



# Sustaining Pacific success in a transitional environment

Annual Report 2022/23

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# Performance Highlights

For the year 2022/2023

## SUPPORTING ENTREPRENEURSHIP AND BUSINESS GROWTH

<b>507</b> NEW CLIENT REGISTRATIONS	<b>445</b> BUSINESS ASSESSMENTS	<b>335</b> REFERRAL PLANS
<b>253</b> GRANTS APPROVED	<b>47</b> BUSINESS DEVELOPMENT WORKSHOPS	<b>118</b> CERTIFIED SERVICE PROVIDERS

## CREATING PLATFORMS FOR GROWTH

<b>99</b> BUSINESSES REGISTERED <small>FOR PBT'S PROCUREMENT SUPPORT SERVICES PROGRAMME</small>	<b>245</b> USERS ON OUR DIGITAL PLATFORM	<b>72%</b> CLIENTS SATISFIED WITH PBT'S SERVICES
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## PROVIDING LEADERSHIP ON PACIFIC ECONOMIC DEVELOPMENT

<b>7</b> ECOSYSTEM ENGAGEMENTS
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# Statement from the Chairman and Chief Executive

**We are excited to share with you, the achievements of our year in review, the growth that we have had in our organisational capability, and the transformational change we have made in our transition into the Pacific Economic Development Agency.**

In the last year, the Pacific Economic Development Agency - Pacific Business Trust (PBT) has had to deal with disruption and chaos from the ongoing impacts of global disputes and COVID-19 from both a domestic and an international perspective such as supply chain and resource management limitations on our Pacific businesses. Our businesses have had to deal with macroeconomic factors such as the disaster management of Cyclone Gabrielle and the Auckland floods affecting our local markets, while recessionary economic conditions, inflation, and higher interest rates have exerted a negative influence on different sectors of the New Zealand economy.

However, we have seen the resilience of our communities and the leaders who guide them; have stepped up and stepped out to meet these challenges head-on. We have supported our community while also revisiting our priorities, growing our capabilities, and cementing our position as business leaders. This ensures we can meet the current and future needs of our evolving communities and the businesses that support them.

We have begun with a change of guard to our Board, where new talent offerings boasting a plethora of business expertise and experience, as well as a greater geographical representation, to expand our reach and insights beyond Auckland, providing pathways into the regions of Aotearoa New Zealand.

In February 2023, Mary Los'e was appointed as Chief Executive and is leading a new chapter for PBT, continuing to accelerate the organisation's transformation, breathing a new lease of life into a business that has been in existence for 39 years, and ensuring that prosperity and the holistic priorities for Pacific peoples are at the centre of our work.

A key part of our transformation journey has been an increased focus on strategic and funding partnerships, with an emphasis on ethical, reciprocal, and collaborative relationships. We have also spent time to identify and grow our partnership ecosystem, focusing on partnering with those with common interests as well as ensuring our service providers are aligned with PBT's view on key capability needs for Pacific businesses including construction, social enterprise, and youth enterprises.

Partnerships have been realised with the move into a co-location space in Midlands Park in Wellington. This puts us in the realm of other businesses that have economic growth as part of their priorities both domestically, regionally, and internationally.

We are in the privileged position to *lalanga* (weave) a new pathway forward as the Pacific Economic Development Agency and we will broaden our scope to deliver for Pacific peoples across Aotearoa New Zealand and the Pacific region.

**Ngā manaakitanga**



**Paul Retimanu**  
Board Chair  
Pacific Business Trust



**Mary Los'e**  
Chief Executive  
Pacific Business Trust

# Executive Summary

**We are committed to doing things differently to enable 'social and economic prosperity'. We are supporting businesses and Pacific people to drive and lead their own solutions to problem-solving, by drawing on their Pacific cultural capital, ensuring outcomes reflect both their values and the needs of a changing business environment.**

Our story as the Pacific Business Trust - Pacific Economic Development Agency (PBT) for Aotearoa New Zealand, is ever-evolving, is responsive to the changing currents of the modern world and empowers Pacific businesses to drive and lead innovative solutions that are driven by measurable outcomes, are thought about cost-effectively and makes good use of resources efficiently.

As another year passes, PBT has undergone considerable change management to transition into our economic development agency (EDA) state. We have re-examined our vision and mission and will be establishing a clear long-term vision, mission, and refreshed outcome framework, to guide decisions and cement our position as an EDA.

We have redeveloped our organisational design, service offerings, and delivery model from transactional interactions to an integrated service delivery model. We have rebalanced our economic development approach by expanding from primarily serving Pacific businesses to include supporting Pacific people to grow their capability and capacity, and we have increased our presence throughout New Zealand, and the wider Pacific region, increasing partnerships with public, private, and community organisations across local and national business communities and networks.

Pacific values are our anchor, with each generation weaving the foundations for the next to stand on. We have seized the opportunity to recognise further the changing context for Pacific people, the new and existing Pacific businesses that operate within those communities in Aotearoa, ensuring throughout our journey, we support future Pacific generations to be successful, to contribute, shape and maximise their participation in the future of Aotearoa.

**FOUR SECTIONS:**

- Section one >**  
We describe our snapshot in time and a word from our leaders.
- Section two >**  
We describe who we are and what we do.
- Section three >**  
We describe how we have delivered on our outcomes.
- Section four >**  
We describe our reporting and our financial performance during the year.

## “E so’o le fau i le fau”

*A thread cannot hold its own – its strength comes from being interwoven with other threads to create the fine mat, which is the most precious in Fa’a Samoa.*



# About Pacific Business Trust

## A Pacific Economic Development Agency

PBT was established in 1985 to provide Pacific businesses with advice, information, support, and education relevant to Pacific business development. Today, PBT is the national Pacific Economic Development Agency; we provide targeted support, tools, and mentoring to Pacific businesses, delivering a strong set of economic development services that directly benefit the Pacific community.

We have primary partnerships with the Ministry for Pacific Peoples (MPP), Ministry for Social Development (MSD), Ministry of Businesses, and Innovation and Employment (MBIE). These entities provided funding to PBT, enabling PBT to continue offering its various programmes and services.

We also have a network of certified delivery partners (professional service businesses) that we collaborate with to provide specialist advice and support to our customers, the Pacific businesses, and entrepreneurs throughout New Zealand.

## Our roadmap in 2022/23

### PBT continues to navigate and lead to support Pacific people to thrive in business and employment

PBT’s trajectory has encouraged our strategic direction and focus areas to evolve and to grow in ambition and scope. Over the last year, our three focus areas have helped ensure we are consistently improving our service to customers and that our internal functions and capabilities are fit for purpose.



Improving support for Pacific Entrepreneurs to deliver sustainable business growth, through using innovative solutions and tools



Creating platforms for Pacific industry, enabling capability building



Increasing leadership on Pacific economic development

Furthermore, with the local and global impacts of the COVID-19 pandemic and world-wide disputes, we reshaped our approach to our programmes and services to cater to the ‘Pacific-way’ of adjusting to a change in the business and economic environment. This triggered a shift in what we deliver, and how we deliver our services to enable impactful and recovery support for our Pacific businesses post the pandemic wave, during Cyclone Gabrielle’s tirade and the Auckland floods that happened soon after.

# The environment we operate in

## Pacific population landscape in New Zealand

To understand where PBT fits in the national context, the following provides insight into the Pacific population and the Pacific-owned business landscape in New Zealand.

- The last Census (2018) identified there were more than **380,000 Pacific peoples** in New Zealand, representing **over 8% of our population**.
- The same census identified the **Pacific population has increased by more than 85,000 people** representing **an increase of 22%** compared to the previous census.
- Pacific peoples represent **more than 20 different Pacific ethnic backgrounds**.
- According to the Ministry for Pacific People’s Pacific Aotearoa Status Report there were **3,831 Pacific-owned businesses** in construction, professional, scientific, and technical services, transport, postal, and warehousing industries, that make up **more than 50% of the total number of Pacific-owned businesses**. The next largest are agriculture, forestry and fishing, administration, and support services.

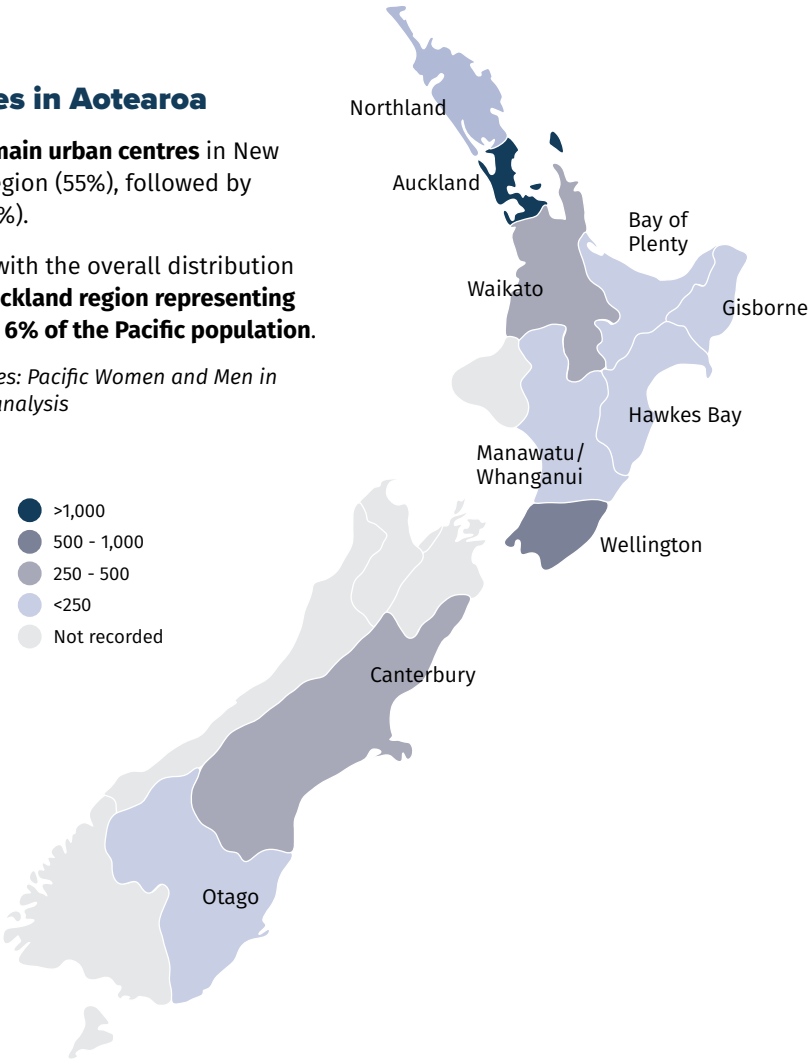


## Location of Pacific-owned businesses in Aotearoa

Pacific businesses tend to be **located within the main urban centres** in New Zealand, with over half located in the Auckland region (55%), followed by Wellington (15%), Waikato (8%) and Canterbury (7%).

