

Forecast Financial Statements

Canterbury Earthquake Recovery Authority

Statement of Forecast Comprehensive Income for the year ending 30 June 2013

		2010/11	2011/12		2012/13
	Note	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
Income	1				
Crown		3,447	21,477	33,237	48,439
Department(s)		-	-	-	-
Other revenue		-	-	-	-
Gains		-	-	-	-
Interest		-	-	-	-
Total Income		3,447	21,477	33,237	48,439
Expenses					
Personnel		356	7,934	9,134	19,295
Operating	2	3,088	13,534	24,049	29,107
Depreciation and amortisation		1	4	50	33
Capital charge		2	5	4	4
Finance costs		-	-	-	-
Other		-	-	-	-
Total Expenses	5	3,447	21,477	33,237	48,439
Net Surplus / (Deficit)		-	-	-	-
Other comprehensive income		-	-	-	-
Total Comprehensive Income		-	-	-	-

Statement of Forecast Changes in Taxpayers' Funds for the year ending 30 June 2013

	Note	2010/11	2011/12		2012/13
		Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
Balance at 1 July					
General funds		-	50	50	75
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Opening Balance		-	50	50	75
Changes in Taxpayers' Funds					
Comprehensive income for the period		-	-	-	-
Repayment of surplus		-	-	-	-
Capital contribution		50	100	25	75
Capital withdrawal		-	-	-	-
Other		-	-	-	-
Total Changes in Taxpayers' Funds		50	100	25	75
Balance at 30 June					
General funds		50	150	75	150
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Taxpayers' Funds Closing Balance		50	150	75	150

Forecast Statement of Financial Position as at 30 June 2013

		2010/11	2011/12		2012/13
	Note	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
Assets					
Current Assets					
Cash and cash equivalents		1,098	134	6,729	3,596
Debtors and other receivables		2,879	-	-	-
Prepayments		2	-	-	-
Inventories		-	-	-	-
Other current assets		-	-	-	-
Total Current Assets		3,979	134	6,729	3,596
Non-current Assets					
Property, plant and equipment	3	41	16	16	58
Intangible assets		-	-	-	-
Other non-current assets		-	-	-	-
Total Non-current Assets		41	16	16	58
Total Assets		4,020	150	6,745	3,654
Liabilities					
Current Liabilities					
Creditors and other payables		3,734	-	6,660	3,494
Repayment of surplus		-	-	-	-
Employee entitlements		236	-	10	10
Other current liabilities		-	-	-	-
Total Current Liabilities		3,970	-	6,670	3,504
Non-current Liabilities					
Provisions		-	-	-	-
Employee entitlements		-	-	-	-
Other non-current liabilities		-	-	-	-
Total Non-current Liabilities		-	-	-	-
Total Liabilities		3,970	-	6,670	3,504
Taxpayers' Funds					
General funds		50	150	75	150
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
Total Taxpayers' Funds		50	150	75	150
Total Liabilities and Taxpayers' Funds		4,020	150	6,745	3,654

Statement of Forecast Cash Flows for the year ending 30 June 2013

		2010/11	2011/12		2012/13
	Note	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
Cash Flows from Operating Activities					
Receipts from:					
Crown		1,100	21,477	36,116	48,439
Department(s)		-	-	-	-
Other		-	-	-	-
Interest		-	-	-	-
Payments to:					
Suppliers		(52)	(13,534)	(20,866)	(32,110)
Employees		-	(7,934)	(9,297)	(19,458)
Capital charge		-	(5)	(4)	(4)
Goods and services tax (net)		-	-	(318)	-
Other operating activities		-	-	-	-
Net Cash from Operating Activities	4	1,048	4	5,631	(3,133)
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		-	-	(25)	(75)
Intangible assets		-	-	-	-
Other non-current assets		-	-	-	-
Net Cash from Investing Activities		-	-	(25)	(75)
Cash Flow from Financing Activities					
Capital contribution		50	100	25	75
Other financing cash inflows		-	-	-	-
Repayment of surplus		-	-	-	-
Capital withdrawal		-	-	-	-
Other financing cash outflows		-	-	-	-
Net Cash from Financing Activities		50	100	25	75
Net Increase / (Decrease) in Cash		1,098	104	5,631	(3,133)
Cash at the beginning of the year		-	30	1,098	6,729
Cash at the end of the year		1,098	134	6,729	3,596

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:

- CERA activities are under constant review, but will substantially be the same as for the previous year with approximately 100% of funding coming from the Crown.
- The number of staff members employed by the Department may vary over time, primarily dedicated to front line delivery.
- Anticipated costs are based on similar sized public sector entities subject to changes associated with specific work programmes.
- Some administrative services are outsourced to other government agencies.
- Estimated year end information for 2011/12 is used as the opening position for the 2012/13 forecasts.

