

# Financial Statements

Pacific Immigration Development Community  
For the year ended 30 June 2018

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# Directory

## Pacific Immigration Development Community For the year ended 30 June 2018

### Nature of Business

The primary activity of Pacific Immigration Development Community (PIDC) is to work together with its members to build and enhance quality immigration and strengthen border management practices within the Pacific region.

### Address and Registered Office

PO Box 1881  
Level 3, DBS Building, Apia, Samoa

### Auditors

BDO  
Chartered Accountants  
Samoa

### Bankers

ANZ Bank Samoa Limited

# Report of the Board

## Pacific Immigration Development Community For the year ended 30 June 2018

The Board presents their report on Pacific Immigration Development Community at the end of, or during the financial year end 30 June 2018.

### Board Members

The following persons were members of the Board during the financial year and up to date of this report:

Ms. Nicola Hogg (Chairperson)

Mr. Damien Jacklick (Vice Chair)

Mr. Nemani Vuniwaqa (Vice Chair)

Mr. Solomon Kantha

Ms. Telesia Kaitapu

Mr. Ricky Falcam

Ms. Peniita Garisau

Mr. Anthony Seebach

Mr. Agafili Shem Leo

### Results

The net loss for the financial year 30 June 2018 was \$38,377.93 SAT.

### Matters subsequent to the end of the financial year

No matters or circumstances has arisen since 30 June 2018 that has significantly affected or may significantly affect:

- (a) the operations in future financial years, or
- (b) the results of those operations in the future financial years, or
- (c) the state of affairs in future financial years.

### Likely developments and expected results of operations

Information on likely developments and expected results of operations not been included in this report because the Board Members believe it would result in unreasonable prejudice to the Organisation.

This report is made in accordance with a resolution of the Board and signed:

Signed:



Date:

29 January 2019

Signed:



Date:

29 January 2019

# Statement of Income and Expenditure

## Pacific Immigration Development Community

For the year ended 30 June 2018

	NOTES	2018	2017
<b>Income</b>			
Donor contribution - Australia	4	1,217,235	932,574
Donor contribution - New Zealand Immigration	5	347,728	940,198
Donor contribution - New Zealand MFAT	6	734,166	-
Member contributions	7	99,180	85,233
Member contributions - prior years	8	4,693	15,386
Host country support	9	87,399	80,777
<b>Total Income</b>		<b>2,490,401</b>	<b>2,054,168</b>
<b>Expenses</b>			
Advertising		-	(2,457)
Bank fees & charges		(2,499)	(1,492)
Cleaning contracts		(2,554)	(2,663)
Communication costs		(25,341)	(15,344)
Consultant		(94,802)	(80,337)
Depreciation expense	14	(34,507)	(16,553)
Employee remuneration		(582,547)	(530,788)
Equipment leasing/rental		-	(1,200)
Event costs		(30,553)	(24,333)
Freight, courier & postage		(120)	(5,256)
ICT expense		(33,890)	(9,175)
Insurance		(34,296)	(32,354)
Interpreter services		(5,073)	(2,434)
Minor equip repairs & maintenance		(2,120)	-
Minor equipment & furniture		(10,356)	(35,183)
Minor software purchases		(3,753)	(7,440)
Other professional services		(65,073)	(24,260)
Office consumables		(4,958)	(50,401)
Property costs		(62,949)	(78,948)
Provision for doubtful accounts	13	-	(29,264)
Publishing and printing		(8,387)	(27,674)
Recruitment and repatriation expenses		(5,361)	(42,453)
Staff training course		(1,280)	(23,641)
Travel costs		(1,360,590)	(995,762)
Utilities		(24,335)	(17,623)
<b>Total Expenses</b>		<b>(2,395,343)</b>	<b>(2,057,033)</b>
<b>Surplus (Deficit)</b>		<b>95,058</b>	<b>(2,865)</b>
<b>Realised exchange currency</b>			
Realised currency (losses)/gains		(133,436)	2,865
<b>Net deficit</b>		<b>(38,378)</b>	<b>-</b>

See accompanying notes to the accounts.