This proportion of businesses is broadly aligned with the overall distribution of Pacific people across New Zealand, with the **Auckland region representing 64% Wellington 11%, Waikato 5% and Canterbury 6% of the Pacific population**.

Source: Ministry of Women and Ministry of Pacific Peoples: Pacific Women and Men in Business (2021), Statistics New Zealand (2018) and PwC analysis



# Our people

**Our workforce has come back stronger and more resilient from the health and economic challenges of the previous year.**

We have refined our operations by beginning our efforts to adopt a customer experience model that considered the touchpoints with appropriate ratios of staff to clients. Having the right resources operating centrally and across the regions from PBT is critical to ensure our system and processes are functioning correctly, our quality is monitored and maintained, our data is fuelling our insights, and we are providing economic development for our communities.

**PBT currently has 17 permanent staff, 5 fixed-term staff, and 3 contractors working across our Auckland, Wellington, and Christchurch offices.** Our workforce continues to drive PBT’s business aspirations and achievements. We are committed to expanding our talent pool and developing our people through training initiatives, organisational well-being checks and having the right people, in the right roles and appointing them, at the right time.

We welcomed Paul Retimanu as the new Chairman of the Board (effective 1 August 2022), and in February of 2023, we welcomed our new Chief Executive Officer Mary Lose’ to PBT. By the end of June 2023, five new board members were appointed to start their tenure in the next financial year, and we farewelled long-standing Board member Samuelu Sefuiva.

We also recruited specialist roles that will differentiate our services within the industry, and senior-level roles that will help deliver impactful results for the organisation.



# Our key programmes



**Our business-as-usual programmes are designed to uplift below-industry standard capabilities or competitive opportunities for Pacific businesses.**

## Capability Services and Portfolio offerings

- **Business Assessments.** We conducted **445** online and advisory assessments of the capability of our registered customers to identify the assistance they need and **exceeded the target of 200.**
- **Referrals.** We provided **335** customer access to certified, culturally competent, and specialist service providers to support them in specific areas of business need and personal development and **exceeded the target of 200.**
- **Workshops.** We equip enterprises with essential skills to enable them to grow, which include general and industry-specific workshops. In the last year, we delivered **47** workshops and **exceeded the target of 24.**
- **Grants for Services.** We provide **253** eligible customer aides to access support recommended through business assessments and referral plans and **exceeded the target of 100.**
- **Personalised Offering.** We provide customers with a unique capability offering geared towards businesses that share common opportunities and challenges. **96.8%** of our clients were satisfied with their matched service provider against an **80% rated target.**
- **Ecosystem Engagements.** We facilitated **7** gatherings of various ecosystem participants to discuss, network, celebrate, and engage meaningfully and culturally. Gatherings include community engagements, networking, mentoring engagements, ideation sessions, and special events.
- **Supporting businesses.** During February and March 2023, New Zealand experienced disasters such as Cyclone Gabrielle and the Auckland floods. Much of our Pacific businesses were affected given many of them are in Auckland where much of the devastation occurred. Like our businesses, business as usual was de-prioritised, and much of our effort focused on supporting our businesses through these disasters.



Beyond our business-as-usual services, we continued to deliver two key projects that have been instrumental to PBT’s success and our customers’ growth and development.

1. Pacific Construction Support Services / Procurement Support Service

A four-year initiative between PBT and MBIE, our Procurement Support Service delivers innovative support to help Pacific business owners participate successfully in procurement processes and lift Pacific business capability and capacity in procurement-related functions.

Currently, in our second year of delivery, our Procurement Support Service offers a wide range of culturally tailored, industry-leading support around:

- Health and safety. We conduct Safe365 Maturity, and Environment and Sustainability Assessments which help understand a business’s health and safety risks and environmental performance and tailor an effective action plan.
- Procurement and construction workshops. We provide procurement readiness and risk management workshops, as well as tendering and pricing for the construction industry, to help Pacific businesses develop skills and knowledge through collaboration with key industry partners, suppliers, contractors, and other businesses.
- Customised support. For businesses with complex needs, we provide personalised and targeted support around tender management, management system development, ISO certifications, and commercial advice.
- Tools and resources. We offer resources such as a Procurement Diagnostic Tool to help understand business maturity, a Pricing Calculator to help businesses estimate pricing when responding to market opportunities, and a Stop/Go Tool to assess a business’s ability to successfully compete in specific tender opportunities.

Value-add	Comparative to the previous year
The number of businesses registered for PBTs (PACIFIC BUSINESS TRUST) procurement support programme has risen.	From 49 in 2021/22 to 99 in 2022/23.
The PBT Portal allows clients to access support and resources for their business in real time.	In 2021/22 519 clients used this portal and that figure equated to 245 in 2022/23.
The proportion of clients who are satisfied with PBT’s services rose.	From 85% in 2021/22 to 72% in 2022/23.



2. Pacific Youth Employment

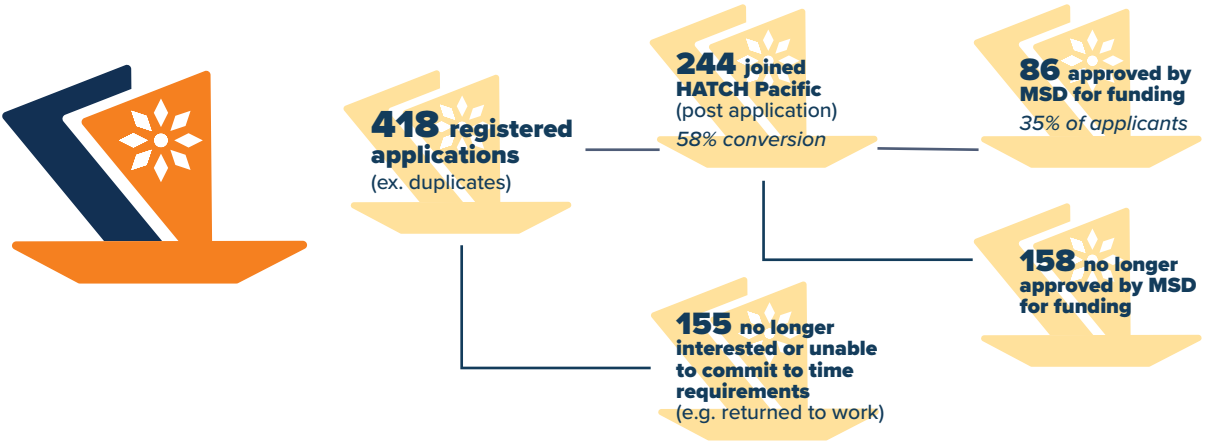
Employers are concerned about persistent long-term unemployment, particularly for young people and people with low skills. PBT aims to ensure there is adequate and targeted support where individuals are entering or re-entering work. Supporting labour market participation is fundamental for ensuring equality of opportunity and becomes an economic imperative in the context of our ageing workforce.

HATCH Pacific is a programme aimed at Pacific youth, to help turn their ideas or products into viable businesses. The purpose of the HATCH Pacific programme is to provide pathways for young Pacific into entrepreneurship. HATCH Pacific focusses on:

- Building confidence through cultural identity and values.
- Providing pastoral support and direction.
- Highlighting pathways and role models for Pacific business success.
- Providing education around core business concepts; and
- Providing a fun, safe, and supportive learning environment.

HATCH Pacific partnered with MSD to deliver two targeted business programmes (Business Foundation & Startup), anchored in Pacific values, that sought to develop young Pacific entrepreneurs and business owners from the initial idea to business setup and development.

Since its launch in September 2021 to September 2022, there have been 418 applications. The number of applications received demonstrates the interest and demand for an entrepreneurship programme that is uniquely Pasifika (but open to all cultures and ethnicities) and expertly blends education, community, mentorship, and culture. Of the 418 applications received, 244 joined the programme. Of the 244 that joined the programme, 86 were funded by MSD. The remaining 158 did not meet the MSD eligibility criteria as they were either in part-time or full-time study or employment.



# Our three focus areas

**This financial year our focus shifted from setting foundations to streamlining our systems and processes, and extending our competitive advantage.**

Our organisational trajectory has encouraged our strategy and focus areas to evolve and grow in ambition and scope. In FY23, our three focus areas were: optimising our programmes and solutions, developing internal capabilities, and rolling out our digital youth entrepreneurship programme.



## Improving support for Pacific entrepreneurs to deliver sustainable business growth, through using innovative solutions

We are tailoring our programmes to address the growing demand for our services and adapting to the post-pandemic and climate change environment, whilst maintaining our customer-centric ways of working.

