

# *Forecast Financial Statements*

## *Te Puni Kōkiri*

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## Statement of Forecast Comprehensive Income for the year ending 30 June 2013

	Note	2010/11	2011/12		2012/13
		Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
<b>Income</b>					
Crown		60,107	59,088	60,918	60,492
Department(s)		530	505	505	-
Other revenue		456	-	-	-
Gains		-	-	-	-
Interest		-	-	-	-
<b>Total Income</b>		<b>61,093</b>	<b>59,593</b>	<b>61,423</b>	<b>60,492</b>
<b>Expenses</b>					
Personnel		29,500	30,282	32,623	32,653
Operating	1	28,061	27,938	27,780	26,390
Depreciation and amortisation		1,041	1,003	774	1,079
Capital charge		347	370	370	370
Finance costs		-	-	-	-
Other		(5)	-	(124)	-
<b>Total Expenses</b>	5	<b>58,944</b>	<b>59,593</b>	<b>61,423</b>	<b>60,492</b>
<b>Net Surplus / (Deficit)</b>		<b>2,149</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other comprehensive income		-	-	-	-
<b>Total Comprehensive Income</b>		<b>2,149</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Statement of Forecast Changes in Taxpayers' Funds for the year ending 30 June 2013

	Note	2010/11	2011/12		2012/13
		Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
<b>Balance at 1 July</b>					
General funds		4,621	4,621	4,621	4,621
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
<b>Taxpayers' Funds Opening Balance</b>		<b>4,621</b>	<b>4,621</b>	<b>4,621</b>	<b>4,621</b>
<b>Changes in Taxpayers' Funds</b>					
Comprehensive income for the period		2,149	-	-	-
Repayment of surplus		(2,149)	-	-	-
Capital contribution		-	-	-	-
Capital withdrawal		-	-	-	-
Other		-	-	-	-
<b>Total Changes in Taxpayers' Funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 30 June</b>					
General funds		4,621	4,621	4,621	4,621
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
<b>Taxpayers' Funds Closing Balance</b>		<b>4,621</b>	<b>4,621</b>	<b>4,621</b>	<b>4,621</b>

## Forecast Statement of Financial Position as at 30 June 2013

	Note	2010/11	2011/12		2012/13
		Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents		10,588	7,238	8,106	6,976
Debtors and other receivables		298	50	250	250
Prepayments		180	114	-	-
Inventories		-	-	-	-
Other current assets		-	-	-	-
<b>Total Current Assets</b>		<b>11,066</b>	<b>7,402</b>	<b>8,356</b>	<b>7,226</b>
<b>Non-current Assets</b>					
Property, plant and equipment	2	1,898	2,919	1,853	3,164
Intangible assets	3	111	197	191	211
Other non-current assets		-	-	-	-
<b>Total Non-current Assets</b>		<b>2,009</b>	<b>3,116</b>	<b>2,044</b>	<b>3,375</b>
<b>Total Assets</b>		<b>13,075</b>	<b>10,518</b>	<b>10,400</b>	<b>10,601</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Creditors and other payables		3,785	3,381	3,279	3,380
Repayment of surplus		2,149	-	-	-
Employee entitlements		2,275	1,500	2,200	2,250
Other current liabilities		-	-	-	-
<b>Total Current Liabilities</b>		<b>8,209</b>	<b>4,881</b>	<b>5,479</b>	<b>5,630</b>
<b>Non-current Liabilities</b>					
Provisions		-	-	-	-
Employee entitlements		245	1,016	300	350
Other non-current liabilities		-	-	-	-
<b>Total Non-current Liabilities</b>		<b>245</b>	<b>1,016</b>	<b>300</b>	<b>350</b>
<b>Total Liabilities</b>		<b>8,454</b>	<b>5,897</b>	<b>5,779</b>	<b>5,980</b>
<b>Taxpayers' Funds</b>					
General funds		4,621	4,621	4,621	4,621
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
<b>Total Taxpayers' Funds</b>		<b>4,621</b>	<b>4,621</b>	<b>4,621</b>	<b>4,621</b>
<b>Total Liabilities and Taxpayers' Funds</b>		<b>13,075</b>	<b>10,518</b>	<b>10,400</b>	<b>10,601</b>

