

part five »

financial information

financial schedules – non-departmental

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Accounting Policies

Non-Departmental Accounting Policies

for the year ended 30 June 2008

Reporting Entity

The financial schedules for Crown activities administered by the Department have been prepared in accordance with the Government's accounting policies as set out in the Financial Statements of the Government, and in accordance with relevant Treasury instructions and Treasury circulars.

These financial schedules are consolidated into the Financial Statements of the Government and therefore readers of these schedules should also refer to the Crown Financial statements for 2007/08.

Reporting Period

The reporting period for these financial schedules is the year ended 30 June 2008.

Budget Figures

The budget figures are those presented in the Budget 2007 Estimates of Appropriation (Main Estimates) and those amended by the Supplementary Estimates (Supp. Estimates).

Statement of Compliance

These financial schedules have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

These are the Department of Internal Affairs' first consolidated financial schedules complying with NZ IFRS.

Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial schedules and in preparing opening NZ IFRS asset and liability balances as at 1 July 2006 for the purposes of the transition to NZ IFRS.

The measurement base applied is that of historical cost modified by revaluation of land and buildings.

The accrual basis of accounting has been used unless otherwise stated. These financial schedules are presented in New Zealand dollars rounded to the thousand.

Goods and Services Tax (GST)

Amounts in the financial schedules are reported exclusive of GST except for accounts receivable and accounts payable. GST input tax on non-departmental expenditure is expensed.

Revenue

Revenues from the supply of services are recognised when earned in the schedule of Revenue and Expenditure on a straight line basis over the specified period for the services.

Expenses

Where grants are discretionary the expense is recognised when the grant has been approved and approval has been communicated to the recipient, thereby creating a constructive obligation. Otherwise the expense is recognised when the specified criteria has been fulfilled and notice has been given to the Department.

Financial Instruments

Designation of financial assets and financial liabilities is determined by the business purpose of the financial instruments, policies and practices for their management, their relationship with other instruments and the reporting costs and benefits associated with each designation.

Financial Assets

Cash includes cash in transit and bank accounts.

Accounts receivable have been designated as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Loans and receivables entered into with a duration of less than 12 months are recognised at their nominal value. At each balance date, the Department assesses whether there is any objective evidence that loans and receivables are impaired. Any impairment losses are recognised in the Schedule of Revenue and Expenses as bad debts.

Financial Liabilities

Financial liabilities are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities entered into with duration less than 12 months are recognised at their nominal value.

Property, Plant and Equipment

Revaluations are carried out for land and buildings to reflect the service potential or economic benefit obtained through control of these assets. Land and buildings are recorded at fair value less impairment losses and, for buildings, less depreciation accumulated since the assets were last revalued. Valuations undertaken in accordance with the standards issued by the New Zealand Property Institute are used.

Land and Buildings are revalued at least every five years or whenever the carrying amount differs materially to fair value. Unrealised gains and losses arising from changes in the value of land and buildings are recognised as at balance date. To the extent that a gain reverses a loss previously charged to the Schedule of Revenue and Expenditure for the asset class, the gain is credited to the Schedule of Revenue and Expenditure. Otherwise, gains are credited to an asset revaluation reserve for that class of asset. To the extent that there is a balance in the asset revaluation reserve for the asset class any loss is debited to the reserve. Otherwise, losses are reported in the Schedule of Revenue and Expenditure.

Accumulated depreciation at revaluation date is eliminated against the gross carrying amount so that the carrying amount after revaluation equals the revalued amount.

Realised gains and losses arising from disposal of land and property are recognised in the Schedule of Revenue and Expenditure in the period in which the transaction occurs.

The carrying amounts of land and property are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported in the Schedule of Revenue and Expenditure, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease.

Depreciation

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, less any estimated residual value, over its estimated useful life. The estimated useful life for buildings is 10–65 years.

Other Liabilities and Provisions

Other liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

Commitments

Operating and capital commitments arising from non-cancellable contractual or statutory obligations are disclosed within the Schedule of Commitments to the extent that both parties have not performed their obligations.

Contingent Assets and Liabilities

Contingent assets and contingent liabilities are recorded in the Schedule of Contingent Assets and Contingent Liabilities at the point at which the contingency is evident. Contingent assets are disclosed if it is probable that the benefits will be realised. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote.