# Statement of Financial Position

## Pacific Immigration Development Community

As at 30 June 2018

	NOTES	30 JUN 2018	30 JUN 2017
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	12	152,714	321,427
Receivables and prepayment	13	335,460	384,517
<b>Total Current Assets</b>		<b>488,174</b>	<b>705,944</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	14	136,866	169,106
<b>Total Non-Current Assets</b>		<b>136,866</b>	<b>169,106</b>
<b>Total Assets</b>		<b>625,040</b>	<b>875,050</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables and other liabilities	15	493,546	396,943
Deferred income	4	-	308,235
<b>Total Current Liabilities</b>		<b>493,546</b>	<b>705,178</b>
<b>Total Liabilities</b>		<b>493,546</b>	<b>705,178</b>
<b>Contributed equity</b>			
Members contribution fund	17	169,872	169,872
General fund		(38,378)	-
<b>Total Contributed equity</b>		<b>131,494</b>	<b>169,872</b>
<b>Total Liabilities and Equity</b>		<b>625,040</b>	<b>875,050</b>

See accompanying notes to the accounts.

# Statement of Changes in Equity

## Pacific Immigration Development Community For the year ended 30 June 2018

	NOTES	2018	2017
<b>Equity</b>			
Opening Balance		169,872	-
<b>Increases</b>			
Members contribution fund	17	-	169,872
<b>Total Increases</b>		-	169,872
<b>Decreases</b>			
Net loss for the period		38,378	-
<b>Total Decreases</b>		38,378	-
<b>Total Equity</b>		<b>131,494</b>	<b>169,872</b>

See accompanying notes to the accounts.

# Statement of Cash Flows

## Pacific Immigration Development Community For the year ended 30 June 2018

	NOTES	2018	2017
<b>Cash Flows from Operating Activities</b>			
Cash receipts from donors and members		2,250,191	1,962,733
Payments to suppliers and employees		(2,411,710)	(1,632,019)
<b>Total Cash Flows from Operating Activities</b>		<b>(161,519)</b>	<b>330,714</b>
<b>Cash Flows from Investing Activities</b>			
Payment for property, plant and equipment		(8,768)	(179,159)
<b>Total Cash Flows from Investing Activities</b>		<b>(8,768)</b>	<b>(179,159)</b>
<b>Cash Flows from Financing Activities</b>			
Subs in advance		1,574	-
Members contribution fund	17	-	169,872
<b>Total Cash Flows from Financing Activities</b>		<b>1,574</b>	<b>169,872</b>
<b>Net Cash Flows</b>		<b>(168,713)</b>	<b>321,427</b>
<b>Cash Balances</b>			
Opening cash balance	12	321,427	-
Closing cash balance	12	152,714	321,427
Movement in cash		(168,713)	321,427

See accompanying notes to the accounts.



# Notes to the Financial Statements

## Pacific Immigration Development Community For the year ended 30 June 2018

### 1. General

Pacific Immigration Development Community (Secretariat) (formerly known as Pacific Immigration Directors Conference) as incorporated in Samoa on 10th June, 2016 upon the signing of the Headquarters Agreement with the Government of Samoa which was subsequently received assent from the Head of State on 25th August, 2016. The Secretariat was formally established as a forum for immigration agencies from across the Pacific region. The organisation principal place of business is at Level 3, Development Bank of Samoa Building and its primary activity is to work together with its members to build and enhance quality immigration and strengthen border management practices within the Pacific region. These audited financial statements for the Secretariat are for the complete 12 months from 1st July 2017 to 30th June 2018.

### 2. Statement of significant accounting policies

The significant policies which have been adopted by the Secretariat in the preparation of these financial statements are:

#### Statement of compliance

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial instruments.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Secretariat management to exercise judgment in applying the Secretariat's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

#### Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial instruments.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Secretariat management to exercise judgment in applying the Secretariat's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

#### Changes in accounting policies

##### *New standards, interpretations and amendments effective from 1 January 2016*

The Secretariat has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2016:

- Annual improvements to IFRSs 2012 – 2014 Cycle.

The adoption of these Standards has not materially impacted the recognition, measurement and disclosure of transactions by the Secretariat.

