



# Annual Report

For the year ended 30 June 2020





# Table of Contents

<b>SECTION ONE: PBT AT A GLANCE</b>	<b>4</b>
Performance Highlights	4
Chairman's Foreword	5
Chief Executive Officer's Overview	6
Executive Summary	7
Our transformation.	7
Our partnerships.	7
What is ahead	7
<b>SECTION TWO: A PACIFIC ECONOMIC DEVELOPMENT AGENCY</b>	<b>8</b>
Our strategy	9
A new approach.	9
Organisational design structure.	10
Strategic Partnerships	10
Service Delivery Model	11
Development of Digital Solutions to Enable a New Service Delivery Model	12
Key projects	14
Pacific Construction Support Services	14
Pacific Social Enterprise	15
Pacific Youth Entrepreneurship	15
Personalised Services: Special Projects.	16
Procurement Readiness.	16
ISO Certification	16
Innovation	16
<b>SECTION THREE: REPORTING</b>	<b>18</b>
Statement of Responsibility	18
Statement of Service Performance	19
Statement of Financial Performance	23
Statement of Financial Position	24
Statement of Cash Flows	25
Entity Information	26
Statement of Accounting Policies	27
Notes to the Financial Statements	30
Trust Directory	36
Independent Auditor's Report	38

# PBT AT A GLANCE

## Performance Highlights

For the year 2019/2020:



**202**

Business registrations completed



**84%**

Increase in completed business assessments compared to the previous year



**99**

Business assessments  
COVID-19 only assessments



**23**

Business Development workshops held



**15**

Certified Service Providers



**37**

Grants approved for PBT services



**3**

Special projects for personalised services



**3**

Key projects

# Chairman's Foreword

Fakafeta'i mo e fakamalo'ia 'a e a'usia kuo tau malava 'o lava'i lelei ai e ngaahi fua fatongia 'i he tafa'aki kehekehe ó e ngaue, 'o lave kotoa ai hotau kakai 'o e Pasifiki 'i he fonua ni.

For the Pacific Business Trust (PBT), this year has been one of transformation. During 2019/2020, the Pacific Business Trust has transformed into the Pacific economic development agency of New Zealand with the increased ability to offer a wider range of support services to Pacific entrepreneurs, businesses and communities. This has involved tremendous effort and support from all parties involved. On behalf of the board, I would like to acknowledge these parties, whose support was instrumental to the success of our transformation.

I want to acknowledge the efforts of the Hon Aupito William Sio, Minister for Pacific Peoples, and the Ministry of Pacific Peoples, our shareholder agency, who have advocated for a Pacific economic development agency, creating the opportunity for PBT to fill this role. The Pacific Caucus has also played a significant role. I want to acknowledge the advocacy of the Hon Carmel Sepuloni and Hon Jenny Salesa at the Cabinet table for the advancement of Pacific economic development. Alongside this, I want to acknowledge the New Zealand Government and their ability in recognising the need for greater Pacific economic development in New Zealand.

Our partners have been fundamental to the success of our transformation into a Pacific economic development agency. I would like to recognise and acknowledge the Ministry of Social Development (MSD) for their partnership, in particular the Industry Partnerships team. Their support has resulted in the successful and critical development of the Pacific Construction Support Services. These services will actively address the main challenges faced by Pacific businesses in the construction industry. MSD's partnership has also been instrumental in the current development of our new core digital platform. This platform will enhance our support and offerings to Pacific businesses and to our partners. Without this support and partnership from MSD, PBT would not have its core pillars so well established.

I would also like to highlight and acknowledge the economic development support PBT has received from the Ministry of Business, Innovation and Employment (MBIE) and the support of the Minister for Economic Development, the Hon Phil Twyford. We are especially grateful to the Pacific policy team. Their aspirations and spirited engagement with PBT has enabled a more cohesive approach for PBT to better meet their goals.

We are extremely grateful to our Pacific regional partners. I want to acknowledge and thank both the Waikato Pacific Business Network and the Wellington Pacific Business Network for their spirit with which they have engaged PBT. May we continue to collectively and successfully pursue our shared aspirations to connect and support Pacific businesses.

I also want to acknowledge another partner, Accenture New Zealand, for their valuable contribution to our transformation programme in assisting us with the development of our personalised services and digital platform.

To my fellow board members, thank you. This year has been a year of transformational change. This transformation has required us to lift ourselves from an operational governing board to a board with a strategic focus on the long-term aspirations of an economic development agency. I want to acknowledge the efforts of the board. Due to these efforts, the obligations under the approved FY20 business plan have been honoured and we have been able to report back to the Government on the organisation's transformation progress. The journey has not been straight forward. Our collective ability to address the inherited legacy issues and maintain a principle-based position, focused on the future, is something I am particularly proud of.

Our focus has been on ensuring that we oversee the creation of an organisation with a strong foundation in serving our community. We carry the responsibility to serve our communities in the pursuit of community prosperity through economic development with the utmost importance. We have been focused on execution with the firm belief that this will provide a solid platform for the future.

The board and I have taken the time to develop a strong strategic plan to shape the future of the Pacific Business Trust. The coming year will be a period of enhancement, building on our successes and continuing our growth. With our foundations now established, we are confident and eager to build on our growing networks and services to continue to make a positive impact and contribution to Pacific communities in New Zealand.



A handwritten signature in blue ink, which appears to read 'Tevita Filisonu'u Funaki'.

**TEVITA FILISONU'U FUNAKI**  
Chairman, Pacific Business Trust

Fakatauange ke kei foaki ivi, malohi moe maama 'a 'etau Tamai Hevani ki he tokotaha kotoa pe pea ke kei hokohoko aipe 'a 'etau fua fatongia.

Malo & Faka'apa'apa Atu.

# Chief Executive Officer's Overview

Tulou te mamalu o te tatou kainga Pahifika

2020 has involved tremendous effort and change for PBT. There has been a strong focus on PBT's operating model, adapting it to support our transformation into a Pacific economic development agency for New Zealand.

The following provides an overview of our achievements from this year:

## Execution of the approved business transformation plan

To successfully execute the approved business transformation plan, an adoption of a project management structure was required.

This resulted in the development of a rapid deployment model, a fast-paced environment, where our team worked hard to meet the projects demands and appropriate disciplines without compromising on quality. This model directed us to focus on the right capabilities required to execute the transformation programme successfully.

## Development of the core infrastructure of PBT

Our client's aspirations were to have a mobile service with the ability to be accessed in real time. This aspiration has sat at the heart of the development of PBT's core infrastructure. The development of our programmes and services were driven by co-design principles, ensuring our clients were part of every step of their development. This co-design process was a particular highlight for me.

These methods and experiences have given PBT the foundations upon which it can launch itself nationally with confidence.

## The key challenge of delivery

Undertaking the transformation of PBT into a Pacific economic development agency has been both thrilling and challenging for PBT. The challenge now lies in bringing this transformation to life for our businesses and clients.

To successfully deliver our transformed services and support, we must continue to live our core values. These are unprecedented times. We are and will continue to face hardships. Through these periods of hardship, we must continue to navigate and conduct ourselves with our PBT values at our core and focus on serving our businesses and communities.

