

Forecast Financial Statements

Department of Conservation

Statement of Forecast Financial Performance for the year ending 30 June 2009

	Note	2006/07 Actual \$000	2007/08 Budgeted \$000	2007/08 Estimated Actual \$000	2008/09 Budgeted \$000
Income					
Crown		251,175	263,950	257,325	280,727
Department(s)		1,852	3,299	3,299	2,959
Other revenue		27,121	32,190	32,190	32,190
Gains		-	-	-	-
Interest		-	-	-	-
Total Income		280,148	299,439	292,814	315,876
Expenses					
Personnel		121,686	128,705	128,705	128,938
Operating		100,750	115,231	112,217	121,374
Depreciation and amortisation		18,758	21,480	17,869	27,950
Capital charge		29,460	31,723	31,723	38,214
Finance costs		-	-	-	-
Other		2,532	3,000	3,000	-
Total Expenses		273,186	300,139	293,514	316,476
Net Surplus / (Deficit)		6,962	(700)	(700)	(600)

Statement of Forecast Changes in Taxpayers' Funds for the year ending 30 June 2009

	Note	2006/07 Actual \$000	2007/08 Budgeted \$000	2007/08 Estimated Actual \$000	2008/09 Budgeted \$000
Balance at 1 July					
General funds		301,306	309,773	309,773	332,327
Revaluation reserve		85,743	113,412	113,412	113,412
Other reserves		-	-	-	-
Taxpayers' Funds Opening Balance		387,049	423,185	423,185	445,739
Changes in Taxpayers' Funds					
Income and Expense for the Period					
Net surplus / (deficit) for the year		6,962	(700)	(700)	(600)
Total gains / (losses) taken to equity		28,398	-	-	-
Total Income and Expense for the Period		35,360	(700)	(700)	(600)
Other Changes					
Repayment of surplus		(6,333)	-	-	-
Capital contribution		7,274	23,254	23,254	105,920
Capital withdrawal		(165)	-	-	-
Other		-	-	-	-
Total Changes in Taxpayers' Funds		36,136	22,554	22,554	105,320
Balance at 30 June					
General funds		309,773	332,327	332,327	437,647
Revaluation reserve		113,412	113,412	113,412	113,412
Other reserves		-	-	-	-
Taxpayers' Funds Closing Balance		423,185	445,739	445,739	551,059

Forecast Statement of Financial Position as at 30 June 2009

	Note	2006/07 Actual \$000	2007/08 Budgeted \$000	2007/08 Estimated Actual \$000	2008/09 Budgeted \$000
Assets					
Current Assets					
Cash and cash equivalents		25,305	16,205	24,103	21,422
Debtors and other receivables		55,682	46,543	52,647	49,459
Prepayments		1,270	1,270	1,270	1,270
Inventories		1,184	1,185	1,185	1,185
Other current assets		-	-	-	-
Total Current Assets		83,441	65,203	79,205	73,336
Non-current Assets					
Property, plant and equipment	1	383,526	415,077	401,800	510,296
Intangible assets	2	2,741	3,864	3,752	5,202
Other non-current assets		-	-	-	-
Total Non-current Assets		386,267	418,941	405,552	515,498
Total Assets		469,708	484,144	484,757	588,834
Liabilities					
Current Liabilities					
Creditors and other payables		17,501	15,716	16,329	15,086
Repayment of surplus		6,332	-	-	-
Employee entitlements		10,556	10,556	10,556	10,556
Other current liabilities		2,235	2,234	2,234	2,234
Total Current Liabilities		36,624	28,506	29,119	27,876
Non-current Liabilities					
Provisions		-	-	-	-
Employee entitlements		9,899	9,899	9,899	9,899
Other non-current liabilities		-	-	-	-
Total Non-current Liabilities		9,899	9,899	9,899	9,899
Total Liabilities		46,523	38,405	39,018	37,775
Taxpayers' Funds					
General funds		309,773	332,327	332,327	437,647
Revaluation reserve		113,412	113,412	113,412	113,412
Other reserves		-	-	-	-
Total Taxpayers' Funds		423,185	445,739	445,739	551,059
Total Liabilities and Taxpayers' Funds		469,708	484,144	484,757	588,834

