

Forecast Financial Statements

*Department of the Prime
Minister and Cabinet*

Statement of Forecast Comprehensive Income for the year ending 30 June 2014

	Note	2011/12	2012/13		2013/14
		Actual \$000	In 2012 Budget \$000	Estimated Actual \$000	Budgeted \$000
Income					
Crown		17,517	18,652	19,792	22,053
Department(s)	1	-	-	955	-
Other revenue	2	22	30	30	30
Gains		27	-	-	-
Interest		-	-	-	-
Total Income		17,566	18,682	20,777	22,083
Expenses					
Personnel	3	11,800	12,782	12,782	14,474
Operating	4	4,937	5,652	7,314	6,711
Depreciation and amortisation		382	90	100	740
Capital charge		56	158	26	158
Finance costs		-	-	-	-
Other		-	-	-	-
Total Expenses		17,175	18,682	20,222	22,083
Net Surplus / (Deficit)	10	391	-	555	-
Other comprehensive income		-	-	-	-
Total Comprehensive Income		391	-	555	-

Statement of Forecast Changes in Taxpayers' Funds for the year ending 30 June 2014

	Note	2011/12	2012/13		2013/14
		Actual \$000	In 2012 Budget \$000	Estimated Actual \$000	Budgeted \$000
Balance at 1 July					
General funds		703	400	400	3,000
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Opening Balance		703	400	400	3,000
Changes in Taxpayers' Funds					
Comprehensive income for the period		391	-	555	-
Repayment of surplus		(391)	-	(555)	-
Capital contribution		1,020	2,600	2,600	20
Capital withdrawal		(1,323)	-	-	-
Other		-	-	-	-
Total Changes in Taxpayers' Funds		(303)	2,600	2,600	20
Balance at 30 June					
General funds		400	3,000	3,000	3,020
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Closing Balance		400	3,000	3,000	3,020

Forecast Statement of Financial Position as at 30 June 2014

	Note	2011/12	2012/13		2013/14
		Actual \$000	In 2012 Budget \$000	Estimated Actual \$000	Budgeted \$000
Assets					
Current Assets					
Cash and cash equivalents		2,139	1,098	4,103	2,363
Debtors and other receivables	5	1,172	1,060	1,172	1,060
Prepayments		21	30	21	30
Inventories		100	100	100	100
Other current assets		-	-	-	-
Total Current Assets		3,432	2,288	5,396	3,553
Non-current Assets					
Property, plant and equipment	6	217	276	217	247
Intangible assets	7	-	2,600	800	1,950
Other non-current assets		233	300	233	300
Total Non-current Assets		450	3,176	1,250	2,497
Total Assets		3,882	5,464	6,646	6,050
Liabilities					
Current Liabilities					
Creditors and other payables	8	2,070	1,540	2,070	1,980
Repayment of surplus		391	-	555	-
Employee entitlements	9	728	650	728	750
Other current liabilities		-	-	-	-
Total Current Liabilities		3,189	2,190	3,353	2,730
Non-current Liabilities					
Provisions		-	-	-	-
Employee entitlements	9	293	274	293	300
Other non-current liabilities		-	-	-	-
Total Non-current Liabilities		293	274	293	300
Total Liabilities		3,482	2,464	3,646	3,030
Taxpayers' Funds					
General funds		400	3,000	3,000	3,020
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Total Taxpayers' Funds		400	3,000	3,000	3,020
Total Liabilities and Taxpayers' Funds		3,882	5,464	6,646	6,050

