



**PITCAIRN ISLANDS
OFFICE**

**SUMMARY
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 MARCH 2016**

Pitcairn Islands Office

Table Of Contents

Statement of Profit or Loss and Other Comprehensive Income	1
Statement of Financial Position	2
Statement Of Changes In Equity	3
Statement Of Accounting Policies	4 - 5
Schedule Of Fixed Assets	6
Budgets	7

Pitcairn Islands Office
Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 March 2016

	2016 NZ\$	2015 NZ\$
INCOME		
Stamp Sales	281,301	267,755
TOTAL STAMP INCOME	281,301	267,755
COST OF SALES		
Commission	22,394	18,205
Production of Stamps	122,800	132,720
TOTAL COST OF SALES	145,194	150,925
GROSS PROFIT FROM STAMPS	136,107	116,830
OTHER TRADING INCOME		
Dividends & Interest	17,984	7,845
Passenger Fares	288,275	299,000
Licenses	83,861	97,273
Coin & Royalties	9,507	7,084
Rental On Government Properties	12,000	12,000
Phone Calls	181,349	171,525
Domain Registrations	103,682	93,392
Electricity	204,594	211,691
Freight Costs Recovered	296,685	195,772
Foreign Exchange Gain/(Loss)	19,358	(8,985)
Miscellaneous	31,725	18,955
TOTAL OTHER TRADING INCOME	1,249,020	1,105,552
TOTAL TRADING INCOME	1,385,127	1,222,382
OTHER INCOME		
Budgetary Aid & Grants	6,492,163	5,955,121
TOTAL INCOME	7,877,290	7,177,503
LESS EXPENDITURE		
Island Administration	101,354	120,112
Tourism	77,351	116,304
Education	238,929	272,772
Medical	973,358	960,231
Police Officer Expenses	282,204	258,637
Audit Fee	73,507	93,536
Miscellaneous	181,450	323,682
Legal Fees	660,995	635,052
Administration Costs - Philatelic Operation	161,654	149,893
Administration Costs - Domain Registrations	21,600	21,600
Administration Costs -Pitcairn Islands Office	356,396	402,868
Freight & Shipping	2,787,752	2,823,464
Posts	26,558	23,913
Radio	244,149	264,252
Works & Marine	451,578	410,425
Agriculture	38,337	38,101
Electrical Generation	78,080	85,578
Other Projects	6,004	88,195
TOTAL EXPENDITURE	6,761,256	7,088,615
NET SURPLUS/(DEFICIT)	1,116,034	88,888
Other Comprehensive Income	-	-
TOTAL COMPREHENSIVE INCOME	1,116,034	88,888

Pitcairn Islands Office
Statement of Financial Position
As At 31 March 2016

	2016	2015
	\$NZ	\$NZ
ASSETS		
Current Assets		
Cash & Bank Balances	2,916,846	1,277,754
Debtors & Prepayments	971,579	351,084
Co-Op Store	311,460	287,223
Total Current Assets	4,199,885	1,916,061
Non Current Assets		
Property, Plant & Equipment	26,886	30,545
First Home Loan Scheme	86,875	108,243
Total Non Current Assets	113,761	138,788
Total Tangible Assets	4,313,646	2,054,849
TOTAL ASSETS	4,313,646	2,054,849
EQUITY & LIABILITIES		
Equity		
Retained Surplus	2,533,389	1,417,355
Total Equity	2,533,389	1,417,355
Current Liabilities		
Trade Creditors	335,546	289,356
Home Loan Account	200,000	200,000
Pitcairn Reimbursements	690	(6,671)
DFID Funded Projects In Progress	-	46,010
EU Funded Projects In Progress - INTEGRE	(48,689)	54,748
EU Funded Projects In Progress - Tourism Sector	1,249,141	-
Other Projects In Progress	3,400	7,999
Stamp - Income in Advance	22,242	23,615
Holiday Pay Accrual	17,927	22,437
Total Current Liabilities	1,780,257	637,494
TOTAL LIABILITIES & EQUITY	4,313,646	2,054,849

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

	Note	2016 \$NZ	2015 \$NZ
Equity at the start of the year		1,417,355	1,328,467
Net Surplus/(Deficit)		1,116,034	88,888
Equity at the end of the year		2,533,389	1,417,355

Pitcairn Islands Office
Statement of Accounting Policies
For the Year Ended 31 March 2016

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 2016**

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 2015. 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 (2015 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 2016

	COST PRICE	BOOK VALUE 31/03/2015	ADDITIONS/ DISPOSALS	MTH	DEPN RATE	DEPN	ACCUM DEPN	BOOK VALUE 31/03/2016
	\$	\$	\$			\$	\$	\$
OFFICE EQUIPMENT								
Misc Office Equipment	15,624	2,575		12	10%	258	13,307	2,317
GDC Phone System	5,144	-		12	10%	-	5,144	-
Sofas x 2 - (Second Hand JAL)	969	372		12	10%	37	634	335
Water Cooler / Heater - (Second Hand)	618	237		12	10%	24	404	214
Paper Shredder	489	188		12	10%	19	320	169
Photocopier - (Second Hand)	3,825	1,470		12	10%	147	2,502	1,323
Painting	900	398		12	10%	40	542	358
Fridge - Elba RF249TCRW1	827	502		12	10%	50	375	452
Polycom Video Conferencing Unit	24,980	23,107		12	10%	2,311	4,184	20,796
TOTAL OFFICE EQUIPMENT	53,375	28,848	-			2,885	27,412	25,962
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	320		12	33%	320	1,900	-
Abus Desktop x 3	3,933	1,377		12	33%	454	3,010	923
TOTAL COMPUTER EQUIPMENT	24,021	1,698	-			775	23,098	924
TOTAL FIXED ASSETS	77,396	30,546	-			3,660	50,510	26,886

Pitcairn Islands Office
Budgets
For the Year Ended 31 March 2016

	2016 NZ\$
INCOME	
Stamp Sales	275,000
TOTAL STAMP INCOME	275,000
COST OF SALES	
Commission	25,000
Production of Stamps	142,000
TOTAL COST OF SALES	167,000
GROSS PROFIT FROM STAMPS	108,000
OTHER TRADING INCOME	
Passenger Fares	175,000
Landing Fees	90,000
Coin & Royalties	5,000
Phone Calls	81,000
Domain Name	65,000
Electricity	77,000
Freight Costs Recovered	50,000
Foreign Exchange Gain/(Loss)	0
Miscellaneous	33,700
TOTAL OTHER TRADING INCOME	576,700
TOTAL TRADING INCOME	684,700
Budgetary Aid & Grants	5,808,361
TOTAL INCOME	6,493,061
LESS EXPENDITURE	
Island Administration	98,069
Education	242,500
Medical	660,212
FCA/Community Development	334,081
Police Officer Expenses	246,000
Audit Fee	75,000
Miscellaneous	270,000
Legal Fees	650,000
Administration Costs - Philatelic Operation	120,000
Administration Costs - PIO	428,850
Freight & Shipping	2,555,500
Finance Division	74,012
Telecommunications	164,000
Works & Marine	442,205
Agriculture	76,432
Electrical Generation	56,200
TOTAL EXPENDITURE	6,493,061
NET PROFIT/(LOSS)	0