

AUSTRALIAN INTERNATIONAL HOTEL SCHOOL

Objectives

The objective of the AIHS is to provide education and training to develop knowledge and skills in relation to hotel management and related fields. The School also operates the Hotel Kurrajong to enable AIHS to provide practical experience for students undertaking the Bachelor of Business in Hotel Management.

The operational objective of the AIHS is to graduate students with academic and professional competencies required for success in the global hospitality industry by offering an integrated management curriculum and practical professional experiences. The major product of the School is the Bachelor of Business in Hotel Management.

The School operates in affiliation with the School of Hotel Administration at Cornell University and RMIT University. Cornell continues to monitor the quality and development of the AIHS degree. RMIT University jointly accredits the degree and provides international marketing services for the AIHS.

2000-01 Highlights

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

- undertaking a major strategic review, consistent with the Government and Board requirements, to determine future development opportunities for the School and the current Hotel Kurrajong site;
- maintaining the high level placement record for graduating students and the quality of the faculty;
- continuing improvement in hotel operations to maintain profitability and performance against local industry benchmarks;
- further development of the RMIT affiliation to increase international recruitment and the integration of industry supportive products;
- further increasing national student enrolments;
- completing negotiations for the extension of the Cornell affiliation; and
- continuing to assess national marketing and recruiting arrangements to reduce costs in relation to student recruitment.

Australian International Hotel School 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
Revenue							
5 667	User Charges - Non ACT Government	5 667	6 421	13	7 336	7 519	7 703
5 667	Total Revenue	5 667	6 421	13	7 336	7 519	7 703
Expenses							
3 740	Employee Expenses	3 740	3 905	4	4 077	4 179	4 283
215	Superannuation Expenses	215	224	4	233	239	245
1 735	Administrative Expenses	1 735	1 769	2	1 790	1 843	1 888
577	Depreciation and Amortisation	577	607	5	481	376	392
597	Interest	597	687	15	687	687	687
479	Cost of Goods Sold	479	491	3	503	516	529
20	Other Expenses	20	9	-55	10	11	11
7 363	Total Expenses	7 363	7 692	4	7 781	7 851	8 035
-1 696	Operating Result	-1 696	-1 271	25	-445	-332	-332
-5 442	Accumulated Funds - Start of Period	-4 829	-6 525	35	-7 796	-8 241	-8 573
-7 137	Accumulated Funds - End of Period	-6 525	-7 796	19	-8 241	-8 573	-8 905

Australian International Hotel School 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
Current Assets							
185	Cash	805	726	-10	410	51	67
133	Receivables	293	331	13	376	386	396
81	Other	532	356	-33	181	183	185
399	Total Current Assets	1 630	1 413	-13	967	620	648
Non Current Assets							
1 101	Property, Plant and Equipment	819	863	5	1 057	1 181	1 089
526	Intangibles	175	0	-100	0	0	0
1 627	Total Non Current Assets	994	863	-13	1 057	1 181	1 089
2 026	TOTAL ASSETS	2 624	2 276	-13	2 024	1 801	1 737
Current Liabilities							
615	Creditors	875	966	10	1 067	1 396	1 725
0	Borrowings	0	0	-	0	2	163
221	Employee Entitlements	196	204	4	212	225	238
18	Other Provisions	0	0	-	0	0	0
776	Other	931	931	-	1 131	1 131	1 131
1 630	Total Current Liabilities	2 002	2 101	5	2 410	2 754	3 257
Non Current Liabilities							
6 630	Borrowings	6 310	7 310	16	7 310	7 310	7 310
23	Employee Entitlements	18	18	-	18	19	20
880	Other	819	643	-21	527	291	55
7 533	Total Non Current Liabilities	7 147	7 971	12	7 855	7 620	7 385
9 163	TOTAL LIABILITIES	9 149	10 072	10	10 265	10 374	10 642
-7 137	NET ASSETS	-6 525	-7 796	-19	-8 241	-8 573	-8 905
REPRESENTED BY FUNDS EMPLOYED							
-7 137	Accumulated Funds	-6 525	-7 796	-19	-8 241	-8 573	-8 905
-7 137	TOTAL FUNDS EMPLOYED	-6 525	-7 796	-19	-8 241	-8 573	-8 905

**Australian International Hotel School
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
16	CASH AT BEGINNING OF REPORTING PERIOD	636	805	27	726	410	49
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
5 691	User Charges	5 691	6 286	10	7 576	7 750	7 934
0	Other Revenue	0	480	-	560	586	578
5 691	Operating Receipts	5 691	6 766	19	8 136	8 336	8 512
	Payments						
3 947	Related to Employees	3 947	4 120	4	4 301	4 312	4 422
2 086	Related to Administration	2 086	2 102	1	2 247	2 454	2 499
597	Finance Costs	597	687	15	687	687	687
167	Other	167	636	281	717	744	749
6 797	Operating Payments	6 797	7 545	11	7 952	8 197	8 357
-1 106	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	-1 106	-779	30	184	139	155
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Payments						
325	Purchase of Property, Plant and Equipment	325	300	-8	500	500	300
325	Investing Payments	325	300	-8	500	500	300
-325	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-325	-300	8	-500	-500	-300
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
1 600	Borrowings Received	1 600	1 000	-37	0	0	0
1 600	Financing Receipts	1 600	1 000	-37	0	0	0
	Payments						
0	Financing Payments	0	0	-	0	0	0
1 600	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	1 600	1 000	-37	0	0	0
169	NET INCREASE/(DECREASE) IN CASH HELD	169	-79	-147	-316	-361	-145
185	CASH AT THE END OF THE REPORTING PERIOD	805	726	-10	410	49	-96

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- user charges – non ACT Government: the increase of \$0.754m in the 2000-01 Budget from the 1999-2000 estimated outcome is due to increased student numbers;
- interest expense: the increase of \$0.090m in the 2000-01 Budget from the 1999-2000 estimated outcome is due to the gradual take-up of borrowings from the Government in line with the agreed financial restructuring of the AIHS; and
- employee expenses: the increase of \$0.165m in the 2000-01 Budget from the 1999-2000 estimated outcome is due to increases in award rates paid to Hotel staff and CPI increases.

Statement of Financial Position

- borrowings (non current): the increase of \$1.0m in the 2000-01 Budget from the 1999-2000 estimated outcome is in line with agreed loan funding with the ACT Government; and
- creditors: the increase of \$0.091m in the 2000-01 Budget from the 1999-2000 estimated outcome is in line with increased turnover and related expenditure. In future years, standard revenue projections have been utilised, however these will be revised as part of the major strategic review.

