

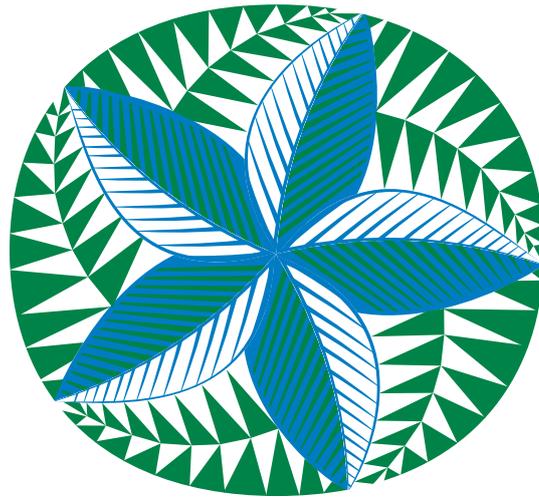


PACIFIC
COOPERATION
FOUNDATION



ANNUAL REPORT
2009/10

Annual Report
of the
Pacific Cooperation Foundation



PACIFIC
COOPERATION
FOUNDATION

for the year ended 30 June 2010

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THE PACIFIC COOPERATION FOUNDATION

STATEMENT OF PURPOSE (MISSION STATEMENT)

VISION

The Pacific Cooperation Foundation's ("PCF") long term vision is a peaceful Pacific region in which New Zealand and Pacific Island communities, regional institutions and governments engage with each other to promote economic growth and social development through mutual understanding and cooperation.

MISSION

PCF's role is to undertake targeted project work to act as a catalyst for strengthening New Zealand/Pacific relationships by providing information and independent commentary, brokering outcomes and developing networks within the Pacific region.

Strategic Goals

To fulfill its catalyst role, PCF focuses its project work under three strategic goals:

1. Promoting stability and economic sustainability in the region.
2. Fostering understanding of the Pacific on the part of all New Zealanders and promoting New Zealand's identity as a Pacific nation by informed, independent commentary and debate.
3. Engaging with and supporting communities and institutions in the region.

CHAIRMAN'S REPORT

The 2009/2010 year has seen the development of re-invigorated programmes and the strengthening of governance at the Foundation. It has also been a time of relationship-building with the Pacific region as we continue to navigate our way through the many challenges the region is confronting today. The dramatic and unprecedented events of the Tsunami which devastated Samoa, American Samoa and Tonga brought the region much closer and gave community cooperation a new meaning. The Foundation played its role along with the New Zealand government and many organisations, and individual New Zealanders who gave generously and willingly to help rebuild the shattered lives of the island countries scorched by nature's fury.

Pacific Regional Focus

The innovative programme has seen new partnerships form with exporters and organisations in the region, as we continue to act as a catalyst for strengthening relationships between New Zealand and countries in the region. The programme also gave the region's exporting community renewed hope that a New Zealand-based organisation is engaging with them in a more appropriate, relevant and committed approach. While the Foundation does not want to overstate its case, the participation by forty leading Pacific exporting companies in its quality mark "True Pacific" programme is a significant achievement.

Governance

The Foundation's renewed Pacific focus has resulted in a review of our trust deed and a streamlining of our focus. The Foundation welcomed the appointment of new members to Board with strong skills sets in trade and governance. New trustees include La'auli Michael Jones, Nicole Metzger, Grant Sinclair and John Allen.

Auckland Relocation

With the work programme requiring a consistent presence in Auckland, the Foundation's head office relocated in September 2010.



Acknowledgements

I would like to extend my sincere appreciation and gratitude to our CEO, Markerita Poutasi (Meg) for her enormous contribution to the work of the Foundation since her appointment in 2009.

I would also like to acknowledge the commitment of the Foundation's staff to the development of new programme areas and thank them for their dedication to regional engagement and support for the Foundation.

I would also like to extend our thanks to the numerous partners that the Foundation has had throughout the year in particular our central partnerships with Brother International (New Zealand) and the Ministry of Foreign Affairs and Trade (New Zealand Government).

With renewed Pacific focus, the Foundation looks to consolidate its programmes in 2010/2011 and move from strength to strength.

A handwritten signature in black ink, appearing to read 'Tino Pereira', written in a cursive style.

Fa'amatuainu Tino Pereira
Chair

THE CHIEF EXECUTIVE'S REPORT

The 2009/2010 year for the Foundation has been about implementing the road map for strategic change set by the Board. I would like to acknowledge the commitment of the PCF staff and Board and the support of our regional stakeholders for the realignment of our programme, which has seen the Foundation position itself to develop into its next phase. The achievements of the programme would also not have been possible without the on-going core support we enjoy from the private and public sector through Brother International (NZ) Ltd and the Ministry of Foreign Affairs and Trade (NZ).

With a rebalanced programme, new staff joined the Foundation's team. Chris Cocker (Senior Programme Manager) has been leading the Auckland branch office with Stella Tanoi and Cathy Bolinga (Project Managers). Rhys Jones has been administering the IDF fund and administration support has been provided by Lisette Sheriff and Julia Moafanua-Stevenson.

The central platforms of our work remain focused on trade and promoting Pacific connections and understanding within New Zealand.

Innovative programme developments this year include the:

- 'True Pacific', the Pacific Quality Mark programme. The Foundation is working with forty exporters from the region who export into the New Zealand market, to develop a private standard promoting quality Pacific goods;
- The launch of the Maori/Pacific Engagement Pilot involving New Zealand Maori sector experts in forestry and fisheries engaging with business interests in Port Moresby and Madang;
- The delivery of institutional support to labour units in Vanuatu, Kiribati, Tonga and Samoa to promote and reinforce their labour mobility initiatives including the Recognised Seasonal Employer Scheme (NZ) and the Pacific Seasonal Worker Pilot Scheme (Aus);
- Support for Leadership Pacific and the growth of leadership clusters;
- Track II dialogue focused on land and resource utilisation.



With new initiatives under development, the Foundation values our primary project partners in 2009/2010 including exporters; regional organisations; the World Bank; Leadership Pacific; media; and the Centre for Strategic Studies at Victoria University for their engagement. The Foundation continues to monitor and evaluate the impact of its programmes in a staged process throughout 2010/2011, as we look to consolidate and build on our past successes in the coming year.

A handwritten signature in black ink, appearing to read 'Markerita Poutasi'. The signature is fluid and cursive, with a large initial 'M'.

Markerita Poutasi
Chief Executive



GOVERNANCE AND ACCOUNTABILITY STATEMENT

Role of the Board

The Board of the Pacific Cooperation Foundation (PCF) is established under the Foundation's trust deed. The Minister appoints after consultation with the Board.

The Board has responsibility of communicating with the Minister (through the Chairperson); setting strategic direction; delegating responsibility for the day to day operations and achievement of the specific objectives to the Chief Executive; monitoring the organisational performance towards achieving the organisation's objectives; and maintaining effective internal controls.

Structure of Pacific Cooperation Foundation

Pacific Cooperation Foundation Operations

The Board appoints the Chief Executive to manage the Foundation's operations. All other employees are appointed by the Chief Executive. The Board directs the Chief Executive by setting the Foundation's strategic direction; approving the Foundation's the annual business plan and budget; and delegating responsibility to her for their implementation.

