



**PITCAIRN ISLANDS
OFFICE**

**SUMMARY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2013**

Pitcairn Islands Office

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Pitcairn Islands Office
Statement of Comprehensive Income
For the Year Ended 31 March 2013

	2013 NZDS	2012 NZDS
INCOME		
Stamp Sales	326,515	363,378
TOTAL STAMP INCOME	326,515	363,378
COST OF SALES		
Commission	28,606	34,671
Production of Stamps	159,515	122,848
TOTAL COST OF SALES	188,121	157,519
GROSS PROFIT FROM STAMPS	138,394	205,859
OTHER TRADING INCOME		
Dividends & Interest	16,327	0
Tourism	653	0
Passenger Fares	245,800	227,000
Licenses	35,460	45,415
Coin & Royalties	7,429	25,351
Rental On Government Properties	12,000	12,000
Phone Calls	93,138	62,688
Domain Name	67,473	73,153
Electricity	238,802	221,548
Freight Costs Recovered	227,227	227,680
Foreign Exchange Gain/(Loss)	537	(13,588)
Miscellaneous	20,838	15,278
TOTAL OTHER TRADING INCOME	965,684	896,525
TOTAL TRADING INCOME	1,104,078	1,102,384
Budgetary Aid & Grants	5,550,000	4,971,650
TOTAL INCOME	6,654,078	6,074,034
LESS EXPENDITURE		
Island Administration	71,759	55,960
Writedown of Co-Op Store Stock	0	48,900
Tourism	52,395	0
Loss On Disposal Of Property, Plant & Equipment	1,640	0
Education	214,719	217,084
Medical	872,904	942,940
Police	278,389	271,912
Audit Fee	72,154	71,869
Miscellaneous	240,037	135,987
Legal Fees	451,368	322,271
Administration Costs - Philatelic Operation	154,989	152,410
Administration Costs - PIO	349,405	329,775
Freight & Shipping	2,591,859	2,384,554
Post Office / Other	35,169	46,163
Telecommunications	392,081	430,629
Works & Marine	488,868	385,905
Agriculture	28,526	64,659
Electrical Generation	76,560	86,934
DFID Funded Projects	(30,840)	20,902
TOTAL EXPENDITURE	6,341,982	5,968,854
NET PROFIT/(LOSS)	312,096	105,180

Pitcairn Islands Office
Balance Sheet
As At 31 March 2013

	2013 \$NZ	2012 \$NZ
ASSETS		
Current Assets		
Cash & Bank Balances	3,405,956	2,983,473
Trade Debtors	246,766	223,424
Co-Op Store	194,946	175,642
Total Current Assets	3,847,668	3,382,539
Non Current Assets		
Property, Plant & Equipment	11,641	11,866
First Home Loan Scheme	158,815	178,986
Total Non Current Assets	170,456	190,852
Total Tangible Assets	4,018,124	3,573,391
TOTAL ASSETS	4,018,124	3,573,391
EQUITY & LIABILITIES		
Equity		
Retained Surplus	1,321,047	1,008,951
Total Equity	1,321,047	1,008,951
Current Liabilities		
Trade Creditors	559,677	171,739
Home Loan Account	200,000	200,000
Pitcairn Reimbursements	308	(2,103)
DFID Funded Projects In Progress	45,735	221,707
EU Funded Projects In Progress	1,833,830	1,911,574
Stamp Prepayments	25,590	27,591
Holiday Pay Accrual	31,937	33,932
Total Current Liabilities	2,697,077	2,564,440
TOTAL LIABILITIES & EQUITY	4,018,124	3,573,391

Pitcairn Islands Office
Statement of Changes In Equity
As At 31 March 2013

	<u>2013</u> <u>\$NZ</u>	<u>2012</u> <u>\$NZ</u>
Equity at the start of the year	1,008,951	903,771
Net Surplus/(Deficit)	312,096	105,180
Equity at the end of the year	1,321,047	1,008,951

Pitcairn Islands Office
Statement of Accounting Policies
For the Year Ended 31 March 2013

Basis of Preparation

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 financial statements of Pitcairn Islands Office have been prepared in accordance with the New Zealand Financial Reporting Act 1993.

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

The financial statements have been prepared on a historical cost basis. The financial statements are presented in New Zealand dollars.

Statement of Compliance

The financial statements of Pitcairn Islands Office have been prepared in accordance with NZ GAAP and comply with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate for public benefit entities.

