

# *Forecast Financial Statements*

*Office of the Ombudsmen*

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## 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
<b>Income</b>					
Crown		8,768	9,325	9,424	9,965
Department(s)		-	-	-	-
Other revenue		101	-	-	-
Gains		-	-	-	-
Interest		-	-	-	-
<b>Total Income</b>		<b>8,869</b>	<b>9,325</b>	<b>9,424</b>	<b>9,965</b>
<b>Expenses</b>					
Personnel	1	6,623	6,778	6,566	7,219
Operating	2	1,851	2,256	2,618	2,514
Depreciation and amortisation		269	265	214	206
Capital charge		26	26	26	26
Finance costs		-	-	-	-
Other		-	-	-	-
<b>Total Expenses</b>		<b>8,769</b>	<b>9,325</b>	<b>9,424</b>	<b>9,965</b>
<b>Net Surplus / (Deficit)</b>		<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other comprehensive income		-	-	-	-
<b>Total Comprehensive Income</b>		<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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
<b>Balance at 1 July</b>					
General funds		329	329	329	329
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
<b>Taxpayers' Funds Opening Balance</b>		<b>329</b>	<b>329</b>	<b>329</b>	<b>329</b>
<b>Changes in Taxpayers' Funds</b>					
Comprehensive income for the period		100	-	-	-
Repayment of surplus		(100)	-	-	-
Capital contribution		-	-	-	-
Capital withdrawal		-	-	-	-
Other		-	-	-	-
<b>Total Changes in Taxpayers' Funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 30 June</b>					
General funds		329	329	329	329
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
<b>Taxpayers' Funds Closing Balance</b>		<b>329</b>	<b>329</b>	<b>329</b>	<b>329</b>

## 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
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents		969	684	529	535
Debtors and other receivables		-	-	-	-
Prepayments		52	18	18	18
Inventories		-	-	-	-
Other current assets		-	-	-	-
<b>Total Current Assets</b>		1,021	702	547	553
<b>Non-current Assets</b>					
Property, plant and equipment		256	34	165	92
Intangible assets		177	212	219	286
Other non-current assets		-	-	-	-
<b>Total Non-current Assets</b>		433	246	384	378
<b>Total Assets</b>		1,454	948	931	931
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Creditors and other payables		349	159	159	159
Repayment of surplus		100	-	-	-
Employee entitlements	3	664	410	425	425
Other current liabilities		-	-	-	-
<b>Total Current Liabilities</b>		1,113	569	584	584
<b>Non-current Liabilities</b>					
Provisions		-	-	-	-
Employee entitlements	4	12	50	18	18
Other non-current liabilities		-	-	-	-
<b>Total Non-current Liabilities</b>		12	50	18	18
<b>Total Liabilities</b>		1,125	619	602	602
<b>Taxpayers' Funds</b>					
General funds		329	329	329	329
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
<b>Total Taxpayers' Funds</b>		329	329	329	329
<b>Total Liabilities and Taxpayers' Funds</b>		1,454	948	931	931

## 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
<b>Cash Flows from Operating Activities</b>					
<b>Receipts from:</b>					
Crown		8,768	9,325	9,424	9,965
Department(s)		-	-	-	-
Other		101	-	-	-
Interest		-	-	-	-
<b>Payments to:</b>					
Suppliers		(1,840)	(2,256)	(2,774)	(2,514)
Employees		(6,482)	(6,778)	(6,799)	(7,219)
Capital charge		(26)	(26)	(26)	(26)
Goods and services tax (net)		-	-	-	-
Other operating activities		-	-	-	-
<b>Net Cash from Operating Activities</b>	5	521	265	(175)	206
<b>Cash Flow from Investing Activities</b>					
<b>Receipts from:</b>					
Sale of property, plant and equipment		-	-	-	-
Sale of intangible assets		-	-	-	-
Sale of other non-current assets		-	-	-	-
<b>Purchase of:</b>					
Property, plant and equipment		(122)	(93)	(93)	(93)
Intangible assets		(67)	(72)	(72)	(107)
Other non-current assets		-	-	-	-
<b>Net Cash from Investing Activities</b>		(189)	(165)	(165)	(200)
<b>Cash Flow from Financing Activities</b>					
Capital contribution		-	-	-	-
Other financing cash inflows		-	-	-	-
Repayment of surplus		(40)	-	(100)	-
Capital withdrawal		-	-	-	-
Other financing cash outflows		-	-	-	-
<b>Net Cash from Financing Activities</b>		(40)	-	(100)	-
<b>Net Increase / (Decrease) in Cash</b>		292	100	(440)	6
Cash at the beginning of the year		677	584	969	529
<b>Cash at the end of the year</b>		969	684	529	535

## Statement of Significant Assumptions

These forecast financial statements have been compiled on the basis of Parliament's expectations at the time the statements were finalised.