Statement of Forecast Cash Flows for the year ending 30 June 2014

	Note	2011/12	2012/13		2013/14
		Actual \$000	In 2012 Budget \$000	Estimated Actual \$000	Budgeted \$000
Cash Flows from Operating Activities					
Receipts from:					
Crown		17,517	18,652	19,792	22,053
Department(s)		-	-	955	-
Other		22	30	30	30
Interest		-	-	-	-
Payments to:					
Suppliers		(5,033)	(5,675)	(7,337)	(6,738)
Employees		(11,405)	(12,759)	(12,759)	(14,452)
Capital charge		(56)	(158)	(26)	(158)
Goods and services tax (net)		-	-	-	-
Other operating activities		-	-	-	-
Net Cash from Operating Activities	10	1,045	90	655	735
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		(303)	(100)	(100)	(120)
Intangible assets		(192)	(2,600)	(800)	(1,800)
Other non-current assets		-	-	-	-
Net Cash from Investing Activities		(468)	(2,700)	(900)	(1,920)
Cash Flow from Financing Activities					
Capital contribution		-	2,600	2,600	-
Other financing cash inflows		-	-	-	-
Repayment of surplus		(44)	-	(391)	(555)
Capital withdrawal		(200)	-	-	-
Other financing cash outflows		-	-	-	-
Net Cash from Financing Activities		(244)	2,600	2,209	(555)
Net Increase / (Decrease) in Cash		333	(10)	1,964	(1,740)
Cash at the beginning of the year		1,806	1,108	2,139	4,103
Cash at the end of the year		2,139	1,098	4,103	2,363

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 130 staff positions from 2013/14 (112 full time equivalents).
- Operating costs are based on historical experience. The general historical pattern is expected to continue.
- Estimated year end information for 2012/13 is used as the opening position for the 2013/14 forecasts.

These assumptions are adopted as at 28 March 2013.

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, transfer of funding across financial years, 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 28 March 2013. 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 5-10 years.
- Plant and equipment 5-10 years.

- Information Technology equipment 3-4 years.
- Motor vehicles 4 years.

Intangible Assets

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Direct costs include software acquisition and development, and consultancy costs. Staff training costs are recognised as an expense when incurred.

The estimated useful life of intangible assets is set out below:

- acquired software 3-4 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.

The Department of Prime Minister and Cabinet has a shared services arrangement 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 - Department Revenue

	2011/12	2012/13		2013/14
	Actual \$000	In 2012 Budget \$000	Estimated Actual \$000	Budgeted \$000
Secondment recoveries	-	-	955	-
Total	-	-	955	-

Note 2 - Other Revenue

	2011/12	2012/13		2013/14
	Actual \$000	In 2012 Budget \$000	Estimated Actual \$000	Budgeted \$000
Rental Income	22	30	30	30
Total	22	30	30	30

Note 3 - Personnel Expenses

	2011/12	2012/13		2013/14
	Actual \$000	In 2012 Budget \$000	Estimated Actual \$000	Budgeted \$000
Salaries and wages	10,973	12,000	12,000	13,682
Employer contributions to defined-contribution plans	572	507	507	517
Inc/(Dec) in employee entitlements	48	-	-	
Other	207	275	275	275
Total	11,800	12,782	12,782	14,474

Note 4 - Operating Expenses

	2011/12	2012/13		2013/14
	Actual \$000	In 2012 Budget \$000	Estimated Actual \$000	Budgeted \$000
Operating expenses include:				
Audit fees for audit of financial statements	49	-	-	-
Premises rental	641	505	641	650
Facilities costs	502	514	615	620
Inventories consumed	134	86	134	100
Consultants	281	300	900	300
Travel - International	318	350	381	381
Travel - Domestic	100	70	130	130
IT maintenance costs	368	-	-	-
Building and ground maintenance costs	573	500	638	650
Central Agencies Shared Services (CASS)	1,197	2,500	2,935	2,935
Miscellaneous operating expenses	774	778	940	945
Total	4,937	5,652	7,314	6,711

Note 5 - Debtors and Other Receivables

	2011/12	2012/13		2013/14
	Actual \$000	In 2012 Budget \$000	Estimated Actual \$000	Budgeted \$000
Debtor Crown	1,020	1,020	1,020	1,020
Trade debtors	96	-	96	-
Other receivables	56	40	56	40
Total	1,172	1,060	1,172	1,060

