

Forecast Financial Statements

Ministry of Pacific Island Affairs

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		7,225	6,225	6,478	6,035
Department(s)	5	46	60	60	60
Other revenue		45	-	177	169
Gains		44	-	-	-
Interest		-	-	-	-
Total Income		7,360	6,285	6,715	6,264
Expenses					
Personnel		3,761	3,401	3,912	3,912
Operating	1	3,289	2,597	2,541	2,127
Depreciation and amortisation		143	217	192	155
Capital charge		66	70	70	70
Finance costs		-	-	-	-
Other		4	-	-	-
Total Expenses		7,263	6,285	6,715	6,264
Net Surplus / (Deficit)		97	-	-	-
Other comprehensive income		-	-	-	-
Total Comprehensive Income		97	-	-	-

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		864	864	853	1,023
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Opening Balance		864	864	853	1,023
Changes in Taxpayers' Funds					
Comprehensive income for the period		97	-	-	-
Repayment of surplus		(97)	-	-	-
Capital contribution		-	-	170	-
Capital withdrawal		-	-	-	-
Other		(11)	-	-	-
Total Changes in Taxpayers' Funds		(11)	-	170	-
Balance at 30 June					
General funds		853	864	1,023	1,023
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Closing Balance		853	864	1,023	1,023

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		1,228	100	1,016	1,131
Debtors and other receivables	2	93	802	80	80
Prepayments		74	7	7	1
Inventories		-	-	-	-
Other current assets		-	-	-	-
Total Current Assets		1,395	909	1,103	1,212
Non-current Assets					
Property, plant and equipment		484	714	313	562
Intangible assets		1	-	-	-
Other non-current assets		-	-	-	-
Total Non-current Assets		485	714	313	562
Total Assets		1,880	1,623	1,416	1,774
Liabilities					
Current Liabilities					
Creditors and other payables		649	509	193	551
Repayment of surplus		97	-	-	-
Employee entitlements		112	250	112	112
Other current liabilities		81	-	-	-
Total Current Liabilities		939	759	305	663
Non-current Liabilities					
Provisions		-	-	-	-
Employee entitlements		88	-	88	88
Other non-current liabilities		-	-	-	-
Total Non-current Liabilities		88	-	88	88
Total Liabilities		1,027	759	393	751
Taxpayers' Funds					
General funds		853	864	1,023	1,023
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Total Taxpayers' Funds		853	864	1,023	1,023
Total Liabilities and Taxpayers' Funds		1,880	1,623	1,416	1,774

Statement of Forecast Cash Flows 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
Cash Flows from Operating Activities					
Receipts from:					
Crown		7,361	6,225	6,478	6,035
Department(s)		46	60	60	60
Other		45	-	177	169
Interest		-	-	-	-
Payments to:					
Suppliers		(3,551)	(2,821)	(3,163)	(2,749)
Employees		(3,738)	(3,310)	(3,290)	(3,290)
Capital charge		(66)	(70)	(70)	(70)
Goods and services tax (net)		3	-	-	-
Other operating activities		-	-	-	-
Net Cash from Operating Activities	4	100	84	192	155
Cash Flow from Investing Activities					
Receipts from:					
Sale of property, plant and equipment		44	-	-	-
Sale of intangible assets		-	-	-	-
Sale of other non-current assets		-	-	-	-
Purchase of:					
Property, plant and equipment	3	115	(114)	(404)	(40)
Intangible assets		-	-	-	-
Other non-current assets		-	-	-	-
Net Cash from Investing Activities		159	(114)	(404)	(40)
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		259	(30)	(212)	115
Cash at the beginning of the year		969	130	1,228	1,016
Cash at the end of the year		1,228	100	1,016	1,131

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 Ministry of Pacific Island Affairs will remain substantially the same as for the previous year.
- Personnel costs are based on 47 staff positions.
- 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 20 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.

Statement of Entity-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 of the Ministry for Pacific Island Affairs on 20 April 2009. 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.

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

	2007/08	2008/09		2009/10
	Actual \$000	In 2008 Budget \$000	Estimated Actual \$000	Budgeted \$000
Consultants fees	286	400	414	300
Overseas travel	35	34	10	5
Domestic travel	159	161	219	215
Restructuring Costs	1,295	200	-	-
Other	1,555	1,322	1,871	1,741
Total	3,330	2,117	2,514	2,261

Note 2 - Debtors and Other Receivables

	2007/08	2008/09		2009/10
	Actual \$000	In 2008 Budget \$000	Estimated Actual \$000	Budgeted \$000
Debtor Crown	-	797	600	-
Debtor Other	90	5	90	90
Debtor Other Total	90	802	690	90

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 2009	-	-	621	816	-	1,437
Additions by purchase	-	-	-	40	-	-
Additions internally developed	-	-	-	-	-	-
Revaluation Increase	-	-	-	-	-	-
Transfers between classes	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance as at 30 June 2010	-	-	621	856	-	1,477
Accumulated depreciation and impairment losses						
Balance as at 1 July 2009	-	-	256	643	-	899
Depreciation expense	-	-	53	54	-	107
Eliminate on disposal	-	-	-	-	-	-

	Land \$000	Buildings \$000	Leasehold improvements \$000	Furniture/office equipment \$000	Other \$000	Total \$000
Eliminate on revaluation	-	-	-	-	-	-
Transfers between classes	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
Balance as at 30 June 2010	-	-	309	697	-	1,006
Carrying amount as at 30 June 2010	-	-	312	159	-	471

Note 4 - 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)	97	-	40	-
Add / (less) non-cash items				
Depreciation and amortisation	140	217	192	155
Total non-cash items	237	217	232	155
Add / (less) items classified as investing or financing activities				
(Gains) / losses on disposable property, plant and equipment	5	-	4	-
Total items classified as investing or financing activities	242	217	236	155
Add / (less) movements in working capital items				
(Inc) / Dec in debtors and other receivables	(36)	130	(30)	(30)
(Inc) / Dec in prepayments	(26)	32	98	30
Inc / (Dec) in creditors and other payables	309	(11)	(39)	(30)
Inc / (Dec) in employee entitlements	(169)	6	(98)	20
Net movements in working capital items	78	157	(69)	(10)
Net cash from operating activities	320	374	167	145

Note 5 - Reconciliation of Departmental Expenses and Appropriation

	2007/08	2008/09		2009/10
	Actual \$000	In 2008 Budget \$000	Estimated Actual \$000	Budgeted \$000
Total for Vote: Pacific Island Affairs	7,360	6,285	6,715	6,264
Total	7,360	6,285	6,715	6,264