The main assumptions are as follows:

- the Office's activities will remain substantially the same as for the previous year
- 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 2013/14 actual financial statements include:

- changes to the baseline budget through new initiatives, or technical adjustments.

## Statement of Entity-Specific Accounting Policies

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

### Reporting Entity

These are the prospective financial statements of the Office of the Ombudsmen, prepared in accordance with section 38 of the Public Finance Act 1989.

The Office of the Ombudsmen is an Office of Parliament and is defined as a Government Department by section 2 of the Public Finance Act 1989. For the purposes of financial reporting the Office of the Ombudsmen is a public benefit entity.

### Authorisation Statement

These Forecast Financial Statements were authorised for issue by Dame Beverley Wakem, Chief Ombudsman, on 28 March 2013. The Chief Ombudsman is responsible for the Forecast Financial Statements presented, including the appropriateness of the assumptions underlying the Forecast Financial Statements and all other required disclosures.

### Specific Accounting Policies

#### *Depreciation*

Computer assets and off-the-shelf software are depreciated using the straight-line method at 25% per annum. Purpose built software is depreciated over the useful life of the asset. Improvements to leasehold properties are depreciated over the remaining life of the lease. All other assets are depreciated at 20% per annum using the straight-line method.

### *Financial Instruments*

All financial instruments are recognised in the Statement of Financial Position.

All revenue and expenditure in relation to financial instruments is recognised in the Statement of Financial Performance.

A letter of credit exists between the Office and ASB Management Services Ltd, a division of ASB Bank to allow the bank to recover payroll costs from the Office Westpac bank account.

### *Taxpayer's Funds*

This is the Crown's net investment in the Office of the Ombudsmen.

# Notes to the Financial Statements

## Note 1 - Personnel

	2011/12	2012/13		2013/14
	Actual \$000	In 2012 Budget \$000	Estimated Actual \$000	Budgeted \$000
Remuneration for the Ombudsmen pursuant to sections 8 and 9 of the Ombudsmen Act 1975	630	641	641	645
Staff of the Ombudsmen	5,993	6,148	5,925	6,574
<b>Total</b>	<b>6,623</b>	<b>6,789</b>	<b>6,566</b>	<b>7,219</b>

## Note 2 - Operating Expenses

	2011/12	2012/13		2013/14
	Actual \$000	In 2012 Budget \$000	Estimated Actual \$000	Budgeted \$000
Operating expenses include:				
Accommodation	723	726	737	992
Communications	150	157	157	157
Consultant fees*	15	372	372	35
Domestic travel	176	217	217	217
Overseas travel	35	24	24	24
Other	752	760	1351	1321
<b>Total</b>	<b>1,851</b>	<b>2,256</b>	<b>2,858</b>	<b>2,746</b>

\* Consultancy fees - for 2012/13 includes cost of hosting the 2012 world conference of the International Ombudsman Institute.

## Note 3 - Employee Entitlements

	2011/12	2012/13		2013/14
	Actual \$000	In 2012 Budget \$000	Estimated Actual \$000	Budgeted \$000
Comprises accrued annual leave, currently due long service leave and salaries for all staff of the Ombudsmen	664	410	425	425
<b>Total</b>	<b>664</b>	<b>410</b>	<b>425</b>	<b>425</b>



**Note 4 - Non Current Employee Entitlements**

	2011/12	2012/13		2013/14
	Actual \$000	In 2012 Budget \$000	Estimated Actual \$000	Budgeted \$000
"Grandfather" provision for staff recruited under previous terms and conditions of employment - accrued long service leave not currently due.	12	50	18	18
<b>Total</b>	12	50	18	18

**Note 5 - 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
<b>Net Surplus/(deficit)</b>	100	-	-	-
<b>Add/(Less) non-cash items</b>				
Write off of assets	2	-	-	-
Depreciation and amortisation expense	269	265	214	206
Total non-cash items	371	265	214	206
<b>Add/(Less) movements in working capital items</b>				
(Inc)/Dec in debtors and receivables	4	-	-	-
(Inc)/Dec in prepayments	21	-	34	-
Inc/(Dec) in creditors and payables	(23)	-	(69)	-
Inc/(Dec) in GST	32	-	(121)	-
Inc/(Dec) in employee entitlements	103	-	(239)	-
Net movements in working capital items	137	-	(395)	-
<b>Add/(Less) movements in non-current liabilities</b>				
Inc/(Dec) in employee entitlements	12	-	6	-
<b>Net Cash from Operating Activities</b>	520	265	(175)	206