## Covid-19 Business Continuity Response

With the sudden disruption of New Zealand's business landscape caused by Covid-19, PBT implemented a Covid-19 Business Continuity Response Plan to support and provide immediate assistance to Pacific businesses, entrepreneurs, social enterprises, sole traders, community groups and sector specific businesses. A Covid-19 Business Continuity Support Service was established in partnership with MSD and Deloitte to provide Pacific businesses better access to Government packages and provided qualified expert advice through business advisors. This Plan also reprioritised core PBT activities and services, assisting with recovery and continuity for Pacific businesses over the short, medium and long-term to respond to the ongoing challenges and impacts from Covid-19

## Acknowledgment of Team PBT

Finally, I would like to thank Team PBT. The effort and sacrifices each of you have made, in order to achieve our goals, is significant. Your collective effort to strive for higher standards,

because that's what our Pasifika entrepreneurs and businesses deserve, energised me to stay the course during periods of hardship. I will be forever thankful and grateful to have worked with each of you.

Fakafetai



PELENATO SAKALIA

Chief Executive Officer, Pacific Business Trust

# Executive Summary

By nurturing the Pacific competitive advantage, the Pacific Business Trust is enabling Pacific businesses to gain new skills and capability, creating a resilient Pacific business community.

As the Pacific economic development agency of New Zealand, the Pacific Business Trust's vision is to be a navigator and leader in supporting Pasifika people to thrive in business and employment, lifting their productivity and profitability.

The Pacific Business Trust (PBT) has been undergoing a transformation into a Pacific economic development agency. This is alongside the aim to better address the challenges and opportunities that are impacting Pacific people and Pacific businesses in New Zealand.

## Our transformation

This past year, through our transformation, we have implemented:

- A new framework, born out of a transitional framework that provided the foundation to support us through our transformation.
- A transformation strategy to enable and guide the transformation, shifting to a customer-centric approach.
- A new service delivery model through creation and enhancement of various digital solutions such as a new Digital Platform, CRM and website.
- Three key projects: Construction Support Services, Pacific Social Enterprise project, and the Pacific Youth Entrepreneurship through the relaunch of Hatch.

During the transformation phase, we continued our Business-As-Usual customers and projects, offering support to our current customers and working with new and current partners. These business engagements include business assessments, referral plans and workshops.

We also designed and implemented personalised services through special projects:

- ISO Certification
- Procurement Readiness
- Innovation

These three special projects while being a commercial initiative, also provided an invaluable discovery process to accelerate our learnings about what is required to be of assistance to Pacific businesses.

## Our partnerships

We engage in various partnerships to provide funding to PBT for us to perform our services and to deliver our services.

This past year has seen a shift in our partnership model, focusing now our partnerships on trust and collaboration. We have begun to identify and grow the partnership ecosystem, focusing on providers which align with the needs of the initial Growth Sectors (construction, social enterprise, youth entrepreneurship).

We have grown our partnership ecosystem, partnering with MSD and MBIE to craft and deliver various projects targeting Pacific businesses, particularly those in our targeted growth sectors. We have also begun the introduction of a cultural competency certification process to ensure all PBT's service providers and delivery partners deliver services to a consistent level of cultural competence

Ongoing, we will seek to secure additional financial partnerships to provide funding, and additional delivery partners, to continue to grow PBT's services and offerings in future years.

## What is ahead

For 2020/21 we will continue our strategy and transformation into the leading Pacific economic development agency in New Zealand, delivering value to our customers through our services and offerings. We will continue to support the New Zealand Pacific community, providing targeted support for Pacific businesses and entrepreneurs through business assessments, referrals to trusted service providers, grants for services, workshops and more.

We are committed to the uplift and growth of the Pacific community. Our objective and strategy are cohesive, guiding us toward the capability to offer the right support and services to Pacific businesses and entrepreneurs. This next year will be about enhancing the foundations we have spent the past year establishing and continuing to seek new opportunities to support Pacific businesses and entrepreneurs so they may flourish and give back to the Pacific community.

# A PACIFIC ECONOMIC DEVELOPMENT AGENCY

In 2019, The Wellbeing Budget provided funding to transform the Pacific Business Trust (PBT) into a National Pacific Economic Development Agency to provide targeted support to Pacific businesses and deliver a stronger set of economic development services directly to the Pacific community.

This required a change in approach and way of operating the Trust. The transformation of PBT involved shifting the operating and delivery model from one that was largely based on direct provision of broad and generic business assistance to one that focused on facilitating business access to more customised solutions offered by trusted partners.



## ► New Focus Areas For PBT



Improved support for Pacific entrepreneurship and business growth.



New activities focused on creating platforms for Pacific industry and business growth.



Increased focus on providing leadership on Pacific economic development.





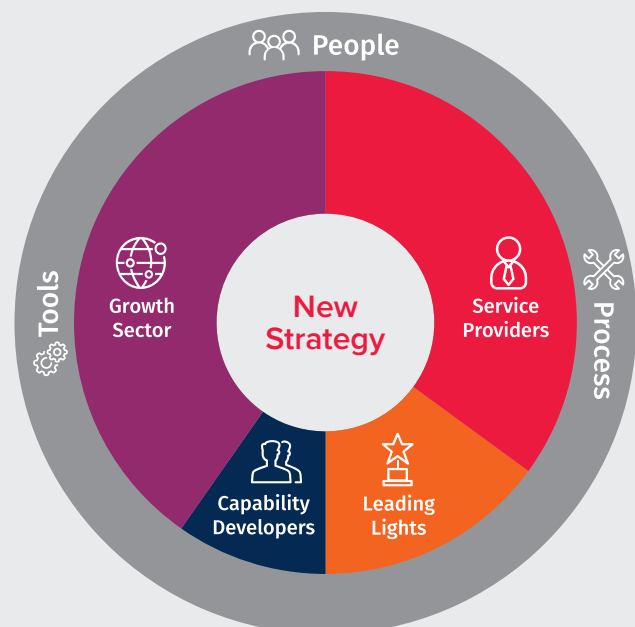
## Our strategy

### A new approach

Prior to the transformation, the PBT strategy focused solely on capability developers and service providers, providing limited support for Pacific businesses.