Changes in Accounting Policies

Accounting policies are changed only if the change is required by a standard or interpretation or otherwise provides more reliable and more relevant information.

There have been no changes in accounting policies. All policies have been applied on a basis consistent with the previous year.

Comparatives

When presentation or classification of items in the financial schedules are amended or accounting policies are changed voluntarily, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

Revenue and Expenditure

Non-Departmental Schedule of Revenue and Expenditure

for the year ended 30 June 2008

	NOTE	ACTUAL 2007/08 \$000	MAIN ESTIMATES 2007/08 \$000	SUPP. ESTIMATES 2007/08 \$000	ACTUAL 2006/07 \$000
Revenue and Receipts	1				
Vote Community and Voluntary Sector		107	10	10	137
Vote Internal Affairs		85	0	0	9
Vote Local Government		0	0	0	1,277
Vote Ministerial Services		10	10	10	10
Revaluation gain on Crown buildings		0	0	0	0
Total Revenue and Receipts		202	20	20	1,433
Appropriated Expenditure					
Vote Community and Voluntary Sector		27,897	25,201	27,677	22,369
Vote Emergency Management		2,738	1,589	2,738	8,589
Vote Internal Affairs		3,184	2,009	3,320	14,784
Vote Local Government		60,473	72,676	86,350	45,557
Vote Ministerial Services		19,039	17,982	18,691	25,584
Vote Racing		365	1,000	1,000	0
Total Appropriated Expenditure		113,696	120,457	139,776	116,883
Other Expenditure					
GST	2	12,163	4,532	15,742	9,147
Total Expenditure		125,859	124,989	155,518	126,030

Refer to the Schedule of Non-Departmental Expenditure and Appropriations for details of Appropriated Expenditure.

The Non-Departmental accounting policies and notes form an integral part of, and should be read in conjunction with, these financial schedules.

Non-Departmental Expenditure and Appropriations

Schedule of Non-Departmental Expenditure and Capital Expenditure Appropriations for the year ended 30 June 2008

	NOTE	ACTUAL 2007/08 \$000	MAIN ESTIMATES 2007/08 \$000	SUPP. ESTIMATES 2007/08 \$000	ACTUAL 2006/07 \$000
Appropriations for Expense Items					
Vote Community and Voluntary Sector					
Non-Departmental Output Expenses					
Charities-Administration	4	5,747	4,969	5,969	2,992
Community Based Youth Development Fund		420	420	420	420
Other Expenses to be Incurred by the Crown					
Community Development Scheme		2,273	2,273	2,273	2,095
Community Internship Programme	3	231	268	268	268
Community Organisation Grants Scheme		11,462	11,500	11,500	11,449
Community Partnership Fund*	3, 4	7,016	5,019	6,495	4,226
Disarmament Education Grants		150	150	150	150
Maori Community Development Workers		0	0	0	178
Support for Volunteering		402	402	402	402
Youth Workers Training Scheme		196	200	200	189
Total Appropriations		27,897	25,201	27,677	22,369
Vote Emergency Management					
Other Expenses to be Incurred by the Crown					
Emergency Expenses	4	1,849	700	1,849	7,700
Subsidies to Local Government		889	889	889	889
Total Appropriations		2,738	1,589	2,738	8,589
Vote Internal Affairs					
Non-Departmental Output Expenses					
Classification of Films, Videos and Publications		1,960	1,960	1,960	1,960
Significant Community-Based Project Fund*	4	846	0	846	12,746
Other Expenses to be Incurred by the Crown					
Commission of Inquiry into Police Conduct		0	0	0	58
Miscellaneous Grants (Internal Affairs)	3	26	49	49	19
Public Inquiries	3, 4	352	0	465	0
Royal Life Saving Commonwealth Council		0	0	0	1
Total Appropriations		3,184	2,009	3,320	14,784

* Multi-year appropriation

The Non-Departmental accounting policies and notes form an integral part of, and should be read in conjunction with, these financial schedules.