Board Committees

The Board has one standing committee – a Management Committee which takes responsibility for: monitoring financial management, audit and risk management, and the performance of the Chief Executive.

Quality Assurance

The Pacific Cooperation Foundation has long established policies and procedures that guide staff and act as internal controls. These are located in the Operations and Procedures Manual and cover delegated authorities; expenditure policies; human resources policy and a code of conduct.

There is a performance management system for each member of staff. Performance assessment of staff is undertaken by the Chief Executive and Senior Programme Manager. The Chief Executive's performance is assessed by the Management Committee of the Board.

Governance

Board Membership

The PCF Board is composed of members who have a wide range of skills, experience and backgrounds relevant to the work of the Foundation. Board members take collective responsibility for all decisions of the Board.



Connection to Stakeholders

The Board and management acknowledge their responsibility to engage with stakeholders.

Division of responsibility between the Board and Management

There is a clear division between the roles of the Board and management. The Board sets policy and strategic direction and delegates both responsibility and the requisite authority for meeting the Foundation's objectives to the Chief Executive.

Accountability

The Board meets every two months to monitor progress towards the PCF's strategic objectives and to ensure that the affairs of the PCF are conducted in accordance with the Board's policies.

Conflicts of Interest

The Board is conscious of conflicts of interest issues and ensures that members are aware of their obligation to declare any interests.

Internal Controls

Overall responsibility for maintaining effective systems of internal control, including the policies,

systems and procedures established to provide assurance that specific objectives of the Board are achieved ultimately rests with the Board. The Board has acknowledged its responsibilities by signing the Statement of Responsibility on page 10 of this report.

Risk Management

The Board acknowledges that its responsibility for the management of risk to the Pacific Cooperation Foundation. The Board has approved a risk management policy and charged the Chief Executive with establishing and operating a risk management programme.

Legislative Compliance

The Board acknowledges its responsibility to ensure the organisation complies with all legislation. The Board has delegated responsibility to the Chief Executive to identify compliance issues and ensure that all staff are aware of legislative requirements that are relevant to them.

Ethics

The Board has in place a Code of Conduct which establishes high standards of ethical behavior for both Board members and staff.



PACIFIC COOPERATION FOUNDATION

STATEMENT OF RESPONSIBILITY

For the Year ended 30 June 2010

The Board of the Pacific Cooperation Foundation accepts responsibility for the preparation of the annual Financial Statements and the judgments used in them.

The Board of the Pacific Cooperation Foundation accepts responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non financial reporting.

In the opinion of the Board of the Pacific Cooperation Foundation the annual Financial Statements for the year ended 30 June 2010 fairly reflect the financial position and operations of the Pacific Cooperation Foundation.



Chairperson

Fa'amatua'inu Tino Pereira

4 October 2010



Deputy Chairperson

Graham Walshe

4 October 2010

AUDIT REPORT

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

TO THE READERS OF THE
PACIFIC COOPERATIONS FOUNDATION'S
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

The Auditor-General is the auditor of the Pacific Cooperation Foundation (the Foundation). The Auditor-General has appointed me, Leon Pieterse, using the staff and resources of Audit New Zealand, to carry out the audit on her behalf. The audit covers the financial statements and statement of service performance included in the annual report of the Foundation for the year ended 30 June 2010.

Unqualified opinion

In our opinion:

- The financial statements of the Foundation on pages 23 to 41:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the Foundation's financial position as at 30 June 2010; and
 - the results of its operations and cash flows for the year ended on that date.
- The statement of service performance of the Foundation on pages 13 to 22:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects for each class of outputs:
 - its standards of delivery performance achieved, as compared with the forecast standards outlined in the statement of forecast service performance adopted at the start of the financial year; and
 - its actual revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses outlined in the statement of forecast service performance adopted at the start of the financial year.

The audit was completed on 4 October 2010, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and the Auditor, and explain our independence.

Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and statement of service performance did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and statement of service performance. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;

- reviewing significant estimates and judgements made by the Board ;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement and statement of service performance disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance.

We evaluated the overall adequacy of the presentation of information in the financial statements and statement of service performance. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Board and the Auditor

The Board is responsible for preparing the financial statements and statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Foundation as at 30 June 2010 and the results of its operations and cash flows for the year ended on that date. The statement of service performance must fairly reflect, for each class of outputs, the Foundation's standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial year. The Board's responsibilities arise from the Public Finance Act 1989, the Crown Entities Act 2004 and the Trust Deed.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Public Finance Act 1989.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit, we have no relationship with or interests in the Foundation.



Leon Pieterse
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand

Matters relating to the electronic presentation of the audited financial statements and statement of service performance

This audit report relates to the financial statements and statement of service performance of the Pacific Cooperation Foundation for the year ended 30 June 2010 included on the Pacific Cooperation Foundation's website. The Pacific Cooperation Foundation's Board of Trustees is responsible for the maintenance and integrity of the Pacific Cooperation Foundation's website. We have not been engaged to report on the integrity of the Pacific Cooperation Foundation's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance as well as the related audit report dated 4 October 2010 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

PACIFIC COOPERATION FOUNDATION

FINANCIAL STATEMENTS

STATEMENT OF OBJECTIVES AND SERVICE PERFORMANCE for the year ended 30 June 2010

In 2009/2010, the Government funded the Pacific Cooperation Foundation for one output: “the promotion of activities that increase mutual understanding and constructive linkages between New Zealanders and other Pacific Peoples.”

Achieving that output involved undertaking eighteen different projects under four different strategic goals. The achievement of the performance measures against these projects is recorded below.

Financial Performance Summary

Revenue	Actual 2009/2010 \$	Budget 2009/2010 \$	Actual 2008/2009 \$
Crown Output Agreement	1,400,000	1,400,000	1,346,889
Other Revenue	518,599	-	334,607
TOTAL REVENUE	1,918,599	1,400,000	1,681,496
TOTAL EXPENSES	1,982,573	1,531,916	1,563,967
Net Surplus for the period	(63,974)	(131,916)	117,529

OUTPUT CLASS:

The promotion of activities that increase mutual understanding and constructive linkages between New Zealanders and Pacific Peoples

Strategic Goal 1:

Promoting stability and economic sustainability in the region

Objective: **Development of a “Pacific” brand as a region of origin marker to promote Pacific exports**

Output	Measure	Update
<p>Market Research</p> <p>1. Research about New Zealand Consumers’ perceptions</p>	<p>An independent quality survey of the perception of the Pacific goods in the New Zealand market.</p> <p>The survey will also gather data that can be analysed to identify whether regional or country specific branding would have an impact.</p> <p>The survey can be used as a baseline to measure a move in public perception.</p>	<p>Achieved.</p> <p>Research was completed with AC Nielsen:</p> <p>Consumer perception survey of 1000 consumers who utilise products of Pacific origin:</p> <ul style="list-style-type: none"> • 70% consumer support for a certification mark that would identify Pacific origin and high quality products. • The confidence mark would need to address poor consumer perceptions about quality with only 14% of those surveyed believing the Pacific produced quality products. This will form a baseline measurement for performance monitoring. • High market opportunities were also identified in six sectors: long life products, fresh fruit and vegetables, fish, spa and natural beauty products, clothing and jewellery and art and handicrafts.
<p>1. Interviews with New Zealand retailers and distributors</p>	<p>20 interviews with New Zealand distributors and retailers of Pacific goods. Information is gathered about product awareness and the utility of brand marketing.</p> <p>Any barriers to increasing access for Pacific goods will be recorded.</p>	<p>Achieved.</p> <p>The retail research demonstrates that there is goodwill from retailers and distributors towards Pacific products but negative previous experiences, including poor business practices, act as barriers to increasing trade.</p> <p>Additional research was completed by Barry Hellberg (experience with Retail NZ) to identify a broader pool of retailers/distributors who currently stock Pacific products.</p>