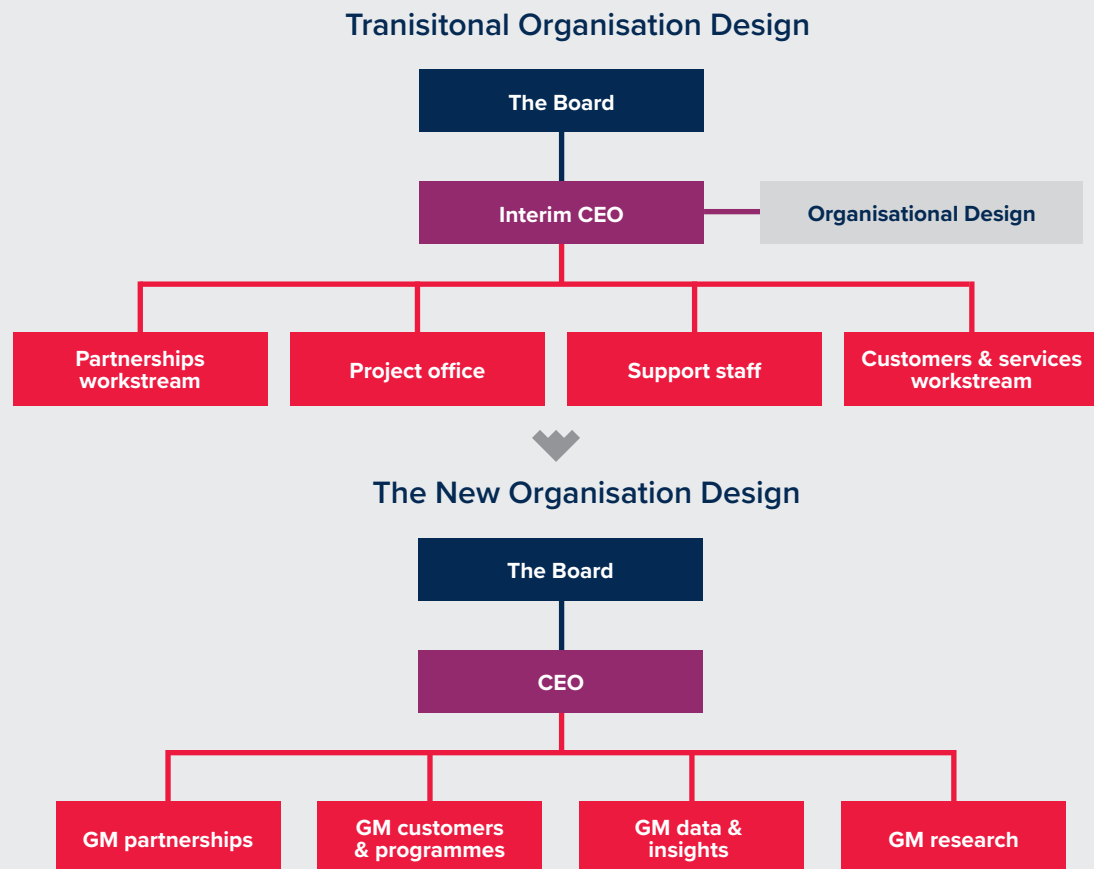
The PBT transformation strategy has shifted our focus to Growth Sectors with PBT now providing targeted support to Pacific businesses within these sectors. This will result in positive outcomes for these Pacific businesses as well as beginning a self-reinforcing cycle as successful businesses become future Leading Lights, exemplars of Pacific businesses, for our customers.

There has also been a shift from our previous model of measuring activities to measuring outcomes. We have begun to measure success based on the impact within the Pacific community through a customer-centric approach. To support this shift, we have begun to transition our ways of working (our people, processes and tools) from manual, simple tasks to higher value targeted support.



## Organisational design structure

To align with the new strategy and approach, there was a shift in the organisational design structure. This has transitioned from the transitional state into what it is now:



We will continue to evolve and develop our organisation structure as we continue to enhance and grow our services and support. Our organisational design enables us to meet our objectives and ambitions.

## Strategic Partnerships

In order to support this customer-centric, outcomes-based approach, we have emphasised a partnership focus. Ethical, reciprocal and collaborative relationships are the key to the success of PBT. We have begun to identify and grow our partnership ecosystem, focusing on providers that align with Pacific capability needs in construction, social enterprise and youth entrepreneurship.

### ► Programme/Funding Partners

Foundationally funded by the NZ Government through Vote Pacific Peoples. Under the new partnership model, PBT is also partnering with MSD and MBIE to assist with key projects.

### ► Delivery Partners

These partners will have cultural and technical competency, understanding the unique needs of PBT's customers.

# Service Delivery Model

The service delivery model outlines the core capabilities of the business and how we interact with our key customers and partners. In shifting from measuring activity-based outputs to becoming outcomes driven, we have refreshed the focus for our service delivery model. Our new service delivery model has been designed around the following key customers and partners:

## Our Customers & Partners



### Capability Developers

Pacific businesses that approach us for specific services. These services include help applying for grants and connecting with our partners for additional support.



### Growth Sectors

Businesses within targeted sectors that we have chosen to improve outcomes. They have been identified as having an area that would benefit from our specialised support.



### Service Providers

Service Providers offer specialist support for our customers. They are chosen based on their ability to understand the unique needs of our customers



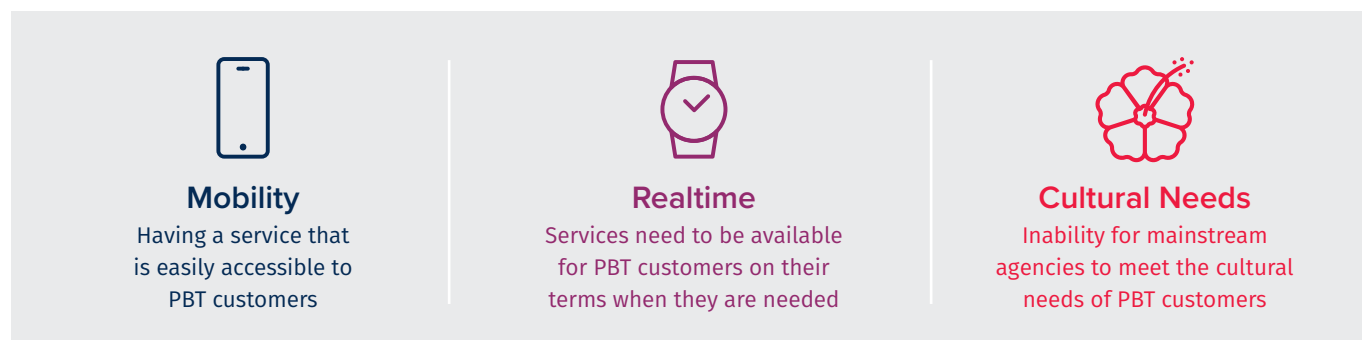
### Leading Lights

They are either: high achievers who can provide mentorship to our customers, or previous customers that have used our services to reach new levels of growth and now want to give back to the Pacific community

Our key customers and partners are at the heart of our service delivery model design and our approach to how we interact with them will be formalised as we grow and mature.

## Development of Digital Solutions to Enable a New Service Delivery Model




This past year has begun the implementation of a mobile, real-time and culturally appropriate solution consisting of a refreshed website, an enhanced CRM platform and a new digital platform. This solution resulted from various co-design processes, with our customers' needs and wants at the core of the design. The solution was designed around the following requirements:



This solution is to:

1. Ensure all of our customers will receive consistent services and strong positive customer experience across the board, and
2. Reduce the transaction costs for delivering services so there are more funds to invest in direct support to Pacific businesses.