We re-imagined how we could do better for our customers and the development of our adapted programmes and services is a testament to that vision. We continue to offer our standard services but have bespoke and specialised programmes that cater to the specific needs of our customers (e.g., procurement needs of the construction industry). More recently, we are in the development stage of a mentoring programme for our service providers and Pacific businesses because this is what they have told us they would like access to.



## Creating platforms for the Pacific industry, enabling capability-building

We have streamlined our internal functions through the use of best practices and protocols and effective information systems and enabled access to technology through our PBT programmes.

We have developed a customer-experience model aimed at optimising our process discipline and supporting our people in their roles through a more robust infrastructure covering people, process, and technology. These enhancements include (but are not limited to):

- **People.** Our people have had to make major adjustments to the ways we work and deliver our services due to the impact of the pandemic and other disasters. We have continued to support our people navigate working back 'into the workplace from work-from-home arrangements' alongside exploring additional benefits. We have recruited time-bound specialist roles that helped us differentiate our services within the industry, as well as senior-level roles that will help shape impactful results for a customer-centric organisation.
- **Process.** We have implemented our Client Portfolio Management process that provides a more targeted and specific service offering for our Grants for Services, following our FY22/23 Business Plan. We continue to refine this process as we get more insights from the clients we have and the partners we work with.
- **Technology.** We continue to significantly invest in our digital capability as part of our Service Delivery Model by continually updating our website and customer relationship management platform. Included in this are continuous improvements on digital technology options given to businesses we support and grow.



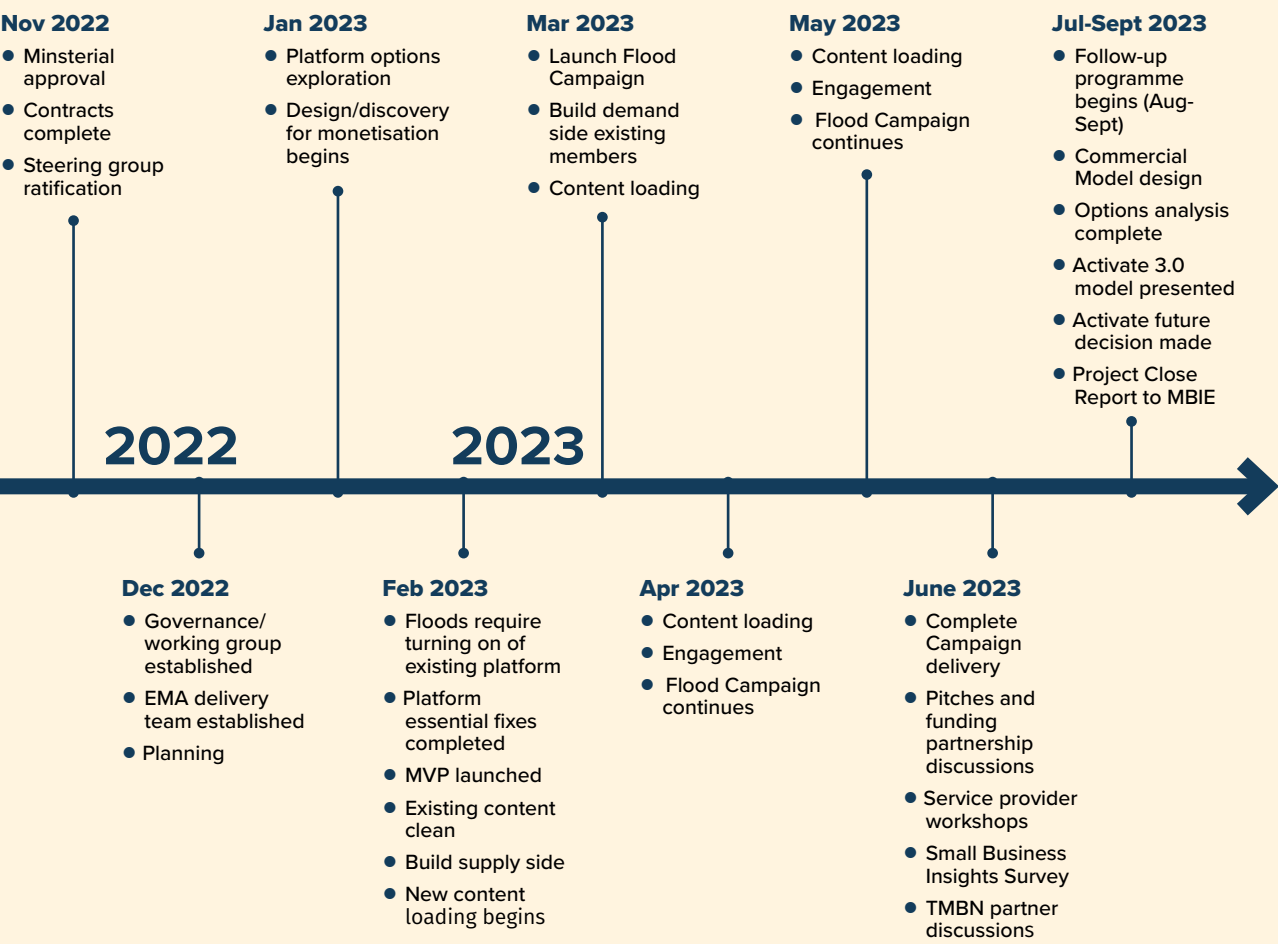
## Increasing leadership in Pacific economic development

We have engaged with and brought together business and community leaders in Auckland, Dunedin, Waikato, and in Christchurch.

We hosted our bi-annual event 'The Pacific Business Awards 2022'. 'The prestigious awards recognise Pacific entrepreneurs who have shown innovation, determination, and resilience during challenging times. 10 Pacific business awards recognised our entrepreneurs, their leadership, excellence in business, and meeting the needs of our community. You can find more information here: Pacific Business Trust Awards ([pacificbusinessawards.co.nz](https://pacificbusinessawards.co.nz)).

We have engaged with most of the EDAs this year in preparation for our growth progress into regional areas where Pacific people and their businesses are. We intend to partner where we can, with other EDAs in those areas and co-design workshops with information sharing and business programmes, to benefit Pacific business's growth and economic contribution, to those regions and their communities.

# Our achievements



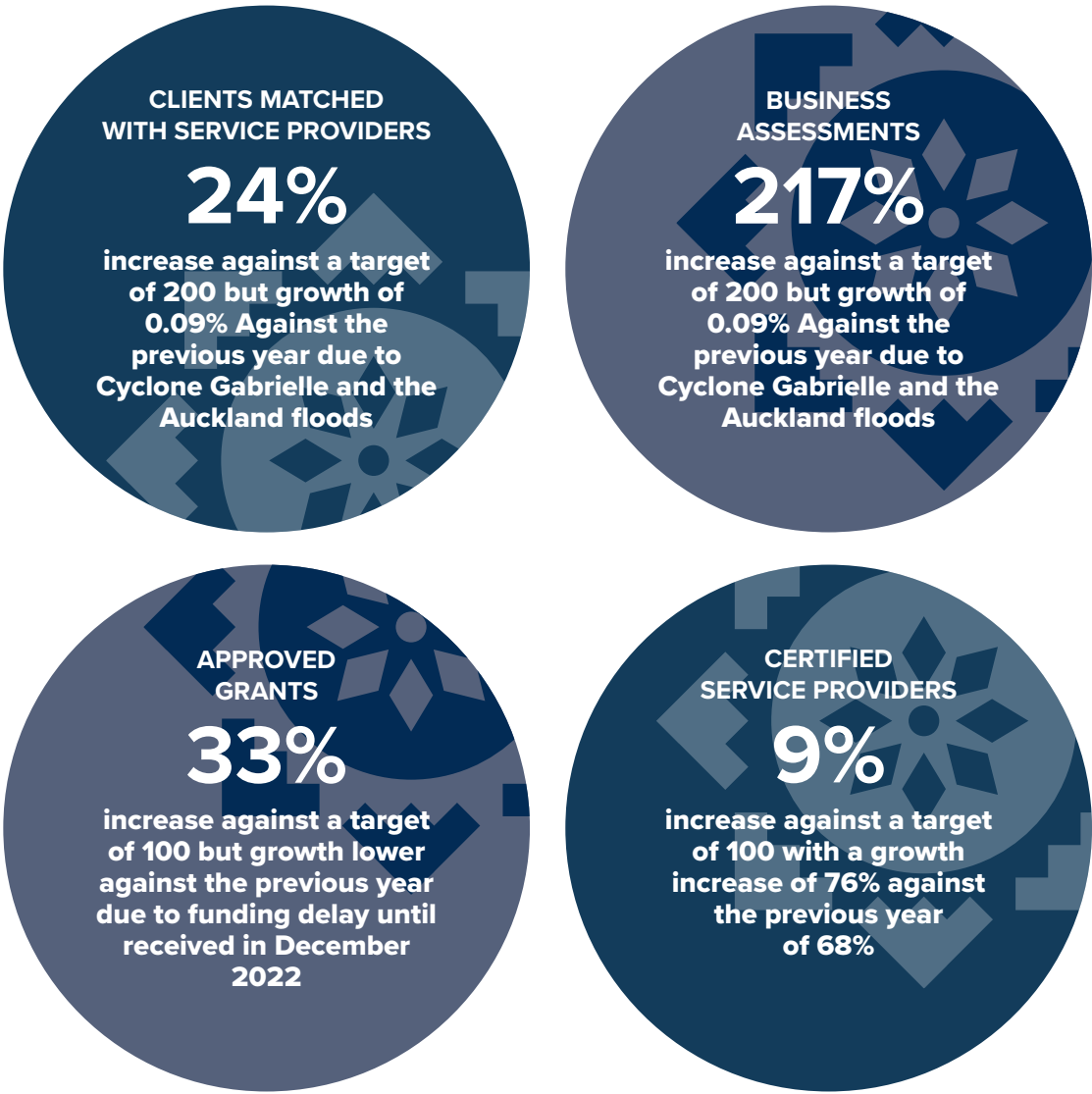
As we continuously improve our services and operations and adjust our priorities due to the ongoing impacts of disruptive events outside of our control, (Cyclone Gabrielle and the Auckland floods which also impacted Gisborne and Napier). We have seen our efforts shift to enabling sustainable businesses to ensure they have sustainable plans that take in the GDP deficit, cost of living increase and environmental emergency planning. The commitment of our personnel, stakeholders, and delivery partners continues to look for ways to improve what we deliver and how we deliver our service.