##### *New standards, interpretations and amendments not yet effective*

The following new standards, interpretations and amendments, which are not yet effective and have not been adopted early in these financial statements, will or may have an effect on the Group's future financial statements:

- *IFRS 9 Financial instruments - replaces IAS 39: Financial Instruments: Recognition and Measurement. Under IFRS 9, classification and measurement of financial instruments to be in 2 main categories - amortised cost and fair value (through other comprehensive income or through profit and loss). Held to maturity and Available for sale categories are to be eliminated. A significant change is in the impairment of financial assets from an 'incurred loss' model under IAS 39 to an 'expected loss' model under IFRS 9 which is a more 'forward' looking model. No significant change for classification and measurement of financial liabilities from IAS 39.*

- *IFRS 15 Revenue from Contracts with Customers - replaces IAS 18: Revenue and IAS 11: Construction Contracts as well as related Interpretations. A single revenue recognition framework is established under IFRS 15 where an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.*

- *IFRS 16 Leases - replaces IAS 17: Leases and related interpretations. The major change is a single model which eliminates the distinction between operating and finance leases, and results in the statement of financial performance reflecting a 'right of use' asset and a corresponding liability for most lease contracts.*

*The amendments aim to improve disclosures about an entity's debt by enabling users to evaluate changes in liabilities arising for financing activities, including both changes arising from cash flows and non-cash changes. The disclosure enhancements suggested would be to provide a reconciliation of the opening and closing carrying amounts for each item for which cash flows have been or would be classified as financial activities.*-IAS7 Statement of Cash Flows (Disclosure Initiative Amendments)

- The effects of the above standards are still being assessed as they may or may not have a significant effect on the Secretariat's future financial statements.

## **Income**

Income primarily comprises the fair value of the member contributions and donor funds received or receivable.

### **Member contributions**

Member's contributions are recognized as a receivable only if there is objective evidence that the contribution for the current period will be received. Otherwise, Member's contributions are only recognized when they are received on a cash basis.

### **Donor or Programme Funds**

Donor funds received are initially recorded as part of donor fund liability in the statement of financial position. Donor are not recognized as income until there is reasonable assurance that the Secretariat will comply with the conditions attaching to them i.e.: the incurrence of expenditure towards the performance of agreed outputs and activities.

Where there are no conditions attaching to the donor funding then income is recognized in the period that the cash is received from the Donor

Donor funds that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Secretariat with no future related costs are recognized in the income statement in the period in which they become receivable.

## **Foreign currency translation**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Foreign exchange gains and losses that related to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in in profit or loss within 'other income or expenses' at a net amount.

## **Financial assets**

The organisation classifies its financial assets in the loans and receivables category. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are classified as receivables, cash at bank and on hand and term deposits in the current assets section of the balance sheet. The directors assess, at each reporting date, whether there is objective evidence that a financial asset or group of financial assets is impaired.

### Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGU's). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### Cash and cash equivalents

Cash and cash equivalents includes cash on hand, term deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are disclosed as a current liability in the statement of financial position.

### Receivables and other receivables

Most income are made on the basis of normal credit terms and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

### Property and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates or estimated useful lives are used for the depreciation of property, plant and equipment:

Motor vehicles	4 years - 25%
Office Furniture	10 years - 10%
Office equipment	5 years - 20%
Leasehold Improvement	3 years - 33.33%

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

### Payables

Payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in a foreign currency are translated into Samoan Tala using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

### Taxation

Under the Agreement between the Government of Samoa and PIDC Secretariat ("Headquarters Agreement") signed on 10th June 2016 the Secretariat is exempt from taxes.

### Employee benefit obligations

The Secretariat contributes towards the Samoa National Provident Fund, a defined contribution plan in accordance with local legislation and to which it has no commitment beyond the payment of contributions. Obligations for contributions to the defined contribution plan are recognised immediately in profit or loss.

Liabilities for annual leave are accrued and recognised in the statement of financial position. Annual leave provisions are recorded at the undiscounted amount if expected to be settled within twelve months.

## Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Organisation. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of the Secretariat at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

## Reserves

General fund reserves represents the sum total of the accumulated results arising from core activities during the year and are available for use based on the policies contained in the Financial Regulations for the Secretariat.

## 3. Critical accounting estimates and judgments

The Secretariat makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. As at year end the Secretariat has no significant critical estimates or judgments.

