



**PITCAIRN ISLANDS
OFFICE**

**SUMMARY
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 MARCH 2015**

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 2015

	2015	2014
	NZ\$	NZ\$
INCOME		
Stamp Sales	267,755	301,103
TOTAL STAMP INCOME	267,755	301,103
COST OF SALES		
Commission	18,205	32,465
Production of Stamps	132,720	125,629
TOTAL COST OF SALES	150,925	158,094
GROSS PROFIT FROM STAMPS	116,830	143,009
OTHER TRADING INCOME		
Dividends & Interest	7,845	13,831
Passenger Fares	299,000	402,692
Licenses	97,273	35,482
Coin & Royalties	7,084	24,287
Rental On Government Properties	12,000	12,000
Phone Calls	171,525	133,765
Domain Registrations	93,392	93,787
Electricity	211,691	202,542
Freight Costs Recovered	195,772	133,922
Foreign Exchange Gain/(Loss)	(8,985)	(10,402)
Miscellaneous	18,955	22,447
TOTAL OTHER TRADING INCOME	1,105,552	1,064,353
TOTAL TRADING INCOME	1,222,382	1,207,362
Budgetary Aid & Grants	5,955,121	5,487,500
TOTAL INCOME	7,177,503	6,694,862
LESS EXPENDITURE		
Island Administration	120,112	112,250
Tourism	116,304	150,922
Education	272,772	183,490
Medical	960,231	1,072,437
Police Officer Expenses	258,637	276,405
Audit Fee	93,536	71,315
Miscellaneous	323,682	230,892
Legal Fees	635,052	617,068
Administration Costs - Philatelic Operation	149,893	168,224
Administration Costs - Domain Registrations	21,600	21,605
Administration Costs - Pitcairn Islands Office	402,868	350,360
Freight & Shipping	2,823,464	2,675,113
Posts	23,913	29,592
Radio	264,252	240,234
Works & Marine	410,425	365,223
Agriculture	38,101	42,482
Electrical Generation	85,578	76,356
Other Projects	88,195	3,474
TOTAL EXPENDITURE	7,088,615	6,687,442
Other Comprehensive Income	-	-
NET SURPLUS/(DEFICIT)	88,888	7,420

Pitcairn Islands Office
Statement of Financial Position
As At 31 March 2015

	<u>2015</u> <u>SNZ</u>	<u>2014</u> <u>SNZ</u>
ASSETS		
Current Assets		
Cash & Bank Balances	1,277,754	2,116,827
Trade Debtors	351,084	385,245
Co-Op Store	287,223	210,331
Total Current Assets	1,916,061	2,712,403
Non Current Assets		
Property, Plant & Equipment	30,545	9,170
First Home Loan Scheme	108,243	122,157
Total Non Current Assets	138,788	131,327
Total Tangible Assets	2,054,849	2,843,730
TOTAL ASSETS	2,054,849	2,843,730
EQUITY & LIABILITIES		
Equity		
Retained Surplus	1,417,355	1,328,467
Total Equity	1,417,355	1,328,467
Current Liabilities		
Trade Creditors	289,356	337,209
Home Loan Account	200,000	200,000
Pitcairn Reimbursements	(6,671)	(806)
DFID Funded Projects In Progress	46,010	46,010
EU Funded Projects In Progress	54,748	872,687
Other Projects In Progress	7,999	7,853
Stamp Prepayments	23,615	28,069
Holiday Pay Accrual	22,437	24,241
Total Current Liabilities	637,494	1,515,263
TOTAL LIABILITIES & EQUITY	2,054,849	2,843,730

Pitcairn Islands Office
Statement of Changes In Equity
For The Year Ended 31 March 2015

	<u>2015</u> <u>\$NZ</u>	<u>2014</u> <u>\$NZ</u>
Equity at the start of the year	1,328,467	1,321,047
Net Surplus/(Deficit)	88,888	7,420
Equity at the end of the year	1,417,355	1,328,467

Pitcairn Islands Office
Statement of Accounting Policies
For the Year Ended 31 March 2015

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 2013.

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 Generally Accepted Accounting Practices in New Zealand, (NZ GAAP) and comply with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate for public benefit entities under the Reduced Disclosure Regime (RDR).

