

Forecast Financial Statements

Ministry for Culture and Heritage

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		26,966	25,526	26,312	22,589
Department(s)		552	-	180	-
Other revenue		1,518	-	1,294	-
Gains		-	-	-	-
Interest		-	-	-	-
Total Income		29,036	25,526	27,786	22,589
Expenses					
Personnel		13,122	11,180	10,964	9,151
Operating	1	13,737	13,700	15,226	12,792
Depreciation and amortisation		535	530	530	530
Capital charge		116	116	116	116
Finance costs		-	-	-	-
Other		5	-	-	-
Total Expenses		27,515	25,526	26,836	22,589
Net Surplus / (Deficit)		1,521	-	950	-
Other comprehensive income		-	-	-	-
Total Comprehensive Income		1,521	-	950	-

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		1,447	1,447	1,447	1,447
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Opening Balance		1,447	1,447	1,447	1,447
Changes in Taxpayers' Funds					
Comprehensive income for the period		1,521	-	950	-
Repayment of surplus		(1,521)	-	(950)	-
Capital contribution		-	-	-	-
Capital withdrawal		-	-	-	-
Other		-	-	-	-
Total Changes in Taxpayers' Funds		-	-	-	-
Balance at 30 June					
General funds		1,447	1,447	1,447	1,447
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Closing Balance		1,447	1,447	1,447	1,447

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		1,750	2,045	3,249	2,399
Debtors and other receivables		3,980	150	250	250
Prepayments		148	400	150	150
Inventories		-	-	-	-
Other current assets		-	-	-	-
Total Current Assets		5,878	2,595	3,649	2,799
Non-current Assets					
Property, plant and equipment		701	643	601	501
Intangible assets		74	136	74	74
Other non-current assets		-	-	-	-
Total Non-current Assets		775	779	675	575
Total Assets		6,653	3,374	4,324	3,374
Liabilities					
Current Liabilities					
Creditors and other payables		2,994	1,300	1,300	1,300
Repayment of surplus		1,521	-	950	-
Employee entitlements		615	525	525	525
Other current liabilities		-	-	-	-
Total Current Liabilities		5,130	1,825	2,775	1,825
Non-current Liabilities					
Provisions		-	-	-	-
Employee entitlements		76	102	102	102
Other non-current liabilities		-	-	-	-
Total Non-current Liabilities		76	102	102	102
Total Liabilities		5,206	1,927	2,877	1,927
Taxpayers' Funds					
General funds		1,447	1,447	1,447	1,447
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Total Taxpayers' Funds		1,447	1,447	1,447	1,447
Total Liabilities and Taxpayers' Funds		6,653	3,374	4,324	3,374

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		26,966	25,526	29,368	22,589
Department(s)		(193)	-	180	-
Other		1,518	-	1,294	-
Interest		-	-	-	-
Payments to:					
Suppliers		(14,994)	(13,811)	(16,423)	(12,903)
Employees		(12,962)	(11,069)	(10,853)	(9,040)
Capital charge		(116)	(116)	(116)	(116)
Goods and services tax (net)		203	-	-	-
Other operating activities		-	-	-	-
Net Cash from Operating Activities	2	422	530	3,450	530
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)	(390)	(390)	(390)
Intangible assets		(18)	(40)	(40)	(40)
Other non-current assets		-	-	-	-
Net Cash from Investing Activities		(391)	(430)	(430)	(430)
Cash Flow from Financing Activities					
Capital contribution		-	-	-	-
Other financing cash inflows		-	-	-	-
Repayment of surplus		(2,499)	-	(1,521)	(950)
Capital withdrawal		-	-	-	-
Other financing cash outflows		-	-	-	-
Net Cash from Financing Activities		(2,499)	-	(1,521)	(950)
Net Increase / (Decrease) in Cash		(2,468)	100	1,499	(850)
Cash at the beginning of the year		4,218	1,945	1,750	3,249
Cash at the end of the year		1,750	2,045	3,249	2,399

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 activities will remain substantially the same as for the previous year.
- Personnel costs are based on 140 staff positions (129 full time equivalents).
- Operating costs are based on historical experience. The general historical pattern is expected to continue with the exception of the Going Digital team. This one-off project began in 2010/11 and will be completed in 2013/14. The operating costs will increase significantly during this period as the costs associated with the project make up a significant portion of the Ministry's baseline.
- Estimated year end information for 2012/13 is used as the opening position for the 2013/14 forecasts.

These assumptions are adopted as at 17 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 to factors underlying the assumptions above.

Statement of Entity-Specific Accounting Policies

The Ministry for Culture and Heritage 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 Culture and Heritage, prepared in accordance with section 38 of the Public Finance Act 1989.

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

Authorisation Statement

These forecast financial statements were authorised for issue by the Chief Executive on 17 April 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

Property, plant and equipment consist of leasehold improvements, furniture and fittings, vehicles and office equipment. Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses. Individual assets or groups of assets are capitalised if their cost is greater than \$2,000 (\$1,000 for computer equipment) and recorded at historical cost less accumulated depreciation.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment, at rates that will write down the cost (or valuation) of the assets to their estimated residual values over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

- Office Furniture - 5 years
- Leasehold Improvements - Determined by the lease period remaining
- Office Equipment - 5 years
- Vehicles - 3 years
- Computer Equipment (PC-based) - 3 years
- Computer Equipment (other than PCs) - 4 years
- Works of Art - 100 years

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful life of the improvements, whichever is shorter. The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Intangible Assets

The capitalisation thresholds for intangible assets is \$2,000. The estimated useful lives of intangible assets is 3 years.

Cost Allocation

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

- Direct costs are those directly attributed to an output. Indirect costs are those that cannot be identified with a specific output in an economically feasible manner.
- Direct costs are charged directly to outputs. Indirect costs are allocated to outputs through a two-stage process. The costs are assigned to cost centres within the Ministry, and then allocated to outputs on the basis of the direct staff costs attributable to the outputs of that cost centre.
- Depreciation and capital charge are allocated on the basis of asset utilisation.
- Personnel costs are charged directly to the cost centre within the output to which they belong and at the time they were incurred.

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	143	300	100	200
Overseas travel	278	500	300	100
Domestic travel	334	250	400	350
Other	12,982	10,846	15,976	12,142
Total	13,737	12,426	16,176	12,792

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)	1,520	-	-	-
Add/(less) non-cash items				
Depreciation and amortisation expense	535	530	530	530
Inc/(Dec) in non-current employee entitlements	(26)	-	-	-
Other non cash item	-	-	-	-
Total non-cash items	509	530	530	530
Add/(less) items classified as investing or financing activities				
(Gains)/losses on disposal property, plant and equipment	-	-	-	-
Total items classified as investing or financing activities	-	-	-	-
Add/(less) movements in working capital items				
(Inc)/Dec in debtors and other receivables	(3,476)	-	-	-
Inc/(Dec) in prepayments	424	-	-	-
Inc/(Dec) in creditors and other payables	1,292	-	-	-
Inc/(Dec) in current provisions	91	-	-	-
Net movements in working capital items	(1,669)	-	-	-
Net cash from operating activities	360	530	530	530