

## **CIT SOLUTIONS PTY LTD**

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### **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 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 Limited offers a range of educational activities and services, which reflect the resource capability of the Institute. These include customised training programs for commercial clients, study tours for groups from overseas, and educational and specialist consultancies. The company is also a major provider of adult and community education courses in the ACT and region.

### **2000-2001 Highlights**

Strategic and operational issues to be pursued in 2000-2001 include:

- delivering the best solution for individual training requirements at the right price;
- providing the most appropriate facilities to suit clients' specific needs;
- delivering educational activities in a range of standard and flexible modes by fully qualified and industry trained professionals;
- developing new and emerging markets locally, nationally and internationally; and
- working with new business partners to maximise profit.

## CIT Solutions Operating Statement

1999-00 Budget \$'000		1999-00 Est.Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
<b>Revenue</b>							
4 621	User Charges - Non ACT Government	6 816	5 237	-23	5 250	5 381	5 516
1 405	User Charges - ACT Government	1 704	1 380	-19	1 380	1 415	1 450
94	Interest	59	95	61	95	97	97
<b>6 120</b>	<b>Total Revenue</b>	<b>8 579</b>	<b>6 712</b>	<b>-22</b>	<b>6 725</b>	<b>6 893</b>	<b>7 063</b>
<b>Expenses</b>							
1 527	Employee Expenses	2 154	1 683	-22	1 685	1 727	1 770
94	Superannuation Expenses	171	104	-39	105	108	111
419	Administrative Expenses	818	460	-44	462	474	486
58	Depreciation and Amortisation	40	64	60	65	67	67
3 820	Other Expenses	4 911	4 161	-15	4 118	4 163	4 267
<b>5 918</b>	<b>Total Expenses</b>	<b>8 094</b>	<b>6 472</b>	<b>-20</b>	<b>6 435</b>	<b>6 539</b>	<b>6 701</b>
<b>202</b>	<b>Operating Result</b>	<b>485</b>	<b>240</b>	<b>-51</b>	<b>290</b>	<b>354</b>	<b>362</b>
<b>687</b>	<b>Accumulated Funds - Start of Period</b>	<b>659</b>	<b>744</b>	<b>13</b>	<b>781</b>	<b>863</b>	<b>1 004</b>
-70	Dividend Declared	-400	-203	-49	-208	-213	-218
<b>819</b>	<b>Accumulated Funds - End of Period</b>	<b>744</b>	<b>781</b>	<b>5</b>	<b>863</b>	<b>1 004</b>	<b>1 148</b>

**CIT Solutions**  
**Statement Of Financial Position**

Budget as at 30/6/00 \$'000		Est.Outcome as at 30/6/00 \$'000	Planned as at 30/6/01 \$'000	Var %	Planned as at 30/6/02 \$'000	Planned as at 30/6/03 \$'000	Planned as at 30/6/04 \$'000
<b>Current Assets</b>							
166	Cash	489	414	-15	387	422	460
825	Receivables	728	733	1	738	743	748
875	Investments	808	858	6	908	958	1 008
1 795	Other	325	419	29	418	416	414
<b>3 661</b>	<b>Total Current Assets</b>	<b>2 350</b>	<b>2 424</b>	<b>3</b>	<b>2 451</b>	<b>2 539</b>	<b>2 630</b>
<b>Non Current Assets</b>							
215	Property, Plant and Equipment	215	221	3	238	252	266
<b>215</b>	<b>Total Non Current Assets</b>	<b>215</b>	<b>221</b>	<b>3</b>	<b>238</b>	<b>252</b>	<b>266</b>
<b>3 876</b>	<b>TOTAL ASSETS</b>	<b>2 565</b>	<b>2 645</b>	<b>3</b>	<b>2 689</b>	<b>2 791</b>	<b>2 896</b>
<b>Current Liabilities</b>							
903	Creditors	771	915	19	984	1 052	1 120
223	Employee Entitlements	108	128	19	148	168	188
15	Other Provisions	0	0	-	0	0	0
1 896	Other	866	745	-14	618	491	364
<b>3 037</b>	<b>Total Current Liabilities</b>	<b>1 745</b>	<b>1 788</b>	<b>2</b>	<b>1 750</b>	<b>1 711</b>	<b>1 672</b>
<b>Non Current Liabilities</b>							
0	Employee Entitlements	56	56	-	56	56	56
<b>0</b>	<b>Total Non Current Liabilities</b>	<b>56</b>	<b>56</b>	<b>-</b>	<b>56</b>	<b>56</b>	<b>56</b>
<b>3 037</b>	<b>TOTAL LIABILITIES</b>	<b>1 801</b>	<b>1 844</b>	<b>2</b>	<b>1 806</b>	<b>1 767</b>	<b>1 728</b>
<b>839</b>	<b>NET ASSETS</b>	<b>764</b>	<b>801</b>	<b>5</b>	<b>883</b>	<b>1 024</b>	<b>1 168</b>
<b>REPRESENTED BY FUNDS EMPLOYED</b>							
819	Accumulated Funds	744	781	5	863	1 004	1 148
20	Reserves	20	20	-	20	20	20
<b>839</b>	<b>TOTAL FUNDS EMPLOYED</b>	<b>764</b>	<b>801</b>	<b>5</b>	<b>883</b>	<b>1 024</b>	<b>1 168</b>

