



**PITCAIRN ISLANDS
OFFICE**

**SUMMARY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2014**

Pitcairn Islands Office

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Pitcairn Islands Office
Statement of Comprehensive Income
For the Year Ended 31 March 2014

	2014 NZD\$	2013 NZD\$
INCOME		
Stamp Sales	301,103	326,515
TOTAL STAMP INCOME	301,103	326,515
COST OF SALES		
Commission	32,465	28,606
Production of Stamps	125,629	159,515
TOTAL COST OF SALES	158,094	188,121
GROSS PROFIT FROM STAMPS	143,009	138,394
OTHER TRADING INCOME		
Dividends & Interest	13,831	16,327
Tourism	0	653
Passenger Fares	402,692	245,800
Licenses	35,482	35,460
Coin & Royalties	24,287	7,429
Rental On Government Properties	12,000	12,000
Phone Calls	133,765	93,138
Domain Name	93,787	67,473
Electricity	202,542	238,802
Freight Costs Recovered	133,922	227,227
Foreign Exchange Gain/(Loss)	(10,402)	537
Miscellaneous	22,447	20,838
TOTAL OTHER TRADING INCOME	1,064,353	965,684
TOTAL TRADING INCOME	1,207,362	1,104,078
Budgetary Aid & Grants	5,487,500	5,550,000
TOTAL INCOME	6,694,862	6,654,078
LESS EXPENDITURE		
Island Administration	112,250	71,759
Tourism	150,922	52,395
Loss On Disposal Of Property, Plant & Equipment	0	1,640
Education	183,490	214,719
Medical	1,072,437	872,904
Police	276,405	278,389
Audit Fee	71,315	72,154
Miscellaneous	230,892	240,037
Legal Fees	617,068	451,368
Administration Costs - Philatelic Operation	168,224	154,989
Administration Costs - Domain Registrations	21,605	0
Administration Costs - PIO	350,360	349,405
Freight & Shipping	2,675,113	2,591,859
Post Office / Other	29,592	35,169
Telecommunications	240,234	392,081
Works & Marine	365,223	488,868
Agriculture	42,482	28,526
Electrical Generation	76,356	76,560
DFID Funded Projects	0	(30,840)
Other Projects	3,474	0
TOTAL EXPENDITURE	6,687,442	6,341,982
NET PROFIT/(LOSS)	7,420	312,096

Pitcairn Islands Office
Balance Sheet
As At 31 March 2014

	2014 \$NZ	2013 \$NZ
ASSETS		
Current Assets		
Cash & Bank Balances	2,116,827	3,405,956
Trade Debtors	385,245	246,766
Co-Op Store	210,331	194,946
Total Current Assets	2,712,403	3,847,668
Non Current Assets		
Property, Plant & Equipment	9,170	11,641
First Home Loan Scheme	122,157	158,815
Total Non Current Assets	131,327	170,456
Total Tangible Assets	2,843,730	4,018,124
TOTAL ASSETS	2,843,730	4,018,124
EQUITY & LIABILITIES		
Equity		
Retained Surplus	1,328,467	1,321,047
Total Equity	1,328,467	1,321,047
Current Liabilities		
Trade Creditors	337,209	559,677
Home Loan Account	200,000	200,000
Pitcairn Reimbursements	(806)	308
DFID Funded Projects In Progress	53,863	45,735
EU Funded Projects In Progress	872,687	1,833,830
Stamp Prepayments	28,069	25,590
Holiday Pay Accrual	24,241	31,937
Total Current Liabilities	1,515,263	2,697,077
TOTAL LIABILITIES & EQUITY	2,843,730	4,018,124

Pitcairn Islands Office
Statement of Changes In Equity
As At 31 March 2014

	<u>2014</u> <u>SNZ</u>	<u>2013</u> <u>SNZ</u>
Equity at the start of the year	1,321,047	1,008,951
Net Surplus/(Deficit)	7,420	312,096
Equity at the end of the year	1,328,467	1,321,047

Pitcairn Islands Office
Statement of Accounting Policies
For the Year Ended 31 March 2014

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 2014

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 2014

	COST PRICE	BOOK VALUE 31/03/2013	ADDITIONS/ DISPOSALS	MTH	DEPN RATE	DEPN	ACCUM DEPN	BOOK VALUE 31/03/2014
	\$	\$	\$			\$	\$	\$
OFFICE EQUIPMENT								
Misc Office Equipment	15,624	3,179		12	10%	318	12,763	2,861
GDC Phone System	5,144	772		12	10%	514	4,886	257
Sofas x 2 - (Second Hand JAL)	969	460		12	10%	46	555	414
Water Cooler / Heater - (Second Hand)	618	293		12	10%	29	354	264
Paper Shredder	489	232		12	10%	23	280	209
Photocopier - (Second Hand)	3,825	1,814		12	10%	181	2,192	1,633
Painting	900	492		12	10%	49	458	442
Fridge - Elba RF249TCRW1	827	620		12	10%	62	269	558
TOTAL OFFICE EQUIPMENT	28,395	7,860	-			1,223	21,758	6,636
COMPUTER EQUIPMENT								
MYOB Software	778	-		12	33%	0	778	-
Misc Computer Equipment	4,626	-		12	33%	0	4,626	-
HP LaserJet 2100M Printer	1,892	-		12	33%	0	1,892	-
Pentium Intell III	2,706	-		12	33%	0	2,706	-
IBM Hard Disk Drive	349	-		12	33%	0	349	-
Toshiba Satellite Pro Notebook & Case	5,256	-		12	33%	0	5,256	-
Fujitsu Hard Disk Drive	306	-		12	33%	0	306	-
Computer Cabling	511	-		12	33%	0	511	-
Brother Fax Machine	1,118	-		12	33%	0	1,118	-
CD Writer for Computer Backups	340	-		12	33%	0	340	-
Epson Colour Printer	306	-		12	33%	0	306	-
Sony Laptop - VPCF115FGB	1,900	712		12	33%	235	1,423	477
Abus Desktop x 3	3,933	3,068		12	33%	1,012	1,878	2,055
TOTAL COMPUTER EQUIPMENT	24,021	3,781	-			1,248	21,488	2,534

Pitcairn Islands Office
 Budgets
 For the Year Ended 31 March 2014

	2014 NZ\$
INCOME	
Stamp Sales	365,000
TOTAL STAMP INCOME	365,000
COST OF SALES	
Commission	35,000
Production of Stamps	165,000
TOTAL COST OF SALES	200,000
GROSS PROFIT FROM STAMPS	165,000
OTHER TRADING INCOME	
Passenger Fares	220,000
Licenses	92,000
Coin & Royalties	15,000
Phone Calls	98,000
Domain Name	65,000
Electricity	244,000
Freight Costs Recovered	286,000
Foreign Exchange Gain/(Loss)	0
Miscellaneous	30,000
TOTAL OTHER TRADING INCOME	1,050,000
TOTAL TRADING INCOME	1,215,000
Budgetary Aid & Grants	5,270,900
TOTAL INCOME	6,485,900
LESS EXPENDITURE	
Island Administration	98,590
Education	216,000
Medical	509,000
FCA/Community Development	350,565
Police Officer Expenses	287,000
Audit Fee	70,000
Miscellaneous	315,934
Legal Fees	360,000
Administration Costs - Philatelic Operation	165,000
Administration Costs - PIO	364,000
Freight & Shipping	2,595,000
Finance Division	170,257
Telecommunications	245,000
Works & Marine	504,665
Agriculture	62,889
Electrical Generation	172,000
TOTAL EXPENDITURE	6,485,900
NET PROFIT/(LOSS)	0