## The PBT Service Delivery Model:

 Website	 CRM	 Digital Platform
<p>The PBT website provides a gateway for PBT customers to access industry specific content, enables customer self-registration, queries and feedback. All this information will be stored within the new enhanced CRM.</p> <p>As the customers progress evolves throughout their journey with PBT, their requirements to access higher tiered, customised content increases. Here the link between the website and the Digital Platform interweaves and provides clients with their required content.</p> <p>The refreshed PBT website design addresses various key insights gained through discovery sessions with customers, such as language use, more targeted content and better understanding the customer's profile.</p>	<p>The enhanced CRM platform supports the business processes for all client management and business activities (assessments, referrals and collection of growth data etc), and supports reporting capabilities.</p> <p>Enhancing the CRM system will provide a stable foundation for the Digital Platform and access from the website enabling improvements in data capture and insights. PBT will therefore effectively manage and streamline core business processes.</p> <p>Key benefits of the new CRM:</p> <ul style="list-style-type: none"> <li>• Automated workflows.</li> <li>• Client focused CRM.</li> <li>• Simple to maintain solution.</li> <li>• Suitable for PBT's technology ecosystem.</li> </ul>	<p>A new digital platform to enhance PBT's support and offerings to their customers and partners. This new Digital Platform is being funded through PBT's partnership with MSD.</p> <p>Key features of the new Digital Platform:</p> <ul style="list-style-type: none"> <li>• A central place to procure services from Service Providers.</li> <li>• Clients can request funding for referred services from PBT to help cover cost of services.</li> <li>• Customers can network, share content, files and join industry specific groups.</li> <li>• Customers can provide updates on their growth.</li> </ul>

We also focused in collating our programmes and services, delving into the details of what these programmes and services were through a lens of ways to optimise and enhance these offerings. The resulting portfolio of offerings and services was collated:

### **Business Assessments**

A Business Advisor will complete a business assessment in the initial engagement whereby the business strategist will analyse the current business requirements and capability gaps. This will be guided by an assessment template provided by PBT.

The Business Advisor will provide a detailed written statement for each of the functional business areas. This assessment statement will be utilised to inform the subsequent referral plan.

### **Referrals**

A Business Advisor will develop a referral plan, either in the initial engagement or subsequently, to target the client's business requirements and provide achievable next steps.

### **Workshops**

Fully PBT funded, preliminary engagements with the wider Pacific business community. These are designed to support businesses in any industry, as well as those in specific industries, that demonstrate clear capability gaps. The vision is to expand/ change the workshop offering as new needs are identified or market conditions change.

During the optimisation exercise, PBT discovered it was more cost effective to fund development of content, owning it and paying professional service partners to deliver the workshops using this content. This achieved significant savings for PBT.

### **Service Provider Network**

Businesses will be offered access to specialised service providers to support them in specific areas of their business and personal development. This offering specifically relates to the network of service providers available to PBT customers as a tool to support their growth.

Culturally competent service providers will be available for various business functions and industries based on the needs identified. This offering will be provided under a co-funded approach to businesses that require individual support.

### **Personalised Services**

A unique set of co-funded offerings, geared at businesses who need more customisation than PBT's workshops. The objective of this service is to enable the personalisation of assistance to address more complex or targeted needs. Offerings will be expanded or adjusted as needs are identified.

These offerings will be delivered by external Service Providers following a discovery phase with the businesses to understand their needs and challenges.

The enhancement of our service delivery model is better suited to our aim of supporting Pacific businesses and provide targeted support.



# Key projects

This past year, we commissioned three key projects within significant Growth Sectors of New Zealand. These sectors sit at the intersection of Government priority, private investment and potential impact for Pacific businesses and communities.

These three key projects had the aim to support significant growth sectors for Pacific businesses, building trusting relationships between PBT customers and their partners and PBT and delivering support early and continuously to the Pacific community.



**Pacific Construction Support Services**



**Pacific Social Enterprise**



**Pacific Youth Entrepreneurship**

## Pacific Construction Support Services

The construction sector has more Pacific businesses and sole traders than any other industry. Pacific businesses struggle to access the sector's opportunities due to a mixture of industry-specific and unique cultural challenges. By introducing targeted support to Pacific construction businesses and sole traders, PBT will help these businesses achieve greater capability and capacity. PBT partnered with MSD for this Construction Support project.

The resulting project is a **Real-Time Toolkit**. This kit will provide real-time access to information and support regarding capability requirements, applying ICT and technology, and industry specific registration for procurement involvement, and more.

**The Pacific Construction Support Services project is a Real-Time Toolkit composed of three main offerings:**

1. Back Office Support
2. Commercial Support and Formal Procurement
3. Consortium Support

The construction support services focuses on addressing the



main challenges faced by Pacific businesses in the construction industry.

We are currently developing the Pacific Construction Support Services (PCSS) Toolkit. The PCSS vision is to grow a pipeline of compliant ready Pacific construction businesses so that Pacific communities can experience a tangible uplift (e.g. higher incomes).



## Pacific Social Enterprise

The ethos of social enterprise comes naturally to Pasifika, attributed to the importance they place on reciprocity and giving. Unique and complex challenges Pacific social enterprises face, such as isolation and lack of voice and representation in mainstream efforts, have presented a clear case for intervention.

The purpose of the Pacific Social Enterprise project is to determine what services are required by Pacific entities in the social enterprise sector. This will be achieved by using a co-design process, which we are currently implementing, to:

- Define a Pacific Social Enterprise identity;
- Design what support services are required by Pacific entities in the social enterprise space and;
- Develop an impact and advocacy strategy.

By developing the capability of Pacific Social Enterprises and providing them intermediary support, connecting them to platforms, PBT will unlock markets of growth for Pacific Social Enterprises, creating opportunities to network and exchange, changing the siloed mindset and promoting peer-to-peer support and collaboration. All the while allowing profits to be reinvested back into Pacific community initiatives and entities, better enabling a robust Pacific Social Enterprise ecosystem to be marketed to the mainstream.

## Pacific Youth Entrepreneurship

Hatch is a programme aimed at Pacific youth, to help turn their ideas or products into viable businesses. This key project is a relaunch of Hatch. The concept of Hatch is based on four key pillars: a structured programme, education, networking and fellowship. All delivered with cultural competency and understanding.

To make the programme more innovative and cutting edge, PBT has introduced new material, a new way of accessing this material and new ways of working. The onboarding pack will contain a tablet pre-loaded with Hatch material (programmes, email, coursework, tasks and applications) to kick-off the programme efficiently.

The new Hatch programme will address pain points faced in the previous programme and become a virtually delivered, innovative, cutting edge programme for Pacific youth entrepreneurs. Pacific context will be weaved throughout the programme through the style and methods of delivery.

# Personalised Services: Special Projects

We have designed and developed personalised services to cater for mature businesses who have the potential to achieve significant tangible outcomes such as the creation of new job opportunities. These services are customised and personalised to meet the unique strategic opportunities that have been identified to assist in the generation of tangible outcomes.

We have commissioned three special projects, helping enhance and develop our personalised services. They have been instrumental, enabling insights into what is required to deliver practical customised services to mature Pacific businesses with potential tangible outcomes:

1. Procurement Readiness
2. ISO Certification
3. Innovation

While we treated each project as a commercial initiative, the projects have also served as an invaluable discovery process to accelerate learning of what is required to be of assistance to Pacific businesses.