	NOTE	ACTUAL 2007/08 \$000	MAIN ESTIMATES 2007/08 \$000	SUPP. ESTIMATES 2007/08 \$000	ACTUAL 2006/07 \$000
Vote Local Government					
Benefits and Other Unrequited Expenses					
Rates Rebate Scheme	3	44,786	70,650	70,650	43,517
Other Expenses to be Incurred by the Crown					
Chatham Islands Council		1,721	1,721	1,721	1,763
Depreciation	3	128	136	136	128
Grants to Assist in Land Purchases	4	1,000	0	1,000	0
Tuwaharetoa Maori Trust Board	4	12,838	169	12,843	149
Total Appropriations		60,473	72,676	86,350	45,557
Vote Ministerial Services					
Benefits and Other Unrequited Expenses					
Annuities to Former Governors-General, Prime Ministers and Widows	4	407	380	400	3,857
Other Expenses to be Incurred by the Crown					
Depreciation		119	121	121	119
Executive Council and Ministers' Salaries and Allowances		7,194	7,000	7,190	6,984
Governors-General Pension Arrangements	3	218	20	20	19
Ministers' Internal and External Travel		10,596	10,061	10,440	10,052
Travel for Former Governors-General and Prime Ministers	4	505	400	520	4,553
Total Appropriations		19,039	17,982	18,691	25,584
Vote Racing					
Other Expenses to be Incurred by the Crown					
Racing Safety Development Fund	3	365	1,000	1,000	0
Total Appropriations		365	1,000	1,000	0
Total Non-Departmental Expenses		113,696	120,457	139,776	116,883

The Non-Departmental accounting policies and notes form an integral part of, and should be read in conjunction with, these financial schedules.

	NOTE	ACTUAL 2007/08 \$000	MAIN ESTIMATES 2007/08 \$000	SUPP. ESTIMATES 2007/08 \$000	ACTUAL 2006/07 \$000
Appropriations for Capital Items					
Vote Community and Voluntary Sector					
Capital Investment in Organisations other than Departments					
Capital Charities – Capital Contribution		0	0	0	426
Vote Local Government					
Purchase or Development of Capital Assets by the Crown					
Capital Investments – Lake Taupo	3, 4	17	34	179	41
Total Appropriations for Capital Items		17	34	179	467
Total Appropriations		113,713	120,491	139,955	117,350

Details of Multi-year Appropriations

The Department has multi-year appropriation for other expenses to be incurred by the Crown for Vote Community and Voluntary Sector and non-departmental output expenditure for Vote Internal Affairs.

The Community Partnership Fund under Vote Community and Voluntary Sector is a contestable fund for the development of initiatives by partnerships that will improve capability and skills to use information and communication technology, and develop community driven requirements for digital content. This appropriation commenced on 1 July 2005 and will finish on 30 June 2009.

The Significant Community-Based Project Fund under Vote Internal Affairs is an appropriation to support major community based projects that have a range of benefits contributing to regional and/or national outcomes with particular reference to arts, culture and heritage; sport and recreation; tourism; conservation and the environment; and economic development. This appropriation commenced on 1 July 2005 and will finish on 30 June 2009. No actual expenditure will be incurred against this appropriation during 2008/09. Although the multi-year appropriation still has one year to run, it was fully spent as at 30 June 2008.

	VOTE COMMUNITY AND VOLUNTARY SECTOR COMMUNITY PARTNERSHIP FUND (\$000)	VOTE INTERNAL AFFAIRS SIGNIFICANT COMMUNITY-BASED PROJECT FUND (\$000)
MYA* commences	1 July 2005	1 July 2005
MYA expires	30 June 2009	30 June 2009
Original Appropriation	17,403	32,000
Adjustments	0	846
Total Appropriation	17,403	32,846
Accumulated Actuals to 2005/06 Year End	0	19,254
Accumulated Actuals to 2006/07 Year End	4,226	32,000
Accumulated Actuals to 2007/08 Year End	11,242	32,846

* MYA = Multi-year appropriation

The Non-Departmental accounting policies and notes form an integral part of, and should be read in conjunction with, these financial schedules.

Unappropriated Expenditure

Schedule of Non-Departmental Unappropriated Expenditure and Capital Expenditure for the year ended 30 June 2008

The Statement of Unappropriated Expenditure details the amount of expenditure incurred above appropriation.

