

# *Forecast Financial Statements*

## *Te Puni Kōkiri*

---

## Statement of Forecast Financial Performance for the year ending 30 June 2009

	Note	2006/07 Actual \$000	2007/08 Budgeted \$000	2007/08 Estimated Actual \$000	2008/09 Budgeted \$000
<b>Income</b>					
Crown		54,518	61,771	59,660	63,967
Department(s)		572	545	545	545
Other revenue		1	-	-	-
Gains		-	-	-	-
Interest		-	-	-	-
<b>Total Income</b>		<b>55,091</b>	<b>62,316</b>	<b>60,205</b>	<b>64,512</b>
<b>Expenses</b>					
Personnel		28,061	29,852	29,852	34,521
Operating	1	24,608	30,889	28,778	27,760
Depreciation and amortisation		1,210	1,155	1,155	1,578
Capital charge		363	420	420	653
Finance costs		-	-	-	-
Other		(17)	-	-	-
<b>Total Expenses</b>	<b>5</b>	<b>54,225</b>	<b>62,316</b>	<b>60,205</b>	<b>64,512</b>
<b>Net Surplus / (Deficit)</b>		<b>866</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Statement of Forecast Changes in Taxpayers' Funds for the year ending 30 June 2009

	Note	2006/07 Actual \$000	2007/08 Budgeted \$000	2007/08 Estimated Actual \$000	2008/09 Budgeted \$000
<b>Balance at 1 July</b>					
General funds		4,772	4,764	4,764	4,764
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
<b>Taxpayers' Funds Opening Balance</b>		<b>4,772</b>	<b>4,764</b>	<b>4,764</b>	<b>4,764</b>
<b>Changes in Taxpayers' Funds</b>					
<b>Income and Expense for the Period</b>					
Net surplus / (deficit) for the year		866	-	-	-
Total gains / (losses) taken to equity		-	-	-	-
<b>Total Income and Expense for the Period</b>		<b>866</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Changes</b>					
Repayment of surplus		(866)	-	-	-
Capital contribution		-	-	-	1,383
Capital withdrawal		-	-	-	-
Other		(8)	-	-	-
<b>Total Changes in Taxpayers' Funds</b>		<b>(8)</b>	<b>-</b>	<b>-</b>	<b>1,383</b>
<b>Balance at 30 June</b>					
General funds		4,764	4,764	4,764	6,147
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
<b>Taxpayers' Funds Closing Balance</b>		<b>4,764</b>	<b>4,764</b>	<b>4,764</b>	<b>6,147</b>

## Forecast Statement of Financial Position as at 30 June 2009

	Note	2006/07 Actual \$000	2007/08 Budgeted \$000	2007/08 Estimated Actual \$000	2008/09 Budgeted \$000
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents		9,015	9,321	7,210	7,892
Debtors and other receivables		439	450	450	450
Prepayments		316	200	200	200
Inventories		-	-	-	-
Other current assets		-	-	-	-
<b>Total Current Assets</b>		<b>9,770</b>	<b>9,971</b>	<b>7,860</b>	<b>8,542</b>
<b>Non-current Assets</b>					
Property, plant and equipment	2	3,152	3,423	3,423	5,733
Intangible assets	3	310	144	144	943
Other non-current assets		-	-	-	-
<b>Total Non-current Assets</b>		<b>3,462</b>	<b>3,567</b>	<b>3,567</b>	<b>6,676</b>
<b>Total Assets</b>		<b>13,232</b>	<b>13,538</b>	<b>11,427</b>	<b>15,218</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Creditors and other payables		5,536	6,200	4,089	6,400
Repayment of surplus		866	-	-	-
Employee entitlements		2,059	2,574	2,574	2,671
Other current liabilities		-	-	-	-
<b>Total Current Liabilities</b>		<b>8,461</b>	<b>8,774</b>	<b>6,663</b>	<b>9,071</b>
<b>Non-current Liabilities</b>					
Provisions		-	-	-	-
Employee entitlements		7	-	-	-
Other non-current liabilities		-	-	-	-
<b>Total Non-current Liabilities</b>		<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>8,468</b>	<b>8,774</b>	<b>6,663</b>	<b>9,071</b>
<b>Taxpayers' Funds</b>					
General funds		4,764	4,764	4,764	6,147
Revaluation reserve		-	-	-	-
Other reserves		-	-	-	-
<b>Total Taxpayers' Funds</b>		<b>4,764</b>	<b>4,764</b>	<b>4,764</b>	<b>6,147</b>
<b>Total Liabilities and Taxpayers' Funds</b>		<b>13,232</b>	<b>13,538</b>	<b>11,427</b>	<b>15,218</b>

