

Forecast Financial Statements

Parliamentary Counsel Office

Statement of Forecast Comprehensive Income for the year ending 30 June 2011

	Note	2008/09	2009/10		2010/11
		Actual \$000	In 2009 Budget \$000	Estimated Actual \$000	Budgeted \$000
Income					
Crown		18,807	20,429	19,063	20,852
Department(s)		158	181	202	245
Other revenue		36	56	35	35
Gains		-	-	-	-
Interest		-	-	-	-
Total Income		19,001	20,666	19,300	21,132
Expenses					
Personnel		8,252	9,431	8,788	9,444
Operating	1	6,167	7,417	6,286	6,616
Depreciation and amortisation		2,830	2,786	3,166	3,940
Capital charge		1,032	1,032	1,060	1,132
Finance costs		-	-	-	-
Other		-	-	-	-
Total Expenses		18,281	20,666	19,300	21,132
Net Surplus / (Deficit)	2	720	-	-	-
Other comprehensive income		-	-	-	-
Total Comprehensive Income		720	-	-	-

Statement of Forecast Changes in Taxpayers' Funds for the year ending 30 June 2011

	Note	2008/09	2009/10		2010/11
		Actual \$000	In 2009 Budget \$000	Estimated Actual \$000	Budgeted \$000
Balance at 1 July					
General funds		13,764	14,138	14,138	15,091
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Opening Balance		13,764	14,138	14,138	15,091
Changes in Taxpayers' Funds					
Comprehensive income for the period		720	-	-	-
Repayment of surplus		(720)	-	-	-
Capital contribution		374	979	953	241
Capital withdrawal		-	-	-	-
Other		-	-	-	-
Total Changes in Taxpayers' Funds		374	979	953	241
Balance at 30 June					
General funds		14,138	15,117	15,091	15,332
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Closing Balance		14,138	15,117	15,091	15,332

Forecast Statement of Financial Position as at 30 June 2011

		2008/09	2009/10		2010/11
	Note	Actual \$000	In 2009 Budget \$000	Estimated Actual \$000	Budgeted \$000
Assets					
Current Assets					
Cash and cash equivalents		4,917	2,028	2,961	2,365
Debtors and other receivables		119	-	-	-
Prepayments		125	19	19	19
Inventories		-	-	-	-
Other current assets		-	-	-	-
Total Current Assets		5,161	2,047	2,980	2,384
Non-current Assets					
Property, plant and equipment		624	822	801	804
Intangible assets		11,273	13,689	12,673	13,675
Other non-current assets		-	-	-	-
Total Non-current Assets		11,897	14,511	13,474	14,479
Total Assets		17,058	16,558	16,454	16,863
Liabilities					
Current Liabilities					
Creditors and other payables		1,323	418	418	418
Repayment of surplus		720	-	-	-
Employee entitlements		410	610	478	646
Other current liabilities		-	-	-	-
Total Current Liabilities		2,453	1,028	896	1,064
Non-current Liabilities					
Provisions		-	-	-	-
Employee entitlements		467	413	467	467
Other non-current liabilities		-	-	-	-
Total Non-current Liabilities		467	413	467	467
Total Liabilities		2,920	1,441	1,363	1,531
Taxpayers' Funds					
General funds		14,138	15,117	15,091	15,332
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Total Taxpayers' Funds		14,138	15,117	15,091	15,332
Total Liabilities and Taxpayers' Funds		17,058	16,558	16,454	16,863

Statement of Forecast Cash Flows for the year ending 30 June 2011

		2008/09	2009/10		2010/11
	Note	Actual \$000	In 2009 Budget \$000	Estimated Actual \$000	Budgeted \$000
Cash Flows from Operating Activities					
Receipts from:					
Crown		18,807	20,429	19,063	20,852
Department(s)		837	181	256	245
Other		(30)	56	100	35
Interest		-	-	-	-
Payments to:					
Suppliers		(5,749)	(7,825)	(7,053)	(6,506)
Employees		(8,142)	(8,877)	(8,741)	(9,386)
Capital charge		(1,032)	(1,032)	(1,060)	(1,132)
Goods and services tax (net)		-	-	-	-
Other operating activities		-	-	-	-
Net Cash from Operating Activities	2	4,691	2,932	2,565	4,108
Cash Flow from Investing Activities					
Receipts from:					
Sale of property, plant and equipment		-	-	-	-
Sale of intangible assets		-	-	-	-
Sale of other non-current assets		-	-	-	-
Purchase of:					
Property, plant and equipment		(3,056)	(4,083)	(712)	(420)
Intangible assets		-	-	(4,042)	(4,525)
Other non-current assets		-	-	-	-
Net Cash from Investing Activities		(3,056)	(4,083)	(4,754)	(4,945)
Cash Flow from Financing Activities					
Capital contribution		374	979	953	241
Other financing cash inflows		-	-	-	-
Repayment of surplus		(2,517)	-	(720)	-
Capital withdrawal		-	-	-	-
Other financing cash outflows		-	-	-	-
Net Cash from Financing Activities		(2,143)	979	233	241
Net Increase / (Decrease) in Cash		(508)	(172)	(1,956)	(596)
Cash at the beginning of the year		5,425	2,200	4,917	2,961
Cash at the end of the year		4,917	2,028	2,961	2,365

Statement of Significant Assumptions

These forecast financial statements have been compiled on the basis of existing government policies and Ministerial expectations at the time the statements were finalised.

