

Forecast Financial Statements

Ministry of Pacific Island Affairs

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		5,865	7,225	7,225	6,225
Department(s)		49	55	46	60
Other revenue		16	-	46	-
Gains		17	-	-	-
Interest		-	-	-	-
Total Income		5,947	7,280	7,317	6,285
Expenses					
Personnel		3,674	3,738	3,738	3,401
Operating	1	2,095	3,280	3,317	2,597
Depreciation and amortisation		199	190	190	217
Capital charge		75	68	68	70
Finance costs		-	-	-	-
Other		2	4	4	-
Total Expenses	5	6,045	7,280	7,317	6,285
Net Surplus / (Deficit)	4	(98)	-	-	-

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		890	864	864	864
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Opening Balance		890	864	864	864
Changes in Taxpayers' Funds					
Income and Expense for the Period					
Net surplus / (deficit) for the year		(98)	-	-	-
Total gains / (losses) taken to equity		-	-	-	-
Total Income and Expense for the Period		(98)	-	-	-
Other Changes					
Repayment of surplus		-	-	-	-
Capital contribution		-	-	-	-
Capital withdrawal		-	-	-	-
Other		72	-	-	-
Total Changes in Taxpayers' Funds		(26)	-	-	-
Balance at 30 June					
General funds		864	864	864	864
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Closing Balance		864	864	864	864

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		969	130	130	100
Debtors and other receivables	2	54	932	932	802
Prepayments		48	39	39	7
Inventories		-	-	-	-
Other current assets		-	-	-	-
Total Current Assets		1,071	1,101	1,101	909
Non-current Assets					
Property, plant and equipment	3	562	527	527	714
Intangible assets		10	-	-	-
Other non-current assets		-	-	-	-
Total Non-current Assets		572	527	527	714
Total Assets		1,643	1,628	1,628	1,623
Liabilities					
Current Liabilities					
Creditors and other payables		421	520	520	509
Repayment of surplus		-	-	-	-
Employee entitlements		358	244	244	250
Other current liabilities		-	-	-	-
Total Current Liabilities		779	764	764	759
Non-current Liabilities					
Provisions		-	-	-	-
Employee entitlements		-	-	-	-
Other non-current liabilities		-	-	-	-
Total Non-current Liabilities		-	-	-	-
Total Liabilities		779	764	764	759
Taxpayers' Funds					
General funds		864	864	864	864
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Total Taxpayers' Funds		864	864	864	864
Total Liabilities and Taxpayers' Funds		1,643	1,628	1,628	1,623

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		5,865	7,225	7,225	6,225
Department(s)		49	46	46	60
Other		6	46	46	-
Interest		-	-	-	-
Payments to:					
Suppliers		(1,937)	(4,621)	(4,621)	(2,821)
Employees		(3,696)	(3,317)	(3,317)	(3,310)
Capital charge		(75)	(68)	(68)	(70)
Goods and services tax (net)		-	-	-	-
Other operating activities		-	-	-	-
Net Cash from Operating Activities	4	212	(689)	(689)	84
Cash Flow from Investing Activities					
Receipts from:					
Sale of property, plant and equipment		18	14	14	-
Sale of intangible assets		-	-	-	-
Sale of other non-current assets		-	-	-	-
Purchase of:					
Property, plant and equipment		(45)	(164)	(164)	(114)
Intangible assets		-	-	-	-
Other non-current assets		-	-	-	-
Net Cash from Investing Activities		(27)	(150)	(150)	(114)
Cash Flow from Financing Activities					
Capital contribution		-	-	-	-
Other financing cash inflows		-	-	-	-
Repayment of surplus		-	-	-	-
Capital withdrawal		-	-	-	-
Other financing cash outflows		-	-	-	-
Net Cash from Financing Activities		-	-	-	-
Net Increase / (Decrease) in Cash		185	(839)	(839)	(30)
Cash at the beginning of the year		784	969	969	130
Cash at the end of the year		969	130	130	100

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.
- Personnel costs are based on 48 staff positions (48 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.

