

Forecast Financial Statements

The Treasury

Statement of Forecast Comprehensive Income for the year ending 30 June 2012

		2009/10	2010/11		2011/12
	Note	Actual \$000	In 2010 Budget \$000	Estimated Actual \$000	Budgeted \$000
Income					
Crown		63,858	73,098	69,362	73,789
Department(s)		1,037	1,140	1,611	1,140
Other revenue	1	119	16	16	16
Gains		-	-	-	-
Interest		-	-	-	-
Total Income		65,014	74,254	70,989	74,945
Expenses					
Personnel		43,975	47,300	44,007	46,476
Operating	2	18,723	24,702	24,938	26,076
Depreciation and amortisation		1,663	1,768	1,591	1,938
Capital charge		499	484	453	455
Finance costs		-	-	-	-
Other		154	-	-	-
Total Expenses		65,014	74,254	70,989	74,945
Net Surplus / (Deficit)		-	-	-	-
Other comprehensive income		-	-	-	-
Total Comprehensive Income		-	-	-	-

Statement of Forecast Changes in Taxpayers' Funds for the year ending 30 June 2012

	Note	2009/10	2010/11		2011/12
		Actual \$000	In 2010 Budget \$000	Estimated Actual \$000	Budgeted \$000
Balance at 1 July					
General funds		6,948	6,342	6,342	5,742
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Opening Balance		6,948	6,342	6,342	5,742
Changes in Taxpayers' Funds					
Comprehensive income for the period		-	-	-	-
Repayment of surplus		-	-	-	-
Capital contribution		-	-	-	-
Capital withdrawal		(606)	(600)	(600)	(100)
Other		-	-	-	-
Total Changes in Taxpayers' Funds		(606)	(600)	(600)	(100)
Balance at 30 June					
General funds		6,342	5,742	5,742	5,642
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Closing Balance		6,342	5,742	5,742	5,642

Forecast Statement of Financial Position as at 30 June 2012

		2009/10	2010/11		2011/12
	Note	Actual \$000	In 2010 Budget \$000	Estimated Actual \$000	Budgeted \$000
Assets					
Current Assets					
Cash and cash equivalents		3,493	3,557	1,966	1,049
Debtors and other receivables		9,311	7,090	9,489	9,500
Prepayments		438	468	418	468
Inventories		-	-	-	-
Other current assets		-	-	-	-
Total Current Assets		13,242	11,115	11,873	11,017
Non-current Assets					
Property, plant and equipment	3	3,653	3,660	3,700	3,103
Intangible assets	4	398	479	157	1,034
Other non-current assets		-	-	-	-
Total Non-current Assets		4,051	4,139	3,857	4,137
Total Assets		17,293	15,254	15,730	15,154
Liabilities					
Current Liabilities					
Creditors and other payables		5,254	4,300	4,463	4,300
Repayment of surplus		-	-	-	-
Employee entitlements		4,810	4,822	4,655	4,342
Other current liabilities		-	-	-	-
Total Current Liabilities		10,064	9,122	9,118	8,642
Non-current Liabilities					
Provisions		-	-	-	-
Employee entitlements		887	390	870	870
Other non-current liabilities		-	-	-	-
Total Non-current Liabilities		887	390	870	870
Total Liabilities		10,951	9,512	9,988	9,512
Taxpayers' Funds					
General funds		6,342	5,742	5,742	5,642
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Total Taxpayers' Funds		6,342	5,742	5,742	5,642
Total Liabilities and Taxpayers' Funds		17,293	15,254	15,730	15,154

