

STATEMENT OF COMMITMENTS

as at 30 June 2005

The department leases premises on the third and fifth floors of the Reserve Bank Building, Wellington.

The annual lease payments are subject to two-yearly and ten-yearly reviews. The amounts disclosed as future commitments are based on the current rental rates. Other operating commitments include a contract for photocopying services.

| 30.6.04 | | 30.6.05 |
|-----------------|---|-----------------|
| Actual \$000 | | Actual \$000 |
| | Operating commitments | |
| 1,488 | Accommodation leases | 1,663 |
| 1,211 | Other operating commitments | 1,194 |
| 2,699 | TOTAL COMMITMENTS | 2,857 |
| | Term classification for operating commitments | |
| 879 | Less than one year | 929 |
| 665 | One to two years | 809 |
| 835 | Two to five years | 991 |
| 320 | More than five years | 128 |
| 2,699 | TOTAL COMMITMENTS | 2,857 |

STATEMENT OF CONTINGENT LIABILITIES

as at 30 June 2005

At 30 June 2005 the department has a contingent and unquantifiable liability pending court proceedings involving a Minister of the Crown.

(30 June 2004: Nil)

STATEMENT OF UNAPPROPRIATED EXPENDITURE

for the year ended 30 June 2005

The department has no unappropriated expenditure for the year ended 30 June 2005.

(30 June 2004: Nil)

**STATEMENT OF DEPARTMENTAL
EXPENDITURE AND APPROPRIATIONS**
for the year ended 30 June 2005

| | 30.6.05 | 30.6.05 | 30.6.05 |
|--|-----------------|----------------------------|-----------------------------|
| <i>(Figures are GST inclusive)</i> | Actual \$000 | Main Estimates \$000 | Supp. Estimates \$000 |
| Vote: Prime Minister and Cabinet | | | |
| Appropriations for classes of outputs | | | |
| D1 Policy Advice and Secretariat and Co-ordination Services | 9,972 | 11,129 | 10,911 |
| D2 Support Services to the Governor-General and Maintenance of the Residences | 3,711 | 3,751 | 3,712 |
| D3 Intelligence Assessments on Developments Overseas | 3,475 | 3,466 | 3,475 |
| TOTAL | 17,158 | 18,346 | 18,098 |

**STATEMENT OF NON-DEPARTMENTAL
EXPENDITURE AND APPROPRIATIONS**
for the year ended 30 June 2005

| | 30.6.05 | 30.6.05 | 30.6.05 |
|--|-----------------|----------------------------|-----------------------------|
| <i>(Figures are GST inclusive)</i> | Actual \$000 | Main Estimates \$000 | Supp. Estimates \$000 |
| APPROPRIATIONS FOR OTHER EXPENSES TO BE INCURRED BY THE CROWN (PERMANENT LEGISLATIVE AUTHORITY) | | | |
| (NZSIS Amendment (No 2) Act 1999) Commissioner of Security Warrants | 23 | 20 | 30 |
| (Civil Act 1979) Government House Other payments | 816 | 830 | 830 |
| Sub-total | 839 | 850 | 860 |
| APPROPRIATION FOR PURCHASE OR DEVELOPMENT OF CAPITAL ASSETS BY THE CROWN | | | |
| Government House Capital investment | 2,546 | 1,786 | 2,546 |
| Sub-total | 2,546 | 1,786 | 2,546 |
| TOTAL | 3,385 | 2,636 | 3,406 |