Since November 2022, we have worked with other organisations on a project called Activate Tāmaki Makaurau. Organisations included EMA, Heart the City of Auckland, Hospitality New Zealand, Ministry of Business, Innovation & Employment, Rā – Restaurant Association, Retail NZ, Tataki Auckland Unlimited, Armstrongs, and Whāriki. We provided support to the business communities affected directly by the Auckland Anniversary flooding and Cyclone Gabrielle. This was done through our Online and In-person Open Day to assist eligible businesses with their Back to Work grant applications. We delivered 8 Business Continuity Planning workshops on the key topics of Business Insurance, Proactive Financial Planning, Health & Safety, and Accounting.

Our commitment to continuously improve our performance is steadfast. We have welcomed the environmental challenges of this previous year and where we have been required to deliver our services differently. Despite that, we have made important strides forward and achieved milestones in an environment where businesses were considerably challenged. We acknowledge the work that everyone, including our staff, clients, and delivery partners, has put in to mark these achievements.

## Increased customer reach

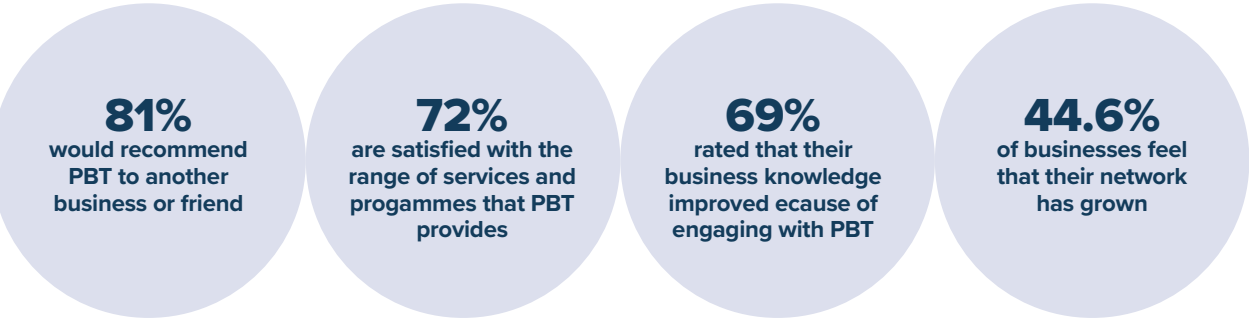
Continued growth is just one of the indicators of PBT’s success. Our customer growth from across the country means our Pacific businesses are tapping into what PBT has to offer, which is a positive measure of our success.



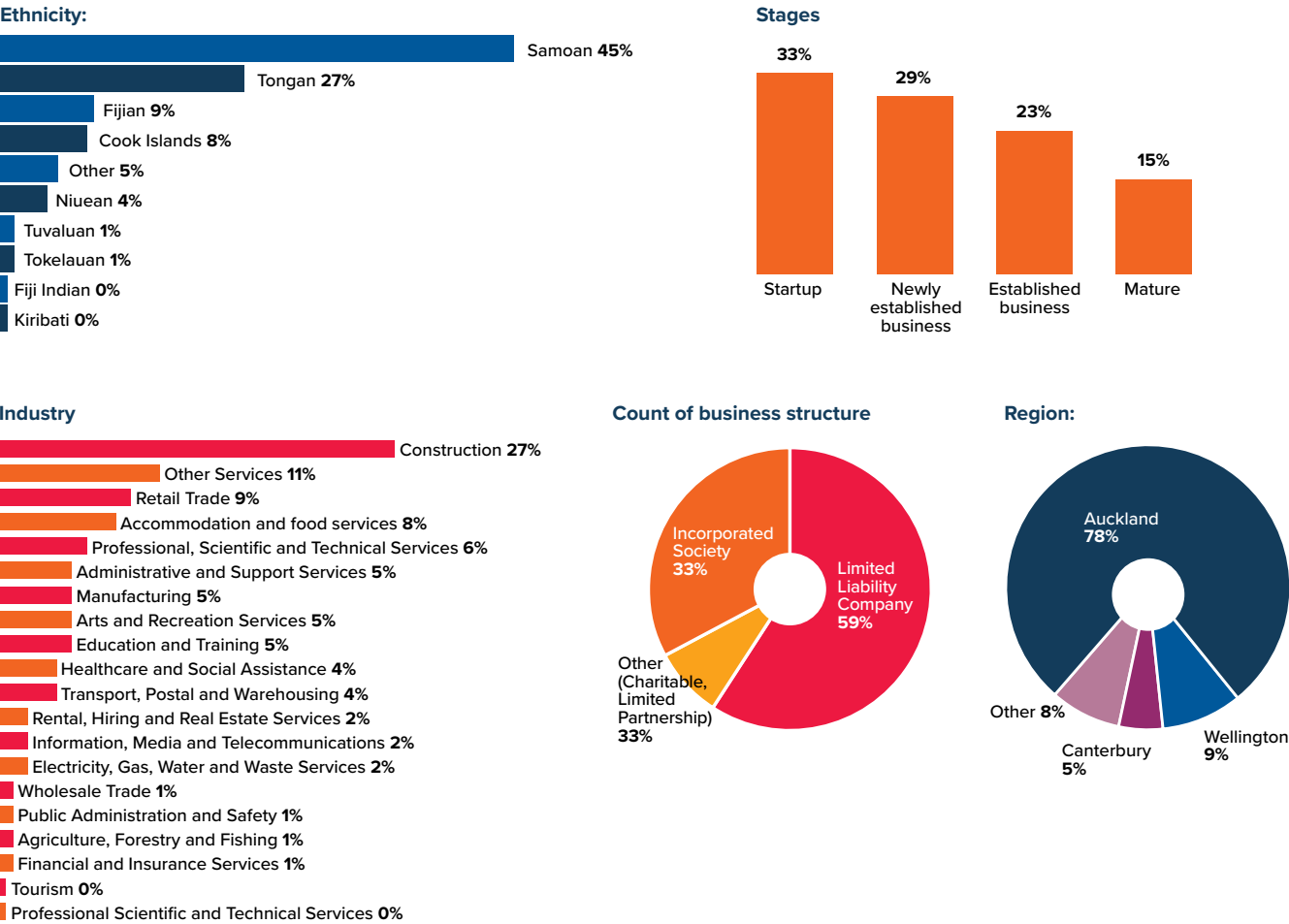


Value-add for our customers from interaction with PBT

Ensuring we are relevant and providing value for our customers is an important part of our organisational DNA. We are constantly looking at how we can efficiently help them fulfill their needs in one place. As we add products, our ecosystem focus will be on needs that span across multiple industries to incorporate customer fluidity expectations. We have found customers are far more likely to accept products and services that may seem tangential to the original business model once they are loyal to a company and its ecosystem of offerings. This applies not only to the advice we provide our customers in their business ventures, but it also applies to us and our role in the broader ecosystem.

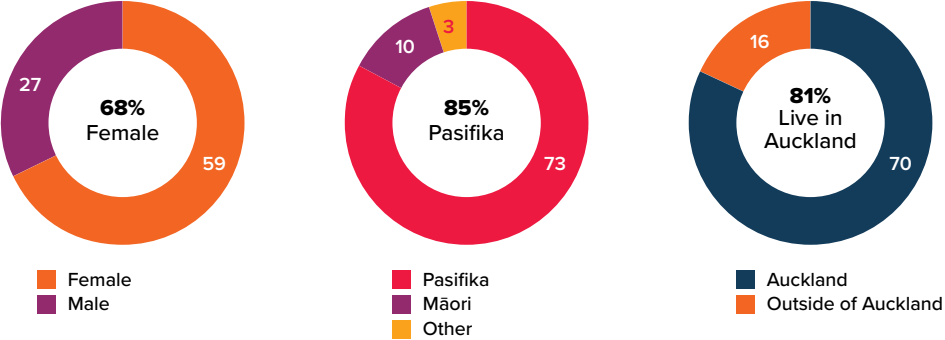


Wider Pacific engagement



Insights from the Hatch programme

Of the 86 participants approved by MSD for funding, 68% are female, 85% are Pasifika and 81% reside in Auckland.

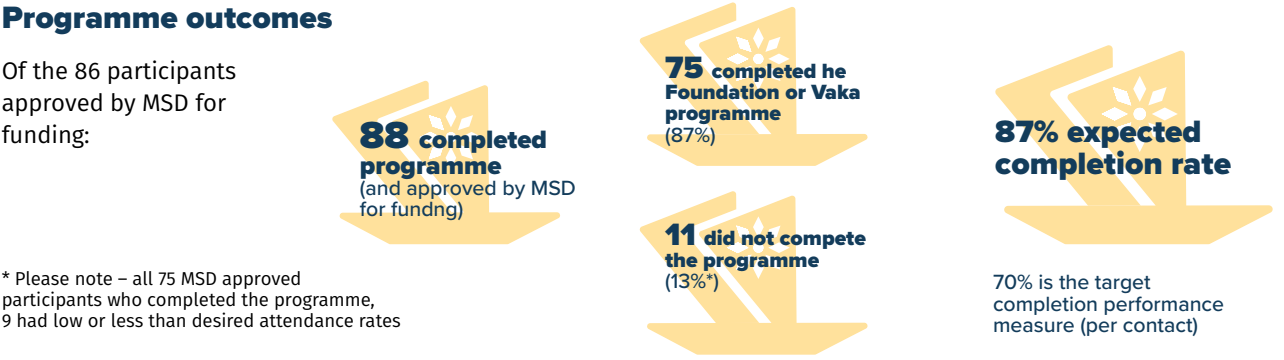


The demographics above show high interest and demand in entrepreneurship and business from Pacific and Pacific females in particular. In recent cohorts, there was an increase in demand from Maori attendees looking for support (12% overall). The large majority of participants are from Auckland, particularly West and South Auckland with growing interest from the regions (Waikato and Northland).