## Procurement Readiness

Large scale construction projects present an enormous economic opportunity for Pacific businesses, people and communities. In order to benefit from the significant pipeline of construction projects, Pacific businesses need to be procurement ready.

In partnership with MSD, we supported a Pacific labour hire recruitment company to successfully participate in a large procurement process for the next phase in the building of major transport infrastructure. This provides the Pacific business with an opportunity to provide the Pacific community with employment opportunities and growth for their company.

## ISO Certification

One of the limitations Pacific construction businesses face in growth, is in having the required certifications. By not having this certification, Pacific businesses are held back from winning larger pieces of work and their growth is limited. We have established an ISO Certification offering intended to support mature businesses to implement industry best practices to improve growth, profitability and cost savings.

A leading Pacific construction and civil infrastructure company were undertaking a transformation and recognised their need to become more qualified via ISO certifications. Our support enabled them to gain the appropriate ISO certifications. This Pacific business now have the opportunity to grow, gaining larger contracts to generate more income, jobs and opportunities in the construction industry.

## Innovation

We have also commissioned projects through focusing on and identifying innovative businesses with potential to create breakthrough business solutions. We have and will continue to actively seek out Pacific businesses and entrepreneurs who have business propositions with merit that can benefit from early assistance and support to advance their innovative ideas.

A Pacific fire safety quantity surveying and construction company sought an innovative digital solution to help scale their services, minimise time to provide their services and to meet rising demand. We are currently supporting this business via investigating their needs and ideas for innovation through facilitating market research and gathering application requirements.







# REPORTING

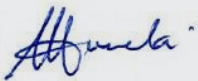
## Statement of Responsibility

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 2020 fairly reflect the financial position and operations of the Trust.

### Approved



**TEVITA FILISONU'U FUNAKI**

Chair

Date: 18 December 2020



**MARIA FUATA**

Board Member

Date: 18 December 2020



## Statement of Service Performance

The Pacific Business Trust (PBT) has spent this past financial year in a phase of transformation, working under a new business model. PBT officially became an economic development agency in July 2020.

The current year Statement of Service Performance (SSP) continues to use the developed PBT Outcomes Framework as the basis for reporting on the Trust's activities as this provides a strong basis for reporting. The activities, inputs, outputs and outcomes within the Framework provide the basis for our SSP for the financial year ended 30 June 2020, as reported below.

**The Outcomes Framework is organised around the following three focus areas:**

- Support Entrepreneurship and Business Growth;
- Creating platforms for growth; and
- Providing leadership on Pacific Economic Development.

**PBT's strives to support Pacific economic development 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 interventions

Our performance reported below incorporates some, but not all, of the deliverables agreed with the Ministry of Pacific Peoples (MPP) in the Outcome Agreement in place for the 12-month period from 1 July 2019 to 30 June 2020.

Due to the impacts of COVID-19 beginning March 2020, PBT were required to quickly mobilise to respond to the needs of the Pacific businesses and organisations who were affected. This resulted in PBT altering our processes to better enable us to direct clients to the right support and services. Registrations now included a self-assessment to better inform the resulting referral plans and ultimately combining these as one 'module'. In addition, PBT also created and initiated a COVID-19 specific business assessment where we reached out to our existing customer database and networks to find out which businesses were being affected and how, then offering them the appropriate support.



KEY OUTPUTS AND MEASURES IDENTIFIED FROM NEW PERFORMANCE FRAMEWORK	TARGET 2019/2020	ACTUAL 2019/2020	COMPARATIVE 2018/2019	COMMENTARY Providing further detail on why these measures are important, and connections with other areas of focus
FRAMEWORK FOCUS AREA: SUPPORT ENTREPRENEURSHIP AND BUSINESS GROWTH				
<b>Number of grants approved</b> (Grants for Services)	31	8*	16	<p>8 grants were approved in the period 1 July 2019 - 30 December 2019. *Additional grants for services were approved through our Covid-19 support from 1 January 2020 - 30 June 2020. See Covid section below for more information.</p> <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.</p> <ul style="list-style-type: none"> <li>• 4 Business Establishment Grants were received by start-ups and newly established businesses (businesses operating less than 3 years)</li> <li>• 4 Business Growth Grants were received by Established Businesses (businesses operating more than 3 years)</li> </ul>
<b>Number of Complete Registrations</b> (Registrations and Business Assessments)	70 Registrations	123	N/A	<p>PBT completed 123 registrations for FY20. A registered client is a person or business who provides all the mandatory personal and business information we require to receive PBT's services.</p> <p>All new and re-engaging clients are required to undergo Business Assessments. These assessments capture the current state of a business across 5 functional areas (Strategy / Planning / Structure; Finance; Marketing; Sales; and Operations). Assessments identify in which areas of the business a client would benefit from the support of a Service Provider and/or PBT's other Programmes and Services.</p>
	90 Bus. Assessments	106	111	
<b>Number of clients who have been matched with a service provider</b> (Referral Plans)	90 Referral Plans	89	N/A	<p>Referral plans document recommendations made to a client by a PBT Business Advisor on areas of their business (based on the 5 functional areas of the assessment) where they would benefit from the support of a Service Provider.</p>
<b>Number of service providers certified</b> (Develop New Portfolio of Services)	10 Service Providers Certified	15	N/A	<p>Service Providers deliver a range of specialised skills related to the 5 functional areas of a business.</p> <p>Potential Service Providers are required to undergo a cultural competency assessment and pass technical and business advisory vetting in order to become a certified PBT Service Provider.</p> <p>13 Service Providers were made active on the digital platform at the end of June 2020. 2 remaining Service Providers had been vetted and approved however they had not signed their contracts with PBT before the end of the financial year.</p>
<b>Proportion of clients satisfied with their matched service provider</b> (Client and stakeholder survey & summary analysis of the survey findings)	N/A	N/A	N/A	<p>Formal feedback forms were not provided to clients following a referral during FY20; therefore, we cannot measure satisfaction. However, we did receive positive informal, verbal feedback from clients who actioned their referral plans.</p> <p>Service Providers were certified over May and June 2020. Client feedback about these Service Providers will be made available in FY21 reporting.</p>

KEY OUTPUTS AND MEASURES IDENTIFIED FROM NEW PERFORMANCE FRAMEWORK	TARGET 2019/2020	ACTUAL 2019/2020	COMPARATIVE 2018/2019	COMMENTARY Providing further detail on why these measures are important, and connections with other areas of focus
Covid-19 Response activities	N/A	79 Registrations	N/A	We received 79 registrations for our Covid-19 support. Pacific Businesses who wanted support were required to register through our website. Our Covid support was in partnership with Deloitte who delivered personalised one-on-one business continuity sessions and plans; and MSD who provided support to businesses to apply for the wage subsidy.
		99 Assessments	N/A	PBT created and conducted a new Covid-related assessment where we asked businesses a series of questions around how Covid-19 and lockdown had impacted their business.
		37 Grants for Services	N/A	37 Grants for Services were used to fund the business continuity sessions and plans with Deloitte (mentioned above)

