

Forecast Financial Statements

Parliamentary Counsel Office

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		17,592	20,447	20,447	20,807
Department(s)		156	178	178	189
Other revenue		16	35	35	35
Gains		3	-	-	-
Interest		-	-	-	-
Total Income		17,767	20,660	20,660	21,031
Expenses					
Personnel		7,385	8,881	8,881	9,468
Operating	1	6,613	9,476	9,476	7,636
Depreciation and amortisation		399	1,628	1,628	2,951
Capital charge		726	675	675	976
Finance costs		-	-	-	-
Other		-	-	-	-
Total Expenses		15,123	20,660	20,660	21,031
Net Surplus / (Deficit)		2,644	-	-	-

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		8,747	12,327	12,327	13,764
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Opening Balance		8,747	12,327	12,327	13,764
Changes in Taxpayers' Funds					
Income and Expense for the Period					
Net surplus / (deficit) for the year		2,644	-	-	-
Total gains / (losses) taken to equity		-	-	-	-
Total Income and Expense for the Period		2,644	-	-	-
Other Changes					
Repayment of surplus		(2,616)	-	-	-
Capital contribution		3,552	1,437	1,437	374
Capital withdrawal		-	-	-	-
Other		-	-	-	-
Total Changes in Taxpayers' Funds		3,580	1,437	1,437	374
Balance at 30 June					
General funds		12,327	13,764	13,764	14,138
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Closing Balance		12,327	13,764	13,764	14,138

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		7,146	1,073	1,073	3,902
Debtors and other receivables		65	-	-	-
Prepayments		126	19	19	19
Inventories		-	-	-	-
Other current assets		-	-	-	-
Total Current Assets		7,337	1,092	1,092	3,921
Non-current Assets					
Property, plant and equipment		9,608	13,990	13,990	11,713
Intangible assets		-	-	-	-
Other non-current assets		-	-	-	-
Total Non-current Assets		9,608	13,990	13,990	11,713
Total Assets		16,945	15,082	15,082	15,634
Liabilities					
Current Liabilities					
Creditors and other payables		1,246	418	418	418
Repayment of surplus		2,616	-	-	-
Employee entitlements		255	399	399	577
Other current liabilities		-	-	-	-
Total Current Liabilities		4,117	817	817	995
Non-current Liabilities					
Provisions		-	-	-	-
Employee entitlements		501	501	501	501
Other non-current liabilities		-	-	-	-
Total Non-current Liabilities		501	501	501	501
Total Liabilities		4,618	1,318	1,318	1,496
Taxpayers' Funds					
General funds		12,327	13,764	13,764	14,138
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Total Taxpayers' Funds		12,327	13,764	13,764	14,138
Total Liabilities and Taxpayers' Funds		16,945	15,082	15,082	15,634

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		19,151	20,447	20,447	20,807
Department(s)		135	243	243	189
Other		19	35	35	35
Interest		-	-	-	-
Payments to:					
Suppliers		(6,603)	(10,478)	(10,478)	(7,922)
Employees		(7,385)	(8,457)	(8,457)	(9,004)
Capital charge		(726)	(675)	(675)	(976)
Goods and services tax (net)		-	-	-	-
Other operating activities		-	-	-	-
Net Cash from Operating Activities	2	4,591	1,115	1,115	3,129
Cash Flow from Investing Activities					
Receipts from:					
Sale of property, plant and equipment		15	-	-	-
Sale of intangible assets		-	-	-	-
Sale of other non-current assets		-	-	-	-
Purchase of:					
Property, plant and equipment		(1,764)	(6,009)	(6,009)	(674)
Intangible assets		-	-	-	-
Other non-current assets		-	-	-	-
Net Cash from Investing Activities		(1,749)	(6,009)	(6,009)	(674)
Cash Flow from Financing Activities					
Capital contribution		3,552	1,437	1,437	374
Other financing cash inflows		-	-	-	-
Repayment of surplus		(2,120)	(2,616)	(2,616)	-
Capital withdrawal		-	-	-	-
Other financing cash outflows		-	-	-	-
Net Cash from Financing Activities		1,432	(1,179)	(1,179)	374
Net Increase / (Decrease) in Cash		4,274	(6,073)	(6,073)	2,829
Cash at the beginning of the year		2,872	7,146	7,146	1,073
Cash at the end of the year		7,146	1,073	1,073	3,902

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. Our primary objective is the drafting of bills and publishing legislation.
- Personnel costs are based on 80 staff positions (73.2 full time equivalents).
- Operating costs are based on historical experience. The general historical pattern is expected to continue.
- Estimated year end information for 2007/08 is used as the opening position for the 2008/09 forecasts.

Factors that could lead to material differences between the forecast financial statements and the 2008/09 actual financial statements include:

- Changes to the baseline budget through new initiatives, or technical adjustments.

Department-Specific Accounting Policies

The Parliamentary Counsel Office 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 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 Parliamentary Counsel Office is a public benefit entity.

Statement of Entity-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

PAL software is stated at fair value as determined by an independent registered valuer. PAL 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:

- PAL software - 5 years.
- PAL System - 20 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

	2006/07 Actual \$000	2007/08 Budgeted \$000	2007/08 Estimated Actual \$000	2008/09 Budgeted \$000
Consultant's fees	347	859	859	550
Overseas travel	41	35	35	30
Domestic travel	12	27	27	27
Other	6,213	8,555	8,555	7,029
Total	6,613	9,476	9,476	7,636

Note 2 - Reconciliation of Net Surplus to Net Cash Flows from Operating Activities for the Year Ending 30 June 2009

	2006/07 Actual \$000	2007/08 Budgeted \$000	2007/08 Estimated Actual \$000	2008/09 Budgeted \$000
Net surplus/(deficit)	2,644	-	-	-
Add/(less) non-cash items				
Depreciation and amortisation expense	398	1,628	1,628	2,951
Net gains on derivative financial instruments	-	-	-	-
Net foreign exchange (gains)/losses	-	-	-	-
Other	-	-	-	-
Total non-cash items	398	1,628	1,628	2,951
Add/(less) items classified as investing or financing activities				
(Gains)/losses on disposal property, plant and equipment	(3)	-	-	-
Other	-	-	-	-
Total items classified as investing or financing activities	(3)	-	-	-
Add / (less) movements in working capital items				
(Inc)/Dec in debtors and other receivables	1,541	65	65	-
(Inc)/Dec in prepayments	(111)	107	107	-
(Inc)/Dec in inventories	-	-	-	-
Inc/(Dec) in creditors and other payables	213	(782)	(782)	-
Inc/(Dec) in current provisions	(125)	(46)	(46)	-
Inc/(Dec) in employee entitlements	60	143	143	178
Inc/(Dec) other	-	-	-	-
Net movements in working capital items	1,578	(513)	(513)	178
Add/(less) movements in non-current liabilities				
Inc/(Dec) in non-current provisions	-	-	-	-
Inc/(Dec) in employee entitlements	-	-	-	-
Net movements in non-current liabilities	-	-	-	-
Net cash from operating activities	4,617	1,115	1,115	3,129