| 0 | Opening Balance | 0 | 4 294 | # | 6 144 | 6 797 | 7 581 |
| | Accumulated Funds | | | | | | |
| 0 | Operating Result for the Period | 36 | 350 | 872 | 653 | 1 109 | 1 322 |
| | Reserves | | | | | | |
| 0 | Total Income And Expense For The Period | 36 | 350 | 872 | 653 | 1 109 | 1 322 |
| | Transactions Involving Equity Holders Affecting Accumulated Funds | | | | | | |
| 0 | Capital Injections | 0 | 1 500 | # | 0 | 0 | 0 |
| 0 | Inc/Dec in Net Assets due to Admin Restructure | 4 258 | 0 | -100 | 0 | 0 | 0 |
| 0 | Dividend Approved | 0 | 0 | - | 0 | -325 | -550 |
| 0 | Closing Balance | 4 294 | 6 144 | 43 | 6 797 | 7 581 | 8 353 |

Notes to Budget Statements

The operations of Totalcare Fleet were transferred to Rhodium Asset Solutions Limited on 1 January 2005. Consequently, there were no 2004-05 Budget estimates and the figures for the 2004-05 estimated outcome only represent the six month period between 1 January 2005 and 30 June 2005. The majority of the variances between the 2004-05 estimated outcome and the 2005-06 Budget will therefore arise from the different reporting period durations.

Significant variations are as follows:

Operating Statement

The variances in the 2005-06 Budget from the 2004-05 estimated outcome in the operating statement are largely due to the effect of the half-year trading in 2004-05 versus the full-year trading in 2005-06.

Balance Sheet

- cash: the increase of \$0.855m in the 2005-06 Budget from the 2004-05 estimated outcome is due to a capital injection and 2005-06 trading activities;
- receivables: the increase of \$8.529m in the 2005-06 Budget from the 2004-05 estimated outcome is due to planned growth in the finance lease business;
- property, plant and equipment: the increase of \$18.5m in the 2005-06 Budget from the 2004-05 estimated outcome reflects the increase in assets purchased due to planned growth in the operating lease business;

- intangibles: the increase of \$0.950m in the 2005-06 Budget from the 2004-05 estimated outcome reflects the purchase of a new IT system;
- other non current assets: the increase of \$16.390m in the 2005-06 Budget from the 2004-05 estimated outcome is due to planned growth in the finance lease business;
- payables: the increase of \$0.281m in the 2005-06 Budget from the 2004-05 estimated outcome reflects the growth in the lease business;
- current and non current finance leases: the increase of \$42.940m in the 2005-06 Budget from the 2004-05 estimated outcome is due to increased borrowings to fund the planned growth in the finance lease business; and
- other provisions: the increase of \$0.192m in the 2005-06 Budget from the 2004-05 estimated outcome reflects the increase in the provision for diminution in the value of operating lease assets that are returned to Rhodium at the end of the lease period for disposal.