Programme outcomes

Of the 86 participants approved by MSD for funding:



\* Please note – all 75 MSD approved participants who completed the programme, 9 had low or less than desired attendance rates

# Insights from Procurement Support Services

The Procurement Support Service (PPSS) is designed to be an end-to-end solution that results in a direct uplift of Pasifika business capability to ensure they can successfully participate in mainstream procurement practices, including various levels of interventions depending on a business’ maturity (personalised offerings, specialist procurement services, and procurement workshops).

Currently, the reach in the core business centres of Auckland, Wellington, and Christchurch has been firmly established and the PPSS proposes to expand their reach to wider regions where Pasifika are concentrated yet unable to access the programme due to logistics or digital limitations. To expand the reach in the wider regions of Aotearoa New Zealand, we require concentrated effort and time to form partnerships, supply chain accountability and optimisation tools and assets to reflect the commitment to support Pasifika businesses in the wider regions.

The completion of the PPSS contract is June 2024 and the remaining budget of \$1.223m will not allow for activities to expand the reach of the programme into the wider regions as desired. The efforts that have been taken thus far have seen a ripple effect in the regions and to realise the Broader Outcomes Framework, therefore boosted funding to capitalise on the groundwork already done must be considered.

Regions PPSS are currently established in	Regions requiring PPSS expansion into	
<ul style="list-style-type: none"><li>• Auckland</li><li>• Wellington</li><li>• Christchurch</li></ul>	<ul style="list-style-type: none"><li>• Northland</li><li>• Tauranga</li><li>• Manawatu</li><li>• Dunedin/South Is</li></ul>	<ul style="list-style-type: none"><li>• Waikato</li><li>• Gisborne</li></ul>

PPSS currently has the capacity and agility to deliver in the regions from FY2024 at the cost of:

Regional Support – PSS July 2023 – December 2024	
Key line items/task	Amount (GST Exclusive)
<b>Construction Workstream</b>	
Internal overheads (including staff, communications and marketing and programme enhancements, consultancy)	\$933,000
Delivery partners (workshop development and delivery)	\$345,500
Developmental work	\$61,500
Client-related costs (funding allocated to clients for personalised offerings and access to Service Provider Network)	\$292,500
<b>Total</b>	<b>\$1,632,500</b>

The calculated costs will allow PPSS to engage and build capability for Pasifika to take advantage of opportunities in their regions such as the Northland social housing development build (value \$60 million starting in June 2026), and the Northland hospital build (value of up to \$7 billion for the next 10-15 years). This is an example of why the commitment to expand into the regions must be made and carried out.

# Our continuous journey through collaborative success

PBT recognises that the delivery of our services, the success of our operations, and the value we provide our communities will not be possible the continuous support and collaboration with our partners.

Our approach to successfully delivering our outcomes has always been through various partnerships, creating and improving them year-on-year, to ensure we are delivering the needs of our Pacific businesses.

We will continue to work with our public and private sector partners, not just from a funding perspective, but also to support us in providing quality services to our Pacific businesses around the country. PBT believes in the value of collaboration so we will continuously commit to a partnerships-based approach in delivering our outcomes.

Our aim at Pacific Business Trust is to help support the growing population of Pacific people in New Zealand. We support them with the development of businesses which drive meaningful impact for the growing Pacific community of New Zealand. It is heartening to see the award winners and their determination to generate positive, measurable social and environmental impact alongside a financial return.





# Trust Directory

The Pacific Island Business Development Trust  
For the year ended 30 June 2023

**Legal Name of Entity**  
The Pacific Island Business Development Trust

**Board of Trustees**  
Paul Retimanu – Chairman  
Maria Fuata – Trustee  
Samuelu Sefuiva – Trustee  
Lloyd Maole – Trustee  
Hana Halalele – Trustee

**Management**  
Mary Los’e - Chief Executive Officer

**Bankers**  
Westpac New Zealand Limited

**IRD Number**  
020-905-760

**Auditors**  
BDO Auckland on behalf of Auditor General

**Accountants**  
Johnston Associates Chartered Accountants Limited

**Solicitors**  
Dentons Kensington Swan

# Statement of Responsibility

The Pacific Island Business Development Trust  
For the year ended 30 June 2022


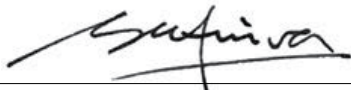
The board is responsible for the preparation of the annual financial statements and statement of service performance and the judgements used therein.

The Board is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the financial reporting.

In the opinion of the Board, the annual financial statements and the statement of service performance, for the year ended 30 June 2023 fairly reflect the financial position and operations of the Pacific Island Business Development Trust.

On behalf of the Board,

Signed by the Trustees:

	18 June 2024
<b>Paul Retimanu</b> Chair, PBT Board	Date:
	18 June 2024
<b>Samuelu Sefuiva</b> Audit, Risk and Finance Committe Chair	Date:

# Statement of Service Performance

Pacific Business Trust (PBT) is dedicated to empowering New Zealand’s Pacific business community through a range of dynamic programs and services that are current, culturally appropriate, and relevant. During the year, PBT has developed and expanded its network of partnerships across its stakeholder matrix to improve our responsiveness to our businesses and enhance our service offering.

Ensuring our services are tailored to the needs of the different Pacific ethnicities we serve is a critical capability underpinning our delivery. Our in-house cultural capability – nearly all of our team is of Pacific ethnicity – ensures our approach and interactions incorporate Pacific beliefs, worldviews, values and protocols. We developed our cultural competency framework to ensure the suppliers of services to our clients deliver services that are consistent and culturally appropriate.

This provides a strong foundation for our Statement of Service Performance report for the financial year starting from 1st July 2022 and ending on 30th June 2023.

As set out on page 6, we have three key focus areas around economic development, and these goals are supported in the short and medium terms by:

- Providing Pacific entrepreneurs with improved access to support, skills, expertise, and funding to build their capability and capacity
- Supporting providers to improve the quality and relevance of their advice and support to Pacific businesses
- Increasing the understanding of the issues the impact Pacific businesses and entrepreneurs
- Assisting procurers to understand the capabilities of Pacific businesses
- Growing the understanding of ‘what works’ in Pacific economic development intervention

The ongoing repercussions of COVID-19, compounded by the impacts of Cyclone Gabrielle and the floods during Auckland Anniversary, have significantly affected our client’s business operations. In response, PBT reprioritised its activities to provide support mechanisms for those most affected.

This was achieved by initiating a Business Continuity Planning (BCP) program specifically tailored for Auckland businesses impacted by these natural disasters. With funding support from Employers and Manufactures Association (EMA), we conducted workshops covering essential topics such as business insurance, proactive financial planning, health and safety, and accounting.

We also facilitated engagements between affected businesses and the Back to Work Grant scheme managed by the Auckland Chamber of Commerce. We organized drop-in clinics for businesses impacted by the Auckland Floods to receive support with their grant applications, with the goal of aiding their return to normal operations.

Our service performance for the financial year starting from 1st July 2022 and ending on 30th June 2023 demonstrates we have delivered to the contractual requirements of our funders, Ministry for Pacific Peoples (MPP), Ministry of Business, Innovation and Employment (MBIE), Ministry of Social Development (MSD), Employers Manufacturing Association (EMA).

Key Outputs and Measures Identified from New Performance Framework	Target 2022/2023	Actual 2022/2023	Comparative 2021/2022	Commentary providing further detail on why these measures are important, and connections with other areas of focus
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## Framework Focus Area: Improving support for Pacific entrepreneurs to deliver sustainable business growth, through using innovative solutions

1. Number of completed PBT client registrations	200	507	697	<p>Pacific businesses can register with PBT at any time by providing their contact and business details that we require of them to access PBT’s services and to support PBT’s reporting obligations to funders.</p> <p>Note: The number of completed registrations includes Base Business and Procurement registrations</p>
2. Number of completed Business Assessments	200	445	1,187	<p>All new and re-engaging clients will undertake Business Health Checks at various stages of their journey with PBT. These assessments help PBT to understand the current state of a business across various aspects of their business, and to help us track their progression over time.</p> <p>Assessments identify which areas of the business a client would benefit from the support of a Service Provider and/or PBT’s other Programmes and Services. They also provide a basis for understanding the funded support a client can receive and provides insight into the goals and challenges of the Pacific businesses.</p>
3. Number of clients who have been matched with a service provider	200	335	1,149	<p>Referral plans are a set of recommendations (referrals) that a PBT Business Advisor makes for a client. These are based on the needs and challenges of the business based off the conducted assessment. Business advisors may include referrals to workshops, service providers or other PBT programmes where they believe a business would benefit most from the support of PBT’s offerings.</p>
4. Number of grants approved (Grants for Services)	100	253	944	<p>An eligible client can receive a grant for service to access support and tools to help build their capability and capacity to operate their business. Grants are approved to assist clients with the areas of need identified by a business advisor in the assessment.</p>



Key Outputs and Measures Identified from New Performance Framework	Target 2022/2023	Actual 2022/2023	Comparative 2021/2022	Commentary providing further detail on why these measures are important, and connections with other areas of focus
5. Number of Certified Service Providers	12	118	68	Service Providers deliver a range of specialised skills and services across 5 main functional areas of business that we assess the clients on. Potential Service Providers are required to undertake a cultural competency assessment and pass technical and business advisory vetting to become a Preferred PBT Service Provider. PBT Service Provider Network hosts a range of services including marketing, accounting and finance, business planning and HR advice.
6. Number of business development workshops	24	47	43	Business development workshops are PBT's 'One-to-many' service offering that provides entrepreneurs with current business practices and skills to build their knowledge and confidence in operating their business. PBT has a range of workshops spanning across general business topics, social enterprise, and procurement readiness.

