

# *Forecast Financial Statements*

*Crown Law Office*

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## 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		37,037	40,813	40,813	42,214
Department(s)		19,571	21,100	21,100	21,110
Other revenue		3	-	-	-
Gains		-	-	-	-
Interest		-	-	-	-
<b>Total Income</b>		<b>56,611</b>	<b>61,913</b>	<b>61,913</b>	<b>63,324</b>
<b>Expenses</b>					
Personnel		16,080	18,086	18,086	18,990
Operating	1	39,207	42,845	42,845	43,167
Depreciation and amortisation		865	885	885	1,022
Capital charge		97	97	97	145
Finance costs		-	-	-	-
Other		-	-	-	-
<b>Total Expenses</b>		<b>56,249</b>	<b>61,913</b>	<b>61,913</b>	<b>63,324</b>
<b>Net Surplus / (Deficit)</b>		<b>362</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		1,001	1,001	1,001	1,640
Revaluation reserve		296	296	296	296
Other reserves		-	-	-	-
<b>Taxpayers' Funds Opening Balance</b>		<b>1,297</b>	<b>1,297</b>	<b>1,297</b>	<b>1,936</b>
<b>Changes in Taxpayers' Funds</b>					
<b>Income and Expense for the Period</b>					
Net surplus / (deficit) for the year		362	-	-	-
Total gains / (losses) taken to equity		-	-	-	-
<b>Total Income and Expense for the Period</b>		<b>362</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Changes</b>					
Repayment of surplus		(362)	-	-	-
Capital contribution		-	639	639	-
Capital withdrawal		-	-	-	-
Other		-	-	-	-
<b>Total Changes in Taxpayers' Funds</b>		<b>-</b>	<b>639</b>	<b>639</b>	<b>-</b>
<b>Balance at 30 June</b>					
General funds		1,001	1,640	1,640	1,640
Revaluation reserve		296	296	296	296
Other reserves		-	-	-	-
<b>Taxpayers' Funds Closing Balance</b>		<b>1,297</b>	<b>1,936</b>	<b>1,936</b>	<b>1,936</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		3,746	3,797	3,797	3,970
Debtors and other receivables		1,981	1,410	1,410	1,535
Prepayments		221	216	216	200
Inventories		1,771	1,723	1,723	1,640
Other current assets		-	-	-	-
<b>Total Current Assets</b>		<b>7,719</b>	<b>7,146</b>	<b>7,146</b>	<b>7,345</b>
<b>Non-current Assets</b>					
Property, plant and equipment	2	3,087	2,653	2,653	2,188
Intangible assets	3	119	202	202	612
Other non-current assets		-	-	-	-
<b>Total Non-current Assets</b>		<b>3,206</b>	<b>2,855</b>	<b>2,855</b>	<b>2,800</b>
<b>Total Assets</b>		<b>10,925</b>	<b>10,001</b>	<b>10,001</b>	<b>10,145</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Creditors and other payables		4,458	3,523	3,523	3,958
Repayment of surplus		362	-	-	-
Employee entitlements		1,010	986	986	980
Other current liabilities		3,547	3,303	3,303	3,004
<b>Total Current Liabilities</b>		<b>9,377</b>	<b>7,812</b>	<b>7,812</b>	<b>7,942</b>
<b>Non-current Liabilities</b>					
Provisions		-	-	-	-
Employee entitlements		251	253	253	267
Other non-current liabilities		-	-	-	-
<b>Total Non-current Liabilities</b>		<b>251</b>	<b>253</b>	<b>253</b>	<b>267</b>
<b>Total Liabilities</b>		<b>9,628</b>	<b>8,065</b>	<b>8,065</b>	<b>8,209</b>
<b>Taxpayers' Funds</b>					
General funds		1,001	1,640	1,640	1,640
Revaluation reserve		296	296	296	296
Other reserves		-	-	-	-
<b>Total Taxpayers' Funds</b>		<b>1,297</b>	<b>1,936</b>	<b>1,936</b>	<b>1,936</b>
<b>Total Liabilities and Taxpayers' Funds</b>		<b>10,925</b>	<b>10,001</b>	<b>10,001</b>	<b>10,145</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>					
<b>Receipts from:</b>					
Crown		37,037	40,813	40,813	42,214
Department(s)		18,987	21,100	21,100	21,110
Other		3	40	40	-
Interest		-	-	-	-
<b>Payments to:</b>					
Suppliers		(38,368)	(43,513)	(43,513)	(42,940)
Employees		(15,631)	(18,035)	(18,035)	(19,099)
Capital charge		(97)	(97)	(97)	(145)
Goods and services tax (net)		83	-	-	-
Other operating activities		-	-	-	-
<b>Net Cash from Operating Activities</b>	4	2,014	308	308	1,140
<b>Cash Flow from Investing Activities</b>					
<b>Receipts from:</b>					
Sale of property, plant and equipment		-	-	-	-
Sale of intangible assets		-	-	-	-
Sale of other non-current assets		-	-	-	-
<b>Purchase of:</b>					
Property, plant and equipment		(495)	(372)	(372)	(397)
Intangible assets		(100)	(162)	(162)	(570)
Other non-current assets		-	-	-	-
<b>Net Cash from Investing Activities</b>		(595)	(534)	(534)	(967)
<b>Cash Flow from Financing Activities</b>					
Capital contribution		-	639	639	-
Other financing cash inflows		-	-	-	-
Repayment of surplus		(272)	(362)	(362)	-
Capital withdrawal		-	-	-	-
Other financing cash outflows		-	-	-	-
<b>Net Cash from Financing Activities</b>		(272)	277	277	-
<b>Net Increase / (Decrease) in Cash</b>		1,147	51	51	173
Cash at the beginning of the year		2,599	3,746	3,746	3,797
<b>Cash at the end of the year</b>		3,746	3,797	3,797	3,970

## 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 191 staff positions.
- 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.

