

# TOTALCARE INDUSTRIES LIMITED

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## Objectives

Totalcare Industries Limited is a provider of integrated solutions and services in the areas of asset management and maintenance, professional and technical consulting, and cleaning, decontamination and waste destruction services.

## 2000-01 Highlights

Strategic and operational issues to be pursued in 2000-01 include:

- increasing return on investment and decreasing risk for shareholders/investors;
- building long term relationships with customers based on integrity, service excellence, and value for money;
- completing a major investment in a new quarry at Williamsdale NSW;
- seeking opportunities for growth in existing markets and the pursuit of potential markets for cleaning, decontamination and waste destruction services; and
- providing our customers with integrated services and solutions in:
  - asset management and maintenance;
  - professional and technical consultancy; and
  - cleaning, decontamination and waste destruction services.

## TotalCare Industries Limited 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>							
8 694	User Charges - Non ACT Government	18 158	22 030	21	23 476	25 804	26 078
76 393	User Charges - ACT Government	73 265	73 266	..	73 277	72 544	72 900
300	Interest	300	560	87	560	560	560
0	Other Revenue	1 600	0	-100	0	0	0
<b>85 387</b>	<b>Total Revenue</b>	<b>93 323</b>	<b>95 856</b>	<b>3</b>	<b>97 313</b>	<b>98 908</b>	<b>99 538</b>
<b>Expenses</b>							
30 159	Employee Expenses	26 051	27 879	7	27 538	27 189	27 161
2 769	Superannuation Expenses	3 681	3 647	-1	3 602	3 555	3 570
7 734	Administrative Expenses	5 490	6 000	9	5 929	5 854	5 793
3 137	Depreciation and Amortisation	4 600	3 866	-16	3 816	3 816	4 040
371	Interest	550	382	-31	202	182	161
35 763	Cost of Goods Sold	48 851	48 584	-1	50 173	51 693	51 922
1 954	Other Expenses	1 800	1 800	-	1 800	1 800	1 800
<b>81 887</b>	<b>Total Expenses</b>	<b>91 023</b>	<b>92 158</b>	<b>1</b>	<b>93 060</b>	<b>94 089</b>	<b>94 447</b>
<b>3 500</b>	<b>Operating Result Before Abnormal Items</b>	<b>2 300</b>	<b>3 698</b>	<b>61</b>	<b>4 253</b>	<b>4 819</b>	<b>5 091</b>
2 000	Abnormal Expense	5 268	0	-100	0	0	0
<b>1 500</b>	<b>Operating Result Before Extraordinary Items</b>	<b>-2 968</b>	<b>3 698</b>	<b>225</b>	<b>4 253</b>	<b>4 819</b>	<b>5 091</b>
1 337	Income Tax Equivalent	734	1 407	92	1 607	1 811	1 833
<b>163</b>	<b>Operating Result</b>	<b>-3 702</b>	<b>2 291</b>	<b>162</b>	<b>2 646</b>	<b>3 008</b>	<b>3 258</b>
<b>-4 438</b>	<b>Accumulated Funds - Start of Period</b>	<b>-4 383</b>	<b>-8 085</b>	<b>-84</b>	<b>-8 594</b>	<b>-8 102</b>	<b>-7 504</b>
0	Accum Funds Opening Adjustment	0	0	-	0	0	0
0	Dividend Declared	0	-2 800	#	-2 154	-2 410	-2 600
<b>-4 275</b>	<b>Accumulated Funds - End of Period</b>	<b>-8 085</b>	<b>-8 594</b>	<b>-6</b>	<b>-8 102</b>	<b>-7 504</b>	<b>-6 846</b>

