

Forecast Financial Statements

State Services Commission

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		26,124	24,366	25,698	23,836
Department(s)		3,748	3,225	3,383	3,003
Other revenue		1,047	1,106	1,074	770
Gains		4	-	-	-
Interest		-	-	-	-
Total Income		30,923	28,697	30,155	27,609
Expenses					
Personnel		15,133	15,929	14,932	14,120
Operating	1	11,485	11,121	13,868	12,718
Depreciation and amortisation		771	840	465	381
Capital charge		674	807	390	390
Finance costs		-	-	-	-
Other		11	-	-	-
Total Expenses		28,074	28,697	29,655	27,609
Net Surplus / (Deficit)		2,849	-	500	-
Other comprehensive income		-	-	-	-
Total Comprehensive Income		2,849	-	500	-

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		9,474	6,893	6,893	4,872
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Opening Balance		9,474	6,893	6,893	4,872
Changes in Taxpayers' Funds					
Comprehensive income for the period		2,849	-	500	-
Repayment of surplus		(2,849)	-	(500)	-
Capital contribution		819	-	-	-
Capital withdrawal		(3,400)	-	(2,021)	-
Other		-	-	-	-
Total Changes in Taxpayers' Funds		(2,581)	-	(2,021)	-
Balance at 30 June					
General funds		6,893	6,893	4,872	4,872
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Closing Balance		6,893	6,893	4,872	4,872

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		11,104	3,796	4,167	2,827
Debtors and other receivables	2	717	144	654	654
Prepayments		121	197	149	149
Inventories		-	-	-	-
Other current assets		-	-	-	-
Total Current Assets		11,942	4,137	4,970	3,630
Non-current Assets					
Property, plant and equipment		897	5,121	2,152	2,992
Intangible assets		64	499	-	-
Other non-current assets		-	-	-	-
Total Non-current Assets		961	5,620	2,152	2,992
Total Assets		12,903	9,757	7,122	6,622
Liabilities					
Current Liabilities					
Creditors and other payables	3	1,902	1,479	1,028	1,028
Repayment of surplus		2,849	-	500	-
Employee entitlements	4	1,091	922	654	654
Other current liabilities		100	314	-	-
Total Current Liabilities		5,942	2,715	2,182	1,682
Non-current Liabilities					
Provisions		-	-	-	-
Employee entitlements	4	68	149	68	68
Other non-current liabilities		-	-	-	-
Total Non-current Liabilities		68	149	68	68
Total Liabilities		6,010	2,864	2,250	1,750
Taxpayers' Funds					
General funds		6,893	6,893	4,872	4,872
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Total Taxpayers' Funds		6,893	6,893	4,872	4,872
Total Liabilities and Taxpayers' Funds		12,903	9,757	7,122	6,622

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		26,125	24,366	25,698	23,836
Department(s)		3,492	3,881	3,143	3,002
Other		1,963	768	1,138	760
Interest		-	-	-	-
Payments to:					
Suppliers		(12,450)	(11,166)	(13,851)	(12,752)
Employees		(15,097)	(15,570)	(15,511)	(14,074)
Capital charge		(674)	(760)	(390)	(390)
Goods and services tax (net)		(547)	(869)	723	(382)
Other operating activities		-	-	-	-
Net Cash from Operating Activities	5	2,812	650	950	-
Cash Flow from Investing Activities					
Receipts from:					
Sale of property, plant and equipment		21	4	-	-
Sale of intangible assets		-	-	16	-
Sale of other non-current assets		-	-	-	-
Purchase of:					
Property, plant and equipment		(295)	(4,600)	(2,919)	(840)
Intangible assets		(15)	(150)	-	-
Other non-current assets		-	-	-	-
Net Cash from Investing Activities		(289)	(4,746)	(2,903)	(840)
Cash Flow from Financing Activities					
Capital contribution		-	-	-	-
Other financing cash inflows		-	-	-	-
Repayment of surplus		(5,772)	(1,500)	(2,963)	(500)
Capital withdrawal		(1,602)	-	(2,021)	-
Other financing cash outflows		-	-	-	-
Net Cash from Financing Activities		(7,374)	(1,500)	(4,984)	(500)
Net Increase / (Decrease) in Cash		(4,851)	(5,596)	(6,937)	(1,340)
Cash at the beginning of the year		15,955	9,392	11,104	4,167
Cash at the end of the year		11,104	3,796	4,167	2,827

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 Commission's activities will remain substantially the same as for the previous year.
- Personnel costs are based on 113 staff positions (full time equivalents). The number for the 2011/12 year was 135.
- 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 Agencies Shared Services, all IT assets are to be funded and maintained by the Treasury.