Statement of Forecast Cash Flows for the year ending 30 June 2009

	Note	2006/07 Actual \$000	2007/08 Budgeted \$000	2007/08 Estimated Actual \$000	2008/09 Budgeted \$000
Cash Flows from Operating Activities					
Receipts from:					
Crown		253,322	274,047	261,318	284,720
Department(s)		1,727	3,818	3,818	2,959
Other		26,849	30,712	30,712	31,385
Interest		-	-	-	-
Payments to:					
Suppliers		(95,808)	(115,284)	(112,608)	(120,344)
Employees		(123,129)	(128,705)	(128,705)	(128,938)
Capital charge		(29,460)	(31,723)	(31,723)	(38,214)
Goods and services tax (net)		(330)	(1,733)	(782)	(2,273)
Other operating activities		-	-	-	-
Net Cash from Operating Activities	3	33,171	31,132	22,030	29,295
Cash Flow from Investing Activities					
Receipts from:					
Sale of property, plant and equipment		815	-	-	-
Sale of intangible assets		-	-	-	-
Sale of other non-current assets		-	-	-	-
Purchase of:					
Property, plant and equipment	4	(31,526)	(52,154)	(35,154)	(50,615)
Intangible assets		-	-	-	-
Other non-current assets		-	-	-	-
Net Cash from Investing Activities		(30,711)	(52,154)	(35,154)	(50,615)
Cash Flow from Financing Activities					
Capital contribution		7,274	18,254	18,254	18,639
Other financing cash inflows		-	-	-	-
Repayment of surplus		(6,264)	(6,332)	(6,332)	-
Capital withdrawal		(165)	-	-	-
Other financing cash outflows		-	-	-	-
Net Cash from Financing Activities		845	11,922	11,922	18,639
Net Increase / (Decrease) in Cash		3,305	(9,100)	(1,202)	(2,681)
Cash at the beginning of the year		22,000	25,305	25,305	24,103
Cash at the end of the year		25,305	16,205	24,103	21,422

Statement of Significant Assumptions

These forecast financial statements have been compiled on the basis of Government policies and the Estimates of Appropriation relating to Vote Conservation presented by the Government. They reflect decisions made by the Government during the 2008/09 budget process up to April 2008.

The primary underlying assumption upon which this financial information has been prepared is that the department's activities will remain substantially the same as for the previous year.

Personnel and operating costs are based on historical experience. The general historical pattern is expected to continue and the estimated year end information for 2007/08 is used as the opening position for the 2008/09 forecasts.

Department-Specific Accounting Policies

The Department of Conservation 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 Department of Conservation, prepared in accordance with section 38 of the Public Finance Act 1989.

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

Statement of Entity-Specific Accounting Policies

Property, plant and equipment

Capitalisation thresholds applied are set out below:

Capital Item	Threshold amount
IT Equipment / Hardware	\$5,000
All other Property, Plant and Equipment	\$5,000

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

Capital Item	Estimated useful life
Buildings	20-40 years
Furniture, computers, other office equipment	5 years
Vehicles	6 years and 8 months (With a 30% salvage value)
Other Categories	
Visitor Assets	
Amenity areas	10-25 years
Signs	5-10 years
Tracks	6-25 years
Roads (surface only)	10-22 years
Campsites	10-20 years

Capital Item	Estimated useful life
Toilets	20-50 years
Structures	25-50 years
Other buildings	35-50 years
Plant and field equipment	10 years
Radio equipment	5-10 years
Vessels	
Engines	10 years
Hulls	15 years
Infrastructure	
Industrial fire equipment	45 years
Landscaping	44 years
Roads	10-100 years
Sewerage works	64 years
Solid waste works	38 years
Stream control	98 years
Water supply	60 years

Intangible assets

Capitalisation thresholds applied are:

