

# **Financial Statements**

Pacific Immigration Development Community  
For the year ended 30 June 2021

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# Directory

## Pacific Immigration Development Community For the year ended 30 June 2021

### Nature of Business

The primary activities 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

### Auditor

BDO  
Chartered Accountants  
Samoa

### Banker

ANZ Bank Samoa Limited

# Report of the Board

## Pacific Immigration Development Community For the year ended 30 June 2021

The Board presents their report on Pacific Immigration Development Community at the end of, or during the financial year end 30 June 2021.

### Board Members

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

Kairangi Samuela (Chairperson)

Amelia Kotobalavu Komaisavai (Vice Chair)

Leilani Saitala (Vice Chair)

Agafili Shem Leo (Samoa)

Rebecca White (NZ)

Emily Dowling (AUS)

Jeffrey Markson (Vanuatu)

Telesia Kaitapu (Tonga)

Uering Iteraera (Kiribati)

David Wolphagen (FSM)

### Results

The net surplus for the financial year 30 June 2021 is **\$694,595 SAT**. (net surplus 2020: **\$325,831 SAT**)

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

The Secretariat has conducted an assessment on the impact of COVID-19 on the business and has determined that it will not be significantly impacted at this time. The majority of the revenues are paid in advance and the Secretariat continues to monitor and ensure that critical data supply channels have effective adequate redundancy measures.

However, the full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Secretariat's financial condition, liquidity, and future results of operations. Management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Secretariat is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the 2022 financial year.

No other matters or circumstances have arisen since 30 June 2021 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 have not been included in this report because the Board Members believe it would result in unreasonable prejudice to the Secretariat.

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

Name:

Name:

Signed:

Signed:

Date:

Date:

# Statement of Income and Expenditure

## Pacific Immigration Development Community

For the year ended 30 June 2021

|  | NOTES | 2021               | 2020               |
|--|-------|--------------------|--------------------|
| <b>Income</b>                                |       |                    |                    |
| Donor contribution - Australia               | 5     | 971,654            | 873,794            |
| Donor contribution - New Zealand Immigration | 6     | 311,445            | 305,551            |
| Donor contribution - New Zealand MFAT        | 7     | 706,714            | 665,903            |
| Host country support                         | 8     | 82,822             | 86,122             |
| Member contributions                         | 9     | 110,853            | 106,433            |
| Deferred income - COVID-19                   | 15    | 391,865            | -                  |
| Other income                                 |       | -                  | 1,123              |
| <b>Total Income</b>                          |       | <b>2,575,353</b>   | <b>2,038,926</b>   |
| <b>Expenses</b>                              |       |                    |                    |
| Bank fees and charges                        |       | (2,061)            | (2,399)            |
| Cleaning contracts                           |       | (2,880)            | (1,708)            |
| Communication costs                          |       | (37,487)           | (27,620)           |
| Consultant                                   |       | (230,259)          | (109,038)          |
| Depreciation expense                         | 13    | (50,203)           | (37,584)           |
| Employee remuneration                        |       | (791,610)          | (570,838)          |
| Equipment leasing/rental                     |       | -                  | (8,100)            |
| Event costs                                  |       | (17,173)           | (30,620)           |
| General expenses                             | 10    | (150)              | (1,511)            |
| ICT expense                                  |       | (9,344)            | (11,316)           |
| Insurance                                    |       | (21,330)           | (13,414)           |
| Member USP sponsoring fees                   |       | (105,057)          | (56,369)           |
| Minor equipment and furniture                |       | (160)              | (10,660)           |
| Office consumables                           |       | (19,817)           | (24,579)           |
| Other professional services                  |       | (22,778)           | (158,454)          |
| Property costs                               |       | (66,389)           | (65,829)           |
| Publishing and printing                      |       | (3,887)            | (4,699)            |
| Recruitment and repatriation expenses        |       | (14,305)           | (28,090)           |
| Regional support expenses-COVID19            |       | (391,865)          | -                  |
| Staff training course                        |       | (1,636)            | -                  |
| Travel costs                                 |       | (1,610)            | (389,796)          |
| Utilities                                    |       | (19,157)           | (23,058)           |
| <b>Total Expenses</b>                        |       | <b>(1,809,159)</b> | <b>(1,575,683)</b> |
| <b>Surplus</b>                               |       | <b>766,194</b>     | <b>463,242</b>     |
| <b>Realised exchange currency</b>            |       |                    |                    |
| Realised currency (losses)/gains             |       | (71,599)           | (137,411)          |
| <b>Net Surplus</b>                           |       | <b>694,595</b>     | <b>325,831</b>     |