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 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 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 2015

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 2014. 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 (2014 none).

The adoption of NZ IFRS RDR has not resulted in any changes in accounting policies.

Pitcairn Island Administration
Schedule of Property, Plant & Equipment
As At 31 March 2015

	COST PRICE	BOOK VALUE 31/03/2014	ADDITIONS/ DISPOSALS	MTH	DEPN RATE	DEPN	ACCUM DEPN	BOOK VALUE 31/03/2015
	\$	\$	\$			\$	\$	\$
OFFICE EQUIPMENT								
Misc Office Equipment	15,624	2,861		12	10%	286	13,049	2,575
GDC Phone System	5,144	257		12	10%	257	5,143	-
Sofas x 2 - (Second Hand JAL)	969	414		12	10%	41	597	372
Water Cooler / Heater - (Second Hand)	618	264		12	10%	26	380	237
Paper Shredder	489	209		12	10%	21	301	188
Photocopier - (Second Hand)	3,825	1,633		12	10%	163	2,355	1,470
Painting	900	442		12	10%	44	502	398
Fridge - Elba RF249TCRWI	827	558		12	10%	56	325	502
Polycom Video Conferencing Unit	-	-	24,980	9	10%	1,874	1,874	23,107
TOTAL OFFICE EQUIPMENT	28,395	6,636	24,980			2,769	24,526	28,848
COMPUTER EQUIPMENT								
MYOB Software	778	-		12	33%	-	778	-
Misc Computer Equipment	4,626	-		12	33%	-	4,626	-
HP LaserJet 2100M Printer	1,892	-		12	33%	-	1,892	-
Pentium Intell III	2,706	-		12	33%	-	2,706	-
IBM Hard Disk Drive	349	-		12	33%	-	349	-
Toshiba Satellite Pro Notebook & Case	5,256	-		12	33%	-	5,256	-
Fujitsu Hard Disk Drive	306	-		12	33%	-	306	-
Computer Cabling	511	-		12	33%	-	511	-
Brother Fax Machine	1,118	-		12	33%	-	1,118	-
CD Writer for Computer Backups	340	-		12	33%	-	340	-
Epson Colour Printer	306	-		12	33%	-	306	-
Sony Laptop - VPCF115FGB	1,900	477		12	33%	157	1,580	320
Abus Desktop x 3	3,933	2,055		12	33%	678	2,556	1,377
TOTAL COMPUTER EQUIPMENT	24,021	2,534	-			836	22,324	1,698
TOTAL FIXED ASSETS	52,416	9,170	24,980			3,605	46,850	30,546

Pitcairn Islands Office
 Budgets
 For the Year Ended 31 March 2015

	2015 NZ\$
INCOME	
Stamp Sales	292,200
TOTAL STAMP INCOME	292,200
COST OF SALES	
Commission	35,000
Production of Stamps	120,500
TOTAL COST OF SALES	155,500
GROSS PROFIT FROM STAMPS	136,700
OTHER TRADING INCOME	
Passenger Fares	235,000
Landing Fees	92,000
Coin & Royalties	5,000
Phone Calls	137,000
Domain Name	65,000
Electricity	227,000
Freight Costs Recovered	237,500
Foreign Exchange Gain/(Loss)	0
Miscellaneous	34,500
TOTAL OTHER TRADING INCOME	1,033,000
TOTAL TRADING INCOME	1,169,700
Budgetary Aid & Grants	5,982,034
TOTAL INCOME	7,151,734
LESS EXPENDITURE	
Island Administration	127,500
Education	240,500
Medical	651,500
FCA/Community Development	366,931
Police Officer Expenses	291,000
Audit Fee	40,000
Miscellaneous	274,000
Legal Fees	650,000
Administration Costs - Philatelic Operation	142,000
Administration Costs - PIO	594,090
Freight & Shipping	2,650,000
Finance Division	195,776
Telecommunications	245,000
Works & Marine	438,205
Agriculture	74,232
Electrical Generation	171,000
TOTAL EXPENDITURE	7,151,734
NET PROFIT/(LOSS)	0