

# *Forecast Financial Statements*

*Crown Law Office*

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## Statement of Forecast Comprehensive Income for the year ending 30 June 2011

	Note	2008/09	2009/10		2010/11
		Actual \$000	In 2009 Budget \$000	Estimated Actual \$000	Budgeted \$000
<b>Income</b>					
Crown		42,864	41,799	46,099	42,999
Department(s)		21,368	22,900	22,169	21,994
Other revenue		54	50	15	10
Gains		-	-	-	-
Interest		-	-	-	-
<b>Total Income</b>		<b>64,286</b>	<b>64,749</b>	<b>68,283</b>	<b>65,003</b>
<b>Expenses</b>					
Personnel		18,672	19,000	19,270	19,637
Operating	1	43,473	44,306	48,529	44,724
Depreciation and amortisation		1,009	1,288	1,187	1,335
Capital charge		186	155	197	223
Finance costs		-	-	-	-
Other		-	-	-	-
<b>Total Expenses</b>		<b>63,340</b>	<b>64,749</b>	<b>69,183</b>	<b>65,919</b>
<b>Net Surplus / (Deficit)</b>		<b>946</b>	<b>-</b>	<b>(900)</b>	<b>(916)</b>
Other comprehensive income		-	-	-	-
<b>Total Comprehensive Income</b>		<b>946</b>	<b>-</b>	<b>(900)</b>	<b>(916)</b>

## Statement of Forecast Changes in Taxpayers' Funds for the year ending 30 June 2011

	Note	2008/09	2009/10		2010/11
		Actual \$000	In 2009 Budget \$000	Estimated Actual \$000	Budgeted \$000
<b>Balance at 1 July</b>					
General funds		1,767	2,637	2,637	2,683
Revaluation reserve		296	296	296	296
Other reserves		-	-	-	-
<b>Taxpayers' Funds Opening Balance</b>		<b>2,063</b>	<b>2,933</b>	<b>2,933</b>	<b>2,979</b>
<b>Changes in Taxpayers' Funds</b>					
Comprehensive income for the period		946	-	(900)	(916)
Repayment of surplus		(946)	-	-	-
Capital contribution		-	-	-	-
Capital withdrawal		-	-	-	-
Other		870	(870)	946	-
<b>Total Changes in Taxpayers' Funds</b>		<b>870</b>	<b>(870)</b>	<b>46</b>	<b>(916)</b>
<b>Balance at 30 June</b>					
General funds		2,637	1,767	2,683	1,767
Revaluation reserve		296	296	296	296
Other reserves		-	-	-	-
<b>Taxpayers' Funds Closing Balance</b>		<b>2,933</b>	<b>2,063</b>	<b>2,979</b>	<b>2,063</b>

## Forecast Statement of Financial Position as at 30 June 2011

		2008/09	2009/10		2010/11
	Note	Actual \$000	In 2009 Budget \$000	Estimated Actual \$000	Budgeted \$000
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents		6,476	2,999	5,156	3,975
Debtors and other receivables		4,286	3,800	3,600	3,800
Prepayments		275	200	216	200
Inventories		-	-	-	-
Other current assets		-	-	-	-
<b>Total Current Assets</b>		<b>11,037</b>	<b>6,999</b>	<b>8,972</b>	<b>7,975</b>
<b>Non-current Assets</b>					
Property, plant and equipment		2,281	2,150	1,984	1,860
Intangible assets		919	1,594	1,341	1,021
Other non-current assets		-	-	-	-
<b>Total Non-current Assets</b>		<b>3,200</b>	<b>3,744</b>	<b>3,325</b>	<b>2,881</b>
<b>Total Assets</b>		<b>14,237</b>	<b>10,743</b>	<b>12,297</b>	<b>10,856</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Creditors and other payables		5,619	3,658	7,631	7,333
Repayment of surplus		946	-	-	-
Employee entitlements		1,344	980	1,200	1,080
Other current liabilities		3,211	3,675	-	-
<b>Total Current Liabilities</b>		<b>11,120</b>	<b>8,313</b>	<b>8,831</b>	<b>8,413</b>
<b>Non-current Liabilities</b>					
Provisions		-	-	-	-
Employee entitlements		184	367	487	380
Other non-current liabilities		-	-	-	-
<b>Total Non-current Liabilities</b>		<b>184</b>	<b>367</b>	<b>487</b>	<b>380</b>
<b>Total Liabilities</b>		<b>11,304</b>	<b>8,680</b>	<b>9,318</b>	<b>8,793</b>
<b>Taxpayers' Funds</b>					
General funds		2,637	1,767	2,683	1,767
Revaluation reserve		296	296	296	296
Other reserves		-	-	-	-
<b>Total Taxpayers' Funds</b>		<b>2,933</b>	<b>2,063</b>	<b>2,979</b>	<b>2,063</b>
<b>Total Liabilities and Taxpayers' Funds</b>		<b>14,237</b>	<b>10,743</b>	<b>12,297</b>	<b>10,856</b>