# Statement of Financial Position

## Pacific Immigration Development Community

As at 30 June 2021

|                                     | NOTES | 30 JUN 2021      | 30 JUN 2020      |
|-------------------------------------|-------|------------------|------------------|
| <b>Assets</b>                       |       |                  |                  |
| <b>Current Assets</b>               |       |                  |                  |
| Cash at bank                        | 11    | 1,790,647        | 1,521,281        |
| Receivables and prepayment          | 12    | 83,716           | 741,662          |
| <b>Total Current Assets</b>         |       | <b>1,874,363</b> | <b>2,262,943</b> |
| <b>Non-Current Assets</b>           |       |                  |                  |
| Property and equipment              | 13    | 84,609           | 93,445           |
| <b>Total Non-Current Assets</b>     |       | <b>84,609</b>    | <b>93,445</b>    |
| <b>Total Assets</b>                 |       | <b>1,958,972</b> | <b>2,356,388</b> |
| <b>Liabilities and Equity</b>       |       |                  |                  |
| <b>Liabilities</b>                  |       |                  |                  |
| <b>Current Liabilities</b>          |       |                  |                  |
| Payables and other liabilities      | 14    | 158,473          | 151,905          |
| Deferred income liability           | 15    | 553,672          | 1,652,251        |
| <b>Total Current Liabilities</b>    |       | <b>712,145</b>   | <b>1,804,156</b> |
| <b>Total Liabilities</b>            |       | <b>712,145</b>   | <b>1,804,156</b> |
| <b>Contributed equity</b>           |       |                  |                  |
| Members contribution fund           | 16    | 169,872          | 169,872          |
| General fund                        |       | 1,076,955        | 382,360          |
| <b>Total Contributed equity</b>     |       | <b>1,246,827</b> | <b>552,232</b>   |
| <b>Total Liabilities and Equity</b> |       | <b>1,958,972</b> | <b>2,356,388</b> |

# Statement of Changes in Equity

## Pacific Immigration Development Community

For the year ended 30 June 2021

|                            | 2021             | 2020           |
|----------------------------|------------------|----------------|
| <b>Equity</b>              |                  |                |
| Opening Balance            | 552,232          | 226,401        |
| <b>Increases</b>           |                  |                |
| Net surplus for the period | 694,595          | 325,831        |
| <b>Total Increases</b>     | <b>694,595</b>   | <b>325,831</b> |
| <b>Total Equity</b>        | <b>1,246,827</b> | <b>552,232</b> |

# Statement of Cash Flows

## Pacific Immigration Development Community For the year ended 30 June 2021

|   | NOTES | 2021            | 2020             |
|---|-------|-----------------|------------------|
| <b>Cash Flows from Operating Activities</b>       |       |                 |                  |
| Cash receipts from donors and members             |       | 3,238,367       | 1,329,146        |
| Payments to suppliers and employees               |       | (2,612,220)     | (183,645)        |
| Cash receipts from other operating activities     |       | -               | 43               |
| Cash payments from other operating activities     |       | (294,027)       | -                |
| <b>Total Cash Flows from Operating Activities</b> |       | <b>332,120</b>  | <b>1,145,544</b> |
| <b>Cash Flows from Investing Activities</b>       |       |                 |                  |
| Payment for property, plant and equipment         |       | (56,004)        | -                |
| <b>Total Cash Flows from Investing Activities</b> |       | <b>(56,004)</b> | <b>-</b>         |
| <b>Cash Flows from Financing Activities</b>       |       |                 |                  |
| Subs in advance                                   |       | (6,750)         | -                |
| <b>Total Cash Flows from Financing Activities</b> |       | <b>(6,750)</b>  | <b>-</b>         |
| <b>Net Cash Flows</b>                             |       | <b>269,366</b>  | <b>1,145,544</b> |
| <b>Cash Balances</b>                              |       |                 |                  |
| Opening cash balance                              | 11    | 1,521,281       | 375,737          |
| Closing cash balance                              | 11    | 1,790,647       | 1,521,281        |
| Movement in cash                                  |       | 269,366         | 1,145,544        |

