

Forecast Financial Statements

Te Puni Kōkiri

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		60,917	60,492	59,412	59,973
Department(s)		659	-	-	-
Other revenue		204	-	-	-
Gains		-	-	-	-
Interest		-	-	-	-
Total Income		61,780	60,492	59,412	59,973
Expenses					
Personnel		29,856	32,653	32,653	33,749
Operating	1	27,544	26,390	25,815	24,775
Depreciation and amortisation		760	1,079	774	1,079
Capital charge		370	370	370	370
Finance costs		-	-	-	-
Other		(168)	-	(200)	-
Total Expenses	5	58,362	60,492	59,412	59,973
Net Surplus / (Deficit)		3,418	-	-	-
Other comprehensive income		-	-	-	-
Total Comprehensive Income		3,418	-	-	-

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		4,621	4,621	4,621	4,621
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Opening Balance		4,621	4,621	4,621	4,621
Changes in Taxpayers' Funds					
Comprehensive income for the period		3,418	-	-	-
Repayment of surplus		(3,418)	-	-	-
Capital contribution		-	-	-	-
Capital withdrawal		-	-	-	-
Other		-	-	-	-
Total Changes in Taxpayers' Funds		-	-	-	-
Balance at 30 June					
General funds		4,621	4,621	4,621	4,621
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Closing Balance		4,621	4,621	4,621	4,621

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		12,822	6,976	7,103	7,471
Debtors and other receivables		213	250	250	250
Prepayments		212	-	175	175
Inventories		-	-	-	-
Other current assets		-	-	-	-
Total Current Assets		13,247	7,226	7,528	7,896
Non-current Assets					
Property, plant and equipment	2	1,596	3,164	2,802	2,288
Intangible assets	3	41	211	271	291
Other non-current assets		-	-	-	-
Total Non-current Assets		1,637	3,375	3,073	2,579
Total Assets		14,884	10,601	10,601	10,475
Liabilities					
Current Liabilities					
Creditors and other payables		4,054	3,380	3,380	3,184
Repayment of surplus		3,418	-	-	-
Employee entitlements		2,472	2,250	2,250	2,300
Other current liabilities		-	-	-	-
Total Current Liabilities		9,944	5,630	5,630	5,484
Non-current Liabilities					
Provisions		-	-	-	-
Employee entitlements		319	350	350	370
Other non-current liabilities		-	-	-	-
Total Non-current Liabilities		319	350	350	370
Total Liabilities		10,263	5,980	5,980	5,854
Taxpayers' Funds					
General funds		4,621	4,621	4,621	4,621
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Total Taxpayers' Funds		4,621	4,621	4,621	4,621
Total Liabilities and Taxpayers' Funds		14,884	10,601	10,601	10,475

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		60,917	60,492	59,412	59,973
Department(s)		708	-	-	-
Other		240	-	-	-
Interest		-	-	-	-
Payments to:					
Suppliers		(27,180)	(27,252)	(27,591)	(25,931)
Employees		(29,779)	(32,195)	(32,336)	(33,319)
Capital charge		(370)	(370)	(370)	(370)
Goods and services tax (net)		271	605	594	600
Other operating activities		-	-	-	-
Net Cash from Operating Activities	4	4,807	1,280	(291)	953
Cash Flow from Investing Activities					
Receipts from:					
Sale of property, plant and equipment		341	-	700	-
Sale of intangible assets		-	-	-	-
Sale of other non-current assets		-	-	-	-
Purchase of:					
Property, plant and equipment		(765)	(2,310)	(2,410)	(485)
Intangible assets		-	(100)	(300)	(100)
Other non-current assets		-	-	-	-
Net Cash from Investing Activities		(424)	(2,410)	(2,010)	(585)
Cash Flow from Financing Activities					
Capital contribution		-	-	-	-
Other financing cash inflows		-	-	-	-
Repayment of surplus		(2,149)	-	(3,418)	-
Capital withdrawal		-	-	-	-
Other financing cash outflows		-	-	-	-
Net Cash from Financing Activities		(2,149)	-	(3,418)	-
Net Increase / (Decrease) in Cash		2,234	(1,130)	(5,719)	368
Cash at the beginning of the year		10,588	8,106	12,822	7,103
Cash at the end of the year		12,822	6,976	7,103	7,471

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. They have been prepared in accordance with Section 34A of the Public Finance Act 1989 and are consistent with generally accepted accounting practice. They comply with NZ IFRS and Financial Reporting Standard No. 42: Prospective Financial Statements (FRS-42), as appropriate for public benefit entities.

The purpose of the forecast financial statements is to facilitate parliamentary consideration of the appropriations for, and planned performance of, Te Puni Kōkiri.

These forecast financial statements have been compiled on the basis of government policies and prepared on assumptions of future events that the Chief Executive of Te Puni Kōkiri reasonably expects to occur at the date this information was prepared. It is not intended that this published information will be updated.

The statements assume the functions and duties of Te Puni Kōkiri will remain consistent with those set out in the Ministry of Māori Development Act 1991.

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 362 full time equivalents staff positions.
- Operating costs are based on historical experience.
- Estimated year end information for 2012/13 is used as the opening position for the 2013/14 forecasts.

These assumptions are adopted as at 31 March 2013.

Actual results achieved for the year to 30 June 2013 are likely to vary from information presented in these statements and the variances may be material. This could be due to changes in existing policies that may change the funding requirement of Te Puni Kōkiri, and as a result have an impact on the prospective financial statements. The potential financial effect of this cannot be quantified now as it will depend on the quantum of the change that may be proposed.

