



**PITCAIRN ISLANDS
OFFICE**

**SUMMARY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2012**

Pitcairn Islands Office

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Pitcairn Islands Office
Statement of Comprehensive Income
For the Year Ended 31 March 2012

	2012	2011
	<u>Actual</u>	<u>NZ\$</u>
INCOME		
Stamp Sales	363,378	359,056
TOTAL STAMP INCOME	363,378	359,056
COST OF SALES		
Commission	34,671	35,061
Production of Stamps	122,848	144,786
TOTAL COST OF SALES	157,519	179,847
GROSS PROFIT FROM STAMPS	205,859	179,209
OTHER TRADING INCOME		
Passenger Fares	227,000	201,500
Licenses	45,415	41,262
Coin & Royalties	25,351	13,026
Phone Calls	62,688	51,257
Domain Name	73,153	72,704
Electricity	221,548	197,200
Freight Costs Recovered	227,680	219,850
Foreign Exchange Gain/(Loss)	(13,588)	(8,955)
Miscellaneous	27,278	31,633
TOTAL OTHER TRADING INCOME	896,525	819,477
TOTAL TRADING INCOME	1,102,384	998,686
Budgetary Aid & Grants	4,971,650	5,493,660
TOTAL INCOME	6,074,034	6,492,346
LESS EXPENDITURE		
Island Administration	55,960	58,408
Writedown of Co-Op Store Stock	48,900	0
Education	217,084	168,187
Medical	942,940	803,917
Police	271,912	353,894
Audit Fee	71,869	32,707
Miscellaneous	135,987	140,662
Legal Fees	322,271	193,503
Administration Costs - Philatelic Operation	152,410	157,816
Administration Costs - PIO	329,775	380,118
Freight & Shipping	2,384,554	2,231,645
Post Office / Other	46,163	45,762
Telecommunications	430,629	216,204
Works & Marine	385,905	332,287
Agriculture	64,659	29,542
Electrical Generation	86,934	61,939
DFID Funded Projects	20,902	1,271,723
TOTAL EXPENDITURE	5,968,854	6,478,314
NET PROFIT/(LOSS)	105,180	14,032
	0	0

Pitcairn Islands Office
Balance Sheet
As At 31 March 2012

	2012	2011
	\$NZ	\$NZ
ASSETS		
Current Assets		
Cash & Bank Balances	2,983,473	861,618
Trade Debtors	223,424	208,608
Co-Op Store	175,642	186,720
Total Current Assets	3,382,539	1,256,946
Non Current Assets		
Property, Plant & Equipment	11,866	15,661
First Home Loan Scheme	178,986	238,047
Total Non Current Assets	190,852	253,708
Total Tangible Assets	3,573,391	1,510,654
TOTAL ASSETS	3,573,391	1,510,654
EQUITY & LIABILITIES		
Equity		
Retained Surplus	1,008,951	903,771
Total Equity	1,008,951	903,771
Current Liabilities		
Trade Creditors	171,739	156,802
Home Loan Account	200,000	200,000
Pitcairn Reimbursements	(2,103)	(413)
DFID Funded Projects In Progress	221,707	115,000
EU Funded Projects In Progress	1,911,574	68,232
Stamp Prepayments	27,591	24,970
Holiday Pay Accrual	33,932	42,292
Total Current Liabilities	2,564,440	606,883
TOTAL LIABILITIES & EQUITY	3,573,391	1,510,654

Pitcairn Islands Office
Statement of Changes In Equity
As At 31 March 2012

	2012	2011
	\$NZ	\$NZ
Equity at the start of the year	903,771	889,739
Net Surplus/(Deficit)	105,180	14,032
Equity at the end of the year	1,008,951	903,771

Pitcairn Islands Office
Statement of Accounting Policies
For the Year Ended 31 March 2012

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 2012

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 2012

	COST PRICE	BOOK VALUE 31/03/2011	ADDITIONS/ DISPOSALS	MTH	DEPN RATE	DEPN	ACCUM DEPN	BOOK VALUE 31/03/2012
	\$	\$	\$			\$	\$	\$
OFFICE EQUIPMENT								
Misc Office Equipment	15,624	3,925		12	10%	392	12,092	3,532
GDC Phone System	5,144	1,800		12	10%	514	3,858	1,286
Sofas x 2 - (Second Hand JAL)	969	567		12	10%	57	458	511
Water Cooler / Heater - (Second Hand)	618	362		12	10%	36	292	325
Paper Shredder	489	286		12	10%	29	231	258
Photocopier - (Second Hand)	3,825	2,240		12	10%	224	1,809	2,016
Painting	900	607		12	10%	61	354	546
Fridge - Elba RF249TCRW1	827	765		12	10%	76	139	688
TOTAL OFFICE EQUIPMENT	28,395	10,552	0			1,390	19,233	9,162
COMPUTER EQUIPMENT								
MYOB Software	778	0		12	33%	-	778	-
Misc Computer Equipment	4,626	0		12	33%	-	4,626	-
HP LaserJet 2100M Printer	1,892	0		12	33%	-	1,892	-
Pentium Intell III	2,706	0		12	33%	-	2,706	-
IBM Hard Disk Drive	349	0		12	33%	-	349	-
Toshiba Satellite Pro Notebook & Case	5,256	88		12	33%	88	5,256	-
Fujitsu Hard Disk Drive	306	0		12	33%	-	306	-
Computer Cabling	511	0		12	33%	-	511	-
Brother Fax Machine	1,118	0		12	33%	-	1,118	-
CD Writer for Computer Backups	340	0		12	33%	-	340	-
Epson Colour Printer	306	0		12	33%	-	306	-
Acer Desktop x 1	1,678	629		12	33%	208	1,256	421
Acer Desktop x 2	4,699	1,819		12	33%	600	3,480	1,219
Sony Laptop - VPCF115FGB	1,900	1,586		12	33%	524	837	1,063
TOTAL COMPUTER EQUIPMENT	26,465	5,109	0			1,419	23,761	2,704
TOTAL ASSETS	54,860	15,661	0			2,809	42,994	11,866

Pitcairn Islands Office
Budgets
For the Year Ended 31 March 2012

	2012 NZ\$
INCOME	
Stamp Sales	450,375
TOTAL STAMP INCOME	450,375
COST OF SALES	
Commission	35,000
Production of Stamps	125,000
TOTAL COST OF SALES	160,000
GROSS PROFIT FROM STAMPS	290,375
OTHER TRADING INCOME	
Passenger Fares	277,000
Licenses	81,600
Coin & Royalties	45,000
Phone Calls	50,350
Domain Name	66,727
Electricity	176,000
Freight Costs Recovered	337,500
Foreign Exchange Gain/(Loss)	(6,000)
Miscellaneous	7,000
TOTAL OTHER TRADING INCOME	1,035,177
TOTAL TRADING INCOME	1,325,552
Budgetary Aid & Grants	4,937,000
TOTAL INCOME	6,262,552
LESS EXPENDITURE	
Island Administration	76,392
Writedown of Co-Op Store Stock	0
Education	206,000
Medical	1,058,643
Police Officer Expenses	293,000
Audit Fee	50,000
Miscellaneous	135,578
Legal Fees	300,000
Administration Costs - Philatelic Operation	150,250
Administration Costs - PIO	390,000
Freight & Shipping	2,435,000
Finance Division	50,413
Telecommunications	522,550
Works & Marine	392,218
Agriculture	38,108
Electrical Generation	164,400
DFID Funded Projects	0
TOTAL EXPENDITURE	6,262,552
NET PROFIT/(LOSS)	0