

Forecast Financial Statements

Crown Law Office

Statement of Forecast Comprehensive Income for the year ending 30 June 2010

	Note	2007/08	2008/09		2009/10
		Actual \$000	In 2008 Budget \$000	Estimated Actual \$000	Budgeted \$000
Income					
Crown		40,812	42,214	42,864	41,799
Department(s)		20,469	21,110	22,900	22,900
Other revenue		55	-	50	50
Gains		-	-	-	-
Interest		-	-	-	-
Total Income		61,336	63,324	65,814	64,749
Expenses					
Personnel		16,892	18,990	18,064	19,000
Operating	1	40,728	43,167	46,577	44,306
Depreciation and amortisation		844	1,022	1,018	1,288
Capital charge		97	145	155	155
Finance costs		-	-	-	-
Other		-	-	-	-
Total Expenses		58,561	63,324	65,814	64,749
Net Surplus / (Deficit)		2,775	-	-	-
Other comprehensive income		-	-	-	-
Total Comprehensive Income		2,775	-	-	-

Statement of Forecast Changes in Taxpayers' Funds for the year ending 30 June 2010

	Note	2007/08	2008/09		2009/10
		Actual \$000	In 2008 Budget \$000	Estimated Actual \$000	Budgeted \$000
Balance at 1 July					
General funds		1,001	1,640	1,767	2,637
Revaluation reserve		296	296	296	296
Other reserves		-	-	-	-
Taxpayers' Funds Opening Balance		1,297	1,936	2,063	2,933
Changes in Taxpayers' Funds					
Comprehensive income for the period		2,775	-	-	-
Repayment of surplus		(2,775)	-	-	-
Capital contribution		639	-	-	-
Capital withdrawal		-	-	-	-
Other		127	-	870	(870)
Total Changes in Taxpayers' Funds		766	-	870	(870)
Balance at 30 June					
General funds		1,767	1,640	2,637	1,767
Revaluation reserve		296	296	296	296
Other reserves		-	-	-	-
Taxpayers' Funds Closing Balance		2,063	1,936	2,933	2,063

Forecast Statement of Financial Position as at 30 June 2010

		2007/08	2008/09		2009/10
	Note	Actual \$000	In 2008 Budget \$000	Estimated Actual \$000	Budgeted \$000
Assets					
Current Assets					
Cash and cash equivalents		7,260	3,970	4,058	2,999
Debtors and other receivables		4,350	1,535	3,800	3,800
Prepayments		205	200	216	200
Inventories		-	1,640	-	-
Other current assets		-	-	-	-
Total Current Assets		11,815	7,345	8,074	6,999
Non-current Assets					
Property, plant and equipment		2,654	2,188	2,509	2,150
Intangible assets		49	612	1,580	1,594
Other non-current assets		-	-	-	-
Total Non-current Assets		2,703	2,800	4,089	3,744
Total Assets		14,518	10,145	12,163	10,743
Liabilities					
Current Liabilities					
Creditors and other payables		4,703	3,958	4,139	3,658
Repayment of surplus		2,775	-	-	-
Employee entitlements		1,090	980	986	980
Other current liabilities		3,625	3,004	3,852	3,675
Total Current Liabilities		12,193	7,942	8,977	8,313
Non-current Liabilities					
Provisions		-	-	-	-
Employee entitlements		262	267	253	367
Other non-current liabilities		-	-	-	-
Total Non-current Liabilities		262	267	253	367
Total Liabilities		12,455	8,209	9,230	8,680
Taxpayers' Funds					
General funds		1,767	1,640	2,637	1,767
Revaluation reserve		296	296	296	296
Other reserves		-	-	-	-
Total Taxpayers' Funds		2,063	1,936	2,933	2,063
Total Liabilities and Taxpayers' Funds		14,518	10,145	12,163	10,743

Statement of Forecast Cash Flows for the year ending 30 June 2010

		2007/08	2008/09		2009/10
	Note	Actual \$000	In 2008 Budget \$000	Estimated Actual \$000	Budgeted \$000
Cash Flows from Operating Activities					
Receipts from:					
Crown		40,812	42,214	42,864	41,799
Department(s)		20,639	21,110	23,450	22,900
Other		55	-	50	50
Interest		-	-	-	-
Payments to:					
Suppliers		(41,125)	(42,940)	(47,269)	(46,150)
Employees		(16,840)	(19,099)	(17,627)	(18,560)
Capital charge		(97)	(145)	(155)	(155)
Goods and services tax (net)		133	-	(204)	-
Other operating activities		-	-	-	-
Net Cash from Operating Activities	2	3,577	1,140	1,109	(116)
Cash Flow from Investing Activities					
Receipts from:					
Sale of property, plant and equipment		-	-	-	-
Sale of intangible assets		-	-	-	-
Sale of other non-current assets		-	-	-	-
Purchase of:					
Property, plant and equipment		(339)	(397)	(735)	(429)
Intangible assets		(2)	(570)	(1,670)	(514)
Other non-current assets		-	-	-	-
Net Cash from Investing Activities		(341)	(967)	(2,405)	(943)
Cash Flow from Financing Activities					
Capital contribution		639	-	-	-
Other financing cash inflows		-	-	-	-
Repayment of surplus		(361)	-	(1,906)	-
Capital withdrawal		-	-	-	-
Other financing cash outflows		-	-	-	-
Net Cash from Financing Activities		278	-	(1,906)	-
Net Increase / (Decrease) in Cash		3,514	173	(3,202)	(1,059)
Cash at the beginning of the year		3,746	3,797	7,260	4,058
Cash at the end of the year		7,260	3,970	4,058	2,999