The 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 through new initiatives, transfer of additional expenditure from 2011/12 to 2012/13, or technical adjustments.

Statement of Entity-Specific Accounting Policies

The State Services Commission 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 State Services Commission, prepared in accordance with section 38 of the Public Finance Act 1989.

State Services Commission is a Government Department as defined by section 2 of the Public Finance Act 1989. For the purposes of financial reporting State Services Commission is a public benefit entity.

Authorisation Statement

These forecast financial statements were authorised for issue by State Services Commission on 31 March 2012. The State Services Commission 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

The State Services Commission has applied the accounting policies set out in Statement of Accounting Policies Standard included in this document, except as stated below.

Taxpayers' Funds

Taxpayers' funds are the Crown's investment in the State Services Commission and is measured as the difference between total assets and total liabilities.

Capital Charge

The capital charge is a levy on the Crown's investment in State Services Commission. The capital charge is recognised as an expense in the period to which it relates. The capital charge is not a borrowing cost in accordance with NZ IAS 23.

Property, Plant and Equipment

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

The estimated useful lives are set out below:

- furniture, fixtures and fittings - five years
- artwork - 10 to 100 years
- office equipment and plant - five years
- computer equipment - three to five years.

Leasehold improvements (included in furniture, fixtures and fittings) are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is shorter.

Intangible Assets

Computer software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by the State Services Commission, are recognised as an intangible asset. Direct costs include the software development, employee costs incurred in the development of software and an appropriate portion of relevant overheads.

Costs associated with maintaining computer software are recognised as an expense when incurred. Staff training costs are recognized as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the statement of financial performance.

The estimated useful lives of intangible assets are as follows:

- computer network design and configuration - five to seven years
- other computer software - three to five years.

Statement of Cost Accounting Policies

The State Services Commission has derived the costs of outputs using the cost allocation system outlined below.

Direct costs are charged directly to outputs.

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

Indirect costs, including expenses paid to the Central Agency Shared Services, are allocated to outputs in proportion to the number of full-time equivalents involved in the production of each output.

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:				
Consultants fees	3,099	3,670	6,046	4,885
Travel	377	439	317	381
Rental & operating lease costs	2,150	2,197	2,331	750
IT & Communications	972	677	821	374
Central Agencies Shared Services			1,300	4,000
Other	4,887	4,138	3,053	2,328
Total operating expenses	11,485	11,121	13,868	12,718

Note 2 - Debtors and Other Receivables

	2010/11	2011/12		2012/13
	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
Trade debtors	650	115	541	541
Accrued revenue and other receivables	67	29	113	113
Total debtors and other receivables	717	144	654	654

Note 3 - Creditors and Other Payables

	2010/11	2011/12		2012/13
	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
Sundry creditors	180	88	16	16
Accrued expenses	1,024	1,141	1,053	1,053
GST payable	349	250	(171)	(171)
Other	349	-	130	130
Total creditors and other payables	1,902	1,479	1,028	1,028

Note 4 - Employee Entitlements

	2010/11	2011/12		2012/13
	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
Accrued salaries and performance pay	299	370	-	-
Annual leave	650	502	512	512
Sick leave	21	15	21	21
Retirement and long service leave	121	35	121	121
Total current employee entitlements	1,091	922	654	654
Retirement leave	39	85	39	39
Long service leave	29	64	29	29
Total non-current employee entitlements	68	149	68	68

Note 5 - 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/(deficit)	2,849	-	500	-
Add/(less) non-cash items				
Depreciation and amortisation expense	771	840	465	381
<i>Total non-cash items</i>	<i>771</i>	<i>840</i>	<i>465</i>	<i>381</i>
Add/(less) items classified as investing or financing activities				
(Gains)/losses on disposal property, plant and equipment	7	-	-	-
<i>Total items classified as investing or financing activities</i>	<i>7</i>	<i>-</i>	<i>-</i>	<i>-</i>
Add/(less) movements in working capital items				
(Inc)/Dec in debtors and other receivables	680	869	35	-
Incl/(Dec) in creditors and other payables	(1,282)	(1,059)	738	(381)
Incl/ (Dec) in employee entitlements	(106)	-	(437)	-
Incl/(Dec) in unearned income	(289)	-	(100)	-
Incl/(Dec) in provisions	380	-	(251)	-
<i>Net movements in working capital items</i>	<i>(617)</i>	<i>(190)</i>	<i>(15)</i>	<i>(381)</i>
Incl/(Dec) in non-current provisions	(118)	-	-	-
Incl/(Dec) in employee entitlements	(80)	-	-	-
Net cash from operating activities	2,812	650	950	-