

Forecast Financial Statements

Ministry for Culture and Heritage

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		26,679	21,559	27,701	25,526
Department(s)		315	215	512	-
Other revenue		50	-	1,462	-
Gains		-	-	-	-
Interest		-	-	-	-
Total Income		27,044	21,774	29,675	25,526
Expenses					
Personnel		9,952	9,990	10,964	11,180
Operating	1	14,032	11,139	18,065	13,700
Depreciation and amortisation		476	530	530	530
Capital charge		85	115	116	116
Finance costs		-	-	-	-
Other		-	-	-	-
Total Expenses		24,545	21,774	29,675	25,526
Net Surplus / (Deficit)		2,499	-	-	-
Other comprehensive income		-	-	-	-
Total Comprehensive Income		2,499	-	-	-

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		1,132	1,447	1,447	1,447
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Opening Balance		1,132	1,447	1,447	1,447
Changes in Taxpayers' Funds					
Comprehensive income for the period		2,499	-	-	-
Repayment of surplus		(2,499)	-	-	-
Capital contribution		315	-	-	-
Capital withdrawal		-	-	-	-
Other		-	-	-	-
Total Changes in Taxpayers' Funds		315	-	-	-
Balance at 30 June					
General funds		1,447	1,447	1,447	1,447
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Closing Balance		1,447	1,447	1,447	1,447

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
Assets					
Current Assets					
Cash and cash equivalents		4,218	1,801	1,945	2,045
Debtors and other receivables		406	150	150	150
Prepayments		574	50	400	400
Inventories		-	-	-	-
Other current assets		-	-	-	-
Total Current Assets		5,198	2,001	2,495	2,595
Non-current Assets					
Property, plant and equipment		843	883	743	643
Intangible assets		136	208	136	136
Other non-current assets		-	-	-	-
Total Non-current Assets		979	1,091	879	779
Total Assets		6,177	3,092	3,374	3,374
Liabilities					
Current Liabilities					
Creditors and other payables		1,605	1,050	1,300	1,300
Repayment of surplus		2,499	-	-	-
Employee entitlements		524	500	525	525
Other current liabilities		-	-	-	-
Total Current Liabilities		4,628	1,550	1,825	1,825
Non-current Liabilities					
Provisions		-	-	-	-
Employee entitlements		102	95	102	102
Other non-current liabilities		-	-	-	-
Total Non-current Liabilities		102	95	102	102
Total Liabilities		4,730	1,645	1,927	1,927
Taxpayers' Funds					
General funds		1,447	1,447	1,447	1,447
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Total Taxpayers' Funds		1,447	1,447	1,447	1,447
Total Liabilities and Taxpayers' Funds		6,177	3,092	3,374	3,374

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		25,789	21,559	27,701	25,526
Department(s)		264	215	512	-
Other		50	-	1,462	-
Interest		-	-	-	-
Payments to:					
Suppliers		(13,605)	(11,234)	(18,050)	(13,811)
Employees		(9,782)	(9,895)	(10,853)	(11,069)
Capital charge		(85)	(115)	(116)	(116)
Goods and services tax (net)		-	-	-	-
Other operating activities		-	-	-	-
Net Cash from Operating Activities	2	2,631	530	656	530
Cash Flow from Investing Activities					
Receipts from:					
Sale of property, plant and equipment		-	-	-	-
Sale of intangible assets		-	-	-	-
Sale of other non-current assets		-	-	-	-
Purchase of:					
Property, plant and equipment		(458)	(390)	(390)	(390)
Intangible assets		(7)	(40)	(40)	(40)
Other non-current assets		-	-	-	-
Net Cash from Investing Activities		(465)	(430)	(430)	(430)
Cash Flow from Financing Activities					
Capital contribution		315	-	-	-
Other financing cash inflows		-	-	-	-
Repayment of surplus		(634)	-	(2,499)	-
Capital withdrawal		-	-	-	-
Other financing cash outflows		-	-	-	-
Net Cash from Financing Activities		(319)	-	(2,499)	-
Net Increase / (Decrease) in Cash		1,847	100	(2,273)	100
Cash at the beginning of the year		2,371	1,701	4,218	1,945
Cash at the end of the year		4,218	1,801	1,945	2,045

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.
- Personnel costs are based on 140 staff positions (129 full time equivalents).
- Operating costs are based on historical experience. The general historical pattern is expected to continue with the exception of the Going Digital team. This one-off project began in 2010/11 and will be completed in 2013/14. The operating costs will increase significantly during this period as the costs associated with the project make up a significant portion of the Ministry's baseline.
- Estimated year end information for 2010/11 is used as the opening position for the 2011/12 forecasts.

These assumptions are adopted as at 17 April 2012. Factors that could lead to material differences between the forecast financial statements and the 2012/13 actual financial statements include:

- changes to the baseline budget through new initiatives, or technical adjustments, and
- changes to factors underlying the assumptions above.

Statement of Entity-Specific Accounting Policies

The Ministry for Culture and Heritage 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 for Culture and Heritage, prepared in accordance with section 38 of the Public Finance Act 1989.

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

Authorisation Statement

These forecast financial statements were authorised for issue by the Chief Executive on 17 April 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

Property, plant and equipment consist of leasehold improvements, furniture and fittings, vehicles and office equipment. Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses. Individual assets or groups of assets are capitalised if their cost is greater than \$2,000 (\$1,000 for computer equipment) and recorded at historical cost less accumulated depreciation.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment, at rates that will write down the cost (or valuation) of the assets to their estimated residual values over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

- Office Furniture - 5 years
- Leasehold Improvements - Determined by the lease period remaining
- Office Equipment - 5 years
- Vehicles - 3 years
- Computer Equipment (PC-based) - 3 years
- Computer Equipment (other than PCs) - 4 years
- Works of Art - 100 years

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful life of the improvements, whichever is shorter. The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Intangible Assets

The capitalisation thresholds for intangible assets is \$2,000. The estimated useful lives of intangible assets is 3 years.

Cost Allocation

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

- Direct costs are those directly attributed to an output. Indirect costs are those that cannot be identified with a specific output in an economically feasible manner.
- Direct costs are charged directly to outputs. Indirect costs are allocated to outputs through a two-stage process. The costs are assigned to cost centres within the Ministry, and then allocated to outputs on the basis of the direct staff costs attributable to the outputs of that cost centre.
- Depreciation and capital charge are allocated on the basis of asset utilisation.
- Personnel costs are charged directly to the cost centre within the output to which they belong and at the time they were incurred.

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	125	500	165	300
Overseas travel	43	35	546	500
Domestic travel	102	350	242	250
Depreciation and amortisation expense	476	530	576	530
Other	13,286	9,274	16,536	10,846
Total	14,032	11,139	18,065	12,426

Note 2 - 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)	2,499	-	-	-
Add/ (less) non-cash items				
Depreciation and amortisation expense	476	530	576	530
Inc/(Dec) in non-current employee entitlements	20	-	-	-
Other non cash item	-	-	-	-
Total non-cash items	496	530	576	530
Add/ (less) items classified as investing or financing activities				
(Gains)/losses on disposal property, plant and equipment	-	-	-	-
Total items classified as investing or financing activities	-	-	-	-
Add/ (less) movements in working capital items				
(Inc)/Dec in debtors and other receivables	(278)	-	256	-
Inc/(Dec) in prepayments	150	-	(104)	-
Inc/(Dec) in creditors and other payables	(271)	-	(73)	-
Inc/(Dec) in current provisions	35	-	1	-
Net movements in working capital items	(364)	-	80	-
Net cash from operating activities	2,631	530	656	530