

CIT SOLUTIONS PTY LTD

Objectives

CIT Solutions Pty Ltd is a company owned by the Canberra Institute of Technology (CIT) and operates under CIT's status as a Registered Training Organisation (RTO). The company has focussed on providing customised training, education and consultancy services in the ACT, Australia and internationally since 1988. To provide these services it draws on the expertise of the academic staff of CIT, as well as carefully selected contractors and consultants from industry and academia.

CIT Solutions adds value to its clients' organisations by the provision of services including:

- training, on a commercial basis, for nationally accredited qualifications and non-accredited personal development and leisure programs;
- developing customised solutions and programs which are sensitive to client needs at competitive prices;
- providing consultancy services to clients in Australia and overseas;
- marketing CIT's onshore international student programs and establishing CIT as an international education provider of choice; and
- extending and multiplying CIT's capability to respond to the express needs of industry, commerce, Government and the community.

2005-06 Highlights

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

- developing and maintaining strategic alliances and cooperative arrangements with peak Federal Government agencies such as the Australian Public Service Commission (APSC) and key areas of the ACT Government;
- sustaining the delivery of quality programs and services by managing and maintaining the development of a consistent and comprehensive student management system;
- enhancing the company's external profile by strengthening national and international links;
- developing, maintaining and enhancing IT infrastructure with the development of a web based database for online enrolments and student information;
- integrating e-learning principles into program delivery; and
- reviewing the international student market for vocational education and training programs.

CIT Solutions 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							
6 855	User Charges - Non ACT Government	8 036	7 150	-11	7 370	7 547	7 651
1 812	User Charges - ACT Government	2 036	1 857	-9	1 904	1 951	2 000
48	Interest	94	132	40	144	156	169
8 715	Total Revenue	10 166	9 139	-10	9 418	9 654	9 820
Gains							
0	Total Gains	0	0	-	0	0	0
8 715	Total Income	10 166	9 139	-10	9 418	9 654	9 820
Expenses							
3 507	Employee Expenses	4 428	3 700	-16	3 814	3 902	3 924
498	Superannuation Expenses	609	526	-14	543	555	558
4 132	Supplies and Services	4 287	4 235	-1	4 340	4 450	4 561
137	Depreciation and Amortisation	137	150	9	127	127	127
233	Other Expenses	465	239	-49	245	251	257
8 507	Total Ordinary Expenses	9 926	8 850	-11	9 069	9 285	9 427
208	Operating Result	240	289	20	349	369	393

CIT Solutions 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							
95	Cash	99	103	4	105	107	109
1 861	Receivables	1 777	1 777	0	1 777	1 777	1 777
698	Investments	1 473	1 648	12	1 851	2 075	2 322
130	Other	82	82	-	82	82	82
2 784	Total Current Assets	3 431	3 610	5	3 815	4 041	4 290
Non Current Assets							
250	Property, Plant and Equipment	214	145	-32	99	53	7
250	Total Non Current Assets	214	145	-32	99	53	7
3 034	TOTAL ASSETS	3 645	3 755	3	3 914	4 094	4 297
Current Liabilities							
580	Payables	707	707	-	707	707	707
556	Employee Benefits	467	474	1	475	475	475
27	Other	597	597	-	597	597	597
1 163	Total Current Liabilities	1 771	1 778	..	1 779	1 779	1 779
Non Current Liabilities							
136	Employee Benefits	169	201	19	228	257	285
136	Total Non Current Liabilities	169	201	19	228	257	285
1 299	TOTAL LIABILITIES	1 940	1 979	2	2 007	2 036	2 064
1 735	NET ASSETS	1 705	1 776	4	1 907	2 058	2 233
REPRESENTED BY FUNDS EMPLOYED							
1 715	Accumulated Funds	1 685	1 756	4	1 887	2 038	2 213
20	Reserves	20	20	-	20	20	20
1 735	TOTAL FUNDS EMPLOYED	1 705	1 776	4	1 907	2 058	2 233