FINANCIAL PERFORMANCE OBJECTIVES

for the year ended 30 June 2005

| 30.6.04 | | | 30.6.05 | 01.7.04 |
|---------|---|---------|---------|---------|
| Actual | | Unit | Actual | SOI |
| | OPERATING RESULTS | | | |
| 14,474 | Output expenses | \$000 | 15,145 | 16,306 |
| 815 | Operating surplus before capital charge | \$000 | 1,067 | 85 |
| 744 | Net surplus/(deficit) | \$000 | 1,000 | 18 |
| | WORKING CAPITAL | | | |
| 542 | Net current assets | \$000 | 314 | 260 |
| 1:1 | Current ratio | | 1:1 | 1:1 |
| 1:1 | Liquid ratio | | 1:1 | 1:1 |
| 53 | Average creditors outstanding | Days | 53 | 50 |
| | RESOURCE UTILISATION | | | |
| | Physical assets: | | | |
| 810 | Total physical assets at year end | \$000 | 1,035 | 991 |
| 29 | Additions as % of physical assets | % | 57 | 40 |
| 840 | Taxpayers' funds | \$000 | 840 | 840 |
| | FORECAST NET CASH FLOWS | | | |
| 964 | Surplus/(deficit) operating activities | \$000 | 1,442 | 739 |
| (147) | Surplus/(deficit) investing activities | \$000 | (467) | (400) |
| (467) | Surplus/(deficit) financing activities | \$000 | (744) | (318) |
| 350 | Net increase/(decrease) in cash held | \$000 | 231 | 21 |
| | HUMAN RESOURCES | | | |
| 18 | Staff turnover | % | 29 | 20 |
| 5.5 | Average length of service | years | 5.7 | 5.5 |
| 127 | Total staff | Numbers | 121 | 132 |

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2005

Note 1: Budget composition

| | | 30.6.05 | 30.6.05 | 30.6.05 |
|-----------------------|------|-----------------------------|--|-----------------------------------|
| | Note | Budget Forecast \$000 | Supp. Estimates Changes \$000 | Final Budget Total \$000 |
| REVENUE | | | | |
| Crown | 2 | 16,276 | (222) | 16,054 |
| Other | 3 | 48 | 10 | 58 |
| Interest | | | | |
| TOTAL REVENUE | | 16,324 | (212) | 16,112 |
| EXPENDITURE | | | | |
| Personnel | | 10,231 | (102) | 10,129 |
| Operating | 4 | 5,633 | (45) | 5,588 |
| Depreciation | 5 | 375 | (75) | 300 |
| Capital charge | 6 | 67 | | 67 |
| TOTAL EXPENSES | | 16,306 | (222) | 16,084 |
| NET SURPLUS | | 18 | 10 | 28 |

Note 2: Revenue – Crown

This is revenue earned for the supply of outputs to the Crown.

Note 3: Other revenue

| 30.6.04 | | 30.6.05 | 30.6.05 | 30.6.05 |
|-----------------|------------------------------|-----------------|----------------------------|-----------------------------|
| Actual \$000 | | Actual \$000 | Main Estimates \$000 | Supp. Estimates \$000 |
| 58 | Rental income | 54 | 48 | 58 |
| 2 | Gain on sale of fixed assets | 37 | | |
| 60 | TOTAL OTHER REVENUE | 91 | 48 | 58 |

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
for the year ended 30 June 2005

Note 4: Employee remuneration of more than \$100,000 per annum

| 30.6.04 | Remuneration Band | 30.6.05 |
|-----------------|---|-----------------|
| Number of Staff | <i>(The Chief Executive's remuneration is excluded as it is reported by the State Services Commissioner.)</i> | Number of Staff |
| 4 | \$100,001-\$110,000 | 3 |
| 2 | \$110,001-\$120,000 | 3 |
| 3 | \$120,001-\$130,000 | |
| 3 | \$130,001-\$140,000 | 3 |
| 4 | \$140,001-\$150,000 | 1 |
| 1 | \$150,001-\$160,000 | 3 |
| 1 | \$160,001-\$170,000 | 3 |
| 2 | \$170,001 and above | 1 |

Note 5: Operating expenses

| 30.6.04 | <i>The premises rental expenses do not include accommodation costs for personnel located on two floors of the Beehive (estimated annual rental for the furnished accommodation of \$350,000) which are provided by The Parliamentary Service.</i> | 30.6.05 | 30.6.05 | 30.6.05 |
|--------------|---|--------------|----------------------|-----------------------|
| Actual \$000 | | Actual \$000 | Main Estimates \$000 | Supp. Estimates \$000 |
| 33 | Audit fees for audit of financial statements | 35 | 32 | 36 |
| 401 | Premises rental | 427 | 392 | 412 |
| 124 | Contract for photocopying services | 118 | 108 | 113 |