## Statement of Forecast Cash Flows for the year ending 30 June 2009

	Note	2006/07 Actual \$000	2007/08 Budgeted \$000	2007/08 Estimated Actual \$000	2008/09 Budgeted \$000
<b>Cash Flows from Operating Activities</b>					
Receipts from:					
Crown		54,518	61,771	59,660	63,967
Department(s)		572	545	545	545
Other		(260)	105	105	-
Interest		-	-	-	-
Payments to:					
Suppliers		(27,570)	(33,302)	(33,188)	(28,632)
Employees		(28,016)	(29,570)	(29,570)	(34,663)
Capital charge		(363)	(420)	(420)	(653)
Goods and services tax (net)		3,025	3,303	3,189	3,422
Other operating activities		-	-	-	-
<b>Net Cash from Operating Activities</b>	4	1,906	2,432	321	3,986
<b>Cash Flow from Investing Activities</b>					
Receipts from:					
Sale of property, plant and equipment		48	-	-	-
Sale of intangible assets		-	-	-	-
Sale of other non-current assets		-	-	-	-
Purchase of:					
Property, plant and equipment		(638)	(1,260)	(1,260)	(4,687)
Intangible assets		-	-	-	-
Other non-current assets		-	-	-	-
<b>Net Cash from Investing Activities</b>		(590)	(1,260)	(1,260)	(4,687)
<b>Cash Flow from Financing Activities</b>					
Capital contribution		-	-	-	1,383
Other financing cash inflows		-	-	-	-
Repayment of surplus		(626)	(866)	(866)	-
Capital withdrawal		-	-	-	-
Other financing cash outflows		-	-	-	-
<b>Net Cash from Financing Activities</b>		(626)	(866)	(866)	1,383
<b>Net Increase / (Decrease) in Cash</b>		690	306	(1,805)	682
Cash at the beginning of the year		8,325	9,015	9,015	7,210
Cash at the end of the year		9,015	9,321	7,210	7,892

## 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 380 staff positions (368 full time equivalents).
- Operating costs are based on historical experience. The general historical pattern is expected to continue.
- Estimated year end information for 2007/08 is used as the opening position for the 2008/09 forecasts.

Actual results achieved for the year to 30 June 2009 are likely to vary from information presented in these statements and the variances may be material. This maybe 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.

## Department-Specific Accounting Policies

Te Puni Kōkiri has applied the accounting policies set out in the Statement of Common Accounting Policies in this document, except as stated below.

### Reporting Entity

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 11 April 2008. 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 - 5 - 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 asset utilisation. The depreciation and capital charge of IT assets are allocated to outputs on the basis of budgeted staff hours 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 staff hours 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 staff hours attributable to each output.

# Notes to the Financial Statements

## Note 1 - Operating Expenses

	2006/07 Actual \$000	2007/08 Budgeted \$000	2007/08 Estimated Actual \$000	2008/09 Budgeted \$000
Operating expenses include:				
Consultants' fees	4,267	6,379	6,379	6,379
Overseas travel	152	142	142	142
Domestic travel	1,866	2,202	2,202	2,202
Other	18,323	22,166	20,055	19,037
<b>Total operating expenses</b>	<b>24,608</b>	<b>30,889</b>	<b>28,778</b>	<b>27,760</b>

## Note 2 - Property, Plant and Equipment

	Land \$000	Buildings \$000	Leasehold improvements \$000	Furniture/office equipment \$000	Other \$000	Total \$000
<b>Cost or revaluation</b>						
Balance as at 1 July 2008	-	-	2,339	1,057	4,470	7,866
Additions by purchase	-	-	954	30	2,733	3,717
Additions internally developed	-	-	-	-	-	-
Revaluation increase	-	-	-	-	-	-
Transfers between classes	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
<b>Balance as at 30 June 2009</b>	<b>-</b>	<b>-</b>	<b>3,293</b>	<b>1,087</b>	<b>7,203</b>	<b>11,583</b>
<b>Accumulated depreciation and impairment losses</b>						
Balance as at 1 July 2008	-	-	1,259	691	2,493	4,443
Depreciation expense	-	-	524	153	730	1,407
Eliminate on disposal	-	-	-	-	-	-
Eliminate on revaluation	-	-	-	-	-	-
Transfers between classes	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
<b>Balance as at 30 June 2009</b>	<b>-</b>	<b>-</b>	<b>1,783</b>	<b>844</b>	<b>3,223</b>	<b>5,850</b>
<b>Carrying amount as at 30 June 2009</b>	<b>-</b>	<b>-</b>	<b>1,510</b>	<b>243</b>	<b>3,980</b>	<b>5,733</b>