CIT Solutions 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						
8 667	User Charges	10 072	9 007	-11	9 274	9 498	9 651
48	Interest Received	94	132	40	144	156	169
8 715	Operating Receipts	10 166	9 139	-10	9 418	9 654	9 820
	Payments						
3 969	Related to Employees	4 986	4 187	-16	4 329	4 428	4 454
4 132	Related to Supplies and Services	4 287	4 235	-1	4 340	4 450	4 561
233	Other	465	239	-49	245	251	257
8 334	Operating Payments	9 738	8 661	-11	8 914	9 129	9 272
381	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	428	478	12	504	525	548
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Receipts						
194	Proceeds from Sale/Maturities of Investments	176	194	10	294	294	294
194	Investing Receipts	176	194	10	294	294	294
	Payments						
81	Purchase of Property, Plant and Equipment	81	81	-	81	81	81
258	Purchase of Investments	1 309	369	-72	497	518	541
339	Investing Payments	1 390	450	-68	578	599	622
-145	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-1 214	-256	79	-284	-305	-328
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Payments						
218	Dividends to Government	200	218	9	218	218	218
218	Financing Payments	200	218	9	218	218	218
-218	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-200	-218	-9	-218	-218	-218
18	NET INCREASE/(DECREASE) IN CASH HELD	-986	4	100	2	2	2
77	CASH AT BEGINNING OF REPORTING PERIOD	1 085	99	-91	103	105	107
95	CASH AT THE END OF THE REPORTING PERIOD	99	103	4	105	107	109

CIT Solutions
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
1 745	Opening Balance	1 665	1 705	2	1 776	1 907	2 058
	Accumulated Funds						
208	Operating Result for the Period	240	289	20	349	369	393
	Reserves						
208	Total Income And Expense For The Period	240	289	20	349	369	393
	Transactions Involving Equity Holders Affecting Accumulated Funds						
-218	Dividend Approved	-200	-218	9	-218	-218	-218
1 735	Closing Balance	1 705	1 776	4	1 907	2 058	2 233

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- user charges - non ACT Government: the increase of \$1.181m in the 2004-05 estimated outcome from the original budget is due to the securing of several new contracts. The decrease of \$0.886m in the 2005-06 Budget from the 2004-05 estimated outcome is due to the finalisation of several contracts;
- user charges – ACT Government: the increase of \$0.224m in the 2004-05 estimated outcome from the original budget, and the decrease of \$0.179m in the 2005-06 Budget from the 2004-05 estimated outcome is primarily due to higher than anticipated demand for training from ACT Government agencies which is not forecast to continue into 2005-06;
- interest revenue: the increase of \$0.046m in the 2004-05 estimated outcome from the original budget, and the increase of \$0.038m in the 2005-06 Budget from the 2004-05 estimated outcome relates to an increase in cash holdings;
- employee expenses and superannuation: the increase of \$1.032m in the 2004-05 estimated outcome from the original budget is due to the securing of new contracts and wage increases following from a new certified agreement. The decrease of \$0.811m in the 2005-06 Budget from the 2004-05 estimated outcome is due to the finalisation of several large contracts; and
- other expenses: the increase of \$0.232m in the 2004-05 estimated outcome from the original budget was due to some unanticipated legal costs associated with a contract and higher than expected bad debt write-offs. The decrease of \$0.226m in the 2005-06 Budget is a return to normal levels of other expenses.

Balance Sheet

- total assets: the increase of \$0.611m in the 2004-05 estimated outcome from the original budget is mainly due to an increase in cash holdings associated with contract payments made in advance, offset by a slight decrease in receivables; and
- total liabilities: the increase of \$0.641m in the 2004-05 estimated outcome from the original budget is primarily due to additional Commonwealth contracts being managed by the company that have resulted in higher than expected levels of revenue received in advance. This revenue is partly offset by reduced employee entitlements due to some senior staff separating from the company.