

# *Forecast Financial Statements*

## *Ministry for Primary Industries*

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## Statement of Forecast Comprehensive Income 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>Income</b>					
Crown		203,918	320,836	294,186	310,519
Department(s)	1	5,255	6,619	7,577	1,907
Other revenue	2	87,656	97,671	92,528	99,307
Gains		298	-	293	-
Interest		-	-	-	-
<b>Total Income</b>		<b>297,127</b>	<b>425,126</b>	<b>394,584</b>	<b>411,733</b>
<b>Expenses</b>					
Personnel		153,639	205,149	193,734	197,800
Operating	3	122,188	189,935	183,807	197,647
Depreciation and amortisation		10,979	16,675	12,623	11,630
Capital charge		2,594	4,657	4,037	4,637
Finance costs		117	185	76	19
Other		91	-	14	-
<b>Total Expenses</b>	10	<b>289,608</b>	<b>416,601</b>	<b>394,291</b>	<b>411,733</b>
<b>Net Surplus / (Deficit)</b>	9	<b>7,519</b>	<b>8,525</b>	<b>293</b>	<b>-</b>
Other comprehensive income		-	-	-	-
<b>Total Comprehensive Income</b>		<b>7,519</b>	<b>8,525</b>	<b>293</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		31,502	37,138	37,221	58,063
Revaluation reserve		203	203	203	203
Other reserves		-	-	-	-
<b>Taxpayers' Funds Opening Balance</b>		<b>31,705</b>	<b>37,341</b>	<b>37,424</b>	<b>58,266</b>
<b>Changes in Taxpayers' Funds</b>					
Comprehensive income for the period		7,519	8,525	293	-
Repayment of surplus		(7,436)	(8,525)	(293)	-
Capital contribution		6,231	29,943	21,437	8,506
Capital withdrawal		(595)	(595)	(595)	(595)
Other		-	-	-	-
<b>Total Changes in Taxpayers' Funds</b>		<b>5,719</b>	<b>29,348</b>	<b>20,842</b>	<b>7,911</b>
<b>Balance at 30 June</b>					
General funds		37,221	66,486	58,063	65,974
Revaluation reserve		203	203	203	203
Other reserves		-	-	-	-
<b>Taxpayers' Funds Closing Balance</b>		<b>37,424</b>	<b>66,689</b>	<b>58,266</b>	<b>66,177</b>