**Note 3 - Intangible Assets**

	Acquired software \$000	Internally generated software \$000	Other \$000	Total \$000
Balance as at 1 July 2008	1,355	283	-	1,638
Additions by purchase	25	-	-	25
Additions internally developed	-	945	-	945
Disposals	-	-	-	-
<b>Balance as at 30 June 2009</b>	<b>1,380</b>	<b>1,228</b>	<b>-</b>	<b>2,608</b>
<b>Accumulated amortisation and impairment losses</b>				
Balance as at 1 July 2008	1,260	234	-	1,494
Amortisation expense	14	157	-	171
Disposals	-	-	-	-
Impairment losses	-	-	-	-
<b>Balance as at 30 June 2009</b>	<b>1,274</b>	<b>391</b>	<b>-</b>	<b>1,665</b>
<b>Carrying amount as at 30 June 2009</b>	<b>106</b>	<b>837</b>	<b>-</b>	<b>943</b>

**Note 4 - Reconciliation of Net Surplus to Net Cash Flows from Operating Activities for the Year Ending 30 June 2009**

	2006/07 Actual \$000	2007/08 Budgeted \$000	2007/08 Estimated Actual \$000	2008/09 Budgeted \$000
Net surplus / (deficit)	866	-	-	-
Add/ (less) non-cash items				
Depreciation and amortisation expense	1,210	1,155	1,155	1,578
Net gains on derivative financial instruments	-	-	-	-
Net foreign exchange (gains)/losses	-	-	-	-
Other [specify]	-	-	-	-
<b>Total non-cash items</b>	<b>1,210</b>	<b>1,155</b>	<b>1,155</b>	<b>1,578</b>
Add/ (less) items classified as investing or financing activities				
(Gains)/ losses on disposal property, plant and equipment	(17)	-	-	-
Other [specify]	-	-	-	-
<b>Total items classified as investing or financing activities</b>	<b>(17)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Add/ (less) movements in working capital items				
(Inc)/ Dec in debtors and other receivables	-	-	-	-
(Inc)/ Dec in prepayments	(261)	105	105	-
(Inc)/ Dec in inventories	-	-	-	-
Inc/ (Dec) in creditors and other payables	603	636	(1,475)	2,311

	2006/07 Actual \$000	2007/08 Budgeted \$000	2007/08 Estimated Actual \$000	2008/09 Budgeted \$000
Incl/ (Dec) in current provisions	(706)	28	28	-
Incl/ (Dec) in employee entitlements	211	508	508	104
Incl/ (Dec) [other - specify]	-	-	-	-
<i>Net movements in working capital items</i>	(153)	1,277	(834)	2,415
<i>Add/ (less) movements in non-current liabilities</i>				
Incl/ (Dec) in non-current provisions	-	-	-	-
Incl/ (Dec) in employee entitlements	-	-	-	(7)
Net cash from operating activities	1,906	2,432	321	3,986

### Note 5 - Reconciliation of Departmental Expenses and Appropriations

	2006/07 Actual \$000	2007/08 Budgeted \$000	2007/08 Estimated Actual \$000	2008/09 Budgeted \$000
<b>Appropriations for output expenses</b>				
Services To the Māori Trustee	4,781	6,960	6,360	9,602
Operations Management	14,731	17,304	16,915	18,187
Policy - Social and Cultural	6,035	7,241	7,241	6,869
Policy - Crown Māori Relationships	6,898	7,296	7,296	7,432
Relationships and Information	9,922	8,671	8,671	8,838
Policy - Economic and Enterprise	11,858	13,941	13,622	13,584
EEMED Establishment	-	903	100	-
Total Appropriations for output expenses	54,225	62,316	60,205	64,512
Total departmental expenses [as per statement of financial performance]	54,225	62,316	60,205	64,512