Note 6 - Property, Plant and Equipment

	Land \$000	Buildings \$000	Leasehold improvements \$000	Furniture/office equipment \$000	Other \$000	Total \$000
Cost or revaluation						
Balance as at 1 July 2013	-	-	-	1,309	169	1,478
Additions by purchase	-	-	-	120	-	120
Disposals	-	-	-	-	-	-
Balance as at 30 June 2014	-	-	-	1,429	169	1,598
Accumulated depreciation and impairment losses						
Balance as at 1 July 2013	-	-	-	1,148	113	1,261
Depreciation expense	-	-	-	80	10	90
Eliminate on disposal	-	-	-	-	-	-
Balance as at 30 June 2014	-	-	-	1,228	123	1,351
Carrying amount as at 30 June 2014	-	-	-	201	46	247

Note 7 - Intangible Assets

	Acquired software \$000	Internally generated software \$000	Other \$000	Total \$000
Cost				
Balance as at 1 July 2013	500	-	-	500
Additions by purchase	-	-	-	-
Additions internally developed	2,100	-	-	2,100
Disposals	-	-	-	-
Balance as at 30 June 2014	2,600	-	-	2,600
Accumulated amortisation and impairment losses				
Balance as at 1 July 2013	-	-	-	-
Amortisation expense	650	-	-	650
Disposals	-	-	-	-
Impairment losses	-	-	-	-
Balance as at 30 June 2014	650	-	-	650
Carrying amount as at 30 June 2014	1,950	-	-	1,950

Note 8 - Creditors and Other Payables

	2011/12	2012/13		2013/14
	Actual \$000	In 2012 Budget \$000	Estimated Actual \$000	Budgeted \$000
Trade creditors	469	900	469	383
Creditors relating to capital expenditure	-	-	-	-
Accrued liabilities	1,404	400	1,404	1,400
Current provision	60	140	60	60
GST payable	137	100	137	137
Total	2,070	1,540	2,070	1,980

Note 9 - Employee Entitlements

	2011/12	2012/13		2013/14
	Actual \$000	In 2012 Budget \$000	Estimated Actual \$000	Budgeted \$000
Current employee entitlements				
Annual leave	547	405	547	505
Long service leave	8	17	8	17
Retirement leave	138	190	138	190
Sick leave	35	38	35	38
Total current employee entitlements	728	650	728	750
Non-current employee entitlements				
Long service leave	43	43	43	50
Retirement leave	250	231	250	250
Total non-current employee entitlements	293	274	293	300
Total employee entitlements	1,021	924	1,021	1,050

Note 10 - Reconciliation of Net Surplus to Net Cash Flows from Operating Activities

	2011/12	2012/13		2013/14
	Actual \$000	In 2012 Budget \$000	Estimated Actual \$000	Budgeted \$000
Net Surplus/(Deficit)	391	-	555	-
Add/(less) non-cash items				
Depreciation and amortisation expenses	382	90	100	740
Gain/loss sale of PPE	(27)	-	-	-
Asset write off	-	-	-	-
Total non-cash items	355	90	100	740
Add/(less) movement in working capital items				
(Inc)/Dec in prepayment and other receivable	(123)	-	-	-
(inc)/Dec in inventories	51	-	-	-
Inc/(Dec) in creditors and other payable	403	-	-	5
Inc/(Dec) in employees entitlements	48	-	-	-
Inc/(Dec) in provisions	(80)	-	-	-
Net movements in working capital items	299	-	-	5
Add/(less) movement in non-current liabilities				
Inc/(Dec) in non-current employee entitlements	-	-	-	-
Inc/(Dec) in non-current provision	-	-	-	-
Net movements in non-current liabilities	-	-	-	-
<i>Net cash from operating activities</i>	1,045	90	655	735