

# *Forecast Financial Statements*

## *Ministry of Science and Innovation*

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## Statement of Forecast Comprehensive Income for the year ending 30 June 2013

		2010/11	2011/12		2012/13
	Note	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
<b>Income</b>					
Crown		19,110	34,573	35,573	34,627
Department(s)		482	1,199	731	495
Other revenue		51	150	45	150
Gains		-	-	-	-
Interest		-	-	-	-
<b>Total Income</b>		<b>19,643</b>	<b>35,922</b>	<b>36,349</b>	<b>35,272</b>
<b>Expenses</b>					
Personnel		8,909	16,333	15,473	16,577
Operating	1	8,800	16,481	17,734	16,098
Depreciation and amortisation		665	2,196	1,768	2,137
Capital charge		75	912	680	460
Finance costs		-	-	-	-
Other		850	-	-	-
<b>Total Expenses</b>		<b>19,299</b>	<b>35,922</b>	<b>35,655</b>	<b>35,272</b>
<b>Net Surplus / (Deficit)</b>		<b>344</b>	<b>-</b>	<b>694</b>	<b>-</b>
Other comprehensive income		-	-	-	-
<b>Total Comprehensive Income</b>		<b>344</b>	<b>-</b>	<b>694</b>	<b>-</b>

## Statement of Forecast Changes in Taxpayers' Funds for the year ending 30 June 2013

	Note	2010/11	2011/12		2012/13
		Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
<b>Balance at 1 July</b>					
General funds		-	11,340	11,250	5,750
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
<b>Taxpayers' Funds Opening Balance</b>		-	11,340	11,250	5,750
<b>Changes in Taxpayers' Funds</b>					
Comprehensive income for the period		344	-	694	-
Repayment of surplus		(344)	-	(694)	-
Capital contribution		11,250	500	500	-
Capital withdrawal		-	-	(6,000)	-
Other		-	-	-	-
<b>Total Changes in Taxpayers' Funds</b>		11,250	500	(5,500)	-
<b>Balance at 30 June</b>					
General funds		11,250	11,840	5,750	5,750
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
<b>Taxpayers' Funds Closing Balance</b>		11,250	11,840	5,750	5,750

## Forecast Statement of Financial Position as at 30 June 2013

	Note	2010/11	2011/12		2012/13
		Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents		11,997	7,856	4,942	4,617
Debtors and other receivables		1,468	296	135	135
Prepayments		179	81	200	200
Inventories		-	-	-	-
Other current assets		-	-	-	-
<b>Total Current Assets</b>		<b>13,644</b>	<b>8,233</b>	<b>5,277</b>	<b>4,952</b>
<b>Non-current Assets</b>					
Property, plant and equipment		2,585	3,278	2,773	2,658
Intangible assets		2,109	3,998	2,599	2,345
Other non-current assets		-	-	-	-
<b>Total Non-current Assets</b>		<b>4,694</b>	<b>7,276</b>	<b>5,372</b>	<b>5,003</b>
<b>Total Assets</b>		<b>18,338</b>	<b>15,509</b>	<b>10,649</b>	<b>9,955</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Creditors and other payables		4,938	2,435	2,399	2,399
Repayment of surplus		344	-	694	-
Employee entitlements		1,705	1,162	1,705	1,705
Other current liabilities		-	-	-	-
<b>Total Current Liabilities</b>		<b>6,987</b>	<b>3,597</b>	<b>4,798</b>	<b>4,104</b>
<b>Non-current Liabilities</b>					
Provisions		-	-	-	-
Employee entitlements		101	72	101	101
Other non-current liabilities		-	-	-	-
<b>Total Non-current Liabilities</b>		<b>101</b>	<b>72</b>	<b>101</b>	<b>101</b>
<b>Total Liabilities</b>		<b>7,088</b>	<b>3,669</b>	<b>4,899</b>	<b>4,205</b>
<b>Taxpayers' Funds</b>					
General funds		11,250	11,840	5,750	5,750
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
<b>Total Taxpayers' Funds</b>		<b>11,250</b>	<b>11,840</b>	<b>5,750</b>	<b>5,750</b>
<b>Total Liabilities and Taxpayers' Funds</b>		<b>18,338</b>	<b>15,509</b>	<b>10,649</b>	<b>9,955</b>

