

Forecast Financial Statements

Parliamentary Counsel 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		20,532	20,509	20,509	20,525
Department(s)		585	132	132	116
Other revenue		5	35	35	35
Gains		-	-	-	-
Interest		-	-	-	-
Total Income		21,122	20,676	20,676	20,676
Expenses					
Personnel		8,847	9,704	9,029	9,193
Operating	1	5,305	5,865	7,227	7,683
Depreciation and amortisation		3,787	3,878	3,213	2,593
Capital charge		1,207	1,229	1,207	1,207
Finance costs		-	-	-	-
Other		-	-	-	-
Total Expenses		19,146	20,676	20,676	20,676
Net Surplus / (Deficit)	2	1,976	-	-	-
Other comprehensive income		-	-	-	-
Total Comprehensive Income		1,976	-	-	-

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		15,091	15,091	15,091	15,091
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Opening Balance		15,091	15,091	15,091	15,091
Changes in Taxpayers' Funds					
Comprehensive income for the period		1,976	-	-	-
Repayment of surplus		(1,976)	-	-	-
Capital contribution		-	-	-	-
Capital withdrawal		-	-	-	-
Other		-	-	-	-
Total Changes in Taxpayers' Funds		-	-	-	-
Balance at 30 June					
General funds		15,091	15,091	15,091	15,091
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Closing Balance		15,091	15,091	15,091	15,091

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		9,634	10,486	8,547	8,310
Debtors and other receivables		24	40	40	40
Prepayments		286	150	245	244
Inventories		-	-	-	-
Other current assets		-	-	-	-
Total Current Assets		9,944	10,676	8,832	8,594
Non-current Assets					
Property, plant and equipment		411	419	506	555
Intangible assets		8,655	5,199	7,697	7,885
Other non-current assets		-	-	-	-
Total Non-current Assets		9,066	5,618	8,203	8,440
Total Assets		19,010	16,294	17,035	17,034
Liabilities					
Current Liabilities					
Creditors and other payables		1,089	417	1,090	1,090
Repayment of surplus		1,976	-	-	-
Employee entitlements		650	667	650	650
Other current liabilities		-	-	-	-
Total Current Liabilities		3,715	1,084	1,740	1,740
Non-current Liabilities					
Provisions		-	-	-	-
Employee entitlements		204	119	204	203
Other non-current liabilities		-	-	-	-
Total Non-current Liabilities		204	119	204	203
Total Liabilities		3,919	1,203	1,944	1,943
Taxpayers' Funds					
General funds		15,091	15,091	15,091	15,091
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Total Taxpayers' Funds		15,091	15,091	15,091	15,091
Total Liabilities and Taxpayers' Funds		19,010	16,294	17,035	17,034

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		20,866	20,509	20,549	20,525
Department(s)		613	132	132	116
Other		5	35	35	35
Interest		-	-	-	-
Payments to:					
Suppliers		(5,449)	(5,897)	(7,241)	(7,682)
Employees		(8,809)	(9,655)	(9,029)	(9,193)
Capital charge		(1,207)	(1,229)	(1,207)	(1,208)
Goods and services tax (net)		-	-	-	-
Other operating activities		-	-	-	-
Net Cash from Operating Activities	2	6,019	3,895	3,239	2,593
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		(373)	(350)	(350)	(330)
Intangible assets		(3,129)	(2,000)	(2,000)	(2,500)
Other non-current assets		-	-	-	-
Net Cash from Investing Activities		(3,502)	(2,350)	(2,350)	(2,830)
Cash Flow from Financing Activities					
Capital contribution		-	-	-	-
Other financing cash inflows		-	-	-	-
Repayment of surplus		(1,557)	(1,540)	(1,976)	-
Capital withdrawal		-	-	-	-
Other financing cash outflows		-	-	-	-
Net Cash from Financing Activities		(1,557)	(1,540)	(1,976)	-
Net Increase / (Decrease) in Cash		960	5	(1,087)	(237)
Cash at the beginning of the year		8,674	10,481	9,634	8,547
Cash at the end of the year		9,634	10,486	8,547	8,310

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:

- Parliamentary Counsel Office activities will remain substantially the same as for the previous year. Our primary objective is the drafting of Government Bills and publishing legislation.
- Personnel costs are based on 86 staff positions (81.3 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.

Statement of Entity-Specific Accounting Policies

The Parliamentary Counsel Office 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 Parliamentary Counsel Office, prepared in accordance with section 38 of the Public Finance Act 1989.

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

Authorisation Statement

These forecast financial statements were authorised by the Acting Chief Parliamentary Counsel on 28 March 2013. The Acting Chief Parliamentary Counsel is responsible for the forecast financial statements presented, including the appropriateness of the assumptions underlying the forecast financial statements and other required disclosure.

Specific Accounting Policies

Property, Plant and Equipment

Capitalisation thresholds applied for all assets are \$2,000.

Depreciation

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

- Leasehold improvements - six years.
- IT Equipment / Hardware - three years.
- Furniture and office equipment - five years.

Intangible Assets

New Zealand Legislation System software is stated at fair value as determined by an independent registered valuer. This software is revalued with sufficient regularity to ensure that carrying value is not materially different from fair value at the end of the reporting period. Additions between revaluations are recorded at cost.

Capitalisation thresholds applied for all software are \$2,000.

The estimated useful lives of intangible assets are set out below:

- New Zealand Legislation System software - five to ten years.

Cost Allocation

The Parliamentary Counsel Office has derived the costs of outputs using a cost allocation system outlined below.

Cost allocation policy

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activities/usage information.

Criteria for direct and indirect costs

"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 assigned to outputs

Direct costs are charged directly to outputs. Depreciation and capital charge are charged on the basis of asset utilisation. Personnel costs are charged by actual time incurred. Property and other premises expenses, such as maintenance, are allocated on the basis of floor area occupied for the production of each output.

Basis for assigning indirect and corporate costs to outputs

Indirect costs are assigned to outputs based on a proportion of direct staff costs used for each output.

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:				
Consultants fees	282	390	230	430
Overseas travel	34	65	60	40
Domestic travel	17	13	15	15
Other	4,972	5,397	6,922	7,198
Total	5,305	5,865	7,227	7,683

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)	1,976	-	-	-
Add/(less) non-cash items				
Depreciation and amortisation expense	3,787	3,878	3,213	2,593
Increase in non-current employee entitlements	-	--	-	-
Other movements				
Total non-cash items	5,763	3,878	3,213	2,593
Add/(less) working capital movements				
Inc/(dec) in debtors and prepayments	360	--	25	1
Inc/(dec) in debtors Crown				
Inc/(dec) in creditors and payables	(142)	17	1	-
Inc/(dec) in current employee entitlements	38	-	-	(1)
Net working capital movements	256	17	26	0
Add/(less) investing activity items				
Gain on sale of property, plant & equipment	-	-	-	-
Total investing activity items	-	-	-	-
Net cash flow from operating activities	6,019	3,895	3,239	2,593