## 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
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents		20,917	30,385	17,366	18,103
Debtors and other receivables	4	24,517	41,404	38,000	38,000
Prepayments		922	2,865	2,000	2,000
Inventories		4,587	4,600	4,200	4,200
Other current assets		-	-	-	-
<b>Total Current Assets</b>		<b>50,943</b>	<b>79,254</b>	<b>61,566</b>	<b>62,303</b>
<b>Non-current Assets</b>					
Property, plant and equipment	5	30,634	43,851	38,702	42,797
Intangible assets	6	15,048	32,441	25,551	27,601
Other non-current assets		-	-	-	-
<b>Total Non-current Assets</b>		<b>45,682</b>	<b>76,292</b>	<b>64,253</b>	<b>70,398</b>
<b>Total Assets</b>		<b>96,625</b>	<b>155,546</b>	<b>125,819</b>	<b>132,701</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Creditors and other payables		20,475	41,333	28,250	28,250
Repayment of surplus		7,436	8,525	293	-
Employee entitlements		15,987	17,678	18,100	18,100
Other current liabilities	7	7,506	8,774	7,791	7,324
<b>Total Current Liabilities</b>		<b>51,404</b>	<b>76,310</b>	<b>54,434</b>	<b>53,674</b>
<b>Non-current Liabilities</b>					
Provisions		-	1,074	500	250
Employee entitlements		7,391	11,372	12,600	12,600
Other non-current liabilities	8	406	101	19	-
<b>Total Non-current Liabilities</b>		<b>7,797</b>	<b>12,547</b>	<b>13,119</b>	<b>12,850</b>
<b>Total Liabilities</b>		<b>59,201</b>	<b>88,857</b>	<b>67,553</b>	<b>66,524</b>
<b>Taxpayers' Funds</b>					
General funds		37,221	66,486	58,063	65,974
Revaluation reserve		203	203	203	203
Other reserves		-	-	-	-
<b>Total Taxpayers' Funds</b>		<b>37,424</b>	<b>66,689</b>	<b>58,266</b>	<b>66,177</b>
<b>Total Liabilities and Taxpayers' Funds</b>		<b>96,625</b>	<b>155,546</b>	<b>125,819</b>	<b>132,701</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>	9				
<b>Receipts from:</b>					
Crown		199,425	321,336	304,765	310,519
Department(s)		2,437	6,619	9,626	1,907
Other		91,053	97,671	89,249	99,307
Interest		-	-	-	-
<b>Payments to:</b>					
Suppliers		(122,556)	(197,647)	(194,552)	(197,897)
Employees		(154,095)	(197,354)	(191,334)	(197,800)
Capital charge		(2,594)	(4,657)	(4,037)	(4,637)
Goods and services tax (net)		(459)	-	1,196	-
Other operating activities		-	-	-	-
<b>Net Cash from Operating Activities</b>		13,211	25,968	14,913	11,399
<b>Cash Flow from Investing Activities</b>					
<b>Receipts from:</b>					
Sale of property, plant and equipment		317	-	492	-
Sale of intangible assets		-	-	-	-
Sale of other non-current assets		-	-	-	-
<b>Purchase of:</b>					
Property, plant and equipment		(7,752)	(10,725)	(6,014)	(10,911)
Intangible assets		(7,613)	(17,350)	(13,000)	(7,350)
Other non-current assets		-	-	-	-
<b>Net Cash from Investing Activities</b>		(15,048)	(28,075)	(18,522)	(18,261)
<b>Cash Flow from Financing Activities</b>					
Capital contribution		19,803	18,367	8,395	8,506
Other financing cash inflows		-	-	-	-
Repayment of surplus		(11,861)	(7,900)	(7,441)	(293)
Capital withdrawal		(595)	(595)	(595)	(595)
Other financing cash outflows		(1,794)	(485)	(301)	(19)
<b>Net Cash from Financing Activities</b>		5,553	9,387	58	7,599
<b>Net Increase / (Decrease) in Cash</b>		3,716	7,280	(3,551)	737
Cash at the beginning of the year		17,201	23,105	20,917	17,366
<b>Cash at the end of the year</b>		20,917	30,385	17,366	18,103

## 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 Ministry's activities will remain substantially the same as for the previous year
- personnel and operating costs are based on historical experience. The general historical pattern is expected to continue after allowing for current and past policy initiatives, and
- estimated year end information for 2011/12 is used as the opening position for the 2012/13 forecasts.

These assumptions are adopted as at 2 April 2012.

Factors that could lead to material differences between the forecast financial statements and the 2012/13 actual financial statements include changes in activities required by the Government, demand for third-party funded activities and technical adjustments.

The Ministry does not intend to update the forecast financial statements subsequent to presentation on Budget day.

## Statement of Entity-Specific Accounting Policies

The Ministry for Primary Industries 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 Primary Industries, prepared in accordance with section 38 of the Public Finance Act 1989.

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

The Ministry of Primary Industries has administered Vote Fisheries from 1 July 2011 and the 2010/11 financial year comparison excludes Vote Fisheries.

### Authorisation Statement

These forecast financial statements were authorised for issue by the Director General of the Ministry for Primary Industries on 2 April 2012. The Director General 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 threshold for property, plant and equipment is \$5,000.

### *Depreciation*

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

- Buildings - 15 to 45 years
- IT equipment / hardware - 3 to 7 years
- Motor vehicles - 5 years
- Furniture and office equipment - 3 to 10 years.

The cost of leasehold improvements is capitalised and depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

Artwork is not depreciated.