Output	Measure	Update
<p>Brand Development</p> <p>2. Design a brand</p>	<p>Develop a mark that is simple, captures aspects of the region and easily recognisable brand with New Zealand consumers and Pacific exporters.</p>	 <p>Achieved.</p> <p>Preliminary discussions with exporters at PCF's January brand workshop identified that the concept of a regional quality mark was well supported. The need for greater regional (including regional institutions) engagement was recommended.</p> <p>6 concepts and 4 word marks were designed for discussions with stakeholders and consumers.</p> <p>Extensive discussions with exporters and regional organisations occurred in March to illicit feedback on the design and criteria requirements. The brand concepts were then tested with four consumer groups.</p> <p>Though the imagery is stereotypical (a frangipani), it is positive imagery and encapsulates the 'natural' Pacific and appears on packaging as a 'seal' of quality.</p> <p>In May and June, the True Pacific/ Unity Flower' concept was endorsed by stakeholders and exporters in Fiji, PNG, Tonga, Samoa, Vanuatu and the Cook Islands.</p> <p>Exporters provided feedback on the practical application of the mark to their products.</p>
<p>3. Trademark the brand</p>	<p>The work is submitted to the trademark office in New Zealand and a strategic plan is in place regarding enforcement and protecting the intellectual property of the brand in the Pacific region.</p>	<p>Achieved.</p> <p>A New Zealand trade mark application was filed in 26 classes for the "True Pacific/Unit Flower" mark.</p> <p>Advice on future strategy was considered.</p>

Output	Measure	Update
<p>4. Establishing criteria for licensing</p>	<p>Establishing a licensing regime that has 'origin' criteria and 'quality' criteria.</p> <p>The regime should be amenable to easy use by licensees.</p>	<p>Varied and achieved. The programme was improved and redesigned during the 2009/2010 year in response to extensive scoping work and stakeholder feedback. A refined programme was developed and a criteria framework was developed this year with detailed sector criteria being developed in 2010/2011.</p> <p>A generic licensing regime based on self-reporting would have been insufficient to meet the challenges identified by the research and by exporters themselves. A comprehensive sector specific quality assurance programme was the preferred model.</p> <p>This will involve the development of sector specific criteria in three initial categories: fresh produce, long-shelf life products and spa/beauty products. The first product lines have been identified for targeted criteria development.</p> <p>The Foundation has narrowed the scope of the quality criteria and set up a framework in 2009/2010, from which the individual sector quality criteria will be developed in 2010/2011.</p> <p>The significant scoping work under this heading included:</p> <ul style="list-style-type: none"> • Research on relevant existing private standards and international standards including both internal desk-based research and commissioned work by Standards NZ; • Assessment of risks and failings of the 'Buy NZ made' and of the 'Buy Australia Made' campaigns. • Engagement with exporters on: <ul style="list-style-type: none"> (i) current standards and conformance requirements in-country and those required for export into New Zealand; (ii) other certification regimes including organic and fair trade certification; and (iii) the costs of evaluation and assessment. • Regional stakeholder discussions with FAO, SPC, and PIFS on their current work programme targeting quality commodity production. • A workshop held with facilitated with Standards NZ with regional exporters; regional organisation representatives; and local NZ retailers to discuss the central pillars of the framework.

Output	Measure	Update
5. Promotion of the brand to exporters, including: Engagement with exporters in and across the region, developing relationships with exporters; developing the brand in response to feedback.	<p>Development of a business case to pitch to exporters.</p> <p>A minimum of 4 substantive trips are taken to the Pacific region and reports on the outcomes of the trips are provided. Development of a business case to pitch to exporters.</p> <p>At a minimum 20 exporters sign up as licensees.</p> <p>A minimum of 50 quality products are branded.</p>	<p>Achieved.</p> <p>A business case was pitched to exporters in Fiji, Vanuatu, PNG, Tonga, Samoa and the Cook Islands.</p> <p>Achieved. Scoping with exporters on the extent of the programme occurred in the region during November/December 2009; a workshop was then held in January on the brand qualities and base criteria; the preliminary programme and research was then presented to exporters and regional organisations in February/March 2010 in the Cook Islands, Samoa, Tonga, Papua New Guinea and Fiji. Finally the developed mark and programme design were presented to exporters and expressions of interest were sought in those countries and Vanuatu in May 2010.</p> <p>Partially achieved. These measures were adapted as a result of improvement in the programme. Rather than signing up as licensees the programme required over 20 expressions of interest from exporters with over 50 quality products to take part in year 1 of the programme.</p> <p>40 expressions of interest from exporters were secured to take part in the first round of evaluations. The exporters send well over 50 products to New Zealand.</p>
6. Develop a successful marketing strategy that can leverage New Zealand private sector input and voluntary celebrity time	<p>Establish relationships with two premier sponsors</p> <p>Establish relationships with at least two celebrities who are prepared to volunteer their time for advertising purposes</p> <p>Prepare advertising and promotions for delivery in the first half of 2010/2011, includes developing key promotional material eg t-shirts</p>	<p>Partially achieved.</p> <p>With the full development of the criteria model being developed in 2010/2011, the approach to sponsors was staged for the first two quarters of 2010/2011 to showcase the first pilot groups and full offering of 'True Pacific'. Preliminary interest has been secured.</p> <p>Robert Oliver, international chef and author of "Me'a Kai: The Food and Flavours of the South Pacific" has agreed to endorse True Pacific food products.</p> <p>A marketing strategy has been developed.</p>

Output	Measure	Update
7. Maintaining database and website	Utilising existing databases and developing a website with search engine for licensed “Pacific Made” goods. Contacts from every trip to be maintained in a master list. All requests for information answered within two working days	<p>Achieved.</p> <p>PCF has compiled a database of over 300 exporters and producers.</p> <p>We have also developed business profiles for the 40 pilot exporters.</p> <p>PCF is redeveloping a page on our main website to interface with pilot exporters.</p>

Strategic Goal 2:

Fostering understanding of the Pacific on the part of all New Zealanders and promoting New Zealand's identity as a Pacific nation by informed, independent commentary and debate

Objective: **Develop an active Track II programme; a young leadership programme and increase PCF's profile in the region**