Framework Focus Area:  
Creating platforms for growth

7. Number of businesses registered for PBT's Procurement Support Programme	-	99	49	PBT's Procurement programme aims to provide Pacific businesses with the skills and knowledge to participate in procurement opportunities. This programme is delivered through a series of procurement-specific workshops and specialised funded services with support from our partners and service providers.
8. Number of users on PBT's Digital Platform (PBT Portal)	-	245	519	The PBT Portal allows clients to access support and resources for their business in real-time. Clients can execute their referral plans by accessing the service provider network and apply for funding, access PBT-exclusive business articles and resources, and network with other Pacific business owners on the portal.
9. Proportion of clients who are satisfied with PBT's Services	80%	72%	85%	PBT sends out an annual survey to collect feedback from clients on the programmes and services PBT has provided. For the FY23 survey, PBT received 232 responses to the survey with generally positive feedback. 72% of respondents scored 3 or higher out of 5 for satisfaction with services.

Key Outputs and Measures Identified from New Performance Framework	Target 2022/2023	Actual 2022/2023	Comparative 2021/2022	Commentary providing further detail on why these measures are important, and connections with other areas of focus
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Framework Focus Area:  
Increasing leadership on Pacific economic development

10. Number of ecosystem engagements	10	7	10	Ecosystem engagements are a 'one-to-many' PBT service, designed to meet business needs around ecosystem visibility and collaboration, understanding the role of PBT. These engagements may consist of networking/mentoring, community engagements, ideation sessions and special events.
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# Statement of Comprehensive Revenue and Expenses

The Pacific Island Business Development Trust  
For the year ended 30 June 2023

Account	Notes	2023	2022
<b>Revenue</b>			
<b>Revenue from exchange transactions:</b>			
Government Funding	5	5,961,261	9,269,511
Investment Income		85,179	15,894
<b>Total Revenue from exchange transactions</b>		<b>6,046,439</b>	<b>9,285,405</b>
<b>Revenue from non-exchange transactions:</b>			
Other General Funding/Grants	6	102,561	0
Other Income		2,510	2,461
<b>Total Revenue from non-exchange transactions</b>		<b>105,071</b>	<b>2,461</b>
<b>Total Revenue</b>		<b>6,151,510</b>	<b>9,287,866</b>
<b>Expenses</b>			
Advertising and Marketing Costs		323,170	493,366
Amortisation	10	248,247	248,247
Audit Fees	9	76,839	70,123
Costs Related to Providing Services	7	1,839,589	5,947,679
Assets - Depreciation	11	35,734	25,630
Employee Costs		1,859,885	1,603,846
Lease Expenses		275,622	270,506
Other Expenses	8	1,085,783	1,863,048
Trustee Fees		67,292	86,292
<b>Total Expenses</b>		<b>5,812,162</b>	<b>10,608,736</b>
<b>Total Surplus / (Deficit) for the Year</b>		<b>339,349</b>	<b>(1,320,870)</b>
<b>Other Comprehensive revenue and expense for the year</b>			
Other comprehensive revenue and expense		0	0
<b>Total Comprehensive Revenue and Expenses for the Year</b>		<b>339,349</b>	<b>(1,320,870)</b>

The accompanying notes form part of and should be read in conjunction with the Financial Statements.

# Statement of Changes in Net Assets/Equity

The Pacific Island Business Development Trust  
For the year ended 30 June 2023

Account	2023	2022
<b>Net Assets (Accumulated Revenue and Expenses)</b>		
<b>Opening Balance</b>	3,510,684	4,831,554
Total comprehensive revenue and expense for the year	339,349	(1,320,870)
<b>Balance as at 30 June</b>	<b>3,850,033</b>	<b>3,510,684</b>

The accompanying notes form part of and should be read in conjunction with the Financial Statements.

# Statement of Financial Position

The Pacific Island Business Development Trust  
For the year ended 30 June 2023

Account	Notes	30 Jun 2023	30 Jun 2022
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	13	2,003,993	3,481,138
Receivables from Exchange Transactions		2,566,696	1,804,423
Receivables from Non-Exchange Transactions		0	23,000
Prepayments		10,335	0
<b>Total Current Assets</b>		<b>4,581,024</b>	<b>5,308,561</b>
<b>Non-Current Assets</b>			
Intangible Assets	10	424,391	672,638
Westpac Bank Bond Deposit		100,000	100,000
Property, Plant and Equipment	11	85,020	107,440
<b>Total Non-Current Assets</b>		<b>609,411</b>	<b>880,078</b>
<b>Total Assets</b>		<b>5,190,435</b>	<b>6,188,639</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables		366,525	326,069
Deferred Revenue		0	160,000
Employee Entitlements		67,761	100,887
Goods and Services Tax		219,124	66,707
Grants approved but not paid		555,393	2,024,292
Provisions	16	131,600	0
<b>Total Current Liabilities</b>		<b>1,340,403</b>	<b>2,677,955</b>
<b>Total Liabilities</b>		<b>1,340,403</b>	<b>2,677,955</b>
<b>Total Assets Less Total Liabilities (Net Assets)</b>		<b>3,850,033</b>	<b>3,510,684</b>
<b>Trust Equity</b>			
Accumulated Revenue and Expense		3,850,033	3,510,684
<b>Total Trust Equity</b>		<b>3,850,033</b>	<b>3,510,684</b>

The accompanying notes form part of and should be read in conjunction with the Financial Statements.

# Statement of Cash Flows

The Pacific Island Business Development Trust  
For the year ended 30 June 2023

Account	2023	2022
<b>Cash Flows from Operating Activities</b>		
Revenue from exchange transactions	5,140,086	8,445,435
Revenue from non-exchange transactions	123,346	20,811
Other Revenue - Interest	85,179	15,894
GST received/(paid) (net)	11,515	(369,835)
Payments to Suppliers	(4,865,076)	(8,128,943)
Payments to Employees	(1,958,881)	(1,716,974)
<b>Total Cash Flows from Operating Activities</b>	<b>(1,463,831)</b>	<b>(1,733,613)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(13,314)	(71,846)
Westpac Bank Bond Deposit	0	(100,000)
Provisions for Liability	0	0
Provisions for Liability	0	0
<b>Total Cash Flows from Investing Activities</b>	<b>(13,314)</b>	<b>(171,846)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(1,477,145)</b>	<b>(1,905,459)</b>

## Cash Balances and Cash Equivalents

Cash and cash equivalents at beginning of year	3,481,138	5,386,597
Net change in cash for year	(1,477,145)	(1,905,459)
Cash and cash equivalents at end of year (refer to note 13)	2,003,993	3,481,138

The accompanying notes form part of and should be read in conjunction with the Financial Statements.



# Notes to the Financial Statements

The Pacific Island Business Development Trust  
For the year ended 30 June 2023

## 1. Reporting Entity

The Pacific Island Business Development Trust (the “Trust”) is a Charitable Trust incorporated in New Zealand under the Charitable Trusts Act 1957 and is domiciled in New Zealand. The Trust is listed in Schedule 4 of the Public Finance Act 1989 which means it is treated for certain financial reporting requirements as if it was a crown entity under the Crown Entities Act 2004. The Trust is also a charity registered under the Charities Act 2005 and is therefore exempt from income tax.

The financial statements are presented for the year ended 30 June 2023.

These financial statements and the accompanying notes summarise the financial results of activities carried out by the Trust. The principal activity of the Trust is to develop a strong economic base for Pacific Island people in New Zealand.

The Trust is a national organisation with offices in Auckland, Christchurch and Wellington. The organisation exists to provide support and services to Pacific businesses and Pacific entrepreneurs in New Zealand.

The Trust is governed by a board of trustees who are appointed by the Minister for Pacific Peoples. The organisation’s Trust Deed makes provision for a minimum of five and a maximum of eight trustees. The Trust is primarily funded under an outcome Agreement with the Ministry for Pacific Peoples (MPP).

Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise

These financial statements have been approved and were authorised for issue by the Board of Trustees.

## 2. Basis of Preparation

### Statement of compliance

The Trust’s financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (“NZ GAAP”). They comply with the Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR) as appropriate for Tier 2 public sector public benefit entities, and disclosure concessions have

been applied.

For the purposes of complying with NZ GAAP, the Trust is a public benefit public sector entity and is eligible to apply PBE Standards RDR on the basis that it does not have public accountability and its annual operating expenditure is less than \$30 million.

### 2.1 Basis of Measurement

These financial statements have been prepared on the basis of historical cost.

### 2.2 Functional and Presentational Currency

The Trust’s financial statements are presented in New Zealand dollars (\$), which is the Trust’s functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

## 3. Summary of Accounting Policies

### Changes in Accounting Policies

*Initial application of new PBE Standards*

#### (i) PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 Financial Instruments was effective from 1 January 2022 and as allowed by the standard was retrospectively adopted by the Trust from 1 July 2021.

PBE IPSAS 41 introduces new recognition and measurement requirements for financial assets and restricts the ability to measure financial assets at amortised cost to only those assets that are held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. In addition, measurement of financial assets at fair value through other comprehensive revenue and expense is also restricted.