These assumptions are adopted as at 1 April 2008.

Factors that could lead to material differences between the forecast financial statements and the 2008/09 actual financial statements include:

- changes to the baseline budget through new initiatives, or technical adjustments
- changes in services demand, as the services provided by Crown Law are demand driven.

It is not intended to update these prospective financial statements for any changes in demand.

## Department-Specific Accounting Policies

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

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

### **Authorisation Statement**

These forecast financial statements were authorised for issue by Crown Law Office on 2 April 2008. The Crown Law office is responsible for the forecast financial statements presented, including the appropriateness of the assumptions underlying the forecast financial statements and all other required disclosure.

## **Statement of Entity-Specific Accounting Policies**

### **Property, plant and equipment**

The capitalisation threshold for property, plant and equipment is \$1,000.

### **Depreciation**

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

- Computer equipment - 3 years
- Office equipment - 5 years
- Furniture and fittings - 5 years
- Leasehold improvements - Up to 9 years
- Library - 10 years

### **Intangible assets**

The capitalisation threshold for computer software is \$1,000.

### **Amortisation**

The estimated useful life for computer software is 3 years.

### **Cost Allocation**

Crown Law has determined the cost of outputs using the 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 activity/usage information.

### **Direct and Indirect Cost Assignment to Outputs**

Direct costs are charged directly to outputs. Personnel costs are charged to outputs on the basis of actual time incurred.

Indirect costs are the costs of corporate management and support services, including depreciation and capital charges, and are assigned to outputs based on the proportion of direct staff costs for 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
Audit fees	40	43	51	45
Consultants fees	260	593	280	550
Criminal Prosecution costs	31,687	33,997	33,997	34,905
Operating lease costs	1,529	1,678	1,678	1,678
Other operating costs	5,055	5,893	6,284	5,348
Travel - domestic	499	541	470	541
Travel - international	137	100	85	100
<b>Total</b>	<b>39,207</b>	<b>42,845</b>	<b>42,845</b>	<b>43,167</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	-	-	2,704	1,683	2,166	6,553
Additions by purchase	-	-	100	90	207	397
Additions internally developed	-	-	-	-	-	-
Revaluation increase	-	-	-	-	-	-
Transfers between classes	-	-	-	-	-	-
Disposals	-	-	-	-	(150)	(150)
<b>Balance as at 30 June 2009</b>	<b>-</b>	<b>-</b>	<b>2,804</b>	<b>1,773</b>	<b>2,223</b>	<b>6,800</b>
<b>Accumulated depreciation and impairment losses</b>						
Balance as at 1 July 2008	-	-	(1,151)	(1,301)	(1,448)	(3,900)
Depreciation expense	-	-	(302)	(233)	(327)	(862)
Eliminate on disposal	-	-	-	-	-	-
Eliminate on revaluation	-	-	-	-	-	-
Transfers between classes	-	-	-	-	-	-
Impairment losses	-	-	-	-	150	150
<b>Balance as at 30 June 2009</b>	<b>-</b>	<b>-</b>	<b>(1,453)</b>	<b>(1,534)</b>	<b>(1,625)</b>	<b>(4,612)</b>
<b>Carrying amount as at 30 June 2009</b>	<b>-</b>	<b>-</b>	<b>1,351</b>	<b>239</b>	<b>598</b>	<b>2,188</b>



**Note 3 - Intangible Assets**

	Acquired software \$000	Internally generated software \$000	Other \$000	Total \$000
<b>Cost</b>				
Balance as at 1 July 2008	906	-	-	906
Additions by purchase	570	-	-	570
Additions internally developed	-	-	-	-
Disposals	-	-	-	-
<b>Balance as at 30 June 2009</b>	<b>1,476</b>	<b>-</b>	<b>-</b>	<b>1,476</b>
<b>Accumulated amortisation and impairment losses</b>				
Balance as at 1 July 2008	(704)	-	-	(704)
Amortisation expense	(160)	-	-	(160)
Disposals	-	-	-	-
Impairment losses	-	-	-	-
<b>Balance as at 30 June 2009</b>	<b>(864)</b>	<b>-</b>	<b>-</b>	<b>(864)</b>
<b>Carrying amount as at 30 June 2009</b>	<b>612</b>	<b>-</b>	<b>-</b>	<b>612</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
<b>Net Surplus/(deficit)</b>	362	-	-	-
<b>Add/(less) non-cash items</b>				
Depreciation and amortisation expense	865	885	885	1,022
Other	-	-	-	-
<b>Total non-cash items</b>	865	885	885	1,022
<b>Add/(less) items classified as investing or financing activities</b>				
(Gains)/losses on disposal property, plant and equipment	-	-	-	-
Other	-	-	-	-
<b>Total items classified as investing or financing activities</b>	-	-	-	-
<b>Add/(less) movements in working capital items</b>				
(Inc)/Dec in debtors and other receivables	(538)	571	571	(125)
(Inc)/Dec in prepayments	(67)	5	5	16
(Inc)/Dec in inventories	(18)	48	48	83
(Inc)/Dec in creditors and other payables	580	(996)	(996)	435
(Inc)/Dec in current provisions	643	(183)	(183)	(283)
(Inc)/Dec in employee entitlements	150	(24)	(24)	(8)
<b>Net movements in working capital items</b>	750	(579)	(579)	118
<b>Add/(less) movements in non-current liabilities</b>				
(Inc)/Dec in non-current employee entitlements	37	2	2	-
<b>Net cash from operating activities</b>	2,014	308	308	1,140