Note 6: Depreciation

| 30.6.04 | | 30.6.05 | 30.6.05 | 30.6.05 |
|--------------|---------------------------|--------------|----------------------|-----------------------|
| Actual \$000 | | Actual \$000 | Main Estimates \$000 | Supp. Estimates \$000 |
| 66 | Fixtures & fittings | 74 | 75 | 74 |
| 16 | Furniture | 16 | 20 | 10 |
| 22 | Office equipment | 14 | 15 | 5 |
| 21 | Motor vehicles | 19 | 50 | 20 |
| 2 | Major plant & equipment | 1 | | |
| 24 | Minor plant & equipment | 26 | 5 | 4 |
| 126 | IT equipment | 133 | 200 | 177 |
| 10 | Kitchen equipment | 10 | 10 | 10 |
| 287 | TOTAL DEPRECIATION | 293 | 375 | 300 |

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2005

Note 7: Capital charge

The department pays a capital charge on its taxpayers' funds at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2005 was 8.0% (8.5% for 2004).

Note 8: Provision for repayment of surplus

| 30.6.04 | | 30.6.05 |
|-----------------|---|-----------------|
| Actual \$000 | | Actual \$000 |
| 744 | Current year net surplus/(deficit) | 1,000 |
| | Add: Other expenses (not for production of outputs) | |
| 744 | TOTAL PROVISION FOR REPAYMENT OF SURPLUS | 1,000 |

Note 9: Debtors and receivables

| 30.6.04 | | 30.6.05 |
|-----------------|--------------------------------------|-----------------|
| Actual \$000 | | Actual \$000 |
| 1,702 | Debtor - Crown | 1,454 |
| 54 | Sundry receivables | 65 |
| 19 | Prepayments | 13 |
| 1,775 | TOTAL DEBTORS AND PREPAYMENTS | 1,532 |

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
for the year ended 30 June 2005

Note 10: Fixed assets

| 30.6.04 | | 30.6.05 |
|-----------------|---|-----------------|
| Actual \$000 | | Actual \$000 |
| | FIXTURES & FITTINGS | |
| 745 | At cost | 866 |
| 327 | Accumulated depreciation | 314 |
| 418 | FIXTURES & FITTINGS NET BOOK VALUE | 552 |
| | FURNITURE | |
| 216 | At cost | 237 |
| 190 | Accumulated depreciation | 196 |
| 26 | FURNITURE NET BOOK VALUE | 41 |
| | OFFICE EQUIPMENT | |
| 398 | At cost | 401 |
| 356 | Accumulated depreciation | 370 |
| 42 | OFFICE EQUIPMENT NET BOOK VALUE | 31 |
| | MOTOR VEHICLES | |
| 163 | At cost | 139 |
| 120 | Accumulated depreciation | 121 |
| 43 | MOTOR VEHICLES NET BOOK VALUE | 18 |
| | MAJOR PLANT & EQUIPMENT | |
| 122 | At cost | 122 |
| 120 | Accumulated depreciation | 120 |
| 2 | MAJOR PLANT & EQUIPMENT NET BOOK VALUE | 2 |
| | MINOR PLANT & EQUIPMENT | |
| 332 | At cost | 495 |
| 317 | Accumulated depreciation | 342 |
| 15 | MINOR PLANT & EQUIPMENT NET BOOK VALUE | 153 |
| | IT EQUIPMENT | |
| 2,340 | At cost | 2,407 |
| 2,102 | Accumulated depreciation | 2,189 |
| 238 | IT EQUIPMENT NET BOOK VALUE | 218 |
| | KITCHEN EQUIPMENT | |
| 118 | At cost | 122 |
| 92 | Accumulated depreciation | 102 |
| 26 | KITCHEN EQUIPMENT NET BOOK VALUE | 20 |
| | GROUND IMPROVEMENTS | |
| 20 | At cost | 20 |
| 20 | Accumulated depreciation | 20 |
| | GROUND IMPROVEMENTS NET BOOK VALUE | |
| | TOTAL FIXED ASSETS | |
| 4,454 | At cost | 4,809 |
| 3,644 | Accumulated depreciation | 3,774 |
| 810 | TOTAL FIXED ASSETS NET BOOK VALUE | 1,035 |