**FRAMEWORK FOCUS AREA:**

**CREATING PLATFORMS FOR GROWTH**

Number of Business Development Workshops	5	23	8	<p>A total of 23 workshops were held in FY20 both online and in-person.</p> <ul style="list-style-type: none"> <li>• 6 Construction workshops covered Procurement Readiness and Pricing and Tendering.</li> <li>• 5 workshops covered an Overview of Social Enterprise and How Social Enterprises Can Measure Their Impact.</li> <li>• 12 General Business workshops covered topics in Validation, Business Planning, and business basics in Strategy, Accounting &amp; Tax, and Finance.</li> </ul> <p>Covid-related workshops in Health and Safety, Contract Tracing and Post-Covid strategy were introduced during lockdown and delivered online.</p> <p>Some of these workshops served as pilots for the new workshop series PBT will launch in FY21 across Construction, Social Enterprise and General Business.</p>
--	---	----	---	---

**FRAMEWORK FOCUS AREA:**

**PROVIDING LEADERSHIP ON PACIFIC ECONOMIC DEVELOPMENT**

Number of applicants for National Awards (Biennial Pacific Business Awards – June 2020)	50 applicants across 6 categories	62 applicants across 7 categories	N/A	Due to Covid-19, PBT postponed its awards to November 2020. 62 nominations were received pre-Covid.
---	-----------------------------------	-----------------------------------	-----	---





# Statement of Financial Performance

For the year ended 30 June 2020

	Notes	2020 Budget	2020	2019
<b>Revenue</b>				
Funding from government		2,705,000	2,121,471	1,642,118
Investment Income		130,000	19,327	85,436
Revenue from non-government sources	1	180,496	1,793	76,878
<b>Total Revenue</b>		<b>3,015,496</b>	<b>2,142,592</b>	<b>1,804,431</b>
<b>Expenses</b>				
Advertising and marketing costs		62,000	108,973	59,336
Amortisation		-	105,417	12,040
Costs related to providing services	3	1,000,185	1,002,169	430,819
Depreciation		12,000	5,615	12,631
Employee related costs	2	307,425	378,535	640,215
Finance cost	5	-	-	4
Lease expenses	16	147,980	149,900	147,775
Trustee fees	7	67,251	72,834	67,292
Other expenses	4	338,753	867,101	523,382
Transformation costs	6	710,000	254,821	369,511
<b>Total Expenses</b>		<b>2,645,594</b>	<b>2,945,363</b>	<b>2,263,005</b>
<b>Surplus/(deficit)</b>		<b>396,902</b>	<b>(802,771)</b>	<b>(458,574)</b>

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

# Statement of Financial Position

As at 30 June 2020

	Notes	Budget 2020	30 Jun 2020	30 Jun 2019
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	9	4,085,853	3,034,428	3,427,963
Debtors and prepayments	11	147,735	73,887	707,844
<b>Total Current Assets</b>		<b>4,233,588</b>	<b>3,108,315</b>	<b>4,135,807</b>
<b>Non-Current Assets</b>				
Property, Plant and Equipment	12	22,180	16,015	10,874
Intangible Assets	13	44,453	586,619	5,500
<b>Total Non-Current Assets</b>		<b>66,633</b>	<b>602,634</b>	<b>16,374</b>
<b>Total Assets</b>		<b>4,300,221</b>	<b>3,710,950</b>	<b>4,152,181</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Trade and Other Payables	10	173,837	729,509	412,029
Employee costs payable	8	84,638	55,856	34,796
Revenue in Advance			23,000	
<b>Total Current Liabilities</b>		<b>258,475</b>	<b>808,365</b>	<b>446,825</b>
<b>Total Liabilities</b>		<b>258,475</b>	<b>808,365</b>	<b>446,825</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>4,041,746</b>	<b>2,902,585</b>	<b>3,705,356</b>
<b>Trust Equity</b>				
Accumulated surpluses or (deficits)	14	4,041,746	2,902,585	3,705,356
<b>Total Trust Equity</b>		<b>4,041,746</b>	<b>2,902,585</b>	<b>3,705,356</b>

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



# Statement of Cash Flows

For the year ended 30 June 2020

	Notes	2020	2019
<b>Cash Flows from Operating Activities</b>			
Government Contracts		2,676,988	1,243,072
Interest Income		19,327	109,809
Other Income		1,943	76,878
GST Received (net)		117,813	(49,548)
Payments to Suppliers		(2,086,986)	(1,410,373)
Payments to Employees		(425,328)	(754,535)
<b>Total Cash Flows from Operating Activities</b>		<b>303,757</b>	<b>(784,697)</b>
<b>Cash Flows from Investing Activities</b>			
Payments to acquire property, plant and equipment and intangibles		(697,292)	-
Net decrease in Investments		-	3,665,187
<b>Total Cash Flows from Investing Activities</b>		<b>(697,292)</b>	<b>3,665,187</b>
<b>Net Increase/(Decrease) in Cash</b>		<b>(393,534)</b>	<b>2,880,489</b>
<b>Cash Balances</b>			
Cash and cash equivalents at beginning of period		3,427,963	547,475
Cash and cash equivalents at end of period	9	3,034,428	3,427,963
<b>Net change in cash for period</b>		<b>(393,534)</b>	<b>2,880,489</b>

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The Operating cash flow is presented on a net of GST basis.

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

# Entity Information

For the year ended 30 June 2020

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 recognised by the Inland Revenue Department as a charitable trust and as such is exempt from income tax.

The primary objective 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 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 constitution 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.



# Statement of Accounting Policies

For the year ended 30 June 2020

## Basis of Preparation

The Trust has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) on the basis that it does not have public accountability and its total annual expenses for the two previous reporting periods were equal to or less than \$2,000,000. All transactions in the Financial Statements are reported using the accrual basis of accounting. The Financial Statements are prepared under the assumption that the Trust will continue to operate in the foreseeable future.

## Significant Accounting Policies

### REVENUE

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

#### Funding from government

Funding from MPP is the Trust's primary source of funding. General funding from MPP is received quarterly in advance and is recognised as revenue when it is received. Funding that is required to be used for a specific purpose or to provide specific services is recognised as revenue by reference to the stage of completion. Funding from MPP for the awards event is recognised when the event is held.

Other general funding from government is recognised as revenue when it is received, unless there is an obligation to return the funds if conditions of the funding are not met. If there is such an obligation the funding is initially recorded as revenue in advance and recognised as revenue when the conditions are satisfied. Other funding from government that is required to be used for a specific purpose or to provide specific services is recognised as revenue by reference to the stage of completion.

#### Other revenue

Award event ticket sales are recorded as revenue when the event takes place. Ticket sales received before the event takes place are recorded as a liability. Sponsorship received for events is recorded as revenue when the event takes place.

Where a physical asset is donated or vested in the Trust for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in the Trust are recognised when control over the asset is obtained.

#### Investment income

Investment income is recorded as it is earned during the year.

## Income Tax

Pacific Island Business Development Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

## Employee Related Costs

Wages, salaries and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries and leave entitlements.

Superannuation contributions are recorded as staff provide services.

## Costs Related to Providing Services

These are expensed when the related goods or services have been received.

