

CIT SOLUTIONS PTY LTD

Objectives

CIT Solutions Pty Ltd is a proprietary limited company, which is wholly owned by the Canberra Institute of Technology (CIT). The company reports to the Australian Securities and Investments Commission in accordance with Corporations Law.

The company's prime objective is to extend the capacity of CIT to service the needs of industry, commerce, government and the community through the promotion and facilitation of commercially viable education activities.

CIT Solutions Pty Ltd offers a range of educational activities and services, which enhance the capability of the Institute. These include adult and community education programs, consultancies in educational design and implementation, delivery of major customised programs, and short courses customised to clients needs.

2001-02 Highlights

Strategic and operational issues to be pursued in 2001-02 include:

- enhancing strategic and operational planning within the Company;
- refining educational and administrative policies, procedures and reporting standards;
- expanding existing strategic partnerships in education delivery locally, nationally and internationally; and
- fostering existing partnerships to maximise educational outcomes and profit margins.

CIT Solutions
Statement Of Financial Performance

2000-01 Budget \$'000		2000-01 Est.Outcome \$'000	2001-02 Budget \$'000	Var %	2002-03 Estimate \$'000	2003-04 Estimate \$'000	2004-05 Estimate \$'000
	Revenue						
5 237	User Charges - Non ACT Government	6 700	6 450	-4	6 611	6 777	6 947
1 380	User Charges - ACT Government	1 200	1 377	15	1 408	1 439	1 472
95	Interest	80	95	19	97	97	97
6 712	Total Ordinary Revenue	7 980	7 922	-1	8 116	8 313	8 516
	Expenses						
1 683	Employee Expenses	3 443	3 166	-8	3 243	3 321	3 403
104	Superannuation Expenses	195	220	13	226	232	238
460	Administrative Expenses	3 894	3 982	2	4 033	4 137	4 239
64	Depreciation and Amortisation	90	118	31	145	85	84
4 161	Other Expenses	190	202	6	200	205	212
6 472	Total Ordinary Expenses	7 812	7 688	-2	7 847	7 980	8 176
240	Operating Result	168	234	39	269	333	340
764	Total Equity From Start of Period	958	1 026	7	1 052	1 108	1 223
-203	Dividend Declared	-100	-208	-108	-213	-218	-218
801	Total Equity At The End of Period	1 026	1 052	3	1 108	1 223	1 345

CIT Solutions Statement Of Financial Position

Budget as at 30/6/01 \$'000		Est.Outcome as at 30/6/01 \$'000	Planned as at 30/6/02 \$'000	Var %	Planned as at 30/6/03 \$'000	Planned as at 30/6/04 \$'000	Planned as at 30/6/05 \$'000
Current Assets							
414	Cash	1 199	1 169	-3	1 197	1 224	1 257
733	Receivables	886	891	1	896	901	906
858	Investments	770	820	6	870	920	970
419	Other	109	108	-1	106	104	102
2 424	Total Current Assets	2 964	2 988	1	3 069	3 149	3 235
Non Current Assets							
221	Property, Plant and Equipment	290	254	-12	190	186	183
221	Total Non Current Assets	290	254	-12	190	186	183
2 645	TOTAL ASSETS	3 254	3 242	..	3 259	3 335	3 418
Current Liabilities							
915	Creditors	510	579	14	647	715	783
128	Employee Entitlements	264	264	-	264	264	264
745	Other	1 372	1 265	-8	1 158	1 051	944
1 788	Total Current Liabilities	2 146	2 108	-2	2 069	2 030	1 991
Non Current Liabilities							
56	Employee Entitlements	82	82	-	82	82	82
56	Total Non Current Liabilities	82	82	-	82	82	82
1 844	TOTAL LIABILITIES	2 228	2 190	-2	2 151	2 112	2 073
801	NET ASSETS	1 026	1 052	3	1 108	1 223	1 345
REPRESENTED BY FUNDS EMPLOYED							
781	Accumulated Funds	1 006	1 032	3	1 088	1 203	1 325
20	Reserves	20	20	-	20	20	20
801	TOTAL FUNDS EMPLOYED	1 026	1 052	3	1 108	1 223	1 345

CIT Solutions Cashflow Statement

2000-01 Budget \$'000		2000-01 Est.Outcome \$'000	2001-02 Budget \$'000	Var %	2002-03 Estimate \$'000	2003-04 Estimate \$'000	2004-05 Estimate \$'000
489	CASH AT BEGINNING OF REPORTING PERIOD	1 511	1 199	-21	1 169	1 197	1 224
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
6 617	User Charges	7 900	7 827	-1	8 019	8 216	8 419
95	Interest Received	80	95	19	97	97	97
6 712	Operating Receipts	7 980	7 922	-1	8 116	8 313	8 516
	Payments						
1 787	Related to Employees	3 638	3 386	-7	3 469	3 553	3 641
460	Related to Administration	3 894	3 982	2	4 033	4 137	4 239
4 217	Other	190	244	28	242	247	254
6 464	Operating Payments	7 722	7 612	-1	7 744	7 937	8 134
248	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	258	310	20	372	376	382
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Payments						
70	Purchase of Property, Plant and Equipment	70	82	17	81	81	81
50	Purchase of Investments	0	50	#	50	50	50
120	Investing Payments	70	132	89	131	131	131
-120	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-70	-132	-89	-131	-131	-131
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Payments						
203	Dividends to Government	500	208	-58	213	218	218
203	Financing Payments	500	208	-58	213	218	218
-203	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-500	-208	58	-213	-218	-218
-75	NET INCREASE/(DECREASE) IN CASH HELD	-312	-30	90	28	27	33
414	CASH AT THE END OF THE REPORTING PERIOD	1 199	1 169	-3	1 197	1 224	1 257

Notes to the Budget Statements

Significant variations are as follows:

Statement of Financial Performance

- user charges non-ACT Government: the increase of \$1.463m in 2000-01 from the original budget is due to increased activity during the year in several large overseas contracts. The decrease of \$0.250m in 2001-02 is mainly due to the revised expectations of future year contracts;
- user charges ACT Government: the decrease of \$0.180m in 2000-01 from the original budget is due to less internal trading with CIT as some commercial functions have been transferred to the Company. The increase of \$0.177m in 2001-02 is mainly a result of more activity expected during the year in the contestable training market;
- employee expenses: the increase of \$1.760m in 2000-01 from the original budget is the result of increased activity particularly in large overseas contracts (Brunei). The decrease of \$0.277m in 2001-02 is due to expected reductions in one off salary numbers following changes in market demand for company services;
- administrative expenses: the increase of \$3.434m in 2000-01 from the original budget is due to a reclassification of expenses from other expenses; and
- other expenses: the decrease of \$3.971m in 2000-01 from the original budget is to a reclassification of expenses to administrative expenses and some savings in corporate fixed costs.

Statement of Financial Position

- other current assets: the decrease of \$0.310m in 2000-01 from the original budget is due to fewer expected prepayments at the end of the year than originally forecast; and
- other current liabilities: the increase of \$0.627 in 2000-01 from the original budget is due to an expected increase in revenue received in advance for future work (overseas students fees and contracts).