**TotalCare Industries Limited**  
**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>							
1 950	Cash	745	1 420	91	1 465	1 672	1 271
15 745	Receivables	13 079	13 552	4	12 947	13 577	14 717
0	Investments	8 000	8 000	-	6 000	4 000	3 000
1 253	Inventories	1 531	1 531	-	1 531	1 531	1 531
1 622	Other	1 832	1 832	-	1 832	1 832	1 832
<b>20 570</b>	<b>Total Current Assets</b>	<b>25 187</b>	<b>26 335</b>	<b>5</b>	<b>23 775</b>	<b>22 612</b>	<b>22 351</b>
<b>Non Current Assets</b>							
0	Investments	0	4 500	#	4 500	4 500	4 500
38 576	Property, Plant and Equipment	43 819	36 686	-16	36 973	37 260	36 220
<b>38 576</b>	<b>Total Non Current Assets</b>	<b>43 819</b>	<b>41 186</b>	<b>-6</b>	<b>41 473</b>	<b>41 760</b>	<b>40 720</b>
<b>59 146</b>	<b>TOTAL ASSETS</b>	<b>69 006</b>	<b>67 521</b>	<b>-2</b>	<b>65 248</b>	<b>64 372</b>	<b>63 071</b>
<b>Current Liabilities</b>							
8 783	Creditors	8 677	11 543	33	10 698	10 754	10 234
273	Finance Leases	486	230	-53	0	0	0
3 986	Employee Entitlements	4 324	4 093	-5	4 039	3 987	4 105
518	Other Provisions	0	0	-	0	0	0
8 096	Other	13 500	12 500	-7	11 000	10 000	8 706
<b>21 656</b>	<b>Total Current Liabilities</b>	<b>26 987</b>	<b>28 366</b>	<b>5</b>	<b>25 737</b>	<b>24 741</b>	<b>23 045</b>
<b>Non Current Liabilities</b>							
0	Borrowings	2 700	0	-100	0	0	0
463	Finance Leases	892	696	-22	658	180	0
5 200	Employee Entitlements	3 998	4 539	14	4 441	4 441	4 358
2 672	Other Provisions	2 341	2 341	-	2 341	2 341	2 341
<b>8 335</b>	<b>Total Non Current Liabilities</b>	<b>9 931</b>	<b>7 576</b>	<b>-24</b>	<b>7 440</b>	<b>6 962</b>	<b>6 699</b>
<b>29 991</b>	<b>TOTAL LIABILITIES</b>	<b>36 918</b>	<b>35 942</b>	<b>-3</b>	<b>33 177</b>	<b>31 703</b>	<b>29 744</b>
<b>29 155</b>	<b>NET ASSETS</b>	<b>32 088</b>	<b>31 579</b>	<b>-2</b>	<b>32 071</b>	<b>32 669</b>	<b>33 327</b>
<b>REPRESENTED BY FUNDS EMPLOYED</b>							
-4 275	Accumulated Funds	-8 085	-8 594	-6	-8 102	-7 504	-6 846
33 430	Reserves	40 173	40 173	-	40 173	40 173	40 173
<b>29 155</b>	<b>TOTAL FUNDS EMPLOYED</b>	<b>32 088</b>	<b>31 579</b>	<b>-2</b>	<b>32 071</b>	<b>32 669</b>	<b>33 327</b>