## Statement of Forecast Cash Flows for the year ending 30 June 2013

	Note	2010/11	2011/12		2012/13
		Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
<b>Cash Flows from Operating Activities</b>					
<b>Receipts from:</b>					
Crown		60,107	59,088	60,918	60,492
Department(s)		552	505	505	-
Other		509	-	228	-
Interest		-	-	-	-
<b>Payments to:</b>					
Suppliers		(29,485)	(31,331)	(29,178)	(27,252)
Employees		(29,327)	(30,009)	(32,290)	(32,195)
Capital charge		(347)	(370)	(370)	(370)
Goods and services tax (net)		600	3,148	539	605
Other operating activities		-	-	-	-
<b>Net Cash from Operating Activities</b>	4	2,609	1,031	352	1,280
<b>Cash Flow from Investing Activities</b>					
<b>Receipts from:</b>					
Sale of property, plant and equipment		95	-	309	-
Sale of intangible assets		-	-	-	-
Sale of other non-current assets		-	-	-	-
<b>Purchase of:</b>					
Property, plant and equipment		(436)	(1,812)	(844)	(2,310)
Intangible assets		(52)	-	(150)	(100)
Other non-current assets		-	-	-	-
<b>Net Cash from Investing Activities</b>		(393)	(1,812)	(685)	(2,410)
<b>Cash Flow from Financing Activities</b>					
Capital contribution		-	-	-	-
Other financing cash inflows		-	-	-	-
Repayment of surplus		(2,012)	-	(2,149)	-
Capital withdrawal		-	-	-	-
Other financing cash outflows		-	-	-	-
<b>Net Cash from Financing Activities</b>		(2,012)	-	(2,149)	-
<b>Net Increase / (Decrease) in Cash</b>		204	(781)	(2,482)	(1,130)
Cash at the beginning of the year		10,384	8,019	10,588	8,106
<b>Cash at the end of the year</b>		10,588	7,238	8,106	6,976

## 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. They have been prepared in accordance with Section 34A of the Public Finance Act 1989 and are consistent with generally accepted accounting practice. They comply with NZ IFRS and Financial Reporting Standard No. 42: Prospective Financial Statements (FRS-42), as appropriate for public benefit entities.

The purpose of the forecast financial statements is to facilitate parliamentary consideration of the appropriations for, and planned performance of, Te Puni Kōkiri.

These forecast financial statements have been compiled on the basis of government policies and prepared on assumptions of future events that the Chief Executive of Te Puni Kōkiri reasonably expects to occur at the date this information was prepared. It is not intended that this published information will be updated.

The statements assume the functions and duties of Te Puni Kōkiri will remain consistent with those set out in the Ministry of Māori Development Act 1991.

The main assumptions are as follows:

- The department's activities will remain substantially the same as for the previous year.
- Personnel costs are based on 364 full time equivalents staff positions.
- Operating costs are based on historical experience.
- Estimated year end information for 2011/12 is used as the opening position for the 2012/13 forecasts.

These assumptions are adopted as at 31 March 2012.

Actual results achieved for the year to 30 June 2013 are likely to vary from information presented in these statements and the variances may be material. This could be due to changes in existing policies that may change the funding requirement of Te Puni Kōkiri, and as a result have an impact on the prospective financial statements. The potential financial effect of this cannot be quantified now as it will depend on the quantum of the change that may be proposed.

## Statement of Entity-Specific Accounting Policies

Te Puni Kōkiri 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 Te Puni Kōkiri, prepared in accordance with section 38 of the Public Finance Act 1989.

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

### Authorisation Statement

These forecast financial statements were authorised for issue by the Chief Executive of Te Puni Kōkiri on 4 April 2012. The Chief Executive of Te Puni Kōkiri 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**

### *Property, Plant and 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:

- Computer Equipment - 4 years
- Motor Vehicles - 5 years
- Office Equipment - 5 years
- Furniture and Fittings - 5 years
- Leasehold Improvements - up to 12 years

### *Intangible Assets*

Capitalisation thresholds applied are:

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

The estimated useful lives of intangible assets are:

- Purchased software - 3 and 1/3 years
- Internally developed software - 3 and 1/3 years

### *Cost Allocation*

Te Puni Kōkiri has determined the cost of outputs using the cost allocation system outlined below.

#### **Criteria for direct costs**

'Direct costs' are those costs that are directly attributed to an output.

**Criteria for indirect costs**

'Indirect costs' are those costs that cannot be attributed in an economically feasible manner, to a specific output.

These include depreciation and capital charge which are charged to outputs on the basis of fulltime equivalents (FTEs) attributable to each output.

Personnel costs (excluding those of Support Services Wahanga and the Office of the Chief Executive) are allocated to outputs based on budgeted FTEs attributable to each output. Property and other premises costs, such as maintenance, are charged to wahanga (business units) on the basis of budgeted full time equivalents (FTEs).

Corporate overheads are allocated to outputs on the basis of budgeted FTEs attributable to each output.

There have been no changes in cost accounting policies since the date of the last audited financial statements.