Statement of Forecast Cash Flows for the year ending 30 June 2012

	Note	2009/10	2010/11		2011/12
		Actual \$000	In 2010 Budget \$000	Estimated Actual \$000	Budgeted \$000
Cash Flows from Operating Activities					
Receipts from:					
Crown		62,757	76,464	69,221	73,633
Department(s)		1,066	1,170	1,519	1,278
Other		119	16	20	12
Interest		-	-	-	-
Payments to:					
Suppliers		(19,056)	(30,013)	(25,608)	(27,948)
Employees		(43,754)	(44,435)	(43,993)	(44,939)
Capital charge		(499)	(484)	(453)	(455)
Goods and services tax (net)		149	(48)	(151)	(180)
Other operating activities		-	-	-	-
Net Cash from Operating Activities	5	782	2,670	555	1,401
Cash Flow from Investing Activities					
Receipts from:					
Sale of property, plant and equipment		107	-	-	-
Sale of intangible assets		-	-	-	-
Sale of other non-current assets		-	-	-	-
Purchase of:					
Property, plant and equipment		(562)	(868)	(1,462)	(818)
Intangible assets		(22)	(524)	(20)	(1,400)
Other non-current assets		-	-	-	-
Net Cash from Investing Activities		(477)	(1,392)	(1,482)	(2,218)
Cash Flow from Financing Activities					
Capital contribution		-	-	-	-
Other financing cash inflows		-	-	-	-
Repayment of surplus		-	-	-	-
Capital withdrawal		(606)	(600)	(600)	(100)
Other financing cash outflows		-	-	-	-
Net Cash from Financing Activities		(606)	(600)	(600)	(100)
Net Increase / (Decrease) in Cash		(301)	678	(1,527)	(917)
Cash at the beginning of the year		3,794	2,879	3,493	1,966
Cash at the end of the year		3,493	3,557	1,966	1,049

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:

- The department's activities will remain substantially the same as for the previous year except for new initiatives included as part of the budget process.
- Personnel costs are based on an average of 380 full time equivalents across the year.
- Operating costs are based on historic experience with some inflationary increases. The general historical pattern is expected to continue.
- Estimated year end information for 2010/11 is used as the opening position for the 2011/12 forecasts.

These assumptions are adopted as at 31 March 2011.

Factors that could lead to material differences between the forecast financial statements and the 2010/11 actual financial statements include changes to baseline budget through new initiatives, or technical adjustments.

Statement of Entity-Specific Accounting Policies

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

Reporting Entity

These are the prospective financial statements of The Treasury, prepared in accordance with section 38 of the Public Finance Act 1989 and cover all activities of the Treasury as set out in the 2011/12 Estimates of the Appropriations in Vote Finance.

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

Authorisation Statement

These forecast financial statements were authorised for issue by the Secretary to the Treasury on 31 March 2011. The Secretary to the Treasury is responsible for the forecast financial statements presented, including the appropriateness of the assumptions underlying the forecast financial statements and all other required disclosure.

Specific Accounting Policies

Financial Instruments

Financial assets and financial liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit and loss in which case the transaction costs are recognised in the Statement of Financial Performance.

Financial instruments primarily comprise cash and bank balances, accounts receivable and payables. All financial instruments are recognised in the Statement of Financial Position at cost. Revenues and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance.

Property, Plant and Equipment

Property, plant and equipment consists of leasehold improvements, computer hardware, furniture and fittings and office equipment.

Capitalisation thresholds applied are set out below:

- IT Equipment/Hardware \$5,000.
- All other property plant and equipment \$5,000.

Depreciation

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

- Furniture and fittings 5-15 years.
- Leasehold improvements 10 years.
- Leasehold equipment 5 years.
- IT Equipment/Hardware 3-5 years.
- Office equipment 3-5 years.

Intangible Assets

Capitalisation thresholds applied are:

- Purchased software \$5,000.
- Internally developed software \$30,000.

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

- Purchased software 3 years.
- Internally developed software 3 years.

Statement of Cost Allocation Policies

The Department has derived the cost of outputs using a standard cost allocation system which is outlined below.

Direct costs

Direct costs are costs that can be identified with a single output and are assigned directly to that output.

Indirect costs

Indirect costs are costs that cannot be identified with an output in an economically feasible manner. They are incurred for the common benefit of more than one output. Costs that bear no direct relationship to outputs are classified as indirect. Indirect costs are allocated to outputs based on a predetermined cost driver.

