



**PITCAIRN ISLANDS
OFFICE**

**SUMMARY
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 MARCH 2017**

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 2017

	2017 NZ\$	2016 NZ\$
INCOME		
Stamp Sales	245,755	281,301
TOTAL STAMP INCOME	245,755	281,301
COST OF SALES		
Commission	16,811	22,394
Production of Stamps	116,958	122,800
TOTAL COST OF SALES	133,769	145,194
GROSS PROFIT FROM STAMPS	111,986	136,107
OTHER TRADING INCOME		
Dividends & Interest	11,355	17,984
Passenger Fares	308,000	288,275
Licenses	49,351	83,861
Coin & Royalties	131	9,507
Rental On Government Properties	12,000	12,000
Phone Calls	161,649	181,349
Domain Registrations	98,865	103,682
Electricity	204,836	204,594
Freight Costs Recovered	191,172	296,685
Foreign Exchange Gain/(Loss)	(25,824)	19,358
Miscellaneous	14,040	31,725
TOTAL OTHER TRADING INCOME	1,025,575	1,249,020
TOTAL TRADING INCOME	1,137,561	1,385,127
OTHER INCOME		
Budgetary Aid & Grants	6,509,743	6,492,163
TOTAL INCOME	7,647,304	7,877,290
LESS EXPENDITURE		
Island Administration	75,987	101,354
Writedown of Co-Op Store Stock	38,625	
Tourism	149,810	77,351
Education	383,048	238,929
Medical	1,441,196	973,358
Police Officer Expenses	280,589	282,204
Audit Fee	75,682	73,507
Miscellaneous	94,864	181,450
Legal Fees	646,105	660,995
Prison Costs	648,847	0
Administration Costs - Philatelic Operation	183,853	161,654
Administration Costs - Domain Registrations	21,600	21,600
Administration Costs -Pitcairn Islands Office	387,150	356,396
Freight & Shipping	2,798,909	2,787,752
Posts	33,004	26,558
Radio	342,978	244,149
Works & Marine	377,413	451,578
Agriculture	39,450	38,337
Electrical Generation	118,933	78,080
Other Projects	0	6,004
TOTAL EXPENDITURE	8,138,043	6,761,256
NET SURPLUS/(DEFICIT)	(490,739)	1,116,034
Other Comprehensive Income	-	-
TOTAL COMPREHENSIVE INCOME	(490,739)	1,116,034

Pitcairn Islands Office
Statement of Financial Position
As At 31 March 2017

	2017	2016
	\$NZ	\$NZ
ASSETS		
Current Assets		
Cash & Bank Balances	4,722,086	2,916,846
Debtors & Prepayments	401,342	971,579
Co-Op Store	306,552	311,460
Total Current Assets	5,429,980	4,199,885
Non Current Assets		
Property, Plant & Equipment	30,754	26,886
First Home Loan Scheme	79,300	86,875
Total Non Current Assets	110,054	113,761
Total Tangible Assets	5,540,034	4,313,646
TOTAL ASSETS	5,540,034	4,313,646
EQUITY & LIABILITIES		
Retained Surplus	2,042,650	2,533,389
Total Equity	2,042,650	2,533,389
Current Liabilities		
Trade Creditors	682,844	335,546
Home Loan Account	200,000	200,000
Pitcairn Reimbursements	1,196	690
DFID Funded Projects In Progress		0
EU Funded Projects In Progress - INTEGRE	163,555	(48,689)
EU Funded Projects In Progress - Tourism Sector	2,317,179	1,249,141.00
Other Projects In Progress	80,254	3,400
Stamp - Income in Advance	20,817	22,242
Holiday Pay Accrual	31,539	17,927
Total Current Liabilities	3,497,384	1,780,257
TOTAL LIABILITIES & EQUITY	5,540,034	4,313,646

**Pitcairn Islands Office
Statement of Changes In Equity
For The Year Ended 31 March 2016**

	<u>2017</u> <u>\$NZ</u>	<u>2016</u> <u>\$NZ</u>
Equity at the start of the year	2,533,389	1,417,355
Net Surplus/(Deficit)	(490,739)	1,116,034
Equity at the end of the year	2,042,650	2,533,389

Pitcairn Islands Office
Statement of Accounting Policies
For the Year Ended 31 March 2017

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) 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 or groups of assets.

Pitcairn Islands Office
Statement of Accounting Policies
For the Year Ended 31 March 2017

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 Profit or Loss and Other 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 2016. 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 (2016 none).

Pitcairn Island Administration
Schedule of Property, Plant & Equipment
As At 31 March 2017

	COST PRICE	BOOK VALUE 31/03/2016	ADDITIONS/ DISPOSALS	MTH	DEPN RATE	DEPN	ACCUM DEPN	BOOK VALUE 31/03/2017
	\$	\$	\$			\$	\$	\$
OFFICE EQUIPMENT								
Misc Office Equipment	15,624	2,317		12	10%	232	13,539	2,085
GDC Phone System	5,143	-		12	10%	-	5,143	-
	0	0						
Sofas x 2 - (Second Hand JAL)	969	335		12	10%	34	668	301
Water Cooler / Heater	618	214		12	10%	21	425	193
Paper Shredder	489	169		12	10%	17	337	152
Photocopier - (Second Hand)	3,825	1,323		12	10%	132	2,634	1,191
Painting	900	358		12	10%	36	578	322
Fridge - Elba RF249TCRW1	827	452		12	10%	45	420	407
	0	0						
Polycam Video Conferencing Unit	24,980	20,796		12	10%	2,080	6,264	18,716
TOTAL OFFICE EQUIPMENT	53,375	25,964	-			2,597	30,008	23,367
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	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	0		12	33%	0	1,900	-
Abus Desktop x 3	3,933	922		12	33%	304	3,315	618
HP Elite All In One PC x 3			7,726.00	8	0	1,700	1,700	6,026
ASUS Laptop			953.00	8	33%	210	210	743
TOTAL COMPUTER EQUIPMENT	24,021	922	8,679			2,214	25,313	7,387

Pitcairn Islands Office
 Budgets
 For the Year Ended 31 March 2017

	2017 NZ\$
INCOME	
Stamp Sales	277,500
TOTAL STAMP INCOME	277,500
COST OF SALES	
Commission	25,000
Production of Stamps	120,000
TOTAL COST OF SALES	145,000
GROSS PROFIT FROM STAMPS	132,500
OTHER TRADING INCOME	
Passenger Fares	205,000
Landing Fees	90,000
Coin & Royalties	5,000
Phone Calls	47,480
Domain Name	70,000
Electricity	85,000
Freight Costs Recovered	75,000
Foreign Exchange Gain/(Loss)	0
Miscellaneous	31,500
TOTAL OTHER TRADING INCOME	608,980
TOTAL TRADING INCOME	741,480
Budgetary Aid & Grants	
TOTAL INCOME	741,480
LESS EXPENDITURE	
Island Administration	104,070
Education	221,000
Medical	751,000
FCA/Community Development	340,388
Police Officer Expenses	251,000
Audit Fee	45,000
Miscellaneous	269,106
Legal Fees	788,000
Prison Costs	50,000
Administration Costs - Philatelic Operation	142,000
Administration Costs - PIO	601,250
Freight & Shipping	2,593,000
Finance Division	174,877
Telecommunications	236,000
Works & Marine	467,205
Agriculture	58,384
Electrical Generation	39,200
TOTAL EXPENDITURE	7,131,480
NET PROFIT/(LOSS)	(6,390,000)

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