2007/08 Unappropriated Expenditure against Main Estimates

There was no unappropriated expenditure against Main Estimates for the year ended 30 June 2008, or the previous financial year.

2007/08 Unappropriated Expenditure against Supplementary Estimates

APPROPRIATIONS FOR EXPENSE ITEMS	ACTUAL 2007/08 \$000	SUPP. ESTIMATES 2007/08 \$000	UNAPPROPRIATED EXPENDITURE 2007/08 \$000
Vote Ministerial Services			
<i>Other Expenses to be Incurred by the Crown</i>			
Ministers' Internal and External Travel	10,596	10,440	156

Ministers' Internal and External Travel incurred unappropriated expenditure of \$0.156m due to higher travel costs for Members of the Executive. The Minister of Finance approved the incurring of this over expenditure under section 26(b) of the Public Finance Act 1989.

2006/07 Unappropriated Expenditure against Supplementary Estimates

APPROPRIATIONS FOR EXPENSE ITEMS	ACTUAL 2006/07 \$000	SUPP. ESTIMATES 2006/07 \$000	UNAPPROPRIATED EXPENDITURE 2006/07 \$000
Vote Emergency Management			
<i>Other Expenses to be Incurred by the Crown</i>			
Emergency Expenses	7,700	7,681	19

Emergency Expenses incurred unappropriated expenditure due to a miscalculation of GST during the processing of claims for response and recovery costs. This resulted in actual costs exceeding those appropriated by \$0.019m. The Minister of Finance approved the incurring of this over expenditure under section 26(b) of the Public Finance Act 1989.

The Non-Departmental accounting policies and notes form an integral part of, and should be read in conjunction with, these financial schedules.

Assets and Liabilities

Schedule of Non-Departmental Assets and Liabilities

as at 30 June 2008

The Schedule of Assets summarises the assets the Department administers on behalf of the Crown.

	ACTUAL 2007/08 \$000	MAIN ESTIMATES 2007/08 \$000	SUPP. ESTIMATES 2007/08 \$000	ACTUAL 2006/07 \$000
Assets				
Current Assets				
Cash	62,171	501	53,506	59,570
Accounts Receivable	222	99	11	257
Total Current Assets	62,393	600	53,517	59,827
Non Current Assets				
Land – Ministerial Properties	8,250	6,600	6,600	6,600
Buildings – Ministerial Properties	5,085	4,461	4,461	4,581
Buildings – Lake Taupo Harbourmaster	4,363	4,460	4,445	4,439
Total Non Current Assets	17,698	15,521	15,506	15,620
Total Assets	80,091	16,121	69,023	75,447
Liabilities				
Current Liabilities				
Payables	21,334	2,262	22,179	28,778
Total Current Liabilities	21,334	2,262	22,179	28,778
Term Liabilities				
Provisions	10,251	10,005	10,005	10,005
Total Term Liabilities	10,251	10,005	10,005	10,005
Total Liabilities	31,585	12,267	32,184	38,783

Land and Buildings

DTZ New Zealand Ltd (MREINZ), registered independent valuer, conducted a valuation of non-departmental Ministerial Properties land and buildings during April 2008, with valuations effective 30 June 2008. The buildings (including boating facilities) located at Lake Taupo were valued in June 2006 by DTZ New Zealand Ltd, with the valuations effective 30 June 2006.

The Ministerial Properties comprising of Premier House, Vogel House and Bolton Street are restricted for Government use. The carrying value of the land and buildings is \$13,335,000. (2007 \$11,180,630)

Investments in Crown Entities

The Department monitors a number of Crown entities. The investment in these entities is recorded within the Crown financial statements on a line-by-line basis. No disclosure is made in this schedule.

The Non-Departmental accounting policies and notes form an integral part of, and should be read in conjunction with, these financial schedules.

Commitments

Schedule of Non-Departmental Commitments

as at 30 June 2008

	ACTUAL 2007/08 \$000	ACTUAL 2006/07 \$000
Non-Cancellable Contracts for		
Goods and Services		
Less than one year	0	675
Total Goods and Services Commitments	0	675
Total Commitments	0	675

Contingent Assets and Liabilities

Schedule of Non-Departmental Contingent Assets and Liabilities

as at 30 June 2008

There were no Contingent Assets or Liabilities for the year ended 30 June 2008 or the previous financial year.