Factors that could lead to material differences between the forecast financial statements and the 2011/12 actual financial statements include changes to baseline budget through new initiatives, or technical adjustments.

Statement of Entity-Specific Accounting Policies

The Canterbury Earthquake Recovery Authority 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 Canterbury Earthquake Recovery Authority, prepared in accordance with section 38 of the Public Finance Act 1989.

Canterbury Earthquake Recovery Authority is a Government Department as defined by section 2 of the Public Finance Act 1989. For the purposes of financial reporting Canterbury Earthquake Recovery Authority is a public benefit entity.

Authorisation Statement

These forecast financial statements were authorised for issue by the Chief Executive on 18 April 2012. 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

Financial Instruments

Financial assets and financial liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit and loss in which case the transaction costs are recognised in the Statement of Financial Performance.

Financial instruments primarily comprise cash and bank balances, accounts receivable and payables. All financial instruments are recognised in the Statement of Financial Position at cost. Revenues and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance.

Property, Plant and Equipment

Property, plant and equipment consists of vehicles.

Capitalisation thresholds for all PPE is \$5,000.

Depreciation

The Authority will be disestablished in April 2016, thus limiting the estimated useful lives of property, plant and equipment to four years.

Vehicles have currently been forecast with four year useful life with a 20% residual value.

Statement of Cost Allocation Policies

The Authority has derived the cost of outputs using a standard cost allocation system which is outlined below.

Direct costs

Direct costs are costs that can be identified with a single output and are assigned directly to that output.

Indirect costs

Indirect costs are costs that cannot be identified with an output in an economically feasible manner. They are incurred for the common benefit of more than one output. Costs that bear no direct relationship to outputs are classified as indirect. Indirect costs are allocated to outputs based on a predetermined cost driver.

Notes to the Financial Statements

Note 1 - Income

	2010/11	2011/12		2012/13
	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
Revenue				
Crown	3,447	21,477	33,237	48,439
Total revenue	3,447	21,477	33,237	48,439

Note 2 - Operating Expenses

	2010/11	2011/12		2012/13
	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
Operating Expenses				
Consultants fees	2,083	9,750	14,983	19,279
Rental and leasing	40	972	945	945
Other	965	2,812	7,074	7,836
Total operating expenses	3,088	13,534	23,002	28,060

Note 3 - 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 2011	-	-	-	-	45	45
Additions by purchase	-	-	-	-	25	25
Balance as at 30 June 2012	-	-	-	-	70	70
Accumulated depreciation and impairment losses						
Balance as at 1 July 2011	-	-	-	-	4	4
Depreciation expense	-	-	-	-	50	50
Balance as at 30 June 2012	-	-	-	-	54	54
Carrying amount as at 30 June 2012	-	-	-	-	16	16

Note 4 - Reconciliation of Net Surplus to Net Cash Flows from Operating Activities

	2010/11	2011/12		2012/13
	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
Net Surplus/(Deficit)	-	-	-	-
Add/(Less) Non-cash Items				
Depreciation and amortisation expense	-	4	50	33
Total non-cash items	-	4	50	33
Add movement in working capital items				
Incr/decr in Recs & prepayment	-	-	2,881	-
Incr/decr in payable	-	-	3,018	(3,166)
Net movements in working capital items	-	-	5,899	(3,166)
Net Cash From Operating Activities	-	4	5,949	(3,133)

Note 5 - Reconciliation of Departmental Expenses and Appropriations

	2010/11	2011/12		2012/13
	Actual \$000	In 2011 Budget \$000	Estimated Actual \$000	Budgeted \$000
Total expenses appropriated	3,447	21,477	33,237	43,578
Proposed in principle transfers from 2011/12	-	-	-	4,861
Total department expenses	3,447	21,477	33,237	48,439