# Notes to the Financial Statements

## Pacific Immigration Development Community For the year ended 30 June 2021

### 1. General

Pacific Immigration Development Community (Secretariat) (formerly known as Pacific Immigration Directors Conference) was incorporated in Samoa on the 10th of June, 2016 upon the signing of the Headquarters Agreement with the Government of Samoa, which 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 Secretariat's 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 2020 to 30th June 2021.

### 2. Statement of compliance with IFRS and going concern assumption

The financial statements of the Secretariat have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). They have been prepared under the assumption that the Secretariat operates on a going concern basis.

#### ***New Standards at 1st January 2020***

New standards that have been adopted in the annual financial statements for the year ended 30 June 2021, but have not had a significant effect on the Secretariat are;

#### COVID-19-Related Rent Concessions (Amendments to IFRS 16)

Effective 1 June 2020, IFRS 16 was amended to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic and satisfy the following criteria:

- (a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) The reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- (c) There is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with the practical expedient, which means the lessee does not assess whether the rent concession meets the definition of a lease modification. Lessees apply other requirements in IFRS 16 in accounting for the concession.

#### IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Disclosure Initiative - Definition of Material)

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022. However, in May 2020, the effective date was deferred to annual reporting periods beginning on or after 1 January 2023.

The Secretariat does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Secretariat.

### 3. Statement of significant accounting policies

The financial statements are prepared on an accrual basis and under the historical cost convention. Historical cost is based on the fair values of the consideration given in exchange for assets.

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent asset and liability at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgements made by management in the application of IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the future periods are disclosed, where applicable, in the relevant notes to the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

### **3.1 Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the secretariat operates (the "functional currency") which is the Samoan Tala (WST). The Secretariat operates in Samoa and therefore the financial statements are presented in Samoan Tala which the Secretariat's functional and presentation currency.

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 transactions at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the profit or loss. Monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transactions.

Foreign exchange gains and losses that related to borrowings and cash equivalents are presented in profit or loss together with all other foreign exchange gains and losses and are presented in profit or loss at a net amount.

### **3.2 Accounting for contributions**

#### *Revenue recognition*

Contributions and grants from donors, including unconditional promise for the use of the contributions, are recognized as revenue at the earlier of when there is reasonable assurance that the contributions will be received or such contributions are received. Contributions, including conditional promise to support specified projects or activities mutually agreed upon by the Secretariat and the contributor, are fully recognized as revenue at the earlier of when there is reasonable assurance that the contributions will be received, or such contributions are received unless there is doubt that the Secretariat will not be able to use the contributions for their intended purposes, in which case the revenue is recognized only to the extent of the expenditures incurred during the year.

#### *Contributions receivable*

The Secretariat recognizes contributions receivable where there is reasonable assurance that the contributions will be received but the cash has not been received. Contributions receivable are stated at their cost net of a provision for uncollectible contributions.

#### *Deferred contribution revenue*

The Secretariat recognizes deferred contribution revenue where there is a doubt that the Secretariat will be able to use the contributions for intended purposes and any unused portion of the contribution received will need to be refunded to the contributor. The revenue recognition for such contributions is deferred to future periods in order to match the underlying related expenses. The revenue is realized in the statement of Income and Expenditure on a systematic basis in the period during which the underlying related expenses are incurred.

