

Forecast Financial Statements

*Department of the Prime
Minister and Cabinet*

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
Income					
Crown		17,167	16,658	17,517	18,652
Department(s)		-	-	-	-
Other revenue	1	27	30	27	30
Gains		-	-	-	-
Interest		-	-	-	-
Total Income		17,194	16,688	17,544	18,682
Expenses					
Personnel		12,106	12,364	11,823	12,782
Operating	2	4,605	3,798	5,326	5,652
Depreciation and amortisation		386	470	339	90
Capital charge		53	56	56	158
Finance costs		-	-	-	-
Other		-	-	-	-
Total Expenses		17,150	16,688	17,544	18,682
Net Surplus / (Deficit)	7	44	-	-	-
Other comprehensive income		-	-	-	-
Total Comprehensive Income		44	-	-	-

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
Balance at 1 July					
General funds		703	703	703	400
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Opening Balance		703	703	703	400
Changes in Taxpayers' Funds					
Comprehensive income for the period		44	-	-	-
Repayment of surplus		(44)	-	-	-
Capital contribution		-	-	1,020	2,600
Capital withdrawal		-	-	(1,323)	-
Other		-	-	-	-
Total Changes in Taxpayers' Funds		-	-	(303)	2,600
Balance at 30 June					
General funds		703	703	400	3,000
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Closing Balance		703	703	400	3,000

Forecast Statement of Financial Position as at 30 June 2013

		2010/11	2011/12		2012/13
	Note	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
Assets					
Current Assets					
Cash and cash equivalents		1,806	1,004	1,108	1,098
Debtors and other receivables		27	55	1,060	1,060
Prepayments		23	55	30	30
Inventories		100	100	100	100
Other current assets		-	-	-	-
Total Current Assets		1,956	1,214	2,298	2,288
Non-current Assets					
Property, plant and equipment	3	767	811	266	276
Intangible assets	4	477	447	-	2,600
Other non-current assets		284	318	300	300
Total Non-current Assets		1,528	1,576	566	3,176
Total Assets		3,484	2,790	2,864	5,464
Liabilities					
Current Liabilities					
Creditors and other payables	5	1,764	1,090	1,540	1,540
Repayment of surplus		44	-	-	-
Employee entitlements	6	699	566	650	650
Other current liabilities		-	-	-	-
Total Current Liabilities		2,507	1,656	2,190	2,190
Non-current Liabilities					
Provisions		-	-	-	-
Employee entitlements	6	274	431	274	274
Other non-current liabilities		-	-	-	-
Total Non-current Liabilities		274	431	274	274
Total Liabilities		2,781	2,087	2,464	2,464
Taxpayers' Funds					
General funds		703	703	400	3,000
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Total Taxpayers' Funds		703	703	400	3,000
Total Liabilities and Taxpayers' Funds		3,484	2,790	2,864	5,464

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
Cash Flows from Operating Activities					
Receipts from:					
Crown		17,167	16,658	17,517	18,652
Department(s)		-	-	-	-
Other		27	30	27	30
Interest		-	-	-	-
Payments to:					
Suppliers		(4,546)	(3,818)	(5,627)	(5,675)
Employees		(14,202)	(12,344)	(11,846)	(12,759)
Capital charge		(53)	(56)	(56)	(158)
Goods and services tax (net)		2,146	-	-	-
Other operating activities		-	-	-	-
Net Cash from Operating Activities	7	539	470	15	90
Cash Flow from Investing Activities					
Receipts from:					
Sale of property, plant and equipment		-	-	27	-
Sale of intangible assets		-	-	-	-
Sale of other non-current assets		-	-	-	-
Purchase of:					
Property, plant and equipment		(360)	(150)	(303)	(100)
Intangible assets		(291)	(150)	(192)	(2,600)
Other non-current assets		-	-	-	-
Net Cash from Investing Activities		(651)	(300)	(468)	(2,700)
Cash Flow from Financing Activities					
Capital contribution		-	-	-	2,600
Other financing cash inflows		-	-	-	-
Repayment of surplus		(99)	(250)	(45)	-
Capital withdrawal		-	-	(200)	-
Other financing cash outflows		-	-	-	-
Net Cash from Financing Activities		(99)	(250)	(245)	2,600
Net Increase / (Decrease) in Cash		(211)	(80)	(698)	(10)
Cash at the beginning of the year		2,017	1,084	1,806	1,108
Cash at the end of the year		1,806	1,004	1,108	1,098

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 main activities will remain substantially the same as for the previous year.
- Personnel costs are based on 124 staff positions (113.5 full time equivalents).
- Operating costs are based on historical experience. The general historical pattern is expected to continue.
- Estimated year end information for 2011/12 is used as the opening position for the 2012/13 forecasts.
- Following the implementation of the Central Agency Shared Services, all IT assets are to be funded and maintained by Treasury.

These assumptions are adopted as at 31 March 2012.

Factors that could lead to material differences between the forecast financial statements and the 2011/12 actual financial statements include:

- changes to the baseline budget as a result of new initiatives or technical adjustments.

Statement of Entity-Specific Accounting Policies

The Department of the Prime Minister and Cabinet 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 the Department of the Prime Minister and Cabinet, prepared in accordance with section 38 of the Public Finance Act 1989.