PBE IPSAS 41 has not had a material impact on the Trust’s measurement and recognition of financial instruments because the only financial instruments it holds are cash and cash equivalents, receivables, and payables which all meet the requirements of financial instruments at amortised cost. Further, the nature of the Trust’s receivables means the new expected credit

loss impairment model has not materially impacted the amounts recorded.

#### (ii) PBE FRS 48 Service Performance Reporting

PBE FRS 48 Service Performance Reporting was effective for periods from 1 January 2022 and was adopted by the Trust on 1 July 2022, with comparatives presented for the year ended 30 June 2022 as required by the standard.

PBE FRS 48 requires specific disclosures for the reporting of service performance information which have been provided in the statement of service performance. There are limited changes for the Trust as it already presented service performance information in previous years.

### 3.1 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Trust and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must be met before revenue is recognised.

#### Revenue from exchange transactions

##### Interest Revenue

Interest revenue is recognised as it accrues, using the effective interest method.

##### Dividends

Income from dividends is recognised when the Trust’s right to receive payment is established, and the amount can be reliably measured.

##### Government Funding

Government contracts where the funding is based on the achievement of detailed milestones and mutually agreed KPIs has been classified as revenue from exchange transactions. This is because the services provided by the Trust constitute the performance of agreed tasks over an agreed period of time, with the direct exchange of approximately equal value, being the provision of services on behalf of government (central and local) entities. The funding is recognised as revenue by reference to the stage of completion of the agreed KPIs and milestones in the relevant funding agreement.

#### Revenue from non-exchange transactions

Non-exchange transactions are those where the Trust receives an inflow of resources (i.e.cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return. With the exception of services-in-kind, inflows of resources from non-exchange transactions are only recognised as assets where both:

- It is probable that the associated future economic benefit or service potential will flow to the Trust, and
- Fair value is reliably measurable.

The following specific recognition criteria in relation to the Trust’s non-exchange transaction revenue streams must also be met before revenue is recognised.

#### Other General Funding/Grants

The recognition of other funding/grants revenue depends on the nature of any stipulations to the inflow of resources received, and whether this creates a liability (i.e. present obligation rather than the recognition of revenue).

Stipulations that are ‘conditions’ specifically require the Trust to return the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a non-exchange liability that is subsequently recognised as non-exchange revenue when the ‘conditions’ are satisfied.

Stipulations that are ‘restrictions’ do not specifically require the Trust to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

Grant funding that is not based on the achievement of detailed milestones and mutually agreed KPIs does not result in a direct exchange of approximately equal value. Therefore, funding from these sources is classified as non-exchange revenue.

### 3.2 Employee Benefits

#### Short-term employee benefits

Liabilities for wages and salaries (including non-monetary benefits), annual leave and accumulating sick leave are recognised in surplus or deficit during the period in which the employee rendered the related services, and are generally expected to be wholly settled within 12 months of the reporting date. The liabilities for these short-term benefits are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Defined contribution plans (including Kiwisaver) are post-employment benefit plans under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in surplus or deficit in the periods during which services are rendered by employees.

Notes to the Financial Statements (Cont'd)

3.3. Financial Instruments

Recognition and initial measurement

Receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Trust becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. At initial recognition, short-term receivables and payables may be measured at the original invoice amount if the effect of discounting is immaterial.

Classification and subsequent measurement

Financial assets

All of the trust's financial assets meet the definition of financial assets at amortised cost. A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a management model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments if principal and interest on the principal amount outstanding.

The Trust's financial assets comprise cash and cash equivalents, term deposits, and receivables.

Cash and cash equivalents represent highly liquid investments that are readily convertible into a known amount of cash with an insignificant risk of changes in value, with original maturities of three months or less. Term deposits with an original maturity of more than three months are separately disclosed as term deposits.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in surplus or deficit. Any gain or loss on derecognition is recognised in surplus or deficit.

Financial liabilities

All of the Trust's financial liabilities meet the criteria to be classified as measured at amortised cost. These financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expenses is recognised in surplus or deficit. Any gain or loss on derecognition is also recognised in surplus or deficit.

Impairment of financial assets

The Trust recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. When determining whether the risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Trust considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the trust's historical experience and informed credit assessment and including forward-looking information.

The Trust assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Trust considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Trust in full, without recourse by the Trust to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

3.4 Goods and Services Tax

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

3.5 Leases

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

3.6 Intangible Assets

Intangible assets that are acquired by the Trust, which have finite useful lives, are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure is only capitalised when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss when incurred.

Amortisation is recognised in surplus or deficit on a straight line basis over the estimated useful lives of intangible assets from the date they are available for use. The useful lives and associated amortization rates

of major classes of assets have been estimated as follows:

Website & Software Development	5 Years
Digital Platform	5 Years

The amortisation period and the amortisation method for an intangible asset with finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits or service potential embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

3.7 Property, Plant and Equipment

Items of property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Depreciation is charged on a straight line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost of the asset less any estimated residual value over its remaining useful life.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

Account	Rate
Artworks	20%
Computer Equipment - Assets	33% - 50%
Furniture & Fittings	9% - 30%
Leasehold Improvements	unexpired lease period plus right of renewal
Office Equipment	4% - 33%

3.8 Impairment of non-financial assets

The carrying amounts of the Trust's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating unit (CGU) is the greater of its value in use and its fair

value less cost to sell. In assessing value in use, the estimated future cash flows (for cash-generating assets) or future remaining service potential (for non-cash-generating assets) are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Cash-generating assets and non-cash-generating assets are distinguished by the purpose designated for the asset.

For the purpose of the impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets of CGU's. Impairment losses are allocated to the assets in the CGU on a pro-rata basis.

Impairment losses are recognised in surplus or deficit. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 Grants Approved But Not Paid

The Trust provides grants to a number of organisations in the ordinary course of its operations. Where a grant has been approved by the trustees and communicated to the grant recipient prior to the reporting date but has not been paid, the grant payment is accrued as a liability.

3.10 Provisions

A provision is recognised if, as a result of a past event, the Trust has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost within surplus or deficit. A provision has been made, refer to note 16.

4. Significant Accounting Judgments, Estimates and Assumptions

4.1 Use of Judgement and Estimates

The preparation of financial statements requires management to make judgment, estimates and assumptions that affect the application of accounting



## Notes to the Financial Statements (Cont'd)

policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### (a) Judgments

Judgement made in applying accounting policies that have had the most significant effects on the amounts recognised in the financial statements include the following:

- The leases for the Trust at Level 2/45 O'Rorke Road, Penrose, Auckland, and Unit 8, 14 Acheron Drive, Riccarton, Christchurch have been recognised as an operating lease for the full term and expenses on a straight line basis over the term of the lease. The trust has determined, based on an evaluation of the terms and conditions of the arrangements, such as

not transferring substantially all the risks and rewards incidental to ownership of the asset, that they are operating leases.

- The intangible asset of the Digital platform arose from development has been determined as having a finite useful life and is amortised. The Digital Platform is the hub of the Trust and captures all client record. Functional improvement costs to the Digital Platform are capitalised. Amortisation is recognised in a surplus or deficit on a straight line basis over the estimated useful life of the intangible asset. Amortisation method, useful life and residual values are reviewed at each reporting date and adjusted if appropriate.
- The Trust has made a judgement regarding the classification of its government grant revenue between exchange and non-exchange revenue. The rationale for the classifications made are set out in the Trust's revenue policy in note 3.1.

	2023	2022
<b>5. Government Funding - exchange</b>		
Auckland Unlimited	9,053	2,406,393
Digital Facilitation Scheme (MBIE)	20,000	0
Revenue - Employers' and Manufacturers' Association (EMA)	48,360	0
Revenue - Ministry of Health	76,840	0
Moana Pasifika Funding (Pasifika Futures)	0	600,000
MPP Funding (MPP)	3,160,000	3,700,250
Ministry for Social Development (MSD)	274,900	800,701
Ministry of Business, Innovation & Employment (MBIE)	2,322,107	1,232,588
New Zealand Trade and Enterprise (NZTE)	0	124,881
Temporary Migrant Worker Exploitation (MBIE)	50,000	0
Tamaki Regeneration	0	154,699
Moana Pasifika Funding (MFAT)	0	250,000
<b>Total Government Funding - exchange</b>	<b>5,961,261</b>	<b>9,269,511</b>

### 6. Other General Funding/Grants - non-exchange

MPP Business Awards Ticket Sales/Donations	12,561	0
Sponsorship Revenue	90,000	0
<b>Total Other General Funding/Grants - non-exchange</b>	<b>102,561</b>	<b>0</b>

### 7. Costs Related to Providing Services

Direct Cost - Contractors	819,635	1,004,451
Events Venue Hire and Supplier Fees	52,683	23,747
Grants ATM Advisory & Implementation	(30,050)	1,926,333
Grants - Digital Devices	14,121	51,551
Grant for Services	547,135	1,357,533
Moana Direct Costs	0	1,118,570
Other Expenses	244,506	372,937
Workshops & Seminars	191,559	92,557
<b>Total Costs Related to Providing Services</b>	<b>1,839,589</b>	<b>5,947,679</b>

### 8. Other Expenses

Business Awards	289,764	0
Consultancy	143,915	1,160,350
Other Miscellaneous Expenses	434,862	591,148
Provision for Legal Claims	131,600	0
Sponsorships	5,000	32,584
Staff Expenses	80,643	78,943
<b>Total Other Expenses</b>	<b>1,085,783</b>	<b>1,863,025</b>

## Notes to the Financial Statements (Cont'd)

### 9. Auditors Remuneration

Total amount recognised for audit services is \$76,839 (2022: \$70,123). Audit services are provided by BDO Auckland.