### **3.3 Financial instruments**

#### **Financial assets**

### *Recognition and derecognition*

Financial assets and financial liabilities are recognised when the Secretariat becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

### *Classification and initial measurement of financial assets*

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value, adjusted for transaction costs (where applicable). Financial assets are classified into the amortised cost category. The classification depends on the Secretariat's business model for managing the financial assets and the contractual terms of the cash flows.

At initial recognition, the Secretariat measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset or the issuance of the financial liabilities. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Income and Expenditure.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Secretariat's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

### *Impairment*

The Secretariat assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Secretariat applies the simplified approach, which requires expected lifetime losses to be recognised from the initial recognition of the receivables.

## **Financial liabilities**

### *Classification and measurement*

The Secretariat's financial liabilities include borrowings, trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest method. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in Income and Expenditure are included within finance costs or finance income.

### **3.4 Finance income and finance costs**

Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable.

### **3.5 Taxation**

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

### **3.6 Cash balances**

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.

### **3.7 Receivables and other receivables**

All receivable balances are valued at their net realizable value, that is, the gross amount of receivable minus, if applicable, allowances provided for doubtful debts. Any receivable or portion of receivable judged to be uncollectable is written off. Write-offs of receivables are done via allowances for doubtful accounts after all efforts to collect have been exhausted.

### 3.8 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.

### 3.9 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.

### 3.10 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 Statement of Income and Expenditure.

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.

### 3.11 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 Secretariat.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Secretariat has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16.

The Secretariat has elected to apply the optional exemptions to not recognise right-of-use assets but to account for the lease expense for the office space.

Under Article IV of the Agreement between the Government of Samoa and the Secretariat (“Headquarters Agreement”) signed on 10 June 2016, the Secretariat will enjoy a three-year rent-free period at their current premises. The Government of Samoa has advised Pacific Immigration Development Community Members and the Secretariat that as part of its ongoing support to the Secretariat, it will continue to pay for rent and utilities in perpetuity while the Secretariat remains in Samoa.

### 3.12 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.

## 4. 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.

|   | 2021           | 2020           |
|---|----------------|----------------|
| <b>5. Donor contribution - Australia</b>    |                |                |
| Contributions received                      | 971,654        | 1,819,331      |
| Less deferred income                        | -              | (945,537)      |
| <b>Total Donor contribution - Australia</b> | <b>971,654</b> | <b>873,794</b> |

The terms of the funding agreement between Australian Department of Home Affairs and the Secretariat commenced on 1 August 2019 and finishes on 30 June 2022. The total funding over the three (3) year cycle is AUD \$1,500,000 or WST\$2,686,350, i.e. (AUD\$500,000 per year). The three-year funding agreement provides the Secretariat with appropriate funding for it to operate and achieve its objectives.

A variation to the agreement mentioned above was made on 10 June 2020 to include the Supplementary Covid Relief Funding of AUD\$500,000 or WST\$971,654 received on 4 June 2020. The amount is to be expenses over two financial years ending 30 June 2022 by the Secretariat.

|   | 2021           | 2020           |
|---|----------------|----------------|
| <b>6. Donor contribution - New Zealand Immigration</b>    |                |                |
| Cash component  | 311,445        | 305,551        |
| <b>Total Donor contribution - New Zealand Immigration</b> | <b>311,445</b> | <b>305,551</b> |
| In-kind component   | 36,812         | 35,959         |

The terms of the funding agreement between New Zealand (Ministry of Business, Innovation and employment) and the Secretariat commenced on 25 June 2019 and was completed on 30 June 2021. The total amount of funding was NZD\$180,000 in cash and NZD\$20,000 in kind (WST\$36,812) was utilised as at 30 June 2021.