## Statement of Forecast Cash Flows for the year ending 30 June 2013

	Note	2010/11	2011/12		2012/13
		Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
<b>Cash Flows from Operating Activities</b>					
<b>Receipts from:</b>					
Crown		18,133	34,573	36,550	34,627
Department(s)		477	1,199	807	495
Other		(35)	150	325	150
Interest		-	-	-	-
<b>Payments to:</b>					
Suppliers		(4,774)	(16,481)	(19,657)	(16,098)
Employees		(7,103)	(11,862)	(15,473)	(16,577)
Capital charge		(75)	(912)	(680)	(460)
Goods and services tax (net)		333	-	43	-
Other operating activities		-	(4,471)	-	-
<b>Net Cash from Operating Activities</b>		<b>6,956</b>	<b>2,196</b>	<b>1,915</b>	<b>2,137</b>
<b>Cash Flow from Investing Activities</b>					
<b>Receipts from:</b>					
Sale of property, plant and equipment		74	-	-	-
Sale of intangible assets		3	-	-	-
Sale of other non-current assets		-	-	-	-
<b>Purchase of:</b>					
Property, plant and equipment		(3,804)	(367)	(952)	(764)
Intangible assets		(2,482)	(1,750)	(1,494)	(1,004)
Other non-current assets		-	-	-	-
<b>Net Cash from Investing Activities</b>		<b>(6,209)</b>	<b>(2,117)</b>	<b>(2,446)</b>	<b>(1,768)</b>
<b>Cash Flow from Financing Activities</b>					
Capital contribution		11,250	500	500	-
Other financing cash inflows		-	-	-	-
Repayment of surplus		-	-	(1,024)	(694)
Capital withdrawal		-	-	(6,000)	-
Other financing cash outflows		-	-	-	-
<b>Net Cash from Financing Activities</b>		<b>11,250</b>	<b>500</b>	<b>(6,524)</b>	<b>(694)</b>
<b>Net Increase / (Decrease) in Cash</b>	2	<b>11,997</b>	<b>579</b>	<b>(7,055)</b>	<b>(325)</b>
Cash at the beginning of the year		-	7,277	11,997	4,942
<b>Cash at the end of the year</b>		<b>11,997</b>	<b>7,856</b>	<b>4,942</b>	<b>4,617</b>

## Statement of Significant Assumptions

These forecast statements have been compiled on the basis of existing government policies and Ministerial expectations at the time the statements were finalised.

The Government is committed to merging the Ministry of Science and Innovation into the Ministry of Business Innovation and Employment. The forecast consolidated financial statements for the new Ministry have yet to be prepared as a number of decisions are still pending. As a result there will likely be material differences between the forecast financial statements that are outlined and the 2012/13 actual financial statements.

The main assumptions are as follows:

- personnel costs are based on 142 staff positions (142 full time equivalents)
- operating costs are based on historical experience. The general historical pattern is expected to continue, and
- estimated year end information for 2011/12 is used as the opening position for the 2012/13 forecasts.

The assumptions are as at 4 April 2011.

## Statement of Entity-Specific Accounting Policies

The Ministry of Science and Innovation 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 Science and Innovation, prepared in accordance with section 38 of the Public Finance Act 1989.

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

### Authorisation Statement

These forecast financial statements were authorised for issue by the Ministry of Science and Innovation on 17 April. The Ministry of Science and Innovation 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*

Capitalisation thresholds applied are set below.

- IT Equipment/Hardware - \$2,000.
- All other property, plant and equipment - \$2,000.

### *Depreciation*

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

- Leasehold improvements - expected life of the lease.
- IT Equipment/Hardware - 3 years.
- Furniture and office equipment - 5 years.
- Other categories - 5 years.

### *Intangible Assets*

Capitalisation thresholds applied are:

- Purchased software - \$2,000.
- Internally developed software - \$2,000.

The estimated useful lives of intangible assets are set out below:

- Purchased software - 3 years.
- Internally developed software - 3 years.

### *Cost Allocation*

The Ministry has derived the cost of outputs using the cost allocation system outlined below:

- Direct costs assigned to outputs - direct costs are charged directly to outputs.
- Allocating indirect and corporate costs to outputs - indirect costs (including personnel directly applied but whose cost is pooled) are allocated by a proportion of budgeted direct staff time for each output.

'Direct costs' are those costs directly assigned to an output whereas 'indirect costs' are those costs that cannot be identified in an economically feasible manner with a specific output. Corporate costs are all costs incurred by the Ministry's service and support units.

# Notes to the Financial Statements

## Note 1 - Operating Expenses

	2010/11	2011/12		2012/13
	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
Operating expenses include:				
Consultant's fees	635	500	2,067	3,000
Overseas travel	53	200	280	280
Domestic travel	364	450	564	564
Transition costs related to amalgamation of MoRST and FRST	4,041	-	-	-
Other	4,588	34,772	32,938	31,428
<b>Total</b>	<b>9,681</b>	<b>35,922</b>	<b>35,849</b>	<b>35,272</b>

## Note 2 - Reconciliation of New Surplus to Net Cash Flows from Operating Activities for the year ending 30 June 2012

	2010/11	2011/12		2012/13
	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
<b>Net surplus/deficit</b>	<b>344</b>	<b>-</b>	<b>500</b>	<b>-</b>
<b>Add/(less) non-cash items</b>				
Depreciation and amortisation expense	613	2,196	1,768	2,137
<b>Total non-cash items</b>	<b>613</b>	<b>2,196</b>	<b>1,768</b>	<b>2,137</b>
<b>Add/(less) items classified as investing or financing activities</b>				
(Gains)/losses on disposal of property, plant and equipment	902	-	-	-
<b>Total items classified as investing or financing activities</b>	<b>902</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Add/(less) movements in working capital items</b>				
(Inc)/Dec in receivables and prepayments	(773)	-	1,158	-
Inc/(Dec) in creditors and other payables	1,125	-	(1,923)	-
Inc/(Dec) in current provisions	365	-	-	-
Inc/(Dec) in employee entitlements	430	-	-	-
<b>Net movements in working capital</b>	<b>1,147</b>	<b>-</b>	<b>(765)</b>	<b>-</b>
<b>Net cash from operating activities</b>	<b>3,006</b>	<b>2,196</b>	<b>1,503</b>	<b>2,137</b>