



**PITCAIRN ISLANDS
OFFICE**

**SUMMARY
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 MARCH 2019**

Pitcairn Islands Office

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Pitcairn Islands Office
Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 March 2019

	2019	2018
	NZ\$	NZ\$
INCOME		
Stamp Sales	195,188	223,114
TOTAL STAMP INCOME	195,188	223,114
COST OF SALES		
Commission	11,844	12,803
Production of Stamps	104,443	104,829
TOTAL COST OF SALES	116,287	117,632
GROSS PROFIT FROM STAMPS	78,901	105,482
OTHER TRADING INCOME		
Dividends & Interest	5,410	4,490
Passenger Fares	256,400	241,250
Licenses	110,769	65,385
Coin & Royalties	2,111	1,445
Rental On Government Properties	12,000	12,000
Phone Calls	64,406	90,753
Domain Registrations	91,781	86,185
Electricity	187,986	212,145
Freight Costs Recovered	326,648	261,848
Foreign Exchange Gain/(Loss)	1,861	(9,677)
Miscellaneous	11,877	16,873
TOTAL OTHER TRADING INCOME	1,071,249	982,697
TOTAL TRADING INCOME	1,150,150	1,088,179
OTHER INCOME		
Budgetary Aid & Grants	5,843,900	5,484,094
TOTAL INCOME	6,994,050	6,572,273
LESS EXPENDITURE		
Island Administration	97,967	125,502
Tourism	188,297	202,586
Technical Support	114,917	128,648
Education	209,491	297,265
Medical	1,037,321	1,298,581
Police Officer Expenses	254,613	230,894
Audit Fee	40,497	67,001
Miscellaneous	136,973	125,500
Legal Fees	628,947	925,571
Administration Costs - Philatelic Operation	163,694	164,350
Administration Costs - Domain Registrations	21,600	21,600
Administration Costs -Pitcairn Islands Office	358,098	377,890
Freight & Shipping	3,357,110	2,891,515
Posts	26,254	24,969
Radio	313,805	422,709
Works & Marine	187,622	335,565
Agriculture	35,252	33,706
Electrical Generation	76,356	76,356
Other Projects		
TOTAL EXPENDITURE	7,248,814	7,750,208
NET SURPLUS/(DEFICIT)	(254,764)	(1,177,935)
Other Comprehensive Income	-	-
TOTAL COMPREHENSIVE INCOME	(254,764)	(1,177,935)

Pitcairn Islands Office
Statement of Financial Position
As At 31 March 2019

	2019	2018
	\$NZ	\$NZ
ASSETS		
Current Assets		
Cash & Bank Balances	3,612,983	2,490,091
Debtors & Prepayments	643,158	486,333
Co-Op Store	574,960	323,713
Total Current Assets	4,831,101	3,300,137
Non Current Assets		
Property, Plant & Equipment	52,161	25,979
First Home Loan Scheme	107,248	64,911
Total Non Current Assets	159,409	90,890
Total Tangible Assets	4,990,510	3,391,027
TOTAL ASSETS	4,990,510	3,391,027
EQUITY & LIABILITIES		
Retained Surplus	609,951	864,715
Total Equity	609,951	864,715
Current Liabilities		
Trade Creditors	511,315	415,214
Home Loan Account	200,000	200,000
Pitcairn Reimbursements	(1,158)	9,938
Deferred Revenue - Passenger Fares	169,850	125,000
EU Funded Projects In Progress - INTEGRE	0	(16,322)
EU Funded Projects In Progress - Tourism Sector	3,428,493	1,743,700
Other Projects In Progress	43,000	0
Stamp - Income in Advance	21,837	20,182
Holiday Pay Accrual	7,222	28,600
Total Current Liabilities	4,380,559	2,526,312
TOTAL LIABILITIES & EQUITY	4,990,510	3,391,027

Pitcairn Islands Office
Statement of Changes In Equity
For The Year Ended 31 March 20189

	<u>2019</u> <u>\$NZ</u>	<u>2018</u> <u>\$NZ</u>
Equity at the start of the year	864,715	2,042,650
Net Surplus/(Deficit)	(254,764)	(1,177,935)
Equity at the end of the year	609,951	864,715

Pitcairn Islands Office

Statement of Accounting Policies For the Year Ended 31 March 2019

Reporting Entity

Pitcairn Islands Office is an entity which operates under the British Foreign and Commonwealth Office's Colonial Regulations (Part II) Chapter 8 and the Diplomatic Service Procedures (Vol 8).