Output	Measure	Update
<p>Track II development and Council for Security in the Asia-Pacific joint event</p> <p>A symposium will be held in Auckland bringing experts (academic and Non-Government Organisation's from the region to discuss a contemporary political and security issue.</p>	<p>The symposium brings experts and leaders in their field together from the Pacific region to engage in this Track II activity.</p> <p>Post an outcomes paper on the website that receives 300 hits.</p> <p>PCF will develop a Track II programme that builds on this symposium including a stack-take of Pacific Track II organizations and develop a directory of active participants in the region.</p>	<p>Achieved.</p> <p>The travelling group included ten Bougainville leaders and NGO representatives and an Australian academic.</p> <p>NZ engagement included Judge Caren Fox, Deputy Chief Judge, Maori Land Court; representatives from MFAT and NZAID; Women's Affairs; Oxfam; Caritas; VSA; academics from Victoria University, Auckland University and CSCAP.</p> <p>The outcomes paper has been posted of the PCF website. However, to due to the symposium occurring in the last three days of the financial year there was a delay in reaching the required number of hits.</p> <p>A directory has been developed.</p>
<p>Leadership Pacific – Young Leaders' Network</p> <p>Partner with the Leadership Pacific group to bring New Zealand Pacific leaders together to explore regional leadership issues</p> <p>Develop a programme to support Pacific clusters in 2010/2011</p>	<p>Support the development of 1000 new generation Pacific leaders by 2015.</p> <p>Support and grow a network that is active and regularly engages.</p> <p>Host a function of New Zealand based leaders to discuss a regional issue.</p> <p>Create a database of contracts for the network and consider the best on-line mechanism for a forum.</p>	<p>Achieved.</p> <p>The Leadership Pacific symposium was held over 7-8 December 2009 in Porirua. Young leaders from around New Zealand attended the two day event to discuss the concepts of the democratization of leadership and foundations for mentoring. The evaluation revealed that 100% of respondents considered the symposium was either good or excellent, with 94% indicating it increased their knowledge of leadership in the region and in Aotearoa.</p> <p>Achieved. A website has been launched and additional work on linking the leadership clusters in Tonga and the Solomon Islands is underway.</p>

Output	Measure	Update
<p>Media programme / Pacific brand</p>	<p>Fund 5 journalist visits to the region with coverage on either national news programmes (either television or radio) or regional newspapers or equivalent widely read publications.</p>	<p>Achieved.</p> <p>5 journalists were sent into the region:</p> <p>Luke Thomas (The Christchurch Mail) covered Tsunami relief efforts in Samoa and published three stories 26 December 2009; 28 December 2009 and 13 January 2010.</p> <p>Adam Dudding (Sunday Star Times) covered human rights issues in Vanuatu with a feature was published on 20 June 2010. This article was also reproduced in full in local media.</p> <p>Iulia Leilua (Maori TV – Native Affairs) travelled to Papua New Guinea in June 2010. Three stories covering: the aids epidemic; land issues and changes to the Environment Act; and the arts were aired in July and August 2010.</p> <p>Dev Nadkarni (Island Business) travelled to Fiji in June 2010 and stories on ICT developments at USP and on tourism (SPTO) will be published in Islands Business in Sept/Oct and Nov 2010.</p> <p>Frances Morton (ACP Media – Metro) travelled to Fiji in May 2010. Her story on tourism was published in the September edition of Metro.</p>
<p>Website Development</p> <p>Update website to ensure functionality.</p> <p>Website is topical and regularly updated with new information</p> <p>Create a newsletter with topical regional information and events to promote PCF and refer the public to our website</p>	<p>Over 1 million hits for 2009/2010</p>	<p>The total hits for 2009/2010 were c. 714,016.</p> <p>The site was re-launched in April 2010 with new content and design. An electronic newsletter was also released in April 2010. The Pacific Connection magazine was subsequently published in June 2010 referring readers to our site.</p> <p>The final number of hits includes estimated hits for April and May 2010 due to a change in the method of recording web traffic when PCF switched site hosts. The average for the subsequent months (post launch) was used as the baseline.</p>
<p>Regional Engagement and New Zealand Promotional activity</p>	<p>PCF's profile is raised within New Zealand and in the region to provide a better platform for project delivery and for seeking private sector funding. This will be measured through a question in the product survey; assessment of each of our projects and meeting our website targets.</p>	<p>Achieved.</p> <p>PCF's profile was raised through representational activity, hosting regional guests and speaking opportunities for management and staff throughout the year.</p>

Strategic Goal 3:

Engaging with and supporting communities and institutions in the region.

Objective: **Supporting the success of the Recognised Seasonal Employer scheme; promote Maori and Pacific connections and enhancing and protecting public broadcasting in the region**

Output	Measure	Update
<p>Promoting Pacific labour export</p> <ul style="list-style-type: none"> – Partnering with the World Bank to deliver support institutional capacity building for labour export in Tonga, Samoa, Vanuatu and Kiribati – Areas targeted include support in the following areas: legislative frameworks, pre-departure training, database and information collection, technical capacity of labour department staff, and marketing assistance. 	<p>The institutional development fund is administered in a timely way' the find's objectives are achieved and PCF receives a positive audit.</p>	<p>Achieved.</p> <p>The following programme assistance has been provided</p> <p>Regulatory Regimes</p> <ul style="list-style-type: none"> • Legislative assessment completed for Vanuatu and Tonga; • Draft regulations developed for Tonga; • Drafting changes recommended for Vanuatu; • Review of the revolving fund for Kiribati. <p>Organisational Structures</p> <ul style="list-style-type: none"> • Organisation and HR reports concluded for Vanuatu, Tonga, Kiribati and Samoa. <p>Service Delivery Assistance and Guidelines</p> <ul style="list-style-type: none"> • Establish systems and tools for performance of key activities due for implementation in August 2010. • System for gathering remittance information • Review of medical insurance options for Kiribati; <p>The audit will occur in 2010/2011 after the completion of the scheduled work programme.</p>
<p>Promoting Maori / Pacific Connections</p> <p>Connection between Maori and a Papua New Guinea group</p>	<ol style="list-style-type: none"> 1. Develop a relationship with an established Maori group with a corporate structure; relevant experience in asset investment and resource utilisation, possibly in forestry. 2. Develop and host seminars with the Maori group on Port Moresby with a total attendance of over 300 people and receive positive feedback. 	<p>Achieved.</p> <p>A relationship has developed with the Tuaropaki Trust. The Trust will host a delegation from Papua New Guinea in the agriculture/horticultural sector in the next financial year.</p> <p>Seven seminars were conducted by the delegation of Maori sector experts in forestry, agriculture, fisheries and investment in Port Moresby and Madang between 6 and 12 June 2010. Over 350 people attended the seminars. The delegation also visited four different communities and spoke to over 500 people.</p> <p>The delegation was featured on talk back radio (FM100) on a show with an estimated reach of 2.5 million listeners. The project was also featured in two articles in 'The National' newspaper over June/July.</p>

Output	Measure	Update
<p>Media Training in Human Rights</p> <p>Partnering with the Human Rights Commission to provide technical expertise on training media on Human Rights issues in the Pacific</p>	<p>The launch of a website in partnership with HRC and NZAID; providing training to Pacific media on human rights</p>	<p>This project was an income stream for PCF. The staff member who was undertaking the consultancy work left the Foundation in August 2009. The partnership with the Human Rights' Commission was wound up as a result.</p>

Pacific Cooperation Foundation

Statement of Comprehensive Income

for the year ended 30 June 2010

	Note	2010 Actual \$	2010 Budget \$	2009 Actual \$
Revenue				
Revenue from Crown	1	1,400,000	1,400,000	1,346,889
Other revenue	3	29,474	-	323,258
Tsunami donations received	2	357,143	-	-
World Bank project income		120,214	-	-
Interest income		11,768	-	11,349
Total revenue		1,918,599	1,400,000	1,681,496
Expenditure				
Personnel costs	4	693,631	730,982	545,416
Depreciation	8	2,508	-	765
Other operating costs	5	308,725	301,947	271,312
Tsunami donations transferred	2	357,143	-	-
World Bank project expenses		120,214	-	-
Strategic goal 1		282,190	285,987	77,826
Strategic goal 2		151,806	158,000	626,152
Strategic goal 3		66,356	55,000	42,496
Total expenditure		1,982,573	1,531,916	1,563,967
Total comprehensive income		(63,974)	(131,916)	117,529

Explanations of significant variances against budget are detailed in note 23.