The Non-Departmental accounting policies and notes form an integral part of, and should be read in conjunction with, these financial schedules.

Notes to the Financial Schedules

Notes to the Non-Departmental Financial Schedules

for the year ended 30 June 2008

NOTE 1

Revenue and Receipts

Revenue and receipts consists mainly of prior year's grant refunds (\$0.155m).

NOTE 2

GST Expense

Section 6 of the Public Finance Act 1989 provides authority for GST expenditure in relation to appropriated expenditure.

NOTE 3

Explanation of Significant Variances between Actual and Supplementary Estimates

	ACTUAL 2007/08 \$000	SUPP. ESTIMATES 2007/08 \$000	UNDERSPEND / (OVERSPEND) 2007/08 \$000	UNDERSPEND / (OVERSPEND) 2007/08 %
Vote Community and Voluntary Sector				
Other Expenses to be Incurred by the Crown				
Community Internship Programme	231	268	37	14
Community Partnership Fund	7,016	6,495	(521)	(8)
Vote Internal Affairs				
Other Expenses to be Incurred by the Crown				
Miscellaneous Grants (Internal Affairs)	26	49	23	47
Public Inquiries	352	465	113	24
Vote Local Government				
Benefits and Other Unrequited Expenses				
Rates Rebate Scheme	44,786	70,650	25,864	37
Other Expenses to be Incurred by the Crown				
Depreciation	128	136	8	6
Purchase or Development of Capital Assets by the Crown				
Capital Investments – Lake Taupo	17	179	162	91
Vote Ministerial Services				
Other Expenses to be Incurred by the Crown				
Governors' General Pension Arrangements	218	20	(198)	(989)
Vote Racing				
Other Expenses to be Incurred by the Crown				
Racing Safety Development Fund	365	1,000	635	64

Vote Community and Voluntary Sector

Other Expenses to be Incurred by the Crown

Community Internship Programme

The under expenditure was due to an approved grant which was subsequently declined by the applicant.

Community Partnership Fund

This is a multi-year appropriation. The over expenditure is a timing difference and it is expected that the appropriation will be fully spent over the period of the appropriation.

Vote Internal Affairs

Other Expenses to be Incurred by the Crown

Miscellaneous Grants (Internal Affairs)

This item is demand driven and only five grants were given during the financial year.

Public Inquiries

The under expenditure was due to timing differences associated with the Royal Commission on Auckland Governance. An in principle transfer from 2007/08 to 2008/09 was approved.

Vote Local Government

Benefits and Other Unrequited Expenses

Rates Rebate Scheme

The Rates Rebate Scheme is demand driven, and depends on territorial authorities submitting claims.

Other Expenses to be Incurred by the Crown

Depreciation

The under expenditure in depreciation is driven by the delays to the proposed capital improvements at Lake Taupo (refer Capital Investments – Lake Taupo below).

Purchase or Development of capital Assets by the Crown

Capital Investments – Lake Taupo

The under expenditure is due to delays in obtaining consents from the Tuwharetoa Maori Trust Board for the proposed capital improvements to structures at Lake Taupo. An in principle capital transfer from 2007/08 to 2008/09 was approved.

Vote Ministerial Services

Other Expenses to be Incurred by the Crown

Governors-General Pension Arrangements

The over expenditure is due to recognition of the actuarial valuation of this item. This appropriation is authorised by Permanent Legislative Authority, therefore does not constitute a breach of appropriation.

Vote Racing

Other Expenses to be Incurred by the Crown

Racing Safety Development Fund

The under expenditure is due to timing of the second funding round. An in principle expense transfer from 2007/08 to 2008/09 was approved.

NOTE 4

Explanation of Significant Budget Changes

The *Supplementary Estimates of Appropriations for the year ended 30 June 2008* contain an explanation of significant budget changes between the 2007/08 Main Estimates and 2007/08 Supplementary Estimates as set out below:

Vote Community and Voluntary Sector

Supplementary Estimates of Appropriations, B7 – Pages 114 to 115.