Notes to the Financial Statements

Note 1 - Other Revenue

	2009/10	2010/11		2011/12
	Actual \$000	In 2010 Budget \$000	Estimated Actual \$000	Budgeted \$000
Miscellaneous	119	16	16	16
Total	119	16	16	16

Note 2 - Operating Expenses

	2009/10	2010/11		2011/12
	Actual \$000	In 2010 Budget \$000	Estimated Actual \$000	Budgeted \$000
Operating expenses include:				
Consultants' fees	5,542	6,449	7,403	6,240
Process management fees	1,364	2,415	2,932	3,352
Overseas travel	1,019	988	979	1,080
Domestic travel	618	416	408	402
Lease of premises	3,018	2,991	3,056	3,108
Information costs	908	916	933	989
Data processing costs	638	705	781	714
Fees to KPMG for audit of the Department and NZDMO	314	274	250	250
Fees to the Auditor General for the audit of the Financial Statements of Government.	252	178	180	180
Other fees to auditors	71	20	-	-
Fees to KPMG for Better Administrative Support Services	785	-	250	-
Training and Development	616	915	819	890
Other operating costs	3,578	8,435	6,947	8,871
Total	18,723	24,702	24,938	26,076

Note 3 - Property, Plant and Equipment

	Land \$000	Buildings \$000	Leasehold improvements \$000	Furniture/office equipment \$000	Other \$000	Total \$000
Cost or revaluation						
Balance as at 1 July 2011	-	-	5,195	1,917	5,145	12,257
Additions by purchase	-	-	25	125	668	818
Disposals	-	-	-	(200)	(350)	(550)
Balance as at 30 June 2012	-	-	5,220	1,842	5,463	12,525
Accumulated depreciation and impairment losses						
Balance as at 1 July 2011	-	-	2,731	1,710	4,116	8,557
Depreciation expense	-	-	400	71	944	1,415
Eliminate on disposal	-	-	-	(200)	(350)	(550)
Balance as at 30 June 2012	-	-	3,131	1,581	4,710	9,422
Carrying amount as at 30 June 2012	-	-	2,089	261	754	3,103

Note 4 - Intangible Assets

	Acquired software \$000	Internally generated software \$000	Other \$000	Total \$000
Cost				
Balance as at 1 July 2011	1,719	713	-	2,432
Additions by purchase	770	-	-	770
Additions internally developed	-	630	-	630
Disposals	(130)	-	-	(130)
Balance as at 30 June 2012	2,359	1,343	-	3,702
Accumulated amortisation and impairment losses				
Balance as at 1 July 2011	1,569	706	-	2,275
Amortisation expense	159	364	-	523
Disposals	(130)	-	-	(130)
Balance as at 30 June 2012	1,598	1,070	-	2,668
Carrying amount as at 30 June 2012	761	273	-	1,034

Note 5 - Reconciliation of Net Surplus to Net Cash Flows from Operating Activities for the year ending 30 June 2011

	2009/10	2010/11		2011/12
	Actual \$000	In 2010 Budget \$000	Estimated Actual \$000	Budgeted \$000
Net Surplus/(Deficit)	-	-	-	-
Add/(Less) Non-cash Items				
Depreciation and amortisation expense	1,663	1,768	1,592	1,938
Gain/loss on sale of PPE	154	-	-	-
Total non-cash items	1,817	1,768	1,592	1,938
Add/(Less) Movements in Working Capital Items				
(Inc)/Dec in debtors and other receivables	(985)	3,486	(158)	(61)
Inc/ (Dec) in creditors and other payables	(46)	(1,909)	(556)	17
Inc/(Dec) in GST payable	-	-	(151)	(180)
Inc/ (Dec) in employee entitlements	(268)	(515)	(155)	(313)
Net movements in working capital items	(1,299)	1,062	(1,020)	(537)
Add/(Less) Movements in Non-current Liabilities				
Inc/ (Dec) in non-current employee entitlements	264	(160)	(17)	0
Net Cash From Operating Activities	782	2,670	555	1,401