CIT SOLUTIONS PTY LTD

Objectives

CIT Solutions Pty Ltd is a Registered Training Organisation (RTO) in conjunction with CIT. It focuses on providing customised training, education and consultancy services. With experience and depth of knowledge to help organisations find the right solutions for employees and employers. CIT Solutions draws on the expertise of CIT, as well as carefully selected contractors and consultants from industry and academia.

CIT Solutions delivers training locally, nationally, overseas or via cyberspace. Training facilities in Canberra include traditional classrooms, and specialised laboratories and workshops. Where appropriate, multimedia and computer-based techniques are used in both local and distance learning packages.

CIT Solutions offers training programmes in more than 80 discipline areas and aims to:

- provide nationally accredited qualifications, short accredited programmes, and personal development and leisure programmes on a full-cost recovery basis;
- provide customised solutions sensitive to client needs at competitive prices;
- provide consultancy services to clients in Australian and overseas;
- be an international education provider of choice; and
- extend and multiply CIT's capability to respond to the individual needs of industry, commerce, government and the community.

2002-03 Highlights

Strategic and operational issues to be pursued in 2002-03 include:

- expanding the company's product base with an emphasis on the requirements of niche clients and on on-line and remote delivery approaches;
- developing a strategic marketing approach for CIT Solutions Pty Ltd as a whole;
- securing additional student accommodation for domestic and international students;
- improving quality assurance processes, policies and procedures; and
- enhancing partnerships to maximise educational outcomes and profit margins.

CIT Solutions
Statement of Financial Performance

2001-02 Budget $'000		2001-02 Est.Outcome $'000	2002-03 Budget $'000	Var %	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
	Revenue						
6 450	User Charges - Non ACT Government	5 807	6 681	15	6 827	6 997	7 171
1 377	User Charges - ACT Government	1 609	1 411	-12	1 446	1 483	1 520
95	Interest	44	46	5	51	57	63
7 922	**Total Ordinary Revenue**	**7 460**	**8 138**	**9**	**8 324**	**8 537**	**8 754**
	Expenses						
3 166	Employee Expenses	2 821	3 146	12	3 222	3 302	3 384
220	Superannuation Expenses	275	323	17	331	339	348
3 982	Administrative Expenses	4 004	4 041	1	4 145	4 247	4 353
118	Depreciation and Amortisation	160	179	12	158	174	149
202	Other Expenses	101	192	90	197	204	209
7 688	**Total Ordinary Expenses**	**7 361**	**7 881**	**7**	**8 053**	**8 266**	**8 443**
234	**Operating Result**	**99**	**257**	**160**	**271**	**271**	**311**
1 026	**Total Equity From Start of Period**	**1 703**	**1 602**	**-6**	**1 646**	**1 699**	**1 752**
-208	Dividend Declared	-200	-213	-7	-218	-218	-218
1 052	**Total Equity At The End of Period**	**1 602**	**1 646**	**3**	**1 699**	**1 752**	**1 845**

CIT Solutions
Statement of Financial Position

Budget as at 30/6/02 $'000		Est.Outcome as at 30/6/02 $'000	Planned as at 30/6/03 $'000	Var %	Planned as at 30/6/04 $'000	Planned as at 30/6/05 $'000	Planned as at 30/6/06 $'000
	Current Assets						
1 169	Cash	534	608	14	711	732	669
891	Receivables	1 204	1 204	-	1 204	1 204	1 204
820	Investments	310	360	16	410	560	810
108	Other	92	92	-	92	92	92
2 988	**Total Current Assets**	**2 140**	**2 264**	**6**	**2 417**	**2 588**	**2 775**
	Non Current Assets						
254	Property, Plant and Equipment	431	388	-10	326	248	195
0	Intangibles	67	52	-22	37	22	7
254	**Total Non Current Assets**	**498**	**440**	**-12**	**363**	**270**	**202**
3 242	**TOTAL ASSETS**	**2 638**	**2 704**	**3**	**2 780**	**2 858**	**2 977**
	Current Liabilities						
579	Payables	316	316	-	316	316	316
264	Employee Entitlements	245	245	-	245	245	245
1 265	Other	311	311	-	311	311	311
2 108	**Total Current Liabilities**	**872**	**872**	**-**	**872**	**872**	**872**
	Non Current Liabilities						
82	Employee Entitlements	164	186	13	209	234	260
82	**Total Non Current Liabilities**	**164**	**186**	**13**	**209**	**234**	**260**
2 190	**TOTAL LIABILITIES**	**1 036**	**1 058**	**2**	**1 081**	**1 106**	**1 132**
1 052	**NET ASSETS**	**1 602**	**1 646**	**3**	**1 699**	**1 752**	**1 845**
	REPRESENTED BY FUNDS EMPLOYED						
1 032	Accumulated Funds	1 582	1 626	3	1 679	1 732	1 825
20	Reserves	20	20	-	20	20	20
1 052	**TOTAL FUNDS EMPLOYED**	**1 602**	**1 646**	**3**	**1 699**	**1 752**	**1 845**