## Statement of Forecast Cash Flows for the year ending 30 June 2011

		2008/09	2009/10		2010/11
	Note	Actual \$000	In 2009 Budget \$000	Estimated Actual \$000	Budgeted \$000
<b>Cash Flows from Operating Activities</b>					
<b>Receipts from:</b>					
Crown		42,864	41,799	46,099	42,999
Department(s)		21,432	22,900	22,855	21,794
Other		54	50	15	10
Interest		-	-	-	-
<b>Payments to:</b>					
Suppliers		(43,098)	(46,150)	(49,557)	(45,286)
Employees		(18,236)	(18,560)	(19,220)	(19,584)
Capital charge		(186)	(155)	(197)	(223)
Goods and services tax (net)		(201)	-	(3)	-
Other operating activities		-	-	-	-
<b>Net Cash from Operating Activities</b>	2	2,629	(116)	(8)	(290)
<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		(535)	(429)	(472)	(631)
Intangible assets		(972)	(514)	(840)	(260)
Other non-current assets		-	-	-	-
<b>Net Cash from Investing Activities</b>		(1,507)	(943)	(1,312)	(891)
<b>Cash Flow from Financing Activities</b>					
Capital contribution		-	-	-	-
Other financing cash inflows		-	-	-	-
Repayment of surplus		(1,906)	-	-	-
Capital withdrawal		-	-	-	-
Other financing cash outflows		-	-	-	-
<b>Net Cash from Financing Activities</b>		(1,906)	-	-	-
<b>Net Increase / (Decrease) in Cash</b>		(784)	(1,059)	(1,320)	(1,181)
Cash at the beginning of the year		7,260	4,058	6,476	5,156
<b>Cash at the end of the year</b>		6,476	2,999	5,156	3,975

## 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 activities of the Crown Law will remain substantially the same as for the previous year.
- Personnel costs are based on the approved establishment of 206 full-time equivalents.
- Operating costs are based on historical experience. The general historical pattern is expected to continue.
- Estimated year end information for 2009/10 is used as the opening position for the 2010/11 forecasts.

These assumptions are adopted as at 15 April 2010.

Factors that could lead to material differences between the forecast financial statements and the 2010/11 actual financial statements include:

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

## Statement of Entity-Specific Accounting Policies

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

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

### Authorisation Statement

These forecast financial statements were authorised for issue by the Chief Executive of Crown Law on 15 April 2010. The Chief Executive of Crown Law 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*

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

#### *Depreciation*

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

- computer equipment / Hardware - 3 years
- office equipment - 5 years
- furniture and fittings - 5 years

- leasehold improvements - up to nine years, and
- 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.

Direct costs are those costs directly attributed to an output. Indirect costs are those costs that cannot be identified in an economically feasible manner, with a specific output.

Direct costs are charged directly to outputs. Indirect costs are charged to outputs based on cost drivers and related activity/usage information. Depreciation and capital charge are charged on the basis of asset utilisation. Personnel costs are charged on the basis of actual time incurred. Other indirect costs are assigned to outputs based on the proportion of direct staff costs for 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

	2008/09	2009/10		2010/11
	Actual \$000	In 2009 Budget \$000	Estimated Actual \$000	Budgeted \$000
Operating expenses include:				
Crown Solicitors' fees	35,510	34,060	37,566	34,766
Consultants' fees	426	500	500	500
Overseas Travel	157	100	100	100
Domestic Travel	753	550	550	550
Other	6,676	9,096	9,813	8,808
<b>Total</b>	<b>43,522</b>	<b>44,306</b>	<b>48,529</b>	<b>44,724</b>

## Note 2 - Reconciliation of Net Surplus to Net Cash Flows from Operating Activities for the year ending 30 June 2011

	2008/09	2009/10		2010/11
	Actual \$000	In 2009 Budget \$000	Estimated Actual \$000	Budgeted \$000
<b>Net surplus/(deficit)</b>	<b>946</b>	<b>-</b>	<b>(900)</b>	<b>(916)</b>
<b>Add/(less) non-cash items</b>				
Depreciation and amortisation expense	1,009	1,288	1,187	1,335
Other	-	(870)	-	-
<b>Total non-cash items</b>	<b>1,009</b>	<b>1,288</b>	<b>1,187</b>	<b>1,335</b>
<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>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Add/(less) movements in working capital items</b>				
(Increase)/decrease in debtors and other receivables	64	-	686	(200)
(Increase)/decrease in prepayments	(70)	16	59	16
Increase/(decrease) in creditors and other payables	705	(481)	(1,196)	(298)
Increase/(decrease) in current provisions	-	(177)	-	-
Increase/(decrease) in employee entitlements	254	(6)	(144)	(120)
<b>Net movements in working capital items</b>	<b>953</b>	<b>(648)</b>	<b>(595)</b>	<b>(602)</b>



	2008/09	2009/10		2010/11
	Actual \$000	In 2009 Budget \$000	Estimated Actual \$000	Budgeted \$000
<b>Add/(less) movements in non-current liabilities</b>				
Increase/(decrease) in non-current employee entitlements	(78)	114	303	(107)
<i>Net movements in non-current liabilities</i>	(78)	114	303	(107)
<b>Net Cash Flows from Operating Activities</b>	2,830	(116)	(5)	(290)