The Secretariat and New Zealand Immigration have signed a three-year multi funding agreement on 4 September 2020 for NZD\$540,000 in cash and NZD\$60,000 in kind funding until 30 June 2023.

|  | 2021           | 2020           |
|--|----------------|----------------|
| <b>7. Donor contribution - New Zealand MFAT</b>    |                |                |
| Donor contribution - NZ MFAT                       | 706,714        | 1,372,617      |
| Less deferred income                               | -              | (706,714)      |
| <b>Total Donor contribution - New Zealand MFAT</b> | <b>706,714</b> | <b>665,903</b> |

The terms of the funding agreement was signed between Ministry of Foreign Affairs and Trade of New Zealand (MFAT) and the Secretariat on 27 February 2019 (the arrangement date) and completed on 30 June 2021. The reporting of the funding is due on 30 September 2021. The total funding is up to the maximum amount of NZD\$1,200,000 over the three-year funding agreement (NZD\$400,000 per annum). The funding was fully receipted in prior year (30 June 2020) and has been fully utilised/expenses and recognised as income in the current financial year.

The terms of the grant funding agreement state that MFAT reserves its right to claim back any over-payments of funding to the Secretariat through a set-off against any other amount that MFAT owes the Secretariat under any other arrangement or contract, or to withhold payment of the equivalent amount. If there is any amount owed by MFAT, then the Secretariat will refund to MFAT the amount paid in excess within 10 business days of MFAT's request for a refund.

The Secretariat and New Zealand Ministry of Foreign Affairs Trade (MFAT) have signed a three-year multi funding agreement on 4 October 2021 for a term of three years finishing on 30 October 2024 for NZD\$1,200,000 i.e. (NZD\$400,000 per year). The term and conditions of the funding agreement remain same as the previous funding agreement.

|                                   | 2021          | 2020          |
|-----------------------------------|---------------|---------------|
| <b>8. Host country support</b>    |               |               |
| Utilities                         | 19,757        | 23,058        |
| Rent                              | 63,064        | 63,064        |
| <b>Total Host country support</b> | <b>82,822</b> | <b>86,122</b> |

### Leasing commitments for the Secretariat

Under Article IV of the Agreement between the Government of Samoa and the Secretariat (“Headquarters Agreement”) signed on 10 June 2016, the Secretariat will enjoy a three year rent free period at their current premises. The Government of Samoa has advised Pacific Immigration Development Community Members and the Secretariat that as part of its ongoing support to the Secretariat, it will continue to pay for rent and utilities in perpetuity while the Secretariat remains in Samoa.

|                                   | 2021           | 2020           |
|-----------------------------------|----------------|----------------|
| <b>9. Member contributions</b>    |                |                |
| American Samoa                    | 3,535          | -              |
| Cook Islands                      | 7,308          | 7,130          |
| Federated States of Micronesia    | 3,535          | 3,564          |
| Fiji                              | 7,308          | 7,130          |
| French Polynesia                  | 8,596          | 8,912          |
| Kiribati                          | 5,590          | 5,347          |
| Marshall Islands                  | 5,590          | 5,347          |
| Nauru                             | 3,535          | 3,564          |
| New Caledonia                     | 12,660         | 12,477         |
| Niue                              | 3,535          | 3,564          |
| Palau                             | 3,535          | 3,565          |
| Papua New Guinea                  | 9,296          | 8,912          |
| Samoa                             | 9,554          | 8,912          |
| Solomon Islands                   | 7,308          | 7,130          |
| Tonga                             | 5,590          | 5,347          |
| Tokelau                           | 3,535          | 3,565          |
| Tuvalu                            | 3,535          | 3,565          |
| Vanuatu                           | 7,308          | 8,402          |
| <b>Total Member contributions</b> | <b>110,853</b> | <b>106,433</b> |

Pacific Immigration Development Community 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 2021 are summarized below:

| Tier Levels | NZD   | WST   |
|-------------|-------|-------|
| 1           | 5,250 | 9,296 |
| 2           | 4,200 | 7,308 |
| 3           | 3,150 | 5,590 |
| 4           | 2,100 | 3,535 |

|                                     | 2021       | 2020         |
|-------------------------------------|------------|--------------|
| <b>10. General expenses</b>         |            |              |
| Minor equip repairs and maintenance | -          | 784          |
| Minor software purchases            | -          | 128          |
| Freight, courier and postage        | 150        | 150          |
| External entertainment              | -          | 449          |
| <b>Total General expenses</b>       | <b>150</b> | <b>1,511</b> |