CIT Solutions
Cashflow Statement

2001-02 Budget $'000		2001-02 Est.Outcome $'000	2002-03 Budget $'000	Var %	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
7 827	User Charges	7 616	8 092	6	8 273	8 480	8 691
95	Interest Received	44	46	5	51	57	63
7 922	**Operating Receipts**	**7 660**	**8 138**	**6**	**8 324**	**8 537**	**8 754**
	Payments						
3 386	Related to Employees	3 126	3 447	10	3 530	3 616	3 706
3 982	Related to Administration	4 105	4 041	-2	4 145	4 247	4 353
244	Other	143	192	34	197	204	209
7 612	**Operating Payments**	**7 374**	**7 680**	**4**	**7 872**	**8 067**	**8 268**
310	**NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**	**286**	**458**	**60**	**452**	**470**	**486**
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Receipts						
0	Proceeds from Sale/Maturities of Investments	123	0	-100	0	0	0
0	**Investing Receipts**	**123**	**0**	**-100**	**0**	**0**	**0**
	Payments						
82	Purchase of Property, Plant and Equipment	191	121	-37	81	81	81
0	Purchase of Land and Intangibles	75	0	-100	0	0	0
50	Purchase of Investments	0	50	-	50	150	250
132	**Investing Payments**	**266**	**171**	**-36**	**131**	**231**	**331**
-132	**NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES**	**-143**	**-171**	**-20**	**-131**	**-231**	**-331**
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Payments						
208	Dividends to Government	200	213	7	218	218	218
208	**Financing Payments**	**200**	**213**	**7**	**218**	**218**	**218**
-208	**NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES**	**-200**	**-213**	**-7**	**-218**	**-218**	**-218**
-30	**NET INCREASE/(DECREASE) IN CASH HELD**	**-57**	**74**	**230**	**103**	**21**	**-63**
1 199	**CASH AT BEGINNING OF REPORTING PERIOD**	**591**	**534**	**-10**	**608**	**711**	**732**
1 169	**CASH AT THE END OF THE REPORTING PERIOD**	**534**	**608**	**14**	**711**	**732**	**669**

Notes to the Budget Statements

Significant variations are as follows:

Statement of Financial Performance

- user charges - non-ACT Government: the decrease of $0.643m in 2001-02 from the original budget is due to decreased activity during the year in several large overseas contracts. The increase of $0.874m in the 2002-03 Budget from the 2001-02 estimated outcome is mainly due to the revised expectations of future year contracts;
- user charges - ACT Government: the increase of $0.232m in 2001-02 from the original budget is due to greater numbers of international students than forecast and increased training courses provided to ACT Government agencies. The decrease of $0.198m in the 2002-03 Budget from the 2001-02 estimated outcome is mainly due to fewer training courses expected during the year for government agencies; and
- employee expenses: the decrease of $0.345m in 2001-02 from the original budget is the result of lower activity particularly in large overseas contracts (Brunei). The increase of $0.325m in the 2002-03 Budget from the 2001-02 estimated outcome is due to expected increases in commercial contracts commencing in 2002-03 that entail a higher staffing level.

Statement of Financial Position

- current assets: the decrease of $0.848m in 2001-02 from the original budget is due to large payments made at the end of 2000-01 that were not anticipated in the original budget, offset by an increase in receivables due to large projects expected to be completed towards the end of the financial year;
- non-current assets: the increase of $0.244m in 2001-02 from the original budget is due to major refurbishments of the Company's premises and acquisition of additional computing assets; and
- total liabilities: the decrease of $1.154m in 2001-02 from the original budget is due to reductions in the level of creditors held at year end, reflecting the company policy of clearing debts within agreed payment period, and a change in accounting practices adopted by the company in late 2000-01 that resulted in a lower level of revenue received in advance in 2001-02.