**CIT Solutions  
Cashflow Statement**

1999-00 Budget \$'000		1999-00 Est.Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
106	<b>CASH AT BEGINNING OF REPORTING PERIOD</b>	760	489	-36	414	387	422
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
	<b>Receipts</b>						
6 026	User Charges	8 703	6 617	-24	6 630	6 796	6 966
94	Interest Received	59	95	61	95	97	97
<b>6 120</b>	<b>Operating Receipts</b>	<b>8 762</b>	<b>6 712</b>	<b>-23</b>	<b>6 725</b>	<b>6 893</b>	<b>7 063</b>
	<b>Payments</b>						
1 622	Related to Employees	2 348	1 787	-24	1 790	1 835	1 881
434	Related to Administration	1 292	460	-64	462	474	486
3 815	Other	4 855	4 217	-13	4 160	4 205	4 309
<b>5 871</b>	<b>Operating Payments</b>	<b>8 495</b>	<b>6 464</b>	<b>-24</b>	<b>6 412</b>	<b>6 514</b>	<b>6 676</b>
<b>249</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>267</b>	<b>248</b>	<b>-7</b>	<b>313</b>	<b>379</b>	<b>387</b>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
	<b>Receipts</b>						
0	Proceeds from Sale/Maturities of Investments	7	0	-100	0	0	0
<b>0</b>	<b>Investing Receipts</b>	<b>7</b>	<b>0</b>	<b>-100</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Payments</b>						
69	Purchase of Property, Plant and Equipment	75	70	-7	82	81	81
50	Purchase of Investments	0	50	-	50	50	50
<b>119</b>	<b>Investing Payments</b>	<b>75</b>	<b>120</b>	<b>60</b>	<b>132</b>	<b>131</b>	<b>131</b>
<b>-119</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>-68</b>	<b>-120</b>	<b>76</b>	<b>-132</b>	<b>-131</b>	<b>-131</b>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
	<b>Receipts</b>						
<b>0</b>	<b>Financing Receipts</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Payments</b>						
70	Dividends to Government	470	203	-57	208	213	218
<b>70</b>	<b>Financing Payments</b>	<b>470</b>	<b>203</b>	<b>-57</b>	<b>208</b>	<b>213</b>	<b>218</b>
<b>-70</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>-470</b>	<b>-203</b>	<b>-57</b>	<b>-208</b>	<b>-213</b>	<b>-218</b>

## CIT Solutions Cashflow Statement

1999-00 Budget \$'000		1999-00 Est. Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
60	NET INCREASE/(DECREASE) IN CASH HELD	-271	-75	-72	-27	35	38
166	CASH AT THE END OF THE REPORTING PERIOD	489	414	-15	387	422	460

### Notes to the Budget Statements

Significant variations are as follows:

#### *Operating Statement*

- user charges ACT Government: the increase of \$0.299m in 1999-2000 from original budget is due to more activity than anticipated during the year in the contestable training market. The decrease of \$0.324m in 2000-01 from the 1999-2000 estimated outcome is mainly a net result of less internal trading with CIT being forecast.
- user charges Non-ACT Government: the increase of \$2.195m in 1999-2000 from original budget is due to the part year effect of the transfer of some commercial activities to the company from the Canberra Institute of Technology. The decrease of \$1.579m in 2000-01 from the 1999-2000 estimated outcome is mainly due to the revised expectations of future year contracts;
- employee expenses: the decrease of \$0.538m in 2000-01 from the 1999-2000 estimated outcome is due to reduced salaries and associated costs as a result of reductions in staffing numbers following changes in market demand for company services;
- administrative expenses: the increase of \$0.399m in 1999-2000 from the original budget is due to transfers of some commercial activities to the company from CIT; and
- other expenses: the decrease of \$0.750m in 2000-01 from the 1999-2000 estimated outcome is mainly due to less project activity being purchased from CIT following the transfer to CIT Solutions of some of the CIT's commercial activities.

*Statement of Financial Position*

- other current assets: the decrease of \$1.470m in 1999-2000 from original budget is due to a change in accounting policies that resulted in bringing to account project revenues and expenses on a different basis to previous years. In prior years project work was held as work-in-progress and brought to account as projects were finalised; and
- other current liabilities: the decrease of \$1.030 in 1999-2000 from original budget is due to the change in accounting treatment as mentioned above.