	2018	2017
<b>4. Donor contribution - Australia</b>		
Contributions received	1,217,235	1,240,809
Less deferred income	-	(308,235)
<b>Total Donor contribution - Australia</b>	<b>1,217,235</b>	<b>932,574</b>

The terms of the funding agreement between the Australian Department of Immigration and Border Protection (DIBP) and PIDC state that any unused funds at the end of period or at the end of the funding cycle are to be returned. The funding agreement with Australia is for a three (3) year cycle that commenced on 12/08/2016 and finishes on 30/06/2019. The total funding over the three (3) year cycle is \$2,955,00 WST or \$1,480,548.53 AUD

	2018	2017
<b>5. Donor contribution - New Zealand Immigration</b>		
Cash component	316,201	912,669
In kind component	31,527	27,529
<b>Total Donor contribution - New Zealand Immigration</b>	<b>347,728</b>	<b>940,198</b>

The terms of the funding agreement signed between New Zealand (Immigration Services) and PIDC on 25 August 2017 include a \$20,000 New Zealand dollar in-kind contribution. The New Zealand government confirmed that as of 12 July 2018 only WS\$31,527.12 tala (NZ\$18,384.98 dollars) was utilised as in-kind contributed with a remaining contribution yet to received of WS\$316,200.53 (NZ\$180,000 dollars) as of 30 June 2018.

	2018	2017
<b>6. Donor contribution - New Zealand MFAT</b>		
Contributions received	734,166	-
<b>Total Donor contribution - New Zealand MFAT</b>	<b>734,166</b>	<b>-</b>

The terms of the grant funding agreement signed between Ministry of Foreign Affairs and Trade of New Zealand and PIDC on 6th October 2017 the arrangement date, funding finishes on 30 June 2018 and contract ends at 30 September 2018. The total funding is up to the maximum amount of NZD\$400,000 equivalent to WST \$734,146 tala in which the full fund received during the financial year. The terms of the grant funding agreement state that MFAT reserves its right to claim back any overpayments of funding to PIDC through a set-off against any other amount that MFAT owes PIDC under any other arrangement or contract or to withhold payment of the equivalent amount. If there is any amount owed by MFAT, then PIDC will refund to MFAT the amount paid in excess within 10 business days of MFAT's request for a refund.

	2018	2017
<b>7. Member contributions</b>		
Cook Islands	6,960	6,957
Federated States of Micronesia	3,480	3,478
Fiji	6,960	6,957
French Polynesia	8,700	8,696
Kiribati	5,220	5,217
Marshall Islands	5,220	5,217
Nauru	3,480	3,478
New Caledonia et Wallis et Futuna	12,180	12,174
Niue	3,480	3,478
Palau	3,480	3,478
Papua New Guinea	8,700	-
Samoa	8,700	8,696
Solomon Islands	6,960	-
Tonga	5,220	6,957
Tuvalu	3,480	3,478
Vanuatu	6,960	6,957
Voluntary contribution	-	15
<b>Total Member contributions</b>	<b>99,180</b>	<b>85,233</b>

PIDC members contribution is based on 4 Tier levels. At each Regular Annual Meeting, the Members agree and set membership contribution rates at each Tier levels. The rates for the Tier level for the year ended 30 June 2018 are summarized below.

Tier Levels	NZD	WST
1	5,000	8,700
2	4,000	6,960
3	3,000	5,220
4	2,000	3,480

	2018	2017
<b>8. Members contribution - prior year</b>		
Immigration Department Kiribati	4,693	-
Nauru	-	3,454
Tonga	-	5,136
Vanuatu	-	6,797
<b>Total Members contribution - prior year</b>	<b>4,693</b>	<b>15,386</b>

The membership contribution was received from Immigration New Zealand (INZ) who held the contribution for Kiribati prior to PIDC relocating to Samoa. Members contribution for the 2015/2016 subscription year were received and recorded as 2017/2018 subscription for financial year and therefore the Secretariat has disclosed these contributions as prior year contributions which are separated from the current years subscriptions.