Capital Item	Threshold amount
Purchased software	\$5,000
Internally developed software	\$5,000

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

Capital Item	Estimated useful life
Purchased software	5-10 years
Internally developed software	5-10 years

Notes to the Financial Statements

Note 1 - 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 2008	17,447	135,353	-	62,392	604,972	820,164
Additions by purchase	-	4,158	-	9,004	34,580	47,742
Additions internally developed	-	-	-	-	-	-
Revaluation increase	5,000		-	-	-	5,000
Transfer from Crown - Fencing Assets	-	-	-	82,281	-	82,281
Disposals	-	-	-	-	-	-
Balance as at 30 June 2009	22,447	139,511	-	153,677	639,552	955,187
Accumulated depreciation and impairment losses						
Balance as at 1 July 2008	-	77,056	-	28,444	312,864	418,364
Depreciation expense	-	2,567	-	8,416	15,544	26,527
Eliminate on disposal	-	-	-	-	-	-
Eliminate on revaluation	-	-	-	-	-	-
Transfers between classes	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
Balance as at 30 June 2009	-	79,623	-	36,860	328,408	444,891
Carrying amount as at 30 June 2009	22,447	59,888	-	116,817	311,144	510,296

Note - Other is mostly made up of Visitor Assets.

Note 2 - Intangible Assets

	Acquired software \$000	Internally generated software \$000	Other \$000	Total \$000
Cost				
Balance as at 1 July 2008	8,605	-	-	8,605
Additions by purchase	2,873	-	-	2,873
Additions internally developed	-	-	-	-
Disposals	-	-	-	-
Balance as at 30 June 2009	11,478	-	-	11,478
<i>Accumulated amortisation and impairment losses</i>				
Balance as at 1 July 2008	4,853	-	-	4,853
Amortisation expense	1,423	-	-	1,423
Disposals	-	-	-	-
Impairment losses	-	-	-	-
Balance as at 30 June 2009	6,276	-	-	6,276
Carrying amount as at 30 June 2009	5,202	-	-	5,202

Note 3 - Reconciliation of Net Surplus to Net Cash Flows

	2006/07 Actual \$000	2007/08 Budgeted \$000	2007/08 Estimated Actual \$000	2008/09 Budgeted \$000
Net surplus / (deficit)	6,962	(700)	(700)	(600)
Add/ (less) non-cash items				
Depreciation and amortisation expense	18,758	21,480	17,869	27,950
Asset write-offs	273	-	-	-
<i>Total non-cash items</i>	19,031	21,480	17,869	27,950
Add/ (less) items classified as investing or financing activities				
(Gains)/ losses on disposal property, plant and equipment	2,259	3,000	3,000	-
<i>Total items classified as investing or financing activities</i>	2,259	3,000	3,000	-
Add/ (less) movements in working capital items				
(Inc)/ Dec in receivables and prepayments	1,594	9,139	3,035	3,188
(Inc)/ Dec in inventories	156	(1)	(1)	-
Incl/ (Dec) in creditors and other payables	2,187	(2,583)	(1,970)	(1,243)
Incl/ (Dec) in provisions	982	797	797	-
<i>Net movements in working capital items</i>	4,919	7,352	1,861	1,945
Net cash from operating activities	33,171	31,132	22,030	29,295

Note 4 - Capital Expenditure

	2006/07 Actual \$000	2007/08 Budgeted \$000	2007/08 Estimated Actual \$000	2008/09 Budgeted \$000
Capital Expenditure	\$000	\$000	\$000	\$000
Buildings	6,564	882	882	4,158
Plant and Equipment	3,538	16,249	9,249	8,828
<i>Other</i>				
Visitor Assets	15,795	28,000	18,000	28,400
Motor vehicles and vessels	1,858	5,838	5,838	6,180
Furniture and office equipment	488	62	62	176
Total other	18,141	33,900	23,900	34,756
Software and licences purchased	3,283	1,123	1,123	2,873
Total capital expenditure	31,526	52,154	35,154	50,615