	2023	2022
<b>10. Intangible Assets</b>		
<b>Digital Platform</b>		
Opening Balance	613,092	841,058
Amortisation	(227,966)	(227,966)
<b>Net book value (refer to Depreciation Schedule)</b>	<b>385,127</b>	<b>613,092</b>
<b>Website &amp; Software Development</b>		
Opening Balance	59,546	79,828
Amortisation	(20,282)	(20,282)
<b>Net book value Website &amp; Software Development (refer to Depreciation Schedule)</b>	<b>39,265</b>	<b>59,546</b>
<b>Total Intangible Assets</b>	<b>424,391</b>	<b>672,638</b>

### 11. Property, Plant and Equipment

<b>Artworks</b>		
Opening Balance	0	297
Depreciation	0	(297)
<b>Net book value Artworks (refer to Depreciation Schedule)</b>	<b>0</b>	<b>0</b>
<b>Computer Equipment</b>		
Opening Balance	31,277	13,885
Additions	8,424	29,459
Depreciation	(16,761)	(12,067)
<b>Net book value Computer Equipment (refer to Depreciation Schedule)</b>	<b>22,939</b>	<b>31,277</b>
<b>Furniture and Fittings</b>		
Opening Balance	54,440	58,586
Additions	0	5,008
Depreciation	(7,695)	(9,155)
<b>Net book value Furniture &amp; Fittings (refer to Depreciation Schedule)</b>	<b>46,745</b>	<b>54,440</b>
<b>Leasehold Improvements</b>		
Opening Balance	759	862
Depreciation	(103)	(103)
<b>Net book value Lease Improvements (refer to Depreciation Schedule)</b>	<b>656</b>	<b>759</b>
<b>Office Equipment</b>		
Opening Balance	20,965	0
Additions	4,890	24,972
Depreciation	(11,175)	(4,008)
<b>Net book value Office Equipment (refer to Depreciation Schedule)</b>	<b>14,680</b>	<b>20,965</b>
<b>Total Property, Plant and Equipment</b>	<b>85,020</b>	<b>107,440</b>

### 12. Commitments

As at the reporting date, the Board of Trustees has entered into the following operating lease commitments:

- The premises at Level 2/45 O'Rorke Road, Penrose, Auckland, are leased from James Kirkpatrick Limited on a five (5) year term commencing 3 May 2021 with a further one (1) five (5) year right of renewal, and the annual rent is \$125,300 plus GST paid monthly.
- The premises at Unit 8, 14 Acheron Drive, Riccarton, Christchurch are leased from Markian Limited on a two (2) year term commencing 28 February 2022 with a further two (2) two (2) year rights of renewal and the annual rent is \$20,000 plus GST paid monthly

	2023	2022
<b>Operating Commitments</b>		
Not later than 12 months	186,453	154,441
Between 12 months and five years	313,720	627,795
<b>Total Operating Commitments</b>	<b>500,173</b>	<b>782,236</b>

### 13. Cash and Cash Equivalents

<b>Cash and Cash Equivalents</b>		
Westpac Cheque Account (On Call)	1,269,538	2,296,203
Westpac Savings Account (On Call)	730,840	1,188,308
Westpac Credit Card 5507	5,217	0
Westpac Credit Card 2676	(1,602)	(3,373)
<b>Total Cash and Cash Equivalents</b>	<b>2,003,993</b>	<b>3,481,138</b>

There are no restrictions over any of the cash equivalent balances held by the Trust.

The applicable interest rate on Westpac Cheque account for funds in credit was 5.25% (2022: 1.75%)

The applicable interest rate on Westpac Savings account for funds in credit was 5.25% (2022:1.75%)

### 14. Related Party Transactions

#### 1. Key management personnel remuneration

The Trust classifies its key management personnel into one of two classes:

##### \* Members of the governing body:

- Aim Accounting Limited- The Director of the Company, Maria Fuata is also a Board member of the Trust. As at balance date the Trust paid \$2,316 for consulting related services to Aim Accounting Limited (2022: nil).
- Manaaki Management Limited - The Director of the Company, Paul Retimanu is also a chairman of the Board of the Trust. As at balance date the Trust paid \$6,392 for various services to Manaaki Management Limited.
- Blake Grace Trust was honoured with a PBT Award, valued at \$10,000. Samuela Sefuiva, a trustee, also serves as a board member of the Trust.

##### \* Chief executive officer, responsible for reporting to the governing body and for the operation of the Trust's business

The aggregate level of remuneration paid and number of persons measured in 'people' for Members of the governing body, and 'full-time-equivalents' (FTE's) in each class of key management personnel is presented in the schedule below:

Key management personnel did not receive any remuneration or compensation other than in their capacity as key management personnel (2022: Nil).



Notes to the Financial Statements (Cont'd)

Remuneration and compensation provided to close family members of key management personnel

The Trust did not provide any loans to key management personnel or their close family members (2022: \$Nil).

	2023	2022
Members of the governing body and management	\$316,272 (6 People)	\$462,792 (10 People)

15. Categories of Financial Assets and Liabilities

The carrying amounts of financial instruments presented in the statement of financial position relate to the following categories of assets and liabilities:

	2023	2022
<b>Financial Assets</b>		
At Amortised Cost		
Cash and Cash Equivalents	2,003,993	3,481,138
Receivables from Exchange Transactions	2,124,952	1,804,423
Receivables from Non-Exchange Transactions	0	23,000
Term Deposit	100,000	100,000
<b>Total At Amortised Cost</b>	<b>4,228,945</b>	<b>5,408,561</b>
<b>Total Financial Assets</b>	<b>4,228,945</b>	<b>5,408,561</b>

There is no allowance for impairment as accounts receivable will be fully collected.

Financial Liabilities

At Amortised Cost		
Trade and Other Payables	366,525	326,069
Grants approved but not paid	555,393	2,024,292
<b>Total At Amortised Cost</b>	<b>921,918</b>	<b>2,350,361</b>
<b>Total Financial Liabilities</b>	<b>921,918</b>	<b>2,350,361</b>

16. Provisions

Opening Balance (1 July)	0	0
Increases due to Employee Claims	131,600	0
<b>Closing Balance (30 June)</b>	<b>131,600</b>	<b>0</b>

At the reporting date, the Trust had three personal grievances matters to resolve, of which one has subsequently been settled with a net cost to the Trust of \$4,000. The total cost, including the settled case, is anticipated to be \$131,600 in settlement costs, including legal fees, of which the Trustees expect \$56,600 to be reimbursed through the Trust's insurance cover.

17. Capital Commitments

There were no capital commitments at the reporting date. (2022: \$Nil).

18. Contingent Liabilities and Contingent Assets

At the reporting date the trust has no contingent assets or liabilities. (2022: \$Nil).

19. Events after the Reporting Period

The Board of Trustees and management is not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of the Trust. (2022: \$Nil).

20. Breach of Law - Statutory reporting deadline

The Trust was required to complete its audited general purpose financial report by 31 December 2023 in accordance with sections 41 and 42C(2)(a) of the Charities Act 2005 and by 31 October 2023 in accordance with Section 156 of the Crown Entities Act 2001. The breach of these deadlines was due to delays in completing the statement of service performance and the full annual report.

Depreciation and Amortisation Schedule

The Pacific Island Business Development Trust  
For the year ended 30 June 2023

Cost Account	Cost	Opening Accum Dep	Opening Value	Purchases	Disposals	Depreciation	Closing Accum Dep	Closing Value
Artworks	18,097	18,097	0	0	0	0	18,097	-
Computer Equipment	110,250	70,550	31,277	8,424	0	16,761	87,311	22,939
Digital Platform	1,139,828	526,736	613,092	0	0	227,966	754,702	385,127
Furniture & Fittings	81,843	27,403	54,440	0	0	7,695	35,098	46,745
Leasehold Improvements	8,671	7,911	759	0	0	103	8,014	656
Office Equipment	31,330	5,476	20,965	4,890	0	11,175	16,651	14,680
Website & Software Development	101,408	41,861	59,546	0	0	20,282	62,143	39,265
<b>Total</b>	<b>1,491,427</b>	<b>698,034</b>	<b>780,078</b>	<b>13,314</b>	<b>0</b>	<b>283,981</b>	<b>982,016</b>	<b>509,411</b>

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF PACIFIC ISLAND BUSINESS DEVELOPMENT TRUST'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2023

The Auditor-General is the auditor of Pacific Island Business Development Trust (the Trust). The Auditor-General has appointed me, Matthew Coulter, using the staff and resources of BDO Auckland, to carry out the audit of the financial statements and the performance information of the Trust on his behalf.

#### Opinion

We have audited:

- the financial statements of the Trust on pages 28 to 41, that comprise the statement of financial position as at 30 June 2022, and the statement of comprehensive revenue and expenses, statement of changes in net assets/equity and statement of cash flows for the year then ended, and notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Trust on pages 22 to 25.

In our opinion:

- the financial statements of the Trust on pages 28 to 41:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2023; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") issued by the New Zealand Accounting Standards Board; and
- the performance information of the Trust on pages 22 to 25:
  - presents fairly, in all material respects, the Trust's performance for the year ended 30 June 2023, including for each class of reportable outputs:
    - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
    - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
  - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 18 June 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

#### Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

#### Responsibilities of the Trustees for the financial statements and the performance information

The Trustees are responsible on behalf of the Trust for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand.

The Trustees are responsible for such internal control as they determine is necessary to enable them to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Trustees are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the Trust or to cease operations, or there is no realistic alternative but to do so.

The Trustees' responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

#### Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Trust's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information. As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.



- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We evaluate the appropriateness of the reported performance information within the Trust's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

#### Other information

The Trustees are responsible for the other information. The other information comprises the information included on pages 3 to 19, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Independence

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

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



Matthew Coulter  
BDO Auckland  
On behalf of the Auditor-General  
Auckland, New Zealand