Specific Accounting Policies

The following particular accounting policies have been applied.

Revenue

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 Administration's behalf and only make remittances to Auckland on request.

Funding received from 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 Income in Advance.

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 derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the 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 Income 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.

Pitcairn Islands Office
Statement of Accounting Policies
For the Year Ended 31 March 2013

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 Income.

Capital Projects

The entity receives funding from DFID for certain capital projects undertaken on Pitcairn Island. This funding is 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 Income.

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 Income.

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 Islands 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.

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 2011. Where necessary these figures have been reclassified on a basis consistent with current year disclosures.

Changes in Accounting Policies

There have been no changes in accounting policies.

Pitcairn Island Administration
Schedule of Property, Plant & Equipment
As At 31 March 2013

	COST PRICE	BOOK VALUE 31/03/2012	ADDITIONS/ DISPOSALS	MTH	DEPN RATE	DEPN	ACCUM DEPN	BOOK VALUE 31/03/2013
	\$	\$	\$			\$	\$	\$
OFFICE EQUIPMENT								
Misc Office Equipment	15,624	3,532		12	0	353	12,445	3,179
GDC Phone System	5,144	1,286		12	0	514	4,372	772
Sofas x 2 - (Second Hand JAL)	969	511		12	0	51	509	460
Water Cooler / Heater - (Second Hand)	618	325		12	0	33	325	293
Paper Shredder	489	258		12	0	26	257	232
Photocopier - (Second Hand)	3,825	2,016		12	0	202	2,011	1,814
Painting	900	546		12	0	55	408	492
Fridge - Elba RF249TCRWI	827	688		12	0	69	207	620
TOTAL OFFICE EQUIPMENT	28,395	9,162	0			1,302	20,535	7,860
COMPUTER EQUIPMENT								
MYOB Software	778	0		12	0	0	778	0
Misc Computer Equipment	4,626	0		12	0	0	4,626	0
HP LaserJet 2100M Printer	1,892	0		12	0	0	1,892	0
Pentium Intell III	2,706	0		12	0	0	2,706	0
IBM Hard Disk Drive	349	0		12	0	0	349	0
Toshiba Satellite Pro Notebook & Case	5,256	0		12	0	0	5,256	0
Fujitsu Hard Disk Drive	306	0		12	0	0	306	0
Computer Cabling	511	0		12	0	0	511	0
Brother Fax Machine	1,118	0		12	0	0	1,118	0
CD Writer for Computer Backups	340	0		12	0	0	340	0
Epson Colour Printer	306	0		12	0	0	306	0
Sony Laptop - VPCF115FGB	1,900	1,063		12	0	351	1,188	712
Abus Desktop x 3	0	0	3,933	8	0	865	865	3,068
TOTAL COMPUTER EQUIPMENT	20,088	1,063	3,933			1,216	20,241	3,781

Pitcairn Islands Office
Budgets
For the Year Ended 31 March 2013

	2013 NZ\$
INCOME	
Stamp Sales	439,000
TOTAL STAMP INCOME	439,000
COST OF SALES	
Commission	35,000
Production of Stamps	125,000
TOTAL COST OF SALES	160,000
GROSS PROFIT FROM STAMPS	279,000
OTHER TRADING INCOME	
Passenger Fares	170,000
Licenses	90,000
Coin & Royalties	30,000
Phone Calls	56,100
Domain Name	60,000
Electricity	217,000
Freight Costs Recovered	299,500
Foreign Exchange Gain/(Loss)	0
Miscellaneous	5,000
TOTAL OTHER TRADING INCOME	927,600
TOTAL TRADING INCOME	1,206,600
Budgetary Aid & Grants	5,270,900
TOTAL INCOME	6,477,500
LESS EXPENDITURE	
Island Administration	97,490
Education	219,900
Medical	660,300
FCA/Community Development	287,426
Police Officer Expenses	297,500
Audit Fee	120,000
Miscellaneous	203,461
Legal Fees	360,000
Administration Costs - Philatelic Operation	144,000
Administration Costs - PIO	390,000
Freight & Shipping	2,645,000
Finance Division	71,047
Telecommunications	263,950
Works & Marine	490,438
Agriculture	54,388
Electrical Generation	172,600
TOTAL EXPENDITURE	6,477,500
NET PROFIT/(LOSS)	0