Pacific Cooperation Foundation

Statement of Changes in Equity

for the year ended 30 June 2010

	Note	2010 Actual \$	2010 Budget \$	2009 Actual \$
Public equity at start of the year		265,488	265,488	147,959
Total comprehensive income	11	(63,974)	(131,916)	117,529
Total recognised income and expenses for the period		(63,974)	(131,916)	117,529
Public equity at end of the year		201,514	133,572	265,488

The Statement of Accounting Policies and the Notes to the Financial Statements form an integral part of these Financial Statements

Pacific Cooperation Foundation

Statement of Financial Position

as at 30 June 2010

	Note	2010 Actual \$	2010 Budget \$	2009 Actual \$
Current assets				
Cash and cash equivalents	6	333,850	255,891	258,631
Debtors and other receivables	7	17,360	-	100,801
Total current assets		351,210	255,891	359,432
Non-current assets				
Property, plant & equipment	8	4,749	6,123	6,123
Total non-current assets		4,749	6,123	6,123
Total assets		355,959	262,014	365,555
Current liabilities				
Creditors and other payables	9	102,180	77,710	49,335
Employee entitlements	10	35,031	50,732	50,732
Grants received in advance – World Bank		17,234	-	-
Total current liabilities		154,445	128,442	100,067
Net assets		201,514	133,572	265,488
Public equity				
General funds	11	201,514	133,572	265,488
Total public equity		201,514	133,572	265,488

The Statement of Accounting Policies and the Notes to the Financial Statements form an integral part of these Financial Statements

Pacific Cooperation Foundation Cash Flows Statement

for the year ended 30 June 2010

	Note	2010 Actual \$	2010 Budget \$	2009 Actual \$
Cash flows from operating activities				
Cash was provided from:				
Receipts from crown revenue		1,400,000	1,400,000	1,346,889
Receipts from other revenue		239,496	83,387	314,537
Tsunami donations received		358,612	-	-
Interest received		11,768	-	11,349
Net GST received		9,532	28,957	(42,627)
		2,019,408	1,512,344	1,630,148
Cash was applied to:				
Payments to suppliers		878,121	784,102	1,088,039
Payments to employees		706,332	730,982	488,050
Tsunami donations transferred		358,602	-	-
Net cash flows from operating activities		1,943,055	1,515,084	1,576,089
Cash flows from operation activities	12	76,353	(2,740)	54,059
Cash was applied to:				
Purchase of property, plant & equipment		1,134	-	6,888
Net cash flows from investing activities		(1,134)	-	(6,888)
Net increase/(decrease) in cash held		75,219	(2,740)	47,171
Plus cash at the start of the year		258,631	258,631	211,460
Cash held at the end of the year		333,850	255,891	258,631
Represented by:				
Cash and cash equivalents	6	333,850	255,891	258,631
Cash held at the end of the year		333,850	255,891	258,631

The GST (net) component of operating activities reflects the net GST paid and received with Inland Revenue. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The Statement of Accounting Policies and the Notes to the Financial Statements form an integral part of these Financial Statements

Pacific Cooperation Foundation

Statement of Accounting Policies

for the year ended 30 June 2010

Reporting Entity

The Pacific Cooperation Foundation is an independent charitable trust listed in Schedule 4 of the public Finance Act 1989. These financial statements are prepared in accordance with the Public Finance Act and the Crown Entities Act 2004.

The Pacific Cooperation Foundation's primary objective is to provide public services to the NZ public, as opposed to that of making a financial return.

Accordingly the Pacific Cooperation Foundation has designated itself as a public benefit entity for the purpose of New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS").

The financial statements for the Pacific Cooperation Foundation are for the year ended 30 June 2010, and were approved by the Board on 4 October 2010.

Basis of preparation

Statement of Compliance

These financial statements comply with New Zealand generally accepted accounting practice (NZ GAAP), NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Measurement base

The financial statements have been prepared on a historical cost basis, except where modified by the revaluation of certain items of property, plant and equipment, and the measurement of equity instruments and derivative financial instruments at fair value

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Pacific Cooperation Foundation is New Zealand dollars.

Standards and interpretations effective in the current period

NZ IAS 1 on presentation of financial statements, which prescribes the basis for general purpose financial statements and minimum requirements for their structure, became effective during the year to 31 March 2010 and this has resulted in minor changes in the presentation of the information, including introducing the statement of comprehensive income for the first time.

Standards or interpretations not yet effective

Various standards, amendments and interpretations have been issued by the Accounting Standards Review Board but have not been adopted by the Pacific Cooperation Foundation as they are not yet effective and the Pacific Cooperation Foundation has not chosen to early adopt them.

New and amended financial reporting standards that have not been early adopted by the Pacific Cooperation Foundation.

NZ IAS 24: Related Party Disclosures (revised 2009)

NZ IAS 24 was revised in November 2009 and is effective for periods commencing on or after 1 July 2011.

The amendment to the standard affected primarily the definition of a related party. Whilst the change to that definition is significant, application of the amended criteria would not have resulted in the identification of any further parties related to the Pacific Cooperation Foundation. The amended disclosure requirements also include related party "commitments". The existing process of identification of related party transactions within the Pacific Cooperation Foundation has not included a review of commitments however the frequency of such transactions occurring is likely to be low. All the other disclosures required in the amended standard are already being made by the Pacific Cooperation Foundation.

Pacific Cooperation Foundation

Statement of Accounting Policies

for the year ended 30 June 2010

NZ IFRS 9: Financial Instruments – Phase 1: Classification and Measurement

NZ IFRS 9 Phase 1 was issued in November 2009 and is effective for periods commencing on or after January 2013.

The new standard simplifies the classification criteria for financial assets, compared to the current requirements of NZ IAS 39. The new standard results in a reduced number of categories of financial assets and some consequential amendments to disclosure required by NZ IAS 1 “Presentation of Financial Statements” and NZ IFRS 7 “Financial Instruments: Disclosures”. The Pacific Cooperation Foundation would not have any transactions to disclose under the new NZ IAS 1 and NZ IFRS 7 disclosure requirements relating to a gain or loss arising on derecognition of financial assets measured at amortised cost.

Other standards amendments and interpretations to existing standards have been published and are mandatory for periods commencing on or after 1 January 2010. The Pacific Cooperation Foundation has not adopted them as they are not applicable to the Pacific Cooperation Foundation or the interpretation of the standards as clarified by amendments was the same as already applied by the Pacific Cooperation Foundation.