The main assumptions are as follows:

- Parliamentary Counsel Office activities will remain substantially the same as for the previous year. Our primary objective is the drafting of Government Bills and publishing legislation.
- Personnel costs are based on 86 staff positions (81.9 full time equivalents).
- Operating costs are based on historical experience. The general historical pattern is expected to continue.
- Estimated year end information for 2009/10 is used as the opening position for the 2010/11 forecasts.

Statement of Entity-Specific Accounting Policies

The Parliamentary Counsel Office has applied the accounting policies set out in the Statement of Accounting Policies Standard included in this document, except as stated below.

Reporting Entity

These are the prospective financial statements of the Parliamentary Counsel Office, prepared in accordance with section 38 of the Public Finance Act 1989.

Parliamentary Counsel Office is a Government Department as defined by section 2 of the Public Finance Act 1989. For the purposes of financial reporting the Parliamentary Counsel Office is a public benefit entity.

Authorisation Statement

These forecast financial statements were authorised by the Chief Parliamentary Counsel on 31 March 2010. The Chief Parliamentary Counsel is responsible for the forecast financial statements presented, including the appropriateness of the assumptions underlying the forecast financial statements and other required disclosure.

Specific Accounting Policies

Property, Plant and Equipment

Capitalisation thresholds applied for all assets are \$1,000.

Depreciation

The estimated useful lives of property, plant and equipment are set out below:

- Leasehold improvements - 6 years.
- IT Equipment / Hardware - 3 years.
- Motor vehicles - 3 years.
- Furniture and office equipment - 5 years.

Intangible Assets

New Zealand Legislation System software is stated at fair value as determined by an independent registered valuer. This software is revalued with sufficient regularity to ensure that carrying value is not materially different from fair value at the end of the reporting period. Additions between revaluations are recorded at cost.

Capitalisation thresholds applied for all software are \$1,000.

The estimated useful lives of intangible assets are set out below:

- New Zealand Legislation System software - 5 to 10 years.

Cost Allocation

The Counsel has derived the costs of outputs using a cost allocation system outlined below.

Cost allocation policy

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activities/usage information.

Criteria for direct and indirect costs

"Direct Costs" are those costs directly attributed to an output.

"Indirect Costs" are those costs that cannot be identified, in an economically feasible manner, with a specific output.

Direct costs assigned to outputs

Direct costs are charged directly to outputs. Depreciation and capital charge are charged on the basis of asset utilisation. Personnel costs are charged by actual time incurred. Property and other premises expenses, such as maintenance, are allocated on the basis of floor area occupied for the production of each output.

Basis for assigning indirect and corporate costs to outputs

Indirect costs are assigned to outputs based on a proportion of direct staff costs used for each output.

Notes to the Financial Statements

Note 1 - Operating Expenses

	2008/09	2009/10		2010/11
	Actual \$000	In 2009 Budget \$000	Estimated Actual \$000	Budgeted \$000
Operating Expenses include:				
Consultants fees	220	370	159	200
Overseas travel	75	30	29	60
Domestic travel	13	15	14	15
Other	5,859	7,002	6,084	6,341
Total	6,167	7,417	6,286	6,616

Note 2 - Reconciliation of Net Surplus to Net Cash Flows from Operating Activities for the year ending 30 June 2011

	2008/09	2009/10		2010/11
	Actual \$000	In 2009 Budget \$000	Estimated Actual \$000	Budgeted \$000
Net surplus / (deficit)	720	-	-	-
Add/(less) non-cash items				
Depreciation and amortisation expense	2,830	2,786	3,166	3,940
Increase in non-current employee entitlements	54			
Total non-cash items	2,884	2,786	3,166	3,940
Add/(less) working capital movements				
Inc/(dec) in debtors and prepayments	652	-	225	-
Inc/(dec) in creditors and payables	379	-	(905)	-
Inc/(dec) in current employee entitlements	56	146	68	168
Net working capital movements	1,087	146	(612)	168
Add/(less) investing activity items				
Gain on sale of property, plant & equipment	-	-	11	-
Total investing activity items	-	-	11	-
Net cashflow from operating activities	4,691	2,932	2,565	4,108