The entity provides administrative services to Pitcairn, Henderson, Ducie and Oeno Islands.

The financial statements are presented for the year ended 31 March 2019.

These financial statements have been approved and were authorised for issue by the Governor of the Pitcairn Islands on 16 January 2020.

Statement of compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP").

They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. The entity is not a legal entity but is instead an operating division of the British High Commission in New Zealand. It is required to prepare stand alone financial statements by the British Government and has elected to apply Tier 2 Not-For-Profit PBE IPSAS.

The entity has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions. This decision results in the entity not preparing a Statement of Service Performance for both reporting periods.

Measurement base

The financial statements have been prepared on a historical cost basis. The financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

Change in accounting policy

There have been no changes in accounting policy during the period (2018 - none).

The financial statements have been prepared in accordance with PBE IPSAS for the first time this year. In previous years, the financial statements were prepared in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) under the Reduced Disclosure Regime (RDR). No changes resulted from the transition between the two frameworks.

Specific accounting policies

The following particular accounting policies have been applied.

Revenue

Revenue from non-exchange transactions

Funding received from the UK Government's Department for International Development ("DIFD") is accounted for in the period to which the funding relates. Funding received in advance of the period to which it relates is held in the Statement of Financial Position as Deferred revenue.

Revenue from exchange transactions

Stamp sales revenue and investment income is accounted for on an accrual basis and is advised by the various agencies responsible.

All income is remitted back to the Auckland office for banking, except that advised by the Crown Agents who invest the funds on the entity's behalf and only make remittances to Auckland on request.

Stamp costs

Stamp costs are recognised in the period in which they are incurred.

Accounts Receivable

Accounts Receivable are stated at expected realisable value.

Stamp Stocks

Unsold stamp stocks are considered to have no value.

Property, Plant & Equipment

All items of property, plant and equipment are recorded on the historical cost basis, less accumulated depreciation and impairment losses. All items of property, plant and equipment are depreciated on a straight line basis at rates which will write off their cost less estimated residual value over their expected useful life.

The carrying values of equipment is reviewed for impairment, either annually or when events or changes in circumstances indicate the carrying value may not be recoverable (whichever is earlier). If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amounts. The recoverable amount is the net selling price. An item of property, plant and equipment is asset. Any gain or loss arising from derecognition of the asset (calculated as the difference between net disposal proceeds and the carrying amount of the item) is included in the Statement of Comprehensive revenue and expenses in the year the item is derecognised.

Depreciation rates applied to Computer Equipment are 33%SL and Office Equipment 10%SL.

At each reporting date, the entity assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the entity makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the higher of an assets fair value less costs to sell and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of groups of assets.

Property, Plant & Equipment on Pitcairn Island

Property, plant & equipment purchases paid for by the Administration and transferred to Pitcairn Island are not capitalised because they have little or no realisable value. Accordingly, such assets are recognised as an expense in the Statement of Comprehensive revenue and expenses.

Capital Projects

The entity acts as an agent for DFID for certain capital projects undertaken on Pitcairn Island. This funding is received from DFID and paid to contractors and suppliers on behalf of DFID. Any project funds received which remain unused at balance date are included on the Statement of Financial Position until such time as they are expended on the project or the project is closed.

Foreign Exchange

Both the functional and presentation currencies of Pitcairn Islands Office are New Zealand dollars. Transactions denominated in foreign currencies are translated into New Zealand dollars at the exchange rate in effect at the date of the transaction.

Stamp Sales, which are made on behalf of the Pitcairn Islands Office by the various stamp agencies responsible are converted using a fixed exchange rate as struck by agreement with each agency. The foreign exchange gains and losses are recognised in the Statement of Comprehensive revenue and expenses.

Monetary items receivable or payable in foreign currencies are translated into New Zealand dollars at balance date at the closing rate. Exchange differences are recognised in the Statement of Comprehensive revenue and expenses.

GST Policy

No GST is paid on goods shipped to Pitcairn Island as these are export items and such are zero rated for GST purposes.

These Financial Statements have been prepared on a GST inclusive basis as Pitcairn Islands Office is not registered for GST.

Cash & Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

Inventories

Inventories comprise products held in the Pitcairn Island's store and are valued at the lower of cost and net realisable value. Cost is calculated on the first in first out basis. Net realisable value is the estimated selling price in the ordinary course of business, less costs necessary to make the sale.