Significant Accounting Policies

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Revenue from the Crown

The Pacific Cooperation Foundation receives revenue by providing outputs to the Crown. Reporting on agreed performance measures is recorded in the Statement of Objectives and Service Performance.

Revenue from the Crown is recognised as revenue when earned and is reported in the financial period to which it relates.

Other Grants

Non-Government grants, including in kind support received are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation the grants are initially recorded as grants received in advance, and recognised as revenue when conditions of the grant are satisfied.

Interest

Interest revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

Sale of Publications

Sales of publications are recognised when the product is sold to the customer.

Provision of Services

Revenue derived through the provision of services to third parties is recognised in proportion to the stage of completion at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed.

Leases

Operating Leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the Pacific Cooperation Foundation are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease in the statement of comprehensive income.

Lease incentives received are recognised in the statement of comprehensive income over the lease term as an integral part of the total lease expense.

Pacific Cooperation Foundation

Statement of Accounting Policies

for the year ended 30 June 2010

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with domestic banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Debtors and other receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that the Pacific Cooperation Foundation will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the debtor is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income. When the receivable is uncollectable, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due).

Property, plant and equipment

Property, plant and equipment asset classes consist of leasehold improvements, furniture & fittings and computer equipment.

Property, plant and equipment are shown at cost or valuation, less any accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Pacific Cooperation Foundation and the cost of the item can be measured reliably.

Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of comprehensive income.

When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to general funds.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Pacific Cooperation Foundation and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as they are incurred.

Pacific Cooperation Foundation

Statement of Accounting Policies

for the year ended 30 June 2010

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

The following estimated rates are used in the calculation of depreciation:

Furniture and fittings	3 years	33.3%
Computer equipment	3 years	33.3%
Leasehold improvements	3 years	33.3%

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Impairment

Property, plant and equipment that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Pacific Cooperation Foundation would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The impairment loss is recognised in the statement of comprehensive income.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Employee entitlements

Short-term employee entitlements

Employee entitlements that the Pacific Cooperation Foundation expects to be settled within 12 months of the balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date and annual leave earned, but not yet taken at balance date and sick leave

The Pacific Cooperation Foundation recognises a liability for sick leave to the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date; to the extent the Pacific Cooperation Foundation anticipates it will be used by staff to cover those future absences.

The Pacific Cooperation Foundation recognises a liability and an expense for performance pay where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

Good and Service Tax (GST)

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

Pacific Cooperation Foundation

Statement of Accounting Policies

for the year ended 30 June 2010

The net amount of GST recoverable from, or payable to, the Inland Revenue (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

The Pacific Cooperation Foundation is a public authority and consequently is exempt from the payment of income tax. Accordingly, no charge for income tax has been provided for.

Budget figures

The budget figures are derived from the purchase agreement as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ IFRS, using accounting policies that are consistent with those adopted by the Pacific Cooperation Foundation for the preparation of the financial statements.

Cash flow statement

The Cash Flow Statement is prepared exclusive of GST, which is consistent with the method used in the statement of comprehensive income.

Definitions of the terms used in the cash flow statement are:

“Cash” includes coins and notes, demand deposits and other highly liquid investments readily convertible into cash and includes at call borrowings such as bank overdrafts, used by the entity as part of its day to day cash management.

“Investing activities” are those activities relating to the acquisition and disposal of current and non-current investments and any other non-current assets.

“Financing activities” are those activities relating to changes in equity of the entity.

“Operating activities” include all transactions and other events that are not investing or financing activities.

Critical Accounting Estimates and Assumptions

In preparing these financial statements the Pacific Cooperation Foundation has made estimations and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk or causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below;

Property, Plant and Equipment useful lives and residual value

At each balance date the Pacific Cooperation Foundation reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Pacific Cooperation Foundation to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the Pacific Cooperation Foundation and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact the depreciation expense recognised in the statement of comprehensive income, and the carrying amount of the asset in the statement of financial position.

Pacific Cooperation Foundation

Statement of Accounting Policies

for the year ended 30 June 2010

Critical Accounting Estimates and Assumptions (Cont.)

The Pacific Cooperation Foundation minimises the risk of this estimation uncertainty by:

- physical inspection of assets;
- asset replacement programs;
- review of second hand market prices for similar assets; and
- analysis of prior asset sales

The Pacific Cooperation Foundation has not made significant changes to past assumptions concerning useful lives and residual values.

Critical judgements in applying the Pacific Cooperation Foundation's accounting policies

Management has exercised the following critical judgments in applying the Pacific Cooperation Foundation's accounting policies for the period ended 30 June 2010.

Leases Classification

Determining whether a lease agreement is a finance or an operating lease requires judgment as to whether the agreement transfers substantially all the risks and rewards of ownership to the Pacific Cooperation Foundation.

Judgment is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant and equipment, whereas for an operating lease no such asset is recognised.

The Pacific Cooperation Foundation has exercised its judgment on the appropriate classification of equipment leases and, has determined that there are no finance leases for the year ended 30 June 2010.

Non-Government Grants

The Pacific Cooperation Foundation must exercise judgment when recognising grant income to determine if conditions of the grant contract have been satisfied. The judgment will be based on the facts and circumstances that are evident for each grant contract.

Pacific Cooperation Foundation

Notes to the Financial Statements

for the year ended 30 June 2010

1. Revenue from Crown

The Pacific Cooperation Foundation has been provided with funding from the Crown for the specific purpose of the Pacific Cooperation Foundation as set out in its founding legislation and the scope of the relevant government appropriations. Apart from these general restrictions, there are no unfulfilled conditions or contingencies attached to the government funding (2009: nil).

2. Tsunami donations received

The Pacific Cooperation Foundation received donations from the New Zealand Public on behalf of the people in Samoa (\$352,563) and Tonga (\$4,580) who were affected by the devastating Tsunami which struck during the year. The donations were transferred to the Samoan and Tongan Governments during the year. At Balance date there was \$10 owing to the Samoan Government, as a late donation was received. This amount has subsequently been transferred.

	2010 Actual \$	2009 Actual \$
3. Other revenue		
Private sector sponsorship	27,430	197,905
Consultancy work	-	62,222
Conference income	-	58,071
Other income	2,044	5,060
Total other revenue	29,474	323,258
4. Personnel costs		
Salaries and wages	558,168	479,034
Employer contributions to defined contribution plans	9,539	7,367
Increase/(decrease) in employee entitlements	10 (15,701)	(7,859)
Other employment related costs	141,625	66,874
Total personnel costs	693,631	545,416

Employer contributions to defined contribution plans include contributions to Kiwisaver.

There have been no termination, severance, redundancies or retirement payments made during the financial year other than the payout of normal entitlements due to staff resignations (2009: Nil).