	2018	2017
<b>9. Host country support</b>		
Host country support	87,399	80,777
<b>Total Host country support</b>	<b>87,399</b>	<b>80,777</b>

Under Article IV of the Agreement between the Government of Samoa and PIDC signed on 10th June 2016, the Secretariat will enjoy a three year rent free period at their current premises and includes payments for utilities. The amount for the Host Country support per the above is for the year to 30 June 2018 and include both rental and utility costs. They have been recognised in the financial statements on the basis of in-kind support.

	2018	2017
<b>10. Key management remuneration</b>		
Key management remuneration and benefits	532,856	420,424
Employer contributions	38,750	34,011
<b>Total Key management remuneration</b>	<b>571,606</b>	<b>454,435</b>

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Secretariat. They include the Head and Deputy Head of Secretariat and the Office Manager. Total number of equivalent full time employees for the year ended June 30, 2018 was 5.

	2018	2017
<b>11. Expenses by result management framework output</b>		
Center for advice, research, information-sharing and analysis on relevant immigration issues	755,329	119,725
A regional co-ordination point for immigration liaison, advocacy/representation and agenda setting	264,267	59,110
Programme of immigration capacity building	260,959	312,619
Internal governance and running functioning organisation, including secretariat, board and RAM	310,413	567,174
Secretariat operational expense	937,811	995,540
<b>Total Expenses by result management framework output</b>	<b>2,528,779</b>	<b>2,054,168</b>

	2018	2017
<b>12. Cash and cash equivalents</b>		
PIDC - Current Account	152,714	321,427
<b>Total Cash and cash equivalents</b>	<b>152,714</b>	<b>321,427</b>

	2018	2017
<b>13. Receivables and prepayments</b>		
Accounts Receivable	357,538	408,106
Less: Provision for doubtful debts	(29,264)	(29,264)
Add: Prepayments	7,186	5,674
<b>Total Receivables and prepayments</b>	<b>335,460</b>	<b>384,517</b>

	2018	2017
<b>Ageing for account receivables</b>		
Current and 30 days	21,891	378,843
> 180 days	335,647	29,264
<b>Total Ageing for account receivables</b>	<b>357,538</b>	<b>408,106</b>

	2018	2017
<b>14. Property, plant and equipment</b>		
<b>Office furniture and equipment</b>		
Office furniture and equipment at cost	76,520	74,252
Accumulated depreciation on office furniture and equipment	(15,838)	(3,612)
<b>Total Office furniture and equipment</b>	<b>60,682</b>	<b>70,641</b>
<b>Leasehold improvements</b>		
Leasehold improvements	111,407	111,407
Accumulated depreciation on Leasehold improvements	(35,223)	(12,942)
<b>Total Leasehold improvements</b>	<b>76,184</b>	<b>98,465</b>
<b>Total Property, plant and equipment</b>	<b>136,866</b>	<b>169,106</b>

#### Reconciliation of property plant and equipment

<b>Reconciliation by class</b>		
<b>Office furniture and equipment</b>		
Opening net book value	70,641	-
Additions	2,268	74,252
Depreciation charge	(12,227)	(3,612)
Closing net book value	60,682	70,641
<b>Leasehold improvements</b>		
Opening net book value	98,465	-
Additions	-	111,407
Depreciation charge	(22,281)	(12,942)
Closing net book value	76,184	98,465
<b>Total Reconciliation by class</b>	<b>136,866</b>	<b>169,106</b>

#### Depreciation expense recognized in Comprehensive Income

Depreciation expense - office furniture and equipment	12,226	3,612
Depreciation expense - leasehold improvements	22,281	12,942
<b>Total depreciation expenses</b>	<b>34,507</b>	<b>16,553</b>

#### 15. Payables and other liabilities

Payables and accruals	450,068	365,216
Provision for annual leaves	41,904	31,727
Subscriptions received in advance	1,574	-
<b>Total Payables and other liabilities</b>	<b>493,546</b>	<b>396,943</b>

	2018	2017
<b>Ageing for account payables</b>		
Current and 30 days	391,298	179,822
60 - 90 days	2,917	403
> 180 days	12,012	-
<b>Total Ageing for account payables</b>	<b>406,227</b>	<b>180,225</b>

	2018	2017
<b>16. Provision for annual leaves</b>		
Opening balance	31,727	-
Reversals	(19,155)	-
Payments	-	-
Additional	29,332	31,727
<b>Ending balance</b>	<b>41,904</b>	<b>31,727</b>

<b>17. Members contribution fund</b>		
Members contribution fund	169,872	169,872
<b>Total Members contribution fund</b>	<b>169,872</b>	<b>169,872</b>

Members contribution fund is initial funding for the newly incorporated Secretariat on establishment in Samoa. The funding represents remaining funds from the previous administration in Fiji that was held on PIDC's behalf by Immigration New Zealand.