Non-Departmental Output Expenses

Charities – Administration

The change in budget between Main Estimates and Supp. Estimates relates to additional funding for the Charities Commission for additional costs of initial registration processing (\$1.000 million).

Non-Departmental Other Expenses

Community Partnership Fund

The change in budget between Main Estimates and Supp. Estimates is due to additional funding provided in Budget 2008.

Vote Emergency Management

Supplementary Estimates of Appropriations, B7 – Page 276.

Non-Departmental Other Expenses

Emergency Expenses

The change in budget between Main Estimates and Supp. Estimates relates to additional funding for councils impacted by Upper North Island storm event (\$1.000 million), reimbursement of councils for July 2006 Lower North Island floods (\$0.087 million), and risk aversion work on Rangitikei River (\$0.062 million).

Vote Internal Affairs

Supplementary Estimates of Appropriations, B7 – Pages 445 to 446.

Non-Departmental Output Expenses

Significant Community-Based Project Fund

The change in budget between Main Estimates and Supp. Estimates relates to transfer of unutilised departmental funding to this appropriation (\$0.846 million).

Non-Departmental Other Expenses

Public Inquiries

The change in budget between Main Estimates and Supp. Estimates relates to funding for the establishment of the Royal Commission on Auckland Governance (\$0.465 million).

Vote Local Government

Supplementary Estimates of Appropriations, B7 – Pages 488 to 489.

Non-Departmental Other Expenses

Grants to Assist in Land Purchases

The change in budget between Main Estimates and Supp. Estimates relates to an expense transfer from 2006/07 for the purchase of Chelsea Sugar Estate (\$1.000 million).

Tuwharetoa Maori Trust Board

The change in budget between Main Estimates and Supp. Estimates relates to additional funding for the settlement costs relating to the property rights for Lake Taupo (\$12.674 million).

Non-Departmental Capital Expenditure*Capital Investment – Lake Taupo*

The change in budget between Main Estimates and Supp. Estimates relates to a capital transfer from 2006/07 for the undertaking of capital works at Lake Taupo (\$0.145 million).

Vote Ministerial Services

Supplementary Estimates of Appropriations, B7 – Pages 510 to 511.

Non-Departmental Benefits and other Unrequited Expenses*Annuities to Former Governors-General, Prime Ministers and Widows*

The change in budget between Main Estimates and Supp. Estimates relates to an increase in costs as a result of the Parliamentary Annuities Determination 2007 (\$0.020 million).

Non-Departmental Other Expenses*Travel for Former Governors-General and Prime Ministers*

The change in budget between Main Estimates and Supp. Estimates relates to an increase in costs, pursuant to section 25 of the Civil List Act 1979 (\$0.120 million).

NOTE 5**Explanation of transition to NZ IFRS**

The Non-Departmental financial schedules for the year ending 30 June 2008 are the first financial schedules that comply with NZ IFRS. The Department has applied NZ IFRS 1 in preparing these financial schedules.

The transition date for reporting Non-Departmental financial schedules is 1 July 2006. The Department prepared its opening NZ IFRS schedule of assets and liabilities at that date.

The reporting date of these financial schedules is 30 June 2008. The adoption date for Non-Departmental financial schedules is 1 July 2007.

In preparing these financial schedules in accordance with NZ IFRS 1, the Department has applied the mandatory exceptions from full retrospective application of NZ IFRS. No optional exemptions have been applied.

The Department is required to make the following mandatory exception from retrospective application.

Estimates exception

Estimates under NZ IFRS at 1 July 2006 are consistent with estimates made for the same date under previous NZ GAAP.

Reconciliation of Equity

The following table shows the changes in equity, resulting from the transition from previous NZ GAAP to NZ IFRS as at 1 July 2006 and 30 June 2007.