### *Intangible Assets*

The capitalisation threshold for purchased and internally developed software is \$50,000.

The estimated useful lives of intangible assets range from 3 to 7 years.

### *Cost Allocation*

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

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 are charged directly to outputs. Indirect costs are charged to outputs based on cost drivers and related activity/usage information. Depreciation and capital charge are charged on the basis of asset utilisation. Other indirect costs are assigned to outputs based on various cost drivers including assessed usage, staff numbers, direct expenditure and estimated allocation of time.

# Notes to the Financial Statements

## Note 1 - Departmental Revenue

	2010/11	2011/12		2012/13
	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
State Sector Retirement Savings Scheme and KiwiSaver recovery	3,531	4,717	4,635	-
Sub-leased accommodation	747	-	58	348
Other	977	1,902	2,884	1,559
<b>Total</b>	<b>5,255</b>	<b>6,619</b>	<b>7,577</b>	<b>1,907</b>

## Note 2 - Other Revenue

	2010/11	2011/12		2012/13
	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
Statutory fees and levies	82,954	91,500	86,700	87,000
Other goods and services	4,702	6,171	5,828	12,307
<b>Total</b>	<b>87,656</b>	<b>97,671</b>	<b>92,528</b>	<b>99,307</b>

## Note 3 - Operating Expenses

	2010/11	2011/12		2012/13
	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
Audit fees for financial statements	253	518	395	405
Consultants fees	3,626	12,175	25,000	25,000
Overseas travel	2,770	3,500	4,305	4,000
Domestic travel	7,264	10,500	10,967	11,000
Operating lease payments	9,247	13,163	11,141	11,400
Contract payments	71,019	120,000	102,620	103,000
Other	28,009	30,079	29,379	42,842
<b>Total</b>	<b>122,188</b>	<b>189,935</b>	<b>183,807</b>	<b>197,647</b>



**Note 4 - Debtors and Other Receivables**

	2010/11	2011/12		2012/13
	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
Debtor Crown	13,517	27,990	25,000	25,000
Debtor other	11,000	13,414	13,000	13,000
<b>Total</b>	<b>24,517</b>	<b>41,404</b>	<b>38,000</b>	<b>38,000</b>

**Note 5 - Property, Plant and Equipment**

	Land \$000	Buildings \$000	Leasehold improvements \$000	Furniture/office equipment \$000	Other \$000	Total \$000
<b>Cost or revaluation</b>						
Balance as at 1 July 2011	1,670	20,818	12,253	29,567	13,292	77,600
Additions by purchase	-	675	2,000	5,850	1,900	10,425
Disposals	-	-	-	-	(1,000)	(1,000)
<b>Balance as at 30 June 2012</b>	<b>1,670</b>	<b>21,493</b>	<b>14,253</b>	<b>34,417</b>	<b>14,192</b>	<b>87,025</b>
<b>Accumulated depreciation and impairment losses</b>						
Balance as at 1 July 2011	-	5,578	7,219	21,151	4,950	38,898
Depreciation expense	-	630	1,700	2,600	1,400	6,330
Eliminate on disposal	-	-	-	-	(1,000)	(1,000)
<b>Balance as at 30 June 2012</b>	<b>-</b>	<b>6,208</b>	<b>8,919</b>	<b>23,751</b>	<b>5,350</b>	<b>44,228</b>
<b>Carrying amount as at 30 June 2012</b>	<b>1,670</b>	<b>15,285</b>	<b>5,334</b>	<b>11,666</b>	<b>8,842</b>	<b>42,797</b>