Notes to the Financial Statements

for the year ended 30 June 2010

	2010 Actual \$	2009 Actual \$
5. Other expenses		
Administration	78,314	58,103
Audit NZ fee	11,700	11,933
Computer	43,101	28,047
Occupancy	71,539	77,834
Telephone	26,060	30,209
Travel programme	13,738	19,298
Board costs	13,767	20,284
Auckland overheads	23,709	-
Promotional activities	-	10,043
Conference	-	7,040
Sponsorship promotion	71	4,825
Chief Executive	5,581	3,696
World Bank Project expenses (paid by PCF)	15,821	-
Completion of prior year projects	5,324	-
Total other expenses	308,725	271,312
6. Cash and cash equivalents		
Cash on hand at bank	333,850	258,631
Total cash and cash equivalents	333,850	258,631
7. Debtors and other receivables		
Trade debtors	2,315	78,491
Accrued income	-	4,896
Goods and services tax (GST)	15,045	17,414
Total debtors and other receivables	17,360	100,801
The carrying value of receivables approximates their fair value		
A breakdown of aged trade debtors is detailed below:		
Not past due	693	78,322
Past due 1 -30 days	205	169
Past due 31 – 60 days	553	-
Past due > 61 days	864	-
Total	2,315	78,491

Pacific Cooperation Foundation
Notes to the Financial Statements

for the year ended 30 June 2010

8. Property, Plant & Equipment

	Furniture & fittings	Computer equipment	Leasehold improvements	Total
	\$	\$	\$	\$
Gross carrying amount				
Balance at 1 July 2008	64,548	37,766	29,745	132,059
Additions	3,608	3,280	-	6,888
Disposals	(2,345)	(7,308)	-	(9,653)
Balance at 30 June 2009	65,811	33,738	29,745	129,294
Balance at 1 July 2009	65,811	33,738	29,745	129,294
Additions	576	558	-	1,134
Disposals	-	-	-	-
Balance at 30 June 2010	66,387	34,296	29,745	130,428
Balance at 1 July 2008	64,548	37,766	29,745	132,059
Depreciation expense	401	364	-	765
Disposals	(2,345)	(7,308)	-	(9,653)
Balance at 30 June 2009	62,604	30,822	29,745	123,171
Balance at 1 July 2009	62,604	30,822	29,745	123,171
Depreciation expense	1,349	1,159	-	2,508
Disposals	-	-	-	-
Balance at 30 June 2010	63,953	31,981	29,745	125,679
Net carrying amounts				
At 1 July 2008	-	-	-	-
At 30 June 2009 & 1 July 2009	3,207	2,916	-	6,123
At 30 June 2010	2,434	2,315	-	4,749

Pacific Cooperation Foundation
Notes to the Financial Statements

for the year ended 30 June 2010

	2010 Actual \$	2009 Actual \$
9. Creditors and other payables		
Trade creditors	34,527	16,332
Accrued expenses	50,219	19,126
Tsunami donations payable	10	-
Conference expenses payable	-	6,119
PAYE payable	17,424	7,758
Total creditors and other payables	102,180	49,335
<p>Creditors and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of creditors and other payables approximates their fair value.</p> <p>A breakdown of aged trade creditors is detailed below:</p>		
Not past due	34,494	15,078
Past due 1 – 30 days	-	130
Past due 31 – 60 days	-	224
Past due > 61 days	33	900
Total aged trade creditors	34,527	16,332
10. Employee entitlements		
Accrued salaries and wages	13,381	8,495
Annual leave	12,198	28,820
Sick leave	-	351
Performance pay	9,452	13,066
Total employee entitlements	35,031	50,732
11. Equity		
General Funds		
Balance as 1 July	265,488	147,959
Surplus/(Deficit)	(63,974)	117,529
Balance at 30 June	201,514	265,488

Pacific Cooperation Foundation

Notes to the Financial Statements

for the year ended 30 June 2010

	2010	2009
	Actual	Actual
	\$	\$
12. Reconciliation of net surplus/(deficit) to net cash from operating activities		
Net surplus/(deficit) from operations	(62,938)	117,529
Add/(less) non-cash items:		
Depreciation	2,508	765
Total non-cash items	<u>2,508</u>	<u>765</u>
Add/(less) movements in working capital items:		
Debtors and other receivables	81,072	(8,722)
Air New Zealand contra	-	587
Prepayments	-	1,256
Creditors and other payables	51,809	(5,712)
Employee entitlements	(15,701)	(9,017)
Grants in advance	19,734	-
Net goods and services tax (GST)	(131)	(42,627)
Working capital movements – net	<u>136,783</u>	<u>(64,235)</u>
Net cash flow from operating activities	<u>76,353</u>	<u>54,059</u>

Pacific Cooperation Foundation
Notes to the Financial Statements

for the year ended 30 June 2010

	2010 Actual \$	2009 Actual \$
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13. Capital commitments and operating leases

Capital commitments

At balance date the Pacific Cooperation Foundation had no capital commitments (2009: Nil)

Operating leases as lessee

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

No later than one year	58,139	25,632
Later than one year and not later than two years	58,139	12,147
Later than two years and not later than five years	14,535	-
Total non-cancellable operating leases	130,813	37,779

The Pacific Cooperation Foundation leased part of one floor of an office building in Wellington. The lease was to expire on 30 September 2012. This lease has subsequently been assigned to a new tenant, effective 11 September 2010, due to the relocation of the office to Auckland. The Pacific Cooperation Foundation did not incur any additional costs in assigning the lease.

The Pacific Cooperation Foundation does not have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on the Pacific Cooperation Foundation by any of its leasing arrangements.

14. Contingencies

There are no contingent liabilities at year end (2009: Nil)

15. Related party transactions

Related party transactions

Pacific Cooperation Foundation is a charitable trust that receives funding from both government and the private sector. It is listed under Schedule 4 of the Public Finance Act 1989 as one of a number of entities that have a reporting responsibility to the Government.

The Board has entered into a number of transactions with government departments/crown agencies/state owned enterprises on an arm's length basis. Those parties are acting in the course of their normal dealings with Pacific Cooperation Foundation. Related party disclosures have not been made for transactions of this nature.

There were no contributions of core funding by Brother International (NZ) Limited during the 2009/10 financial year (2009: \$25,000 core funding and \$35,000 for the Brother Pacific Wave Conference). Board member Graham Walshe is the Executive Chairman of Brother International (NZ) Ltd.

Pacific Cooperation Foundation

Notes to the Financial Statements

for the year ended 30 June 2010

	2010 Actual \$	2009 Actual \$
16. Key management personnel compensation		
Salaries and other short-term employee benefits	148,452	162,657
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Total key management personnel compensation	148,452	162,657

Key management personnel include the Chief Executive and the members of the Board of Trustees.

Key management personal compensation was higher during the 2008/09 financial year due to termination payments being paid out to the previous Chief Executive, and an overlap in employment of the current and previous Chief Executive during December 2008 and January 2009.

17. Board member remuneration

No fees were paid to Members of the Board of Trustees during the year (2009: Nil)

18. Employee remuneration

There is one staff member whose total remuneration is the \$140,000 - \$150,000 band (2009: \$130,000 - \$140,000).

There were no benefits or payments made to employees or Board members in relation to cessation.

19. Events after balance sheet date

Subsequent to balance date the Pacific Cooperation Foundation has relocated its premises to Auckland. The move took place on the 11th September 2010. As mentioned above the move resulted in the assignment of the lease of the Wellington office. The Pacific Cooperation Foundation is currently negotiating the lease of an office building in Auckland. The relocation is not expected to materially affect the financial statements for the year ended 30 June 2011.