NOTE	PREVIOUS NZ GAAP 1 JULY 2006 \$000	EFFECT ON TRANSITION TO NZ IFRS 1 JULY 2006 \$000	NZ IFRS 1 JULY 2006 \$000	PREVIOUS NZ GAAP 30 JUNE 2007 \$000	EFFECT ON TRANSITION TO NZ IFRS 30 JUNE 2007 \$000	NZ IFRS 30 JUNE 2007 \$000
Assets						
Current Assets						
Cash	24,523	0	24,523	59,570	0	59,570
Accounts Receivable	312	0	312	257	0	257
Total Current Assets	24,835	0	24,835	59,827	0	59,827
Non-current Assets						
Land – Ministerial Properties	6,600	0	6,600	6,600	0	6,600
Buildings – Ministerial Properties	4,700	0	4,700	4,581	0	4,581
Buildings – Lake Taupo Harbourmaster	4,526	0	4,526	4,439	0	4,439
Total Non-current Assets	15,826	0	15,826	15,620	0	15,620
Total Assets	40,661	0	40,661	75,447	0	75,447
Liabilities						
Current Liabilities						
Payables	24,668	0	24,668	28,778	0	28,778
Term Liabilities						
Provisions	a 0	2,354	2,354	10,005	0	10,005
Total Liabilities	24,668	2,354	27,022	38,783	0	38,783

Explanatory notes – Reconciliation of equity

a. Provisions

NZ IAS 19 requires that employee related future benefits are recognised. The provision recognised on transition to NZ IFRS is \$2.354m and at 30 June 2007 \$10.005m.

Reconciliation of surplus for the year ended 30 June 2007

	NOTE	PREVIOUS NZ GAAP \$000	EFFECT ON TRANSITION TO NZ IFRS \$000	NZ IFRS \$000
Revenue and Receipts				
Vote Community and Voluntary Sector		137	0	137
Vote Internal Affairs		9	0	9
Vote Local Government		1,277	0	1,277
Vote Ministerial Services		10	0	10
Revaluation gain on Crown Buildings		0	0	0
Total Revenues and Receipts		1,433	0	1,433
Appropriated Expenditure				
Vote Community and Voluntary Sector		22,369	0	22,369
Vote Emergency Management		8,589	0	8,589
Vote Internal Affairs		14,784	0	14,784
Vote Local Government		45,557	0	45,557
Vote Ministerial Services	a	27,938	-2,354	25,584
Total Operating Expenses		119,237	-2,354	116,883
Other Expenditure				
GST		9,147	0	9,147
Total Expenditure		128,384	-2,354	126,030

Explanatory notes – Reconciliation of surplus

a. Provision for Annuities

This represents a change in the provision for annuities, which was not recognised as at 30 June 2006 under previous NZ GAAP.

Statement of Cash Flows

There have been no material adjustments to the schedule of cash flows for the year ended 30 June 2007, on transition to NZ IFRS.

Trust Money Administered on Behalf of the Crown

Schedule of Trust Money Administered on Behalf of the Crown

for the year ended 30 June 2008

The following trust money was administered on behalf of the Crown under Part VII of the Public Finance Act 1989.

The schedule shows the opening and closing trust balances including bank and investments at cost, and the movements during the year.

Under the Public Finance Act 1989, and by delegation from the Secretary to The Treasury, trust money can only be invested on deposit with New Zealand registered banks or in New Zealand government stock. Trust money is also managed so there is no significant concentration of credit risk. Interest rate risk is managed by investing across a wide range of maturity dates, but subject to liquidity requirements.

Schedule of Trust Money

SCHEDULE OF TRUST MONEY	OPENING BALANCE 2007/08 \$000	CONTRIBUTIONS \$000	DISTRIBUTIONS \$000	REVENUE \$000	EXPENSES \$000	CLOSING BALANCE 2007/08 \$000
Vogel House	0	1	(1)	0	0	0
New Zealand 1990 Scholarships	587	0	0	50	0	637
Unlimited Potential	139	0	(12)	4	(131)	0
Total	726	1	(13)	54	(131)	637

The Vogel House Trust was established to hold bonds for the hireage of Vogel House and Premier House.

The New Zealand 1990 Scholarship Trust was established to provide scholarships for top overall students in University Bursaries examinations.

The Unlimited Potential Programme Trust was funded by Microsoft Corporation and enables the Crown, through the Whitireia Community Polytechnic, to provide training of technology skills to disadvantaged young people through Community-based Technology and Learning Centres. This trust was disestablished in May 2008.