



**PITCAIRN ISLANDS  
OFFICE**

**SUMMARY  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 MARCH 2018**

**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 - 6
Schedule Of Fixed Assets	7
Budgets	8

Pitcairn Islands Office  
Statement of Profit or Loss and Other Comprehensive Income  
For the Year Ended 31 March 2018

	2018 NZ\$	2017 NZ\$
<b>INCOME</b>		
Stamp Sales	223,114	245,755
<b>TOTAL STAMP INCOME</b>	<b>223,114</b>	<b>245,755</b>
<b>COST OF SALES</b>		
Commission	12,803	16,811
Production of Stamps	104,829	116,958
<b>TOTAL COST OF SALES</b>	<b>117,632</b>	<b>133,769</b>
<b>GROSS PROFIT FROM STAMPS</b>	<b>105,482</b>	<b>111,986</b>
<b>OTHER TRADING INCOME</b>		
Dividends & Interest	4,490	11,355
Passenger Fares	241,250	308,000
Licenses	65,385	49,351
Coin & Royalties	1,445	131
Rental On Government Properties	12,000	12,000
Phone Calls	90,753	161,649
Domain Registrations	86,185	98,865
Electricity	212,145	204,836
Freight Costs Recovered	261,848	191,172
Foreign Exchange Gain/(Loss)	(9,677)	(25,824)
Miscellaneous	16,873	14,040
<b>TOTAL OTHER TRADING INCOME</b>	<b>982,697</b>	<b>1,025,575</b>
<b>TOTAL TRADING INCOME</b>	<b>1,088,179</b>	<b>1,137,561</b>
<b>OTHER INCOME</b>		
Budgetary Aid & Grants	5,484,094	6,509,743
<b>TOTAL INCOME</b>	<b>6,572,273</b>	<b>7,647,304</b>
<b>LESS EXPENDITURE</b>		
Island Administration	125,502	75,987
Writedown of Co-Op Store Stock	0	38,625
Tourism	202,586	149,810
Technical Support	128,648	0
Education	297,265	383,048
Medical	1,298,581	1,441,196
Police Officer Expenses	230,894	280,589
Audit Fee	67,001	75,682
Miscellaneous	125,500	94,864
Legal Fees	470,037	646,105
Prison Costs	455,534	648,847
Administration Costs - Philatelic Operation	164,350	183,853
Administration Costs - Domain Registrations	21,600	21,600
Administration Costs -Pitcairn Islands Office	377,890	387,150
Freight & Shipping	2,891,515	2,798,909
Posts	24,969	33,004
Radio	422,709	342,978
Works & Marine	335,565	377,413
Agriculture	33,706	39,450
Electrical Generation	76,356	118,933
Other Projects		0
<b>TOTAL EXPENDITURE</b>	<b>7,750,208</b>	<b>8,138,043</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(1,177,935)</b>	<b>(490,739)</b>
Other Comprehensive Income	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(1,177,935)</b>	<b>(490,739)</b>

Pitcairn Islands Office  
Statement of Financial Position  
As At 31 March 2018

	2018 \$NZ	2017 \$NZ
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash & Bank Balances	2,490,091	4,722,086
Debtors & Prepayments	486,333	401,342
Co-Op Store	323,713	306,552
<b>Total Current Assets</b>	<b>3,300,137</b>	<b>5,429,980</b>
<b>Non Current Assets</b>		
Property, Plant & Equipment	25,979	30,754
First Home Loan Scheme	64,911	79,300
<b>Total Non Current Assets</b>	<b>90,890</b>	<b>110,054</b>
<b>Total Tangible Assets</b>	<b>3,391,027</b>	<b>5,540,034</b>
<b>TOTAL ASSETS</b>	<b>3,391,027</b>	<b>5,540,034</b>
<b>EQUITY &amp; LIABILITIES</b>		
Retained Surplus	864,715	2,042,650
<b>Total Equity</b>	<b>864,715</b>	<b>2,042,650</b>
<b>Current Liabilities</b>		
Trade Creditors	415,214	682,844
Home Loan Account	200,000	200,000
Pitcairn Reimbursements	9,938	1,196
Deferred Revenue - Passenger Fares	125,000	0
EU Funded Projects In Progress - INTEGRE	(16,322)	163,555
EU Funded Projects In Progress - Tourism Sector	1,743,700	2,317,179
Other Projects In Progress	0	80,254
Stamp - Income in Advance	20,182	20,817
Holiday Pay Accrual	28,600	31,539
<b>Total Current Liabilities</b>	<b>2,526,312</b>	<b>3,497,384</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>3,391,027</b>	<b>5,540,034</b>

**Pitcairn Islands Office  
Statement of Changes In Equity  
For The Year Ended 31 March 2018**

	<u>2018</u> <u>\$NZ</u>	<u>2017</u> <u>\$NZ</u>
Equity at the start of the year	2,042,650	2,533,389
Net Surplus/(Deficit)	(1,177,935)	(490,739)
<b>Equity at the end of the year</b>	<b>864,715</b>	<b>2,042,650</b>

## Pitcairn Islands Office

### Statement of Accounting Policies For the Year Ended 31 March 2018

---

#### 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 2018.

These financial statements have been approved and were authorised for issue by the Governor of the Pitcairn Islands on 30 October 2018.