Trade & Other Receivables

Trade receivables have terms negotiated with island residents specific to each individual situation. They are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Included in Trade receivables are amounts due from Islanders relating to store accounts and medical loans. In the event of non payment of the medical loans due to death or hardship, these loans may be forgiven.

Trade & Other Payables

Trade & Other Payables are stated at cost.

Income Tax

The entity is not a New Zealand registered company or legal entity. It forms part of the British High Commission and accordingly is not subject to income tax.

Home Loan Scheme

Pitcairn Islands Office provides loans to island residents for the construction of private homes. These loans have terms of repayment agreed with each individual resident and are interest free until the last four years of the loan period, when they incur interest at New Zealand OCR plus a 3%.

Comparative Figures

Comparative Figures included in the financial statements relate to the financial year ended 31 March 2018. Where necessary these figures have been reclassified on a basis consistent with current year disclosures.

Pitcairn Island Administration
Schedule of Property, Plant & Equipment
As At 31 March 2019

	COST PRICE	BOOK VALUE 31/03/2018	ADDITIONS/ DISPOSALS	MTH	DEPN RATE	DEPN	ACCUM DEPN
OFFICE EQUIPMENT							
Misc Office Equipment	15,624	1,876		12	0	188	13,936
GDC Phone System	5,143	-		12	0	-	5,143
	-						
Sofas x 2 - (Second Hand JAL)	969	271		12	0	27	725
Water Cooler / Heater	618	174		12	0	17	461
Paper Shredder	489	137		12	0	14	366
Photocopier - (Second Hand)	3,825	1,072		12	0	107	2,860
Painting	900	290		12	0	29	639
Fridge - Elba RF249TCRW1	827	366		12	0	37	498
	-						
Polycom Video Conferencing Unit	24,980	16,844		12	0	1,684	9,820
TOTAL OFFICE EQUIPMENT	53,375	21,030	-			2,103	34,448
COMPUTER EQUIPMENT							
MYOB Software	778	-		12	33%	0	778
Misc Computer Equipment	4,626	-		12	33%	0	4,626
HP LaserJet 2100M Printer	1,892	-		12	33%	0	1,892
Pentium Intell III	2,706	-		12	33%	0	2,706
IBM Hard Disk Drive	349	-		12	33%	0	349
Toshiba Satellite Pro Notebook	5,256	-		12	33%	0	5,256
Fujitsu Hard Disk Drive	306	-		12	33%	0	306
Computer Cabling	511	-		12	33%	0	511
Brother Fax Machine	1,118	-		12	33%	0	1,118
CD Writer for Computer Backups	340	-		12	33%	0	340
Epson Colour Printer	306	-		12	33%	0	306
Sony Laptop - VPCF115FGB	1,900	-		12	33%	0	1,900
Abus Desktop x 3	3,933	414		12	33%	137	3,656
HP Elite All In One PC	2,575	1,346		12	33%	444	1,673
HP Elite All In One PC x 2	5,151	2,691	- 2,691		33%	0	2,460
ASUS Laptop	953	498		12	33%	164	619
HP Elite One Desktop Computer			2,761	6	33%	456	456

Pitcairn Islands Office
 Budgets
 For the Year Ended 31 March 2019

	2019 NZ\$
INCOME	
Stamp Sales	230,000
TOTAL STAMP INCOME	230,000
COST OF SALES	
Commission	25,000
Production of Stamps	
TOTAL COST OF SALES	25,000
GROSS PROFIT FROM STAMPS	205,000
OTHER TRADING INCOME	
Passenger Fares	235,000
Landing Fees	90,000
Coin & Royalties	7,500
Phone Calls	55,000
Domain Name	70,000
Electricity	91,000
Freight Costs Recovered	60,000
Miscellaneous	31,500
TOTAL OTHER TRADING INCOME	640,000
TOTAL TRADING INCOME	845,000
Budgetary Aid & Grants	
TOTAL INCOME	845,000
LESS EXPENDITURE	
Island Administration	93,818
Education	231,000
Medical	737,000
FCA/Community Development	338,128
Police Officer Expenses	275,000
Audit Fee	45,000
Miscellaneous	262,330
Legal Fees	312,000
Administration Costs - Philatelic Operation	262,000
Administration Costs - PIO	382,850
Freight & Shipping	2,876,500
Finance Division	154,277
Telecommunications	303,600
Works & Marine	288,181
Agriculture	34,416
Electrical Generation	36,600
TOTAL EXPENDITURE	6,632,700
NET PROFIT/(LOSS)	(5,787,700)
	0