

Forecast Financial Statements

Parliamentary Counsel Office

Statement of Forecast Comprehensive Income 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
Income					
Crown		20,446	20,807	18,807	20,429
Department(s)		163	189	160	181
Other revenue		12	35	45	56
Gains		4	-	-	-
Interest		-	-	-	-
Total Income		20,625	21,031	19,012	20,666
Expenses					
Personnel		7,859	9,468	8,544	9,431
Operating	1	7,971	7,636	6,911	7,417
Depreciation and amortisation		1,345	2,951	2,525	2,786
Capital charge		933	976	1,032	1,032
Finance costs		-	-	-	-
Other		-	-	-	-
Total Expenses		18,108	21,031	19,012	20,666
Net Surplus / (Deficit)	2	2,517	-	-	-
Other comprehensive income		-	-	-	-
Total Comprehensive Income		2,517	-	-	-

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		12,327	13,764	13,764	14,138
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Opening Balance		12,327	13,764	13,764	14,138
Changes in Taxpayers' Funds					
Comprehensive income for the period		2,517	-	-	-
Repayment of surplus		(2,517)	-	-	-
Capital contribution		1,437	374	374	979
Capital withdrawal		-	-	-	-
Other		-	-	-	-
Total Changes in Taxpayers' Funds		1,437	374	374	979
Balance at 30 June					
General funds		13,764	14,138	14,138	15,117
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Closing Balance		13,764	14,138	14,138	15,117

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		5,425	3,902	2,200	2,028
Debtors and other receivables		732	-	-	-
Prepayments		164	19	19	19
Inventories		-	-	-	-
Other current assets		-	-	-	-
Total Current Assets		6,321	3,921	2,219	2,047
Non-current Assets					
Property, plant and equipment		813	11,713	719	822
Intangible assets		10,858	-	12,495	13,689
Other non-current assets		-	-	-	-
Total Non-current Assets		11,671	11,713	13,214	14,511
Total Assets		17,992	15,634	15,433	16,558
Liabilities					
Current Liabilities					
Creditors and other payables		944	418	418	418
Repayment of surplus		2,517	-	-	-
Employee entitlements		354	577	464	610
Other current liabilities		-	-	-	-
Total Current Liabilities		3,815	995	882	1,028
Non-current Liabilities					
Provisions		-	-	-	-
Employee entitlements		413	501	413	413
Other non-current liabilities		-	-	-	-
Total Non-current Liabilities		413	501	413	413
Total Liabilities		4,228	1,496	1,295	1,441
Taxpayers' Funds					
General funds		13,764	14,138	14,138	15,117
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Total Taxpayers' Funds		13,764	14,138	14,138	15,117
Total Liabilities and Taxpayers' Funds		17,992	15,634	15,433	16,558

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	2				
Receipts from:					
Crown		20,446	20,807	18,807	20,429
Department(s)		(504)	189	892	181
Other		12	35	45	56
Interest		-	-	-	-
Payments to:					
Suppliers		(8,298)	(7,922)	(8,104)	(7,825)
Employees		(7,862)	(9,004)	(8,022)	(8,877)
Capital charge		(933)	(976)	(1,032)	(1,032)
Goods and services tax (net)		-	-	-	-
Other operating activities		-	-	-	-
Net Cash from Operating Activities		2,861	3,129	2,586	2,932
Cash Flow from Investing Activities					
Receipts from:					
Sale of property, plant and equipment		33	-	-	-
Sale of intangible assets		-	-	-	-
Sale of other non-current assets		-	-	-	-
Purchase of:					
Property, plant and equipment		(3,436)	(674)	(3,668)	(4,083)
Intangible assets		-	-	-	-
Other non-current assets		-	-	-	-
Net Cash from Investing Activities		(3,403)	(674)	(3,668)	(4,083)
Cash Flow from Financing Activities					
Capital contribution		1,437	374	374	979
Other financing cash inflows		-	-	-	-
Repayment of surplus		(2,616)	-	(2,517)	-
Capital withdrawal		-	-	-	-
Other financing cash outflows		-	-	-	-
Net Cash from Financing Activities		(1,179)	374	(2,143)	979
Net Increase / (Decrease) in Cash		(1,721)	2,829	(3,225)	(172)
Cash at the beginning of the year		7,146	1,073	5,425	2,200
Cash at the end of the year		5,425	3,902	2,200	2,028

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 86 staff positions (79.9 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.

Statement of Entity-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.

Authorisation Statement

These forecast financial statements were authorised by the Chief Parliamentary Counsel on 3 April 2009. The Chief Parliamentary Counsel is responsible for the forecast financial statements presented, including the appropriateness of the assumptions underlying the forecast financial statements and other required disclosure.

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

New Zealand Legislation System software is stated at fair value as determined by an independent registered valuer. This 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:

- New Zealand Legislation System software - 5 to 10 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

	2007/08	2008/09		2009/10
	Actual \$000	In 2008 Budget \$000	Estimated Actual \$000	Budgeted \$000
Consultant's fees	725	350	255	370
Overseas travel	62	60	60	45
Domestic travel	13	6	6	6
Other	7,171	7,220	6,590	6,996
Total	7,971	7,636	6,911	7,417

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)	2,517	-	-	-
Add/(less) non-cash items				
Depreciation and amortisation	1,345	2,951	2,525	2,786
Inc/(Dec) in non-current employee entitlements	(88)	-	-	-
Total non-cash items	1,257	2,951		2,786
Add/(less) working capital movements				
Inc/(Dec) in debtors and prepayments	(705)	-	877	-
(Inc)/ Dec in creditors and payables	(302)	-	(937)	-
Inc/(Dec) in current employee entitlements	98	178	121	146
Net working capital movements	(909)	178	61	146
Add/(less) investing activity items				
Gain on sale of property, plant and equipment	(4)	-	-	-
Total investing activity items	(4)	-	-	-
Net cash flow from operating activities	2,861	3,129	2,586	2,932