|                           | 2021             | 2020             |
|---------------------------|------------------|------------------|
| <b>11. Cash at bank</b>   |                  |                  |
| Petty Cash Account        | 135              | (282)            |
| PIDC - Current Account    | 1,790,512        | 1,521,563        |
| <b>Total Cash at bank</b> | <b>1,790,647</b> | <b>1,521,281</b> |

|  | 2021          | 2020           |
|--|---------------|----------------|
| <b>12. Receivables and prepayments</b>   |               |                |
| Accounts Receivable                      | 105,680       | 763,625        |
| Less: Provision for doubtful debts       | (29,307)      | (29,307)       |
| Add: Prepayments                         | 7,343         | 7,343          |
| <b>Total Receivables and prepayments</b> | <b>83,716</b> | <b>741,662</b> |

|   | 2021           | 2020           |
|---|----------------|----------------|
| <b>Ageing for account receivables</b>       |                |                |
| Current and 30 days                         | 11,809         | 682,141        |
| > 180 days                                  | 93,871         | 81,484         |
| <b>Total Ageing for account receivables</b> | <b>105,680</b> | <b>763,625</b> |

|  | 2021          | 2020          |
|--|---------------|---------------|
| <b>13. Property and equipment</b>                          |               |               |
| <b>Office furniture and equipment</b>                      |               |               |
| Office furniture and equipment at cost                     | 146,558       | 105,191       |
| Accumulated depreciation on office furniture and equipment | (71,289)      | (43,367)      |
| <b>Total Office furniture and equipment</b>                | <b>75,269</b> | <b>61,824</b> |
| <b>Leasehold improvements</b>                              |               |               |
| Leasehold improvements                                     | 111,407       | 111,407       |
| Accumulated depreciation on leasehold improvements         | (102,067)     | (79,786)      |
| <b>Total Leasehold improvements</b>                        | <b>9,340</b>  | <b>31,621</b> |
| <b>Total Property and equipment</b>                        | <b>84,609</b> | <b>93,445</b> |

### Reconciliation of property plant and equipment

|                                       | 2021          | 2020          |
|---------------------------------------|---------------|---------------|
| <b>Reconciliation by class</b>        |               |               |
| <b>Office furniture and equipment</b> |               |               |
| Opening net book value                | 61,824        | 48,586        |
| Additions                             | 41,367        | 28,541        |
| Depreciation charge                   | (27,922)      | (15,303)      |
| <b>Closing net book value</b>         | <b>75,269</b> | <b>61,824</b> |
| <b>Leasehold improvements</b>         |               |               |
| Opening net book value                | 31,621        | 53,903        |
| Additions                             | -             | -             |
| Depreciation charge                   | (22,281)      | (22,281)      |
| <b>Closing net book value</b>         | <b>9,340</b>  | <b>31,622</b> |
| <b>Total Reconciliation by class</b>  | <b>84,609</b> | <b>93,446</b> |
|                                       | 2021          | 2020          |

#### Depreciation expense recognized in Comprehensive Income

|   |               |               |
|---|---------------|---------------|
| Depreciation expense - office furniture and equipment | 27,922        | 15,303        |
| Depreciation expense - leasehold improvements         | 22,281        | 22,281        |
| <b>Total depreciation expenses</b>                    | <b>50,203</b> | <b>37,584</b> |
|   | 2021          | 2020          |

#### 14. Payables and other liabilities

|   |                |                |
|---|----------------|----------------|
| Payables                                    | 123,560        | 104,190        |
| Provision for annual leaves                 | 34,893         | 40,947         |
| Subscriptions received in advance           | -              | 6,750          |
| Rounding                                    | 20             | 19             |
| <b>Total Payables and other liabilities</b> | <b>158,473</b> | <b>151,905</b> |
|   | 2021           | 2020           |