These assumptions are adopted as at 14 April 2008.

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
- not meeting milestones associated with the Pacific Language Promotion and Preservation Programme.

Department-Specific Accounting Policies

The Ministry of Pacific Island Affairs 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 Ministry of Pacific Island Affairs, prepared in accordance with section 38 of the Public Finance Act 1989.

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

Authorisation Statement

These forecast financial statements were authorised for issue by the Chief Executive on 14 April 2008. The Chief Executive is responsible for the forecast financial statements presented, including the appropriateness of the assumptions underlying the forecast financial statements and all other required disclosure.

Statement of Entity-Specific Accounting Policies

Property, plant and equipment

All property, plant and equipment costing more than \$3,000 are capitalised and recorded at historical cost. Assets below \$3,000 can be capitalised as a group of assets when the benefits from them are expected to be received in more than one period.

Depreciation

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

- Furniture and fittings - 8 years.
- Office equipment - 3 to 4 years.
- Motor vehicles - 4 to 5 years.
- IT equipment - 3 to 4 years.

Cost allocation

Direct costs are charged directly to significant activities. Indirect costs are charged to the output Policy Advice and allocated at year end to the output Communications based on the level of staffing.

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 is charged on the basis of asset utilisation.

Basis for assigning indirect and corporate costs to outputs

All indirect costs incurred in the Wellington head office are charged to the output Policy Advice and allocated to the output Communications based on staffing levels.

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
Operating expenses include:				
Consultants' fees	-	400	400	100
Overseas travel	14	34	34	34
Domestic travel	159	161	161	161
Restructuring costs	-	1,363	1,363	200
Other	1,922	1,322	1,359	2,102
Total	2,095	3,280	3,317	2,597

Note 2 - Debtors and Other Receivables

	2006/07 Actual \$000	2007/08 Budgeted \$000	2007/08 Estimated Actual \$000	2008/09 Budgeted \$000
Debtor Crown	-	927	927	797
Debtor other	54	5	5	5
Debtor other Total	54	932	932	802

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 2008	-	-	631	1,062	-	1,693
Additions by purchase	-	-	-	404	-	404
Additions internally developed	-	-	-	-	-	-
Revaluation increase	-	-	-	-	-	-
Transfers between classes	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance as at 30 June 2009	-	-	631	1,466	-	2,097
Accumulated depreciation and impairment losses						
Balance as at 1 July 2008	-	-	210	956	-	1,166
Depreciation expense	-	-	65	152	-	217
Eliminate on disposal	-	-	-	-	-	-
Eliminate on revaluation	-	-	-	-	-	-

	Land \$000	Buildings \$000	Leasehold improvements \$000	Furniture/office equipment \$000	Other \$000	Total \$000
Transfers between classes	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
Balance as at 30 June 2009	-	-	275	1,108	-	1,383
Carrying amount as at 30 June 2009	-	-	356	358	-	714

Note 4 - 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)	(98)	-	-	-
Add / (less) non-cash items				
Depreciation and amortisation	199	190	190	217
Total non-cash items	199	190	190	217
Add / (less) items classified as investing or financing activities				
(Gains) / losses on disposal of property, plant and equipment	(17)	-	-	-
Total items classified as investing or financing activities	(17)	-	-	-
Add / (less) movements in working capital items				
(Inc) / Dec in debtors and other receivables	(10)	(878)	(878)	130
(Inc) / Dec in prepayments	(19)	9	9	32
Inc / (Dec) in creditors and other payables	172	104	104	(11)
Inc / (Dec) in employee entitlements	(15)	(114)	(114)	6
Net movements in working capital items	128	(879)	(879)	157
Net cash from operating activities	212	(689)	(689)	374

Note 5 - Reconciliation of Departmental Expenses and Appropriation

	2006/07 Actual \$000	2007/08 Budgeted \$000	2007/08 Estimated Actual \$000	2008/09 Budgeted \$000
Appropriations for output expenses				
Total for Vote: Pacific Island Affairs	6,045	7,280	7,317	6,285
Total	6,045	7,280	7,317	6,285