Statement of Entity-Specific Accounting Policies

Te Puni Kōkiri 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 Te Puni Kōkiri, prepared in accordance with section 38 of the Public Finance Act 1989.

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

Authorisation Statement

These forecast financial statements were authorised for issue by the Chief Executive of Te Puni Kōkiri on 4 April 2013. The Chief Executive of Te Puni Kōkiri 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

Capitalisation thresholds applied are set out below:

- IT Equipment / Hardware - \$5,000
- All other property, plant and equipment - \$5,000

Depreciation

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

- Computer Equipment - 4 years
- Motor Vehicles - 5 years
- Office Equipment - 5 years
- Furniture and Fittings - 5 years
- Leasehold Improvements - up to 12 years

Intangible Assets

Capitalisation thresholds applied are:

- Purchased software - \$5,000
- Internally developed software - \$5,000

The estimated useful lives of intangible assets are:

- Purchased software - 3 and 1/3 years
- Internally developed software - 3 and 1/3 years

Cost Allocation

Te Puni Kōkiri has determined the cost of outputs using the cost allocation system outlined below.

Criteria for direct costs

'Direct costs' are those costs that are directly attributed to an output.

Criteria for indirect costs

'Indirect costs' are those costs that cannot be attributed in an economically feasible manner, to a specific output.

These include depreciation and capital charge which are charged to outputs on the basis of fulltime equivalents (FTEs) attributable to each output.

Personnel costs (excluding those of Support Services Wahanga and the Office of the Chief Executive) are allocated to outputs based on budgeted FTEs attributable to each output. Property and other premises costs, such as maintenance, are charged to wahanga (business units) on the basis of budgeted full time equivalents (FTEs).

Corporate overheads are allocated to outputs on the basis of budgeted FTEs attributable to each output.

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:				
Consultants' fees	5,911	4,739	4,975	4,775
Overseas travel	86	112	158	152
Domestic travel	1,920	2,022	2,120	2,050
Other	19,627	19,517	18,562	17,798
Total	27,544	26,390	25,815	24,775

Note 2 - 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	-	-	3,518	1,268	2,848	7,634
Additions by purchase	-	-	165	320	-	485
Additions internally developed	-	-	-	-	-	-
Revaluation increase	-	-	-	-	-	-
Transfers between classes	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance as at 30 June 2014	-	-	3,683	1,588	2,848	8,119
Accumulated depreciation and impairment losses						
Balance as at 1 July 2013	-	-	3,149	680	1,003	4,832
Depreciation expense	-	-	84	241	674	999
Eliminate on disposal	-	-	-	-	-	-
Eliminate on revaluation	-	-	-	-	-	-
Transfers between classes	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
Balance as at 30 June 2014	-	-	3,233	921	1,677	5,831
Carrying amount as at 30 June 2014	-	-	450	667	1,171	2,288

Note 3 - Intangible Assets

	Acquired software \$000	Internally generated software \$000	Other \$000	Total \$000
Cost				
Balance as at 1 July 2013	1,867	-	-	1,867
Additions by purchase	100	-	-	100
Additions internally developed	-	-	-	-
Disposals	-	-	-	-
Balance as at 30 June 2014	1,967	-	-	1,967
Accumulated amortisation and impairment losses				
Balance as at 1 July 2013	1,596	-	-	1,596
Amortisation expense	80	-	-	80
Disposals	-	-	-	-
Impairment losses	-	-	-	-
Balance as at 30 June 2014	1,676	-	-	1,676
Carrying amount as at 30 June 2014	291	-	-	291

Note 4 - 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)	3,418	-	-	-
Add/(less) non-cash items				
Depreciation and amortisation expense	760	1,079	774	1,079
Impairment Loss	-	-	-	-
Total non-cash items	760	1,079	774	1,079
Add/(less) items classified as investing or financing activities				
(Gains)/losses on disposal property, plant and equipment	-	-	(200)	-
Total items classified as investing or financing activities	-	-	(200)	-
Add/(less) movements in working capital items				
(Inc)/Dec in debtors and other receivables	-	-	-	-
(Inc)/Dec in prepayments	-	-	-	-
Inc/(Dec) in creditors and other payables	322	101	(824)	(196)
Inc/(Dec) in current employee entitlements	307	100	(41)	70
Net movements in working capital items	629	201	(865)	(126)
Add/(less) movements in non-current liabilities				
Inc/(Dec) in non-current employee entitlements	-	-	-	-
Net cash from operating activities	4,807	1,280	(291)	953

Note 5 - Reconciliation of Departmental Expenses and Appropriations

	2011/12	2012/13		2013/14
	Actual \$000	In 2012 Budget \$000	Estimated Actual \$000	Budgeted \$000
Appropriations for output expenses				
Operations Management	9,094	13,741	11,773	14,026
Policy Advice and Related Outputs MCOA - <i>Ministerial Servicing</i>	-	3,000	1,603	3,000
Policy Advice and Related Outputs MCOA - <i>Policy - Crown Māori Relationships</i>	-	7,993	8,829	7,214
Policy Advice and Related Outputs MCOA - <i>Policy - Māori Development</i>	-	12,321	12,136	12,729
Policy - Social and Cultural	6,750	-	-	-
Policy - Crown Māori Relationships	6,410	-	-	-
Relationships and Information	7,066	7,610	7,506	7,785
Policy - Economic and Enterprise	11,706	-	-	-
Integrated Whānau Social Assistance	7,294	6,626	6,600	6,652
Whānau Ora Administration	10,042	9,201	10,965	8,567
Total Appropriations for output expenses	58,362	60,492	59,412	59,973
Total departmental expenses [as per statement of financial performance]	58,362	60,492	59,412	59,973