## Cash and Cash Equivalents

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

## Debtors

Debtors are initially measured at the amount owed.

A provision for impairment is recognized when there is objective evidence that the Trust will not be able to collect all or some amounts due.

## Investments

Investments comprise investments in term deposits.

Investments in bank deposits are initially recorded at the amount paid. If it appears that the carrying amount of the investments will not be recovered, they are written down to the recoverable amount.

## Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

## Trade and other Payables

Trade and other payables are measured at the amount owed.

# Statement of Accounting Policies (cont.)

For the year ended 30 June 2020

They represent liabilities for goods and services provided to the end of the financial year that are unpaid and arise when the Trust becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

## Goods and Services Tax (GST)

The Trust is registered for GST. All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated 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.

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

## Property, Plant and Equipment

Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses.

### Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Trust 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 net surplus or deficit for the year.

### 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 Trust and the cost of the item can be reliably measured.

### Depreciation

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

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

- |                          |  |
|--------------------------|--|
| • Office Equipment       | 20-25%                                       |
| • Furniture & Fittings   | 10-20%                                       |
| • Computer Hardware      | 25-40%                                       |
| • Artworks               | 10-20%                                       |
| • Leasehold improvements | unexpired lease period plus right of renewal |

Computer software is included under property, plant and equipment when it is integral to the operation of the related equipment.

At each balance date, the residual value and useful life of an asset is reviewed.

### Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use.

## Impairment of Assets

Assets with a finite useful life are reviewed for impairment whenever events or changes in economic circumstances indicate that the carrying amount of such assets 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.

Where the future economic benefits of an asset are not primarily dependent on an ability to generate cash inflows, value in use is determined as the depreciated replacement cost of the asset.

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 total impairment losses are recognised in the net surplus or deficit for the year.

## Intangible Assets

Intangible assets that are acquired by the trust, which have finite useful lives, are measured at cost less accumulated amortisation 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 profit or loss on straight line basis over the estimated useful lives of intangible assets from the date they are available for use. The useful lives and associated amortisation rates of major classes of assets have been estimated as follows:

- Website 5 Years
- Digital Platform 5 Years

## Employee Entitlements

Employee entitlements that the Trust expects to be settled within 12 months of balance date are measured based on actual entitlement at the current rates of remuneration. These include salaries and wages accrued up to balance date and annual leave earned to, but not yet taken, at balance date.

## SUPERANNUATION SCHEMES

### Defined contribution schemes

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and recognised as an expense in the surplus or deficit as incurred.

## Budget Figures

The budget figures are those approved by the Board at the beginning of the year. The budget figures have been prepared in accordance with Tier 3 standards, using accounting policies that are consistent with those adopted by the Board for the preparation of the financial statements.

## Changes in Accounting Policies

There have been no changes in accounting policies.

# Notes to the Financial Statements

For the year ended 30 June 2020

	2020	2019
<b>1. Revenue from Non-Government Sources</b>		
Other Income	1,793	76,878
<b>Total Revenue from Non-Government Sources</b>	<b>1,793</b>	<b>76,878</b>

Revenue from non-government sources primarily relates to funding received by the Pacific Business Trust to assist with joint initiatives or events.

<b>2. Employee Related Costs</b>		
Defined Contribution Plan - Employer Contributions	10,239	13,209
Increase/(Decrease) in Employee Entitlements	14,687	(14,724)
Salaries and Wages	353,608	570,018
Cessation Payments	-	71,712
<b>Total Employee Related Costs</b>	<b>378,535</b>	<b>640,215</b>

<b>3. Costs Related to Providing Services</b>		
Business Center Costs	-	5,935
Consultancy	782,181	33,500
Event Costs	59,968	187,676
Business Grants	35,373	71,661
Motor Vehicle Running Costs	-	19,581
Other Costs Related to Providing Services	124,657	112,466
<b>Total Costs Related to Providing Services</b>	<b>1,002,169</b>	<b>430,819</b>

		2020	2019
<b>4. Other Expenses</b>			
	Audit Fees	64,988	63,741
	Board and Staff Travel	31,630	120,916
	Board Expenses	3,736	7,412
	Legal expenses	19,929	65,562
	Other Operating Expenses	197,514	105,749
	Staff Expenses, Development & Training	24,275	23,568
	Consultancy and Contractors Fees	525,029	136,434
	<b>Total Other Expenses</b>	<b>867,101</b>	<b>523,382</b>
<b>5. Finance Cost</b>			
	Interest Expense	-	4
	<b>Total Finance Cost</b>	<b>-</b>	<b>4</b>
<b>6. Transformation Costs</b>			
	Business Capability Support	153,030	-
	Construction Service Support	81,791	-
	New Business Consultants	-	369,511
	Social Enterprise	20,000	-
	<b>Total Transformation Costs</b>	<b>254,821</b>	<b>369,511</b>

# Notes to the Financial Statements

For the year ended 30 June 2020

	2020	2019
<b>7. Trustee Fees</b>		
Fa'amatuanuni Valentino (inu) Pereira	-	15,042
Hiueni Nuku	5,542	-
Maria Fuata	9,500	11,875
Peter Fa'afiu	-	8,708
Muaausa Pele Walker	5,542	-
Rachel Afeaki-Taumoepeau	4,750	13,458
Leaupepe Rachel Karalus	9,500	-
Ron Viviani	9,500	6,333
Samuelu Sefuiva	9,500	-
Tevita Funaki	19,000	11,875
<b>Total Trustee Fees</b>	<b>72,834</b>	<b>67,292</b>
<b>8. Employee Costs Payable</b>		
Accrued wages	23,216	16,843
Annual Leave	32,641	17,953
<b>Total Employee Costs Payable</b>	<b>55,856</b>	<b>34,796</b>
<b>9. Cash and Cash Equivalents</b>		
Cash at Bank	994,647	18,301
On-call Account	2,039,781	3,409,662
<b>Total Cash and Cash Equivalents</b>	<b>3,034,428</b>	<b>3,427,963</b>
<b>10. Trade and Other Payables</b>		
Accrued Audit Fees	64,988	63,741
Creditors and Other Accrued Expenses	664,521	348,288
<b>Total Trade and Other Payables</b>	<b>729,509</b>	<b>412,029</b>



	2020	2019
<b>11. Debtors and Prepayments</b>		
Debtors	68,887	707,844
Prepayments	5,000	-
<b>Total Debtors and Prepayments</b>	<b>73,887</b>	<b>707,844</b>

All debtors have been individually assessed for impairment and a provision has been made for estimated irrecoverable amounts from debtors and prepayments. All debtors greater than 30 days in age are considered to be past due.