# Notes to the Financial Statements

## Note 1 - Operating Expenses

	2010/11	2011/12		2012/13
	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
Operating expenses include:				
Consultants' fees	6,834	4,764	4,814	4,739
Overseas travel	171	75	114	112
Domestic travel	2,725	2,466	2,054	2,022
Other	18,331	20,633	20,798	19,517
<b>Total</b>	<b>28,061</b>	<b>27,938</b>	<b>27,780</b>	<b>26,390</b>

## Note 2 - Property, Plant and Equipment

	Land \$000	Buildings \$000	Leasehold improvements \$000	Furniture/office equipment \$000	Other \$000	Total \$000
<b>Cost or revaluation</b>						
Balance as at 1 July 2012	-	-	3,380	1,614	2,287	7,281
Additions by purchase	-	-	223	320	1,767	2,310
Additions internally developed	-	-	-	-	-	-
Revaluation increase	-	-	-	-	-	-
Transfers between classes	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
<b>Balance as at 30 June 2013</b>	<b>-</b>	<b>-</b>	<b>3,603</b>	<b>1,934</b>	<b>4,054</b>	<b>9,591</b>
<b>Accumulated depreciation and impairment losses</b>						
Balance as at 1 July 2012	-	-	3,148	1,052	1,228	5,428
Depreciation expense	-	-	84	241	674	999
Eliminate on disposal	-	-	-	-	-	-
Eliminate on revaluation	-	-	-	-	-	-
Transfers between classes	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
<b>Balance as at 30 June 2013</b>	<b>-</b>	<b>-</b>	<b>3,232</b>	<b>1,293</b>	<b>1,902</b>	<b>6,427</b>
<b>Carrying amount as at 30 June 2013</b>	<b>-</b>	<b>-</b>	<b>371</b>	<b>641</b>	<b>2,152</b>	<b>3,164</b>

**Note 3 - Intangible Assets**

	Acquired software \$000	Internally generated software \$000	Other \$000	Total \$000
<b>Cost</b>				
Balance as at 1 July 2012	1,394	380	-	1,774
Additions by purchase	100	-	-	100
Additions internally developed	-	-	-	-
Disposals	-	-	-	-
<b>Balance as at 30 June 2013</b>	<b>1,494</b>	<b>380</b>	<b>-</b>	<b>1,874</b>
<b>Accumulated amortisation and impairment losses</b>				
Balance as at 1 July 2012	1,203	380	-	1,583
Amortisation expense	80	-	-	80
Disposals	-	-	-	-
Impairment losses	-	-	-	-
<b>Balance as at 30 June 2013</b>	<b>1,283</b>	<b>380</b>	<b>-</b>	<b>1,663</b>
<b>Carrying amount as at 30 June 2013</b>	<b>211</b>	<b>-</b>	<b>-</b>	<b>211</b>

**Note 4 - Reconciliation of Net Surplus to Net Cash Flows from Operating Activities**

	2010/11	2011/12		2012/13
	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
Net surplus/(deficit)	2,149	-	-	-
<b>Add/(less) non-cash items</b>				
Depreciation and amortisation expense	1,041	1,003	774	1,079
Impairment Loss	298	-	-	-
<b>Total non-cash items</b>	<b>1,339</b>	<b>1,003</b>	<b>774</b>	<b>1,079</b>
<b>Add/(less) items classified as investing or financing activities</b>				
(Gains)/losses on disposal property, plant and equipment	(6)	-	(124)	-
<b>Total items classified as investing or financing activities</b>	<b>(6)</b>	<b>-</b>	<b>124</b>	<b>-</b>
<b>Add/(less) movements in working capital items</b>				
(Inc)/Dec in debtors and other receivables	75	-	-	-
(Inc)/Dec in prepayments	110	-	228	-
Inc/(Dec) in creditors and other payables	(1,317)	113	(506)	101
Inc/(Dec) in current employee entitlements	259	(85)	20	100
<b>Net movements in working capital items</b>	<b>(873)</b>	<b>28</b>	<b>(298)</b>	<b>201</b>
<b>Add/(less) movements in non-current liabilities</b>				
Inc/(Dec) in non-current employee entitlements	-	-	-	-
<b>Net cash from operating activities</b>	<b>2,609</b>	<b>1,031</b>	<b>352</b>	<b>1,280</b>

**Note 5 - Reconciliation of Departmental Expenses and Appropriations**

	2010/11	2011/12		2012/13
	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
<b>Appropriations for output expenses</b>				
Operations Management	9,381	8,714	9,664	13,741
Policy Advice and Related Outputs MCOA - <i>Ministerial Servicing</i>	-	-	-	3,000
Policy Advice and Related Outputs MCOA - <i>Policy - Crown Māori Relationships</i>	-	-	-	7,993
Policy Advice and Related Outputs MCOA - <i>Policy - Māori Development</i>	-	-	-	12,321
Policy - Social and Cultural	8,084	7,927	6,993	-
Policy - Crown Māori Relationships	6,352	7,950	7,226	-
Relationships and Information	7,333	7,664	7,372	7,610
Policy - Economic and Enterprise	10,436	11,698	12,021	-
Ministerial Economic Taskforce	468	-	-	-
Integrated Whānau Social Assistance	7,507	6,802	7,342	6,626
Whānau Ora Administration	9,383	8,838	10,805	9,201
<b>Total Appropriations for output expenses</b>	<b>58,944</b>	<b>59,593</b>	<b>61,423</b>	<b>60,492</b>
<b>Total departmental expenses [as per statement of financial performance]</b>	<b>58,944</b>	<b>59,593</b>	<b>61,423</b>	<b>60,492</b>