#### Ageing for account payables

|  |                |                |
|--|----------------|----------------|
| Current and 30 days                      | 91,567         | 65,561         |
| 60 - 90 days                             | 72             | 60,013         |
| > 180 days                               | 31,921         | 33,855         |
| <b>Total Ageing for account payables</b> | <b>123,560</b> | <b>159,429</b> |
|  | 2021           | 2020           |

#### Provision for annual leave

|                       |               |               |
|-----------------------|---------------|---------------|
| Opening balance       | 40,947        | 61,677        |
| Reversals             | (40,947)      | (43,737)      |
| Additions             | 34,893        | 23,025        |
| <b>Ending balance</b> | <b>34,893</b> | <b>40,965</b> |

|  | 2021           | 2020             |
|--|----------------|------------------|
| <b>15. Deferred income liability</b>   |                |                  |
| Opening balance                        | 1,652,251      | -                |
| Funds received during the year         | -              | 1,652,251        |
| Funds expensed during the year         | (706,714)      | -                |
| Regional support expenses-COVID19      | (391,865)      | -                |
| <b>Total Deferred income liability</b> | <b>553,672</b> | <b>1,652,251</b> |

The opening balance of deferred income liability consist of two funding agreements as per below:

1. \$945,537 from Australian Department of Home Affairs. The amount relates to Supplementary Covid Relief Funding provided to the Secretariat to be expensed over two years finishing on 30 June 2022. During the year \$391,864 has been expenses as Regional support expenses -Covid19 and recognised as income. The remaining balance of \$553,672 has been deferred.
2. \$706,714 from New Zealand Ministry of Foreign Affairs Trade (MFAT). The funding was fully receipted in prior year (30 June 2020) and has been fully utilised/expensed and recognised as income in the current year.

|  | 2021           | 2020           |
|--|----------------|----------------|
| <b>16. 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 Pacific Immigrations Development Community's behalf by Immigration New Zealand.

|  | 2021           | 2020           |
|--|----------------|----------------|
| <b>17. Key management remuneration</b>   |                |                |
| Key management remuneration and benefits | 551,669        | 475,952        |
| Employer contributions                   | 62,314         | 43,371         |
| <b>Total Key management remuneration</b> | <b>613,983</b> | <b>519,323</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 Office Manager. In implementing the work plan, the key management personnel are supported by the Project Officer, Information Officer, Research Officer and Finance and Administrative Assistant. For the year ended 30 June 2021, there were 7 full-time employees.

|  | 2021             | 2020             |
|--|------------------|------------------|
| <b>18. Expenses by result management framework output</b>  |                  |                  |
| Center for advice, research, information-sharing and analysis on relevant immigration issues       | 20,948           | 287,381          |
| A regional co-ordination point for immigration liaison, advocacy/representation and agenda setting | 81,746           | 57,191           |
| Programme of immigration capacity building   | 179,728          | 288,549          |
| COVID-19 expenses  | 391,865          | -                |
| Internal governance and running functioning organisation, including secretariat, board and RAM     | 25,840           | 134,811          |
| Secretariat operational expense  | 1,191,057        | 851,420          |
| <b>Total Expenses by result management framework output</b>  | <b>1,891,184</b> | <b>1,619,352</b> |

## 19. Financial risk management objectives and policies

Risk is inherent on the Secretariat's activities, but it is managed through 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 2021.

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

The Secretariat has conducted an assessment on the impact of COVID-19 on the business and has determined that it will not be significantly impacted at this time. The majority of the revenues are paid in advance and the Secretariat continues to monitor and ensure that critical data supply channels have effective adequate redundancy measures.

However, the full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Secretariat's financial condition, liquidity, and future results of operations. Management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Secretariat is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the 2021 financial year.

No other matters or circumstances have arisen since 30 June 2021 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.

## 22. Approval of financial statements

These financial statements were approved by the Board 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 2021

As stated in Note 2 to the financial statements, in the Board's 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 Notes 1 to 3.

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 2021 and of its performance for the year ended on 30 June 2021; 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.

Name:  
Signed:

Date:

Name:  
Signed:

Date :

# Independent Auditor's report

Pacific Immigration Development Community

For the year ended 30 June 2021