The Department of the Prime Minister and Cabinet is a Government Department as defined by section 2 of the Public Finance Act 1989. For the purposes of financial reporting the Department of the Prime Minister and Cabinet is a public benefit entity.

Authorisation Statement

These forecast financial statements were authorised for issue by the Chief Executive of the Department of the Prime Minister and Cabinet on 31 March 2012. 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

The capitalisation thresholds for property, plant and equipment is \$2,000.

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

- Fixtures and fittings including IT cabling - ten years
- IT equipment/hardware - three to five years
- Motor vehicles - four years
- Furniture and office equipment - five years
- Plant and equipment - five to ten years
- Grounds improvement - five years

Intangible Assets

The capitalisation threshold for purchased software is \$2,000.

The estimated useful life of purchased software is three to five years.

Cost Allocation

The Department has determined the cost of outputs using the cost allocation system outlined below.

Direct costs are expenses incurred from activities in producing outputs. These costs are charged directly to the related output classes.

As of 7 March 2012, Department of Prime Minister and Cabinet entered into an arrangement of shared services for finance, information technology, information management and human resources with State Services Commission and Treasury. Treasury hosts the shared services and charges Department of Prime Minister and Cabinet based on budgeted service delivery levels.

Indirect costs are expenses incurred by the Office of the Chief Executive, including expenses paid to the Central Agency Shared Services. These indirect costs are allocated to each output class based on cost drivers, related activity and usage information.

Notes to the Financial Statements

Note 1 - Other Revenue

	2010/11	2011/12		2012/13
	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
Rental income	27	30	27	30
Total	27	30	27	30

Note 2 - Operating Expenses

	2010/11	2011/12		2012/13
	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
Operating expenses include:				
Consultants fees	448	300	300	300
Audit fees	53	48	48	-
Premises rental	481	650	650	505
Contracts for photocopying services	149	100	100	95
Overseas travel	213	320	300	350
Domestic travel	115	75	70	70
IT costs	457	717	460	-
Insignia expenses	103	92	86	86
Properties and horticulture maintenance	502	510	495	500
Minor capital	543	35	38	30
Central Agency Shared Services	-	-	1,061	2,500
Other operating costs	1,541	951	1,718	1,216
Total	4,605	3,798	5,326	5,652

Note 3 - Property, Plant and Equipment

	Plant and equipment \$000	Motor vehicle \$000	Furniture and fittings \$000	Total \$000
Cost or revaluation				
Balance as at 1 July 2012	890	176	370	1,436
Addition by purchase	50	50	-	100
Balance as at 30 June 2013	940	226	370	1,536
Accumulated depreciation and impairment losses				
Balance as at 1 July 2012	711	162	297	1,170
Depreciation expense	60	10	20	90
Balance as at 30 June 2012	771	172	317	1,260
Carrying amount as at 30 June 2013	169	54	53	276

Note 4 - Intangible Assets

	Internally generated software \$000	Total \$000
Cost		
Balance as at 1 July 2012	-	-
Additions by purchase	2,600	2,600
Balance as at 30 June 2013	2,600	2,600
Accumulated amortisation and impairment losses		
Balance as at 1 July 2012	-	-
Amortisation expenses	-	-
Balance as at 30 June 2013	-	-
Carrying amount as at 30 June 2013	2,600	2,600

Note 5 - Creditors and Other Payables

	2010/11	2011/12		2012/13
	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
Trade creditors	737	500	600	500
Creditors relating to capital expenditure	16	-	-	-
Accrued liabilities	761	500	700	400
Current provision	140	-	140	140
GST payable	110	90	100	100
Total	1,764	1,090	1,540	1,540

Note 6 - Employee Entitlements

	2010/11	2011/12		2012/13
	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
Current Liabilities				
Annual leave	436	381	405	405
Long service leave	24	32	17	17
Retirement leave	201	103	190	190
Sick leave	38	50	38	38
Total current liabilities	699	566	650	650
Non-current Liabilities				
Long service leave	43	97	43	43
Retirement leave	231	334	231	231
Total non-current liabilities	274	431	274	274
Total employee entitlements	973	997	924	924

Note 7 - Reconciliation of Net Surplus to Net Cash Flows from Operating Activities

	2010/11	2011/12		2012/13
	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
Net surplus	44	-	-	-
Add/(less) non-cash items				
Depreciation and amortisation expenses	386	470	339	90
Asset write off	132	-	-	-
Total non-cash items	518	470	339	90
Add/(less) movement in working capital items				
(Inc)/Dec in prepayment and other receivable	11	-	(20)	-
(inc)/Dec in inventories	34	-	(15)	-
Inc/(Dec) in creditors and other payable	74	-	(240)	-
Inc/(Dec) in employees entitlements	73	-	(49)	-
Inc/(Dec) in provisions	(118)	-	-	-
Net movements in working capital items	74	-	(324)	-
Add/(less) movement in non-current liabilities				
Inc/(Dec) in non-current employee entitlements	(97)	-	-	-
Inc/(Dec) in non-current provision	-	-	-	-
Net movements in non-current liabilities	(97)	-	-	-
<i>Net cash from operating activities</i>	539	470	15	90