#### 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 (2017 - 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 the 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 2017. Where necessary these figures have been reclassified on a basis consistent with current year disclosures.



Pitcairn Islands Office

Schedule of Property, Plant and Equipment

As At 31 March 2018

	Cost price	Book value 31/03/2017	Additions/ Disposals	Months	Depr. rate	Depr.	Accum. depr.	Book value 31/03/2018
	\$	\$	\$			\$	\$	\$
<b>OFFICE EQUIPMENT</b>								
Misc Office Equipment	15,624	2,085	-	12	10%	209	13,748	1,876
GDC Phone System	5,143	-	-	12	10%	-	5,143	-
Sofas x 2 - (Second Hand JAL)	969	301	-	12	10%	30	698	271
Water Cooler / Heater	618	193	-	12	10%	19	444	174
Paper Shredder	489	152	-	12	10%	15	352	137
Photocopier - (Second Hand)	3,825	1,191	-	12	10%	119	2,753	1,072
Painting	900	322	-	12	10%	32	610	290
Fridge - Elba RF249TCRW1	827	407	-	12	10%	41	461	366
Polycom Video Conferencing Unit	24,980	18,716	-	12	10%	1,872	8,136	16,844
<b>TOTAL OFFICE EQUIPMENT</b>	<b>53,375</b>	<b>23,367</b>	<b>-</b>			<b>2,337</b>	<b>32,345</b>	<b>21,030</b>
<b>COMPUTER EQUIPMENT</b>								
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	-	-	12	33%	-	1,900	-
Abus Desktop x 3	3,933	618	-	12	33%	204	3,519	414
HP Elite All In One PC x 3	7,726	6,026	-	12	33%	1,989	3,689	4,037
ASUS Laptop	953	743	-	12	33%	245	455	498
<b>TOTAL COMPUTER EQUIPMENT</b>	<b>32,700</b>	<b>7,387</b>	<b>-</b>			<b>2,438</b>	<b>27,751</b>	<b>4,949</b>
<b>TOTAL FIXED ASSETS</b>	<b>86,075</b>	<b>30,754</b>	<b>-</b>			<b>4,775</b>	<b>60,096</b>	<b>25,979</b>

Pitcairn Islands Office  
 Budgets  
 For the Year Ended 31 March 2018

	2018 NZ\$
<b>INCOME</b>	
Stamp Sales	277,500
<b>TOTAL STAMP INCOME</b>	<b>277,500</b>
<b>COST OF SALES</b>	
Commission	25,000
Production of Stamps	120,000
<b>TOTAL COST OF SALES</b>	<b>145,000</b>
<b>GROSS PROFIT FROM STAMPS</b>	<b>132,500</b>
<b>OTHER TRADING INCOME</b>	
Passenger Fares	232,500
Landing Fees	90,000
Coin & Royalties	5,000
Phone Calls	47,480
Domain Name	70,000
Electricity	86,000
Freight Costs Recovered	40,000
Miscellaneous	31,500
<b>TOTAL OTHER TRADING INCOME</b>	<b>602,480</b>
<b>TOTAL TRADING INCOME</b>	<b>734,980</b>
<b>Budgetary Aid &amp; Grants</b>	
<b>TOTAL INCOME</b>	<b>734,980</b>
<b>LESS EXPENDITURE</b>	
Island Administration	100,070
Education	227,000
Medical	745,000
FCA/Community Development	344,517
Police Officer Expenses	228,000
Audit Fee	45,000
Miscellaneous	92,000
Legal Fees	295,500
Prison Costs	414,000
Administration Costs - Philatelic Operation	142,000
Administration Costs - PIO	500,850
Freight & Shipping	2,597,000
Finance Division	172,977
Telecommunications	301,000
Works & Marine	416,005
Agriculture	57,484
Electrical Generation	85,700
<b>TOTAL EXPENDITURE</b>	<b>6,764,103</b>
<b>NET PROFIT/(LOSS)</b>	<b>(6,029,123)</b>