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 activities of the Crown Law Office will remain substantially the same as for the previous year.
- Personnel costs are based on 213 staff positions (199.64 full-time equivalents).
- Operating costs are based on historical experience. The general historical pattern is expected to continue.
- Estimated year end information for 2008/09 is used as the opening position for the 2009/10 forecasts.

These assumptions are adopted as at 21 April 2009.

Factors that could lead to material differences between the forecast financial statements and the 2009/10 actual financial statements include:

- changes to the baseline budget through new initiatives, or technical adjustments
- changes in service demand, as the services provided by Crown Law are demand driven.

Statement of Entity-Specific Accounting Policies

The Crown Law 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 Crown Law Office, prepared in accordance with section 38 of the Public Finance Act 1989.

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

Authorisation Statement

These forecast financial statements were authorised for issue by the Chief Executive of Crown Law Office on 21 April 2009. The Chief Executive of Crown Law Office 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

The capitalisation threshold for property, plant and equipment is \$1,000.

Depreciation

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

- Computer equipment / Hardware - 3 years
- Office equipment - 5 years
- Furniture and fittings - 5 years
- Leasehold improvements - up to nine years
- Library - 10 years

Intangible Assets

The capitalisation threshold for computer software is \$1,000.

Amortisation

The estimated useful life for computer software is 3 years.

Cost Allocation

Crown Law has determined the cost of outputs using the cost allocation system outlined below.

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 are charged directly to outputs. Indirect costs are charged to outputs based on cost drivers and related activity/usage information. Depreciation and capital charge are charged on the basis of asset utilisation. Personnel costs are charged on the basis of actual time incurred. Other indirect costs are assigned to outputs based on the proportion of direct staff costs for 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

	2007/08	2008/09		2009/10
	Actual \$000	In 2008 Budget \$000	Estimated Actual \$000	Budgeted \$000
Operating expenses include:				
Crown Solicitor's fees	33,321	34,905	34,560	34,060
Consultants' fees	310	550	666	500
Overseas Travel	159	100	165	100
Domestic Travel	446	541	722	550
Other	6,545	7,071	10,664	7,587
Total operating expenses	40,723	43,167	46,777	42,797

Note 2 - Reconciliation of Net Surplus to Net Cash Flows from Operating Activities for the year ending 30 June 2010

	2007/08	2008/09		2009/10
	Actual \$000	In 2008 Budget \$000	Estimated Actual \$000	Budgeted \$000
Net surplus / (deficit)	2,775	-	-	-
Add / (less) non-cash items				
Depreciation and amortisation expense	844	1,022	1,018	1,288
Other (Memorandum Account)	-	-	-	(870)
<i>Total non-cash Items</i>	<i>844</i>	<i>1,022</i>	<i>1,018</i>	<i>418</i>
Add / (less) items classified as investing or financing activities				
(Gains) / losses on disposal property, plant and equipment	-	-	-	-
Other	-	-	-	-
<i>Total items classified as investing or financing activities</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Add / (less) movements in working capital items				
(Increase) / decrease in debtors and other receivable	(471)	(42)	550	-
(Increase) / decrease in prepayments	16	16	(11)	16
(Increase) / decrease in creditors and other payables	322	435	(359)	(481)
(Increase) / decrease in current provisions	-	(283)	228	177
(Increase) / decrease in employee entitlements	80	(8)	(104)	6
<i>Net Movements in working capital items</i>	<i>(53)</i>	<i>118</i>	<i>304</i>	<i>(282)</i>

	2007/08	2008/09		2009/10
	Actual \$000	In 2008 Budget \$000	Estimated Actual \$000	Budgeted \$000
Add / (less) movements in non-current liabilities				
(Increase) / decrease in non-current employee entitlements	11	-	(9)	(114)
<i>Net movements in non-current liabilities</i>	11	-	(9)	(114)
Net Cash from Operating Activities	3,577	1,140	1,313	116