**Note 6 - Intangible Assets**

	Acquired software \$000	Internally generated software \$000	Other \$000	Total \$000
<b>Cost</b>				
Balance as at 1 July 2011	12,302	45,643	-	57,945
Additions by purchase	-	7,350	-	7,350
<b>Balance as at 30 June 2012</b>	<b>12,302</b>	<b>52,993</b>	<b>-</b>	<b>65,295</b>
<b>Accumulated amortisation and impairment losses</b>				
Balance as at 1 July 2011	11,581	20,813	-	32,394
Amortisation expense	44	5,256	-	5,300
<b>Balance as at 30 June 2012</b>	<b>11,625</b>	<b>26,069</b>	<b>-</b>	<b>37,694</b>
<b>Carrying amount as at 30 June 2012</b>	<b>677</b>	<b>26,924</b>	<b>-</b>	<b>27,601</b>

**Note 7 - Other Current Liabilities**

	2010/11	2011/12		2012/13
	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
Finance leases	530	469	486	19
Unearned revenue	6,869	8,160	7,200	7,200
ACC partnership programme	107	145	105	105
<b>Total</b>	<b>7,506</b>	<b>8,774</b>	<b>7,791</b>	<b>7,324</b>

**Note 8 - Other Non-Current Liabilities**

	2010/11	2011/12		2012/13
	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
Finance leases	406	101	19	-
<b>Total</b>	<b>406</b>	<b>101</b>	<b>19</b>	<b>-</b>

**Note 9 - 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
<b>Net surplus / (deficit)</b>	<b>7,519</b>	<b>8,525</b>	<b>293</b>	<b>-</b>
<b>Add/(less) non-cash items</b>				
Depreciation and amortisation expense	10,979	16,675	12,623	11,630
(Gain)/loss on movement of insurance liability	(38)	-	-	-
Net foreign exchange (gains)/losses	(83)	-	-	-
<b>Total non-cash items</b>	<b>10,858</b>	<b>16,675</b>	<b>12,623</b>	<b>11,630</b>
<b>Add/(less) items classified as investing or financing activities</b>				
(Gains)/losses on disposal property, plant and equipment	(215)	-	(292)	-
Finance lease interest costs	117	185	76	19
<b>Total items classified as investing or financing activities</b>	<b>(98)</b>	<b>185</b>	<b>(216)</b>	<b>19</b>
<b>Add/(less) movements in working capital items</b>				
(Inc)/Dec in debtors and other receivables	(1,348)	583	9,323	-
(Inc)/Dec in prepayments	533	-	1,688	-
(Inc)/Dec in inventories	(744)	-	387	-
Inc/(Dec) in creditors and other payables	(1,614)	300	(9,608)	-
Inc/(Dec) in other liabilities	(2,513)	(32)	37	-
Inc/(Dec) in employee entitlements	1,176	-	(2,042)	-

	2010/11	2011/12		2012/13
	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
<b>Net movements in working capital items</b>	(4,510)	851	(215)	-
<b>Add/(less) movements in non-current liabilities</b>				
Inc/(Dec) in provisions	90	-	(19)	(250)
Inc/(Dec) in employee entitlements	(648)	-	2,447	-
Inc/(Dec) in other liabilities	-	(268)	-	-
<b>Net movements in non-current liabilities</b>	(558)	(268)	2,428	-
<b>Net cash from operating activities</b>	13,211	25,968	14,913	11,399

### Note 10 - Reconciliation of Departmental Expenses and Appropriations

	2010/11	2011/12		2012/13
	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
<b>Appropriations for output expenses</b>				
Total for Vote Agriculture and Forestry	63,646	65,479	67,268	-
Total for Vote Biosecurity	153,071	154,150	151,326	-
Total for Vote Fisheries	-	108,813	99,814	-
Total for Vote Food Safety	93,236	93,159	90,494	89,803
Total for Vote Primary Industries	-	-	-	321,930
<b>Total appropriations for output expenses</b>	309,953	421,601	408,902	411,733
<b>Adjustments</b>				
Remeasurements	(92)	-	-	-
Appropriation amounts unused	(20,253)	(5,000)	(14,611)	-
<b>Total departmental expenses (as per statement of financial performance)</b>	289,608	416,601	394,291	411,733

Vote Primary Industries will be formed on 1 July 2012 by combining Vote Biosecurity, Vote Fisheries and Vote Agriculture and Forestry.