20. Categories of financial assets and liabilities

The carrying amounts of financial assets and liabilities in each of the NZ IAS 39 categories are as follows:

Loans and receivables

Cash and cash equivalents	333,850	258,631
Debtors and other receivables	19,860	100,801
Total loans and receivables	353,710	359,432

Financial liabilities measured at amortised cost

Creditors and other payables	101,144	49,335
Total financial liabilities	101,144	49,335

Notes to the Financial Statements

for the year ended 30 June 2010

21. Financial instrument risks

Pacific Cooperation Foundation's activities expose it to a variety of financial instrument risks, including credit risk. The Foundation has a risk management policy to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Pacific Cooperation Foundation causing the Foundation to incur a loss.

Due to the timing of its cash inflows and outflows, the Foundation invests surplus cash with registered banks. The Foundation's investment policy limits the amount of credit exposure to any one institution.

The Foundation has processes in place to review the credit quality of customers prior to the granting of credit.

The Foundation's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents (note 6), net debtors (note 7) and derivative financial assets. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

Pacific Cooperation Foundation has minimal exposure to currency risk.

22. Capital Management

The Pacific Cooperation Foundation's capital is its equity, which comprises accumulated funds and other reserves. Equity is represented by net assets.

The Pacific Cooperation Foundation is subject to the financial management and accountability provisions of the Pacific Cooperation Foundation Trust Deed, certain requirements of the Public Finance Act 1989 and consequently also to certain provisions and requirements under the Crown Entities Act 2004.

The Pacific Cooperation Foundation manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments, and general financial dealings to ensure the Pacific Cooperation Foundation effectively achieves its objectives and purpose, whilst remaining a going concern.

Notes to the Financial Statements

for the year ended 30 June 2010

23. Explanation of significant variances against budget

Explanations for significant variances from the Pacific Cooperation Foundations budgeted figures.

Statement of comprehensive income:

Revenue

Income was augmented by the World Bank project and tsunami relief funds flowing through our accounts. All funds donated for tsunami relief were transferred to the relevant Governments for tsunami relief programmes. The funds drawn down from World Bank are allocated to existing contracts for programme work in the region.

Personnel costs

There was a delay in recruitment in the first quarter that saw expenditure less than budgeted.

Statement of financial position:

Current Assets

There was more cash than budgeted due to additional income being received.

Creditors and Other Payables

Creditors greater than anticipated due to shifting key project deliverables into the fourth quarter. This resulted in two projects being delivered in June 2010 requiring accrual.

Statement of changes in equity:

Due to other income being received from sponsorship, the projected expenditure of equity was reduced this year.

Statement of changes in cash flows:

An increase in income saw an increase in cash flow. As at 30 June 2010, PCF held \$19,734 in advance for World Bank projects.

PACIFIC COOPERATION FOUNDATION

ORGANISATION PROFILE

Board of Trustees

Fa'amatuainu Tino Pereira (Chairman)

Graham Walshe (Deputy Chairman)

Tony Butler

Laauli Michael Jones

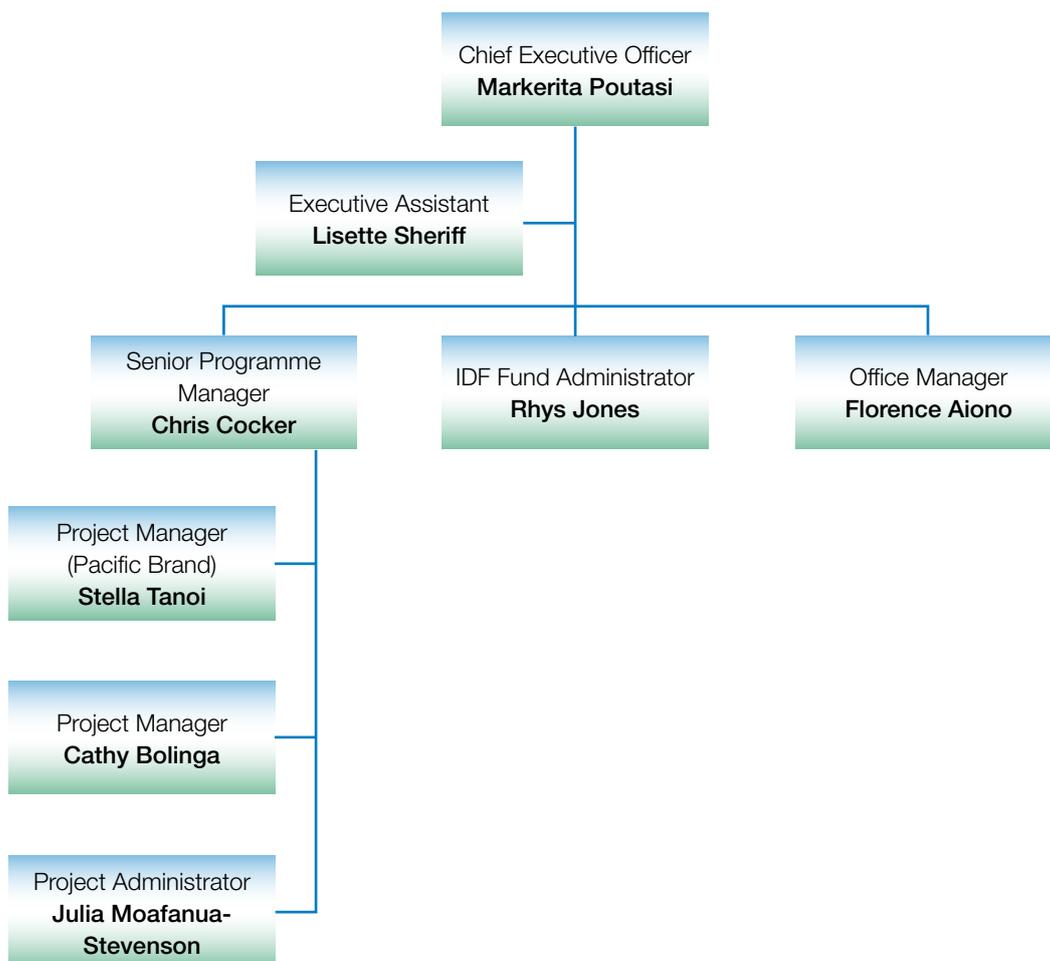
Nicole Metzger

Grant Sinclair

Dr. Yvonne Underhill-Sem

John Allen (ex officio)

Staff Structure (30 June 2010)



PACIFIC COOPERATION FOUNDATION KEY PARTNERSHIPS

FOR THE YEAR ENDED 30 JUNE 2010



Brother International (NZ) Limited

New Zealand Government

New Zealand Government

DIRECTORY

Pacific Cooperation Foundation

Level 2
Tourism and Travel House
79 Boulcott St
PO Box 10-467
The Terrace
Wellington 6143

Telephone: 64 4 931 9380
Facsimile: 64 4 931 9382
Email: info@pcf.org.nz
Website: www.pcf.org.nz

Auditor

Audit New Zealand
Wellington
On behalf of the Auditor-General

Bankers

Westpac Banking Corporation
Wellington

Accountants

Deloitte
Wellington

Solicitors

McBride Davenport James
Wellington

The Crown Law Office
Wellington

Bell Gully
Wellington

Insurer

Vero
Wellington



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COOPERATION
FOUNDATION



Pacific Cooperation Foundation

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at your side

New Zealand Government