At 30 June the aging of debtors is as follows:

0-30 days	68,887	707,844
31-60 days	-	-
91+ days	-	-
<b>Total</b>	<b>68,887</b>	<b>707,844</b>

## 12. Property, Plant and Equipment

<b>Office Equipment</b>		
Cost	2,403	1,468
Accumulated Depreciation	(1,468)	(1,437)
<b>Total Office Equipment</b>	<b>935</b>	<b>31</b>
<b>Furniture &amp; Fittings at Cost</b>		
Cost	20,151	18,651
Accumulated Depreciation	(15,423)	(14,259)
<b>Total Furniture &amp; Fittings at Cost</b>	<b>4,728</b>	<b>4,392</b>
<b>Computer Equipment</b>		
Cost	54,836	46,515
Accumulated Depreciation	(46,191)	(42,709)
<b>Total Computer Equipment</b>	<b>8,645</b>	<b>3,806</b>
<b>Leasehold Assets</b>		
Cost	8,669	8,669
Accumulated Depreciation	(7,705)	(7,213)
<b>Total Leasehold Assets</b>	<b>964</b>	<b>1,456</b>

# Notes to the Financial Statements

For the year ended 30 June 2020

	2020	2019
<b>Artwork</b>		
Cost	18,097	18,097
Accumulated Depreciation	(17,354)	(16,908)
<b>Total Artwork</b>	<b>743</b>	<b>1,189</b>
<b>Total Property, Plant and Equipment</b>	<b>16,015</b>	<b>10,874</b>

## 13. Intangibles

<b>Digital Platform</b>		
Additions	589,828	-
Accumulated Amortisation	(98,305)	-
<b>Total Digital Platform</b>	<b>491,524</b>	<b>-</b>
<b>Website &amp; Software Development</b>		
Opening Balance	5,500	17,540
Additions	96,708	-
Accumulated Amortisation	(7,112)	(12,040)
<b>Total Website &amp; Software Development</b>	<b>95,096</b>	<b>5,500</b>
<b>Total Intangibles</b>	<b>586,619</b>	<b>5,500</b>

## 14. Trust Equity

Opening Balance	3,705,356	4,163,930
Surplus or (Deficit)	(802,771)	(458,574)
<b>Total Trust Equity</b>	<b>2,902,585</b>	<b>3,705,356</b>

## 15. Capital Commitments

There are no capital commitments as at 30 June 2020 (2019 - nil).

## 16. Operating Commitments

Operating Leases as Lessee  
Minimum lease payments paid under operating leases recognised as an expense in the year was \$149,900 (2019: \$147,775).

<b>Operating Commitments</b>	<b>2020</b>	<b>2019</b>
Less than one year	69,067	65,726
Between one and five years	20,686	31,360
More than five years	-	-
<b>Total Operating Commitments</b>	<b>89,753</b>	<b>97,086</b>

A significant portion of the total non-cancellable operating lease amount relates to the lease of company vehicles as well as office premises in Wellington and Auckland. The Trust does not have the option to purchase the asset at the end of the lease term. There are no restrictions placed on the Trust by any of its leasing arrangements.

## 17. Contingences

There were no contingent liabilities or assets as at 30 June 2020 (2019 - nil).

## 18. Related Party Transactions

Related-party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Trust would have adopted in dealing with the party at arm's length in the same circumstances.

The Trust purchased project management services totalling \$nil (2019: \$60,000) from Sakalia Enterprises Limited, a company in which Pelenato Sakalia (a board member at the time) is the sole shareholder and Director.

## 19. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Financial Statements (2019 - nil)

## 20. COVID-19 Note

COVID-19 was declared a global pandemic by the World Health Organization in March 2020. The Trust has taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home).

Funding from government though higher than previous year was less than budgeted. For the April to June 2020 quarter, MSD funding of \$445,000 was deferred to the 2021 financial year. The Trust also postponed their Awards function due to lockdown. The event was hosted after the end of the 2020 financial year with Revenue & Expenditure recognised in the 2021 financial year.

At this stage the Trust has found an increased demand for our services and expect this to increase. We will continue to follow the various government policies and advice and will do our utmost to continue our operations in the best and safest way possible and without jeopardising the health of our people.

# Trust Directory

## Legal Name of Entity

Pacific Island Business Development Trust

## Board of Trustees

Tevita Filisonu'u Funaki	Chairman
Maria Fuata	Trustee
Ron Viviani	Trustee
Samuelu Sefuiva	Trustee
Leaupepe Rachel Karalus	Trustee
Hiiueni Nuku	Trustee
Muaausa Pele Walker	Trustee
Sonia Tiatia	Trustee

## Management

Pelenato Sakalia	Chief Executive Officer
------------------	-------------------------

## Business Team

David Wilson	Business Strategist/Advisor (Wellington)
Mercedes Brown	Business Co-ordinator (Auckland)
Vahanoa Vea	Office Manager (Auckland)
Beatrice Faumuina	Strategist Relationship Manager (Auckland)
John Faitala	Program Manager (Auckland)
Sharon Gill	Administration Support (Auckland)
Kristine Tabay	Administration Support (Auckland)

## Auditors

Audit New Zealand	Auditor on behalf of the Auditor-General
-------------------	---

## Solicitors

Langton Hudson Butcher

## Bankers

Westpac New Zealand Limited



# Independent Auditor's Report

for the year ended 30 June 2020

## Independent Auditor's Report

To the readers of the Pacific Island Business Development Trust's financial statements and statement of service performance for the year ended 30 June 2020

The Auditor-General is the auditor of the Pacific Island Business Development Trust (the Trust). The Auditor-General has appointed me, Karen MacKenzie, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the statement of service performance of the Trust on his behalf.

### Opinion

We have audited:

- the financial statements of the Trust on pages 23 to 25 and 27 to 35, that comprise the statement of financial position as at 30 June 2020, the statement of financial performance, statement of cash flows, and statement of accounting policies for the year ended on that date, and the notes to the financial statements including other explanatory information; and
- the statement of service performance of the Trust on pages 19 to 21.

In our opinion:

- the financial statements of the Trust on pages 23 to 25 and 27 to 35:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2020; 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 the Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) Standard; and
- the statement of service performance on pages 19 to 21:
  - presents fairly, in all material respects, the Trust's performance for the year ended 30 June 2020; and
  - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 18 December 2020. This is the date at which our opinion is expressed.



The basis for our opinion is explained below, and we draw attention to the impact of COVID-19 on the Trust. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

### **Emphasis of matter – Impact of COVID-19**

Without modifying our opinion, we draw attention to the disclosures about the impact of COVID-19 on the Trust as set out in note 20 to the financial statements, and in the statement of service performance on pages 19 to 21.

### **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 statement of service performance**

The Trustees are responsible on behalf of the Trust for preparing financial statements and a statement of service performance 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 a statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the statement of service performance, 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 merge or to terminate the activities of the Trust, 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.

# Independent Auditor's Report

for the year ended 30 June 2020

## Responsibilities of the auditor for the audit of the financial statements and the statement of service performance

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of service performance, 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 the statement of service performance.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the budget approved by the Trustees.

We did not evaluate the security and controls over the electronic publication of the financial statements and the statement of service performance.

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 statement of service performance, 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 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 statement of service performance 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 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 statement of service performance 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 statement of service performance, including the disclosures, and whether the financial statements and the statement of service performance 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 4 to 18, 26 and 36, but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

Our opinion on the financial statements and the statement of service performance 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 statement of service performance, 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 statement of service performance 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 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Trust.



**KAREN MACKENZIE**  
*Audit New Zealand*

On behalf of the Auditor-General  
Auckland, New Zealand.

