

Forecast Financial Statements

Crown Law Office

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		51,141	46,062	50,948	41,653
Department(s)		22,627	22,406	22,406	22,365
Other revenue		98	10	50	50
Gains		-	-	-	-
Interest		-	-	-	-
Total Income		73,866	68,478	73,404	64,068
Expenses					
Personnel		19,789	21,769	19,700	19,155
Operating	1	50,900	45,449	52,800	43,554
Depreciation and amortisation		1,004	1,095	795	1,194
Capital charge		165	165	109	165
Finance costs		-	-	-	-
Other		-	-	-	-
Total Expenses		71,858	68,478	73,404	64,068
Net Surplus / (Deficit)		2,008	-	-	-
Other comprehensive income		-	-	-	-
Total Comprehensive Income		2,008	-	-	-

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		4,461	5,635	7,173	7,173
Revaluation reserve		296	296	296	296
Other reserves		-	-	-	-
Taxpayers' Funds Opening Balance		4,757	5,931	7,469	7,469
Changes in Taxpayers' Funds					
Comprehensive income for the period		2,008	-	-	-
Repayment of surplus		(470)	-	-	-
Capital contribution		-	-	-	-
Capital withdrawal		-	-	-	-
Other		1,174	-	-	-
Total Changes in Taxpayers' Funds		2,712	-	-	-
Balance at 30 June					
General funds		7,173	5,635	7,173	7,173
Revaluation reserve		296	296	296	296
Other reserves		-	-	-	-
Taxpayers' Funds Closing Balance		7,469	5,931	7,469	7,469

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		13,997	8,954	5,691	6,644
Debtors and other receivables		4,973	4,974	7,974	3,800
Prepayments		714	350	350	350
Inventories		-	-	-	-
Other current assets		-	-	-	-
Total Current Assets		19,684	14,278	14,015	10,794
Non-current Assets					
Property, plant and equipment		630	968	4,393	3,654
Intangible assets		334	600	276	236
Other non-current assets		-	-	-	-
Total Non-current Assets		964	1,568	4,669	3,890
Total Assets		20,648	15,846	18,684	14,684
Liabilities					
Current Liabilities					
Creditors and other payables		10,006	8,415	9,315	5,315
Repayment of surplus		470	-	-	-
Employee entitlements		2,554	1,300	1,700	1,700
Other current liabilities		-	-	-	-
Total Current Liabilities		13,030	9,715	11,015	7,015
Non-current Liabilities					
Provisions		-	-	-	-
Employee entitlements		149	200	200	200
Other non-current liabilities		-	-	-	-
Total Non-current Liabilities		149	200	200	200
Total Liabilities		13,179	9,915	11,215	7,215
Taxpayers' Funds					
General funds		7,173	5,635	7,173	7,173
Revaluation reserve		296	296	296	296
Other reserves		-	-	-	-
Total Taxpayers' Funds		7,469	5,931	7,469	7,469
Total Liabilities and Taxpayers' Funds		20,648	15,846	18,684	14,684

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		51,102	46,062	47,987	44,653
Department(s)		22,683	22,406	22,366	22,365
Other		98	10	50	50
Interest		-	-	-	-
Payments to:					
Suppliers		(49,815)	(46,505)	(54,574)	(47,609)
Employees		(19,615)	(21,712)	(19,645)	(19,100)
Capital charge		(165)	(165)	(109)	(165)
Goods and services tax (net)		(755)	-	639	-
Other operating activities		-	-	-	-
Net Cash from Operating Activities	2	3,533	96	(3,286)	194
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		(29)	(555)	(4,358)	(255)
Intangible assets		(24)	(260)	(192)	(160)
Other non-current assets		-	-	-	-
Net Cash from Investing Activities		(53)	(815)	(4,550)	(415)
Cash Flow from Financing Activities					
Capital contribution		-	-	-	-
Other financing cash inflows		-	-	-	-
Repayment of surplus		(2,878)	-	(470)	-
Capital withdrawal		-	-	-	1,174
Other financing cash outflows		-	-	-	-
Net Cash from Financing Activities		(2,878)	-	(470)	1,174
Net Increase / (Decrease) in Cash		602	(719)	(8,306)	953
Cash at the beginning of the year		13,395	9,673	13,997	5,691
Cash at the end of the year		13,997	8,954	5,691	6,644

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 activities of the Crown Law will remain substantially the same as for the previous year.
- Personnel costs are based on the approved number of 170 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 were adopted as at 5 April 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, and
- changes in service demand, as the services provided by Crown Law are demand driven.

Statement of Entity-Specific Accounting Policies

Crown Law 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 Crown Law, prepared in accordance with section 38 of the Public Finance Act 1989.

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

Authorisation Statement

These forecast financial statements were authorised for issue by the Chief Executive of Crown Law on 5 April 2013. The Chief Executive of Crown Law 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 \$1,000.

Depreciation

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

- computer equipment/hardware - three years
- office equipment - five years
- furniture and fittings - five years
- leasehold improvements - up to six and a half years, and
- library - ten years.

Intangible Assets

The capitalisation threshold for computer software is \$1,000.

Amortisation

The estimated useful life for computer software is three years.

Cost Allocation

Crown Law 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 information.

There have been no changes in cost accounting policies since the date of the last audited financial statements.

Notes to the Financial Statements

Note 1 - Operating Expenses

	2011/12	2012/13		2013/14
	Actual \$000	In 2012 Budget \$000	Estimated Actual \$000	Budgeted \$000
Operating expenses include:				
Audit fees	49	47	52	54
Crown Solicitors' fees	42,473	37,595	39,723	33,160
Consultants' fees	766	400	1,359	500
Overseas travel	25	50	20	50
Domestic travel	568	600	480	500
Rental and leasing costs	1844	1,860	1,841	1,015
Restructuring costs	599	-	1,574	-
Other	4,576	4,897	7,751	8,275
Total	50,900	45,449	52,800	43,554

Note 2 - 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)	2,008	-	-	-
Add/(less) non-cash items				
Depreciation and amortisation expense	1,004	1,095	795	1,194
Other	-	-	-	-
Total non-cash items	1,004	1,095	795	1,194
Add/(less) items classified as investing or financing activities				
(Gains)/losses on disposal property, plant and equipment	-	-	-	-
Other	-	-	-	-
Total items classified as investing or financing activities	-	-	-	-
Add/(less) movements in working capital items				
(Increase)/decrease in debtors and other receivables	17	-	(2,951)	3,000
(Increase)/decrease in prepayments	(342)	-	364	-
Increase/(decrease) in creditors and other payables	73	(999)	(691)	(4,000)
Increase/(decrease) in current provisions	-	-	-	-
Increase/(decrease) in employee entitlements	748	-	(752)	-
Net movements in working capital items	496	(999)	(4,030)	(1,000)

	2011/12	2012/13		2013/14
	Actual \$000	In 2012 Budget \$000	Estimated Actual \$000	Budgeted \$000
Add/(less) movements in non-current liabilities				
Increase/(decrease) in non-current employee entitlements	25	-	(51)	-
Net movements in non-current liabilities	25	-	(51)	-
Net Cash Flows from Operating Activities	3,533	96	(3,286)	194