#### 18. Leasing commitments for the Secretariat

Under Article IV of the Agreement between the Government of Samoa and PIDC Secretariat ("Headquarters Agreement") signed on 10th June 2016, the Secretariat will enjoy a three year rent free period at their current premises, after which (i.e.: the 3 year period) it will be responsible for the payment of their own rent. Should the Secretariat decide to be relocated elsewhere before the expiration of the 3 year period then they will be responsible for meeting their own office leasing costs.

#### 19. Financial risk management objectives and policies

Risk is inherent on the Secretariat's activities but it is managed thorough a process of ongoing identification, measurement and monitoring subject to risk limit and other controls. This process of risk management is critical to the Secretariat's stability and each individual within the Secretariat is accountable for the risk exposures relating to his or her responsibilities.

The Secretariat's activities expose it to a variety of financial risks: foreign exchange risk, credit risk and liquidity risk.

##### i) Foreign exchange risk

The Secretariat operates internationally and is exposed to the foreign exchange risk arising from various currency exposures, primarily with respect to the Australian dollar, New Zealand dollar and the SDR (special drawing rights), and Samoan tala. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities which are denominated in foreign currency. The Secretariat does not hedge its foreign currency exposure.

##### ii) Credit risk

Receivables balances are monitored on an ongoing basis with the result that the Secretariat's exposure to bad debts is actively managed. Credit risk is managed by a risk committee with board oversight. Credit risk arises from cash equivalents, as well as credit exposures including outstanding receivables.

##### iii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet present obligations. Management monitors rolling forecasts of the Secretariat's liquidity reserve, comprising of cash and cash equivalents on the basis of expected cash flow.



## **20. Contingency and commitments**

There are no capital commitments or contingencies as at 30 June 2018.

## **21. Events after the end of the reporting period**

There have been no other significant events occurring after the balance sheet date that may affect either the Secretariat's operations or results of those operations or the Secretariat's state of affairs.

## **22. Approval of financial statements**

These financial statements were approved by the Board of Members and authorised for issue on the date the accounts were signed by the Board.

# Board Members Declaration

## Pacific Immigration Development Community For the year ended 30 June 2018

As stated in Note 2 to the financial statements, in the Boards opinion, this financial statements has been prepared to meet the IFRS requirements.

The financial statements has been prepared in accordance with accounting standards and mandatory professional reporting requirements to the extent described in note 2.

In the Board's opinion:

(a) the financial statement and notes set out in the preceding pages are in accordance with the standards, including:

(i) complying with International Financial Reporting Standards,; and

(ii) giving a true and a fair view of the Secretariat's financial position as at 30 June 2018 and of its performance for the year ended on that date; and

(b) there are reasonable grounds to believe that the Secretariat will be able to pay its debts as and when they become due and payable.

Signed:

Date:

29 January 2019

Signed:

Date:

29 January 2019

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Pacific Immigration Development Community

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Pacific Immigration Development Community (the Secretariat), which comprise:

- the statement of financial position as at June 30, 2018;
- the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year ended 30 June 2018; and
- notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of Pacific Immigration Development Community (the Secretariat), as at June 30, 2018, and (of) its financial performance and its cash flows for the year ended 30 June 2018 in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of Pacific Immigration Development Community (the Secretariat), in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Samoa, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The directors are responsible for the other information. The other information comprises the information included in the director's report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Secretariat's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Secretariat or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Secretariat's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Secretariat's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Secretariat's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Secretariat to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**Auditor's Responsibilities for the Audit of the Financial Statements - continued**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in blue ink that reads 'BDO'.

**BDO**  
**CHARTERED ACCOUNTANTS**

A handwritten signature in blue ink that appears to read 'Ernest Betham'.

**Ernest Betham**  
**Engagement Partner**

Samoa  
29<sup>th</sup> January 2019