**TotalCare Industries Limited  
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
<b>2 602</b>	<b>CASH AT BEGINNING OF REPORTING PERIOD</b>	<b>10 705</b>	<b>8 745</b>	<b>-18</b>	<b>9 420</b>	<b>7 465</b>	<b>5 672</b>
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
	<b>Receipts</b>						
182 645	User Charges	179 261	178 812	..	176 299	173 843	174 221
300	Interest Received	300	560	87	560	560	560
<b>182 945</b>	<b>Operating Receipts</b>	<b>179 561</b>	<b>179 372</b>	<b>0</b>	<b>176 859</b>	<b>174 403</b>	<b>174 781</b>
	<b>Payments</b>						
32 780	Related to Employees	32 267	31 577	-2	31 432	32 219	30 481
7 348	Related to Administration	4 900	5 113	4	5 245	5 376	5 350
371	Finance Costs	520	320	-38	322	302	243
136 970	Other	143 640	137 302	-4	134 644	131 563	134 518
<b>177 469</b>	<b>Operating Payments</b>	<b>181 327</b>	<b>174 312</b>	<b>-4</b>	<b>171 643</b>	<b>169 460</b>	<b>170 592</b>
<b>5 476</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>-1 766</b>	<b>5 060</b>	<b>387</b>	<b>5 216</b>	<b>4 943</b>	<b>4 189</b>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
	<b>Receipts</b>						
2 200	Proceeds from Sale of Property, Plant & Equipment	6 884	4 060	-41	100	100	0
0	Proceeds of Sale of Land and Intangibles	0	3 410	#	0	0	0
<b>2 200</b>	<b>Investing Receipts</b>	<b>6 884</b>	<b>7 470</b>	<b>9</b>	<b>100</b>	<b>100</b>	<b>0</b>
	<b>Payments</b>						
3 000	Purchase of Property, Plant and Equipment	4 450	4 203	-6	4 203	4 203	3 000
0	Purchase of Investments	0	4 500	#	0	0	0
<b>3 000</b>	<b>Investing Payments</b>	<b>4 450</b>	<b>8 703</b>	<b>96</b>	<b>4 203</b>	<b>4 203</b>	<b>3 000</b>
<b>-800</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>2 434</b>	<b>-1 233</b>	<b>-151</b>	<b>-4 103</b>	<b>-4 103</b>	<b>-3 000</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>						
0	Dividends to Government	0	0	-	2 800	2 154	2 410
5 200	Repayment of Borrowings	2 500	2 700	8	0	0	0
128	Repayment of Finance Lease	128	452	253	268	479	180
<b>5 328</b>	<b>Financing Payments</b>	<b>2 628</b>	<b>3 152</b>	<b>-20</b>	<b>3 068</b>	<b>2 633</b>	<b>2 590</b>

**TotalCare Industries Limited  
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
-5 328	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-2 628	-3 152	20	-3 068	-2 633	-2 590
-652	NET INCREASE/(DECREASE) IN CASH HELD	-1 960	675	134	-1 955	-1 793	-1 401
1 950	CASH AT THE END OF THE REPORTING PERIOD	8 745	9 420	8	7 465	5 672	4 271

### Notes to the Budget Statements

Significant variations are as follows:

#### *Operating Statement*

- user charges – non ACT Government: the increase of \$3.872m in the 2000-01 Budget over the 1999-2000 estimated outcome is due to the additional linen revenue. The increase of \$9.464m in the 1999-2000 estimated outcome to the original budget is due to a review of linen service revenues expected following the audited outcome for 1998-99 and further growth in 1999-2000;
- other revenue: the \$1.6m reduction in the 2000-01 Budget over the 1999-2000 estimated outcome relates to a one-off gain on disposal of assets;
- interest received: the \$0.260m increase in the 2000-01 Budget over the 1999-2000 estimated outcome relates to predicted seasonal cash flows;
- employee expenses: the increase of \$1.828m in the 2000-01 Budget over the 1999-2000 estimated outcome is the result of increased labour to service the increase in non ACT Government revenue;
- depreciation: the decrease of \$0.734m in the 2000-01 Budget over the 1999-2000 estimated outcome is due to the sale of surplus assets in 1999-2000;
- interest payment: the \$0.168m decrease in the 2000-01 Budget over the 1999-2000 estimated outcome relates to the retirement of debt;
- cost of goods sold: the 1999-2000 estimated outcome increase of \$13.088m over the original budget reflects costs associated with the increase in sales and the reduction in labour with additional external contractors being utilised; and
- abnormal expenses: in the 1999-2000 Budget, the increased costs of \$3.268m principally relate to one-off voluntary redundancy and restructuring programs.

*Statement of Financial Position*

- cash: the 2000-01 Budget is expected to increase slightly over the 1999-2000 estimated outcome resulting from cash flows from the improved operating result; and

*Cashflow Statement*

- cash from operations in 2000-01 is budgeted to increase by \$6.826m over the 1999-2000 estimated outcome due principally to the reduction in abnormal costs. Net cash expended on fixed assets will be \$1.233m and retirement of debt in 2000-01 will be \$3.152m.