



Sustaining Pacific success in a post-pandemic environment

**Annual Report and Financial Statements
2022**



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Performance Highlights

For the year 2021/2022



This is page from previous year. Will this be similar format?

Chair Audit, Risk and Finance Statement

Talofa lava, Warm Pacific greetings

Achieving a national Pacific Economic development agency status and shift to a trusted business champion to and for Pacific communities in Aotearoa New Zealand.

Improved capability, reach and agility to support the resilience and sustainability of Pacific peoples through active business and community enterprises.

These have been the predominant factors to a busy and challenging YR22.

Business capability through HATCH, Digital Boost, Procurement Support Services and facilitating Tamaki Makaurau Auckland Trades Shift initiative (post Covid19) and continuing to support Pacific businesses nationally has been signature programmes.

FY22 has consolidated the Trust’s revenue flow against its transformational business plan objectives. Underpinning this has been the continued support from our core funder, Ministry for Pacific Peoples. As well, receipt of additional revenue attached to specific PBT initiatives. While diverse they have provided an opportunity to manage and facilitate targeted economic development outcomes from small digital entrepreneurs’ to established SME/MME business covering an array of industry and demand.

While Ministry for Pacific Peoples has provisioned core services (baseline) the Trust has engaged with other ‘partners’ such as the Ministry of Social Development (MSD), Ministry for Economic, Business, Innovation and Employment (MBIE), Department of Internal Affairs (DIA), and Tataki Auckland Unlimited (AUL) that has provided substantial breadth to the Trust’s offer. Internally the Trust received expert advice from The Treasury, Deloitte and JACAL as well as others aforementioned in ensuring its operational, policy and delivery performance was fiscally sound, aligned, and of improved quality.

To all our funding partners and associates we are truly grateful! Central to that support is the Ministry of Pacific Peoples’ advice and encouragement with the Trust’s focus on its core business, aspiration, and transition to a national (NZ) Pacific Economic Development agency. This is alongside the Ministry’s own initiatives such as the Pacific Village Hubs national roll out and the continuing impact of the Tupu Aotearoa programme, particularly in the regions.

The completion of an independent review by Price Waterhouse Coopers (PwC) of the Trust’s internal performance and monitoring of its fiscal management to delivery of contractual arrangements was successful and provided additional confidence of the Trust’s (and funders) transformational growth.

The Trust has commenced an improvement programme of bringing core activities internally and during YR22 bringing the wider Moana Pacific community into its sphere of initiatives and support. Demonstrated by our post-Covid19 recovery efforts to Pacific businesses and their community with aim of building resilience and a strengthened sustainable environment.

We also acknowledge our auditors BDO Auckland for their expertise and assessment of our YR22 performance and leading into YR23.

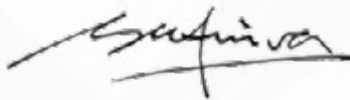
The Pacific Business Trust acknowledges its sincere appreciation to the leadership at the governance and executive level in leading the transformation to a national economic development agency during this period. Former Trust Chair Tevita Funaki’, board members Maria Fuata, Muaausā Pele Walker, Sonia Tiatia MNZM, and Rev Hiueni Nuku alongside the Trust’s former Chief Executive Pelenato Sakalia and interim CE Tracey Smith.

E le tu fa’amauga se tagata

Nobody stands alone like an island. It is important that we work together as a team!

YR22 has demonstrated that despite the challenges presented with and a global pandemic and challenging domestic economic conditions – we as a Pacific Economic Agency are reliant on the sum of our collective effort and the integrity received from our partners and the community we seek to serve.

Ma le fa’aaloalo lava



Samuelu Sefuiva
Audit, Risk and Finance Committe Chair
Pacific Business Trust

Executive Summary

As our Pacific businesses navigate the post-COVID environment, PBT continues to provide support to our clients and ensure resilience, sustainability and longevity.

Another challenging year has passed. PBT remains committed to our objective of providing customer-centric services by understanding our unique Pacific challenges and addressing those in a way that provides both organisational outcomes and benefits to our client base.

Our clients

We have seen first-hand how Pacific businesses have been heavily impacted by the COVID-19 pandemic – from not knowing where to start their journey, to reaching out for support. Our Pacific context has meant we have navigated the post-COVID environment in a unique and tailored manner, as we have employed a more “personal” way of dealing with the crisis. This has translated to Pacific businesses being better equipped to respond effectively to an unprecedented change in their operating environment.

Our response as an organisation was to rapidly adjust the way we provide our services, tailor our approach to how our clients were coping, and to make sure they were not missing out on available support. We recognised how challenging it could be for our Pacific community to engage with national government agencies. Hence, we worked with the latter to reach out directly to Pacific businesses to ensure they were actively taking part in the different government support packages available. We made sure Pacific businesses were front-of-mind when it comes to timely provision of government support.

Our programmes and services

Apart from our standard support services, PBT also embarked on several specialised COVID-19 support programmes that were rolled out by the NZ Government. While these one-off programmes took a significant investment of time and effort from the PBT team, we are pleased to have partnered with various government agencies to provide adequate support to our people when they needed it most.

What's next for PBT?

We acknowledge that PBT still has a long way to go, especially as the country's Economic Development Agency. We remain ambitious and committed, and we dedicate as much as we could to enabling our Pacific community within the country.

We look forward to furthering the capabilities of our Pacific businesses and being an impactful driver of Pacific economic development.

About PBT

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 to Pacific businesses and deliver 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, Innovation and Employment (MBIE), and Auckland Unlimited. These entities provide funding to PBT that enables PBT to offer 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 strategy

PBT continues to be a navigator and leader in supporting Pacific people to thrive in business and employment

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Business Plan - 3 Focus Areas



Investment into the evolution of our programmes and solutions



Continuous optimisation of processes, systems and corporate functions



National rollout of digital youth entrepreneurship programme

Furthermore, with the staggering local and global impacts of the COVID-19 pandemic, 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-focused support for our Pacific businesses during the pandemic.

Our structure

We re-designed our organisational structure in 2021 to improve our ability to execute our strategy through our people. We introduced three Tier 2 senior roles (GM Commercial, GM Service Delivery, and GM Corporate Services) to support our CEO and the capabilities needed to deliver our services. We re-shaped some existing functions and added new functions that will enhance our future planned capabilities such as data analysis and insights, industry partnerships, commercial negotiations, and strategic relationships.

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 commencing our efforts to adopt our Refreshed Resourcing Model that considers the appropriate ratios of staff to clients. Having the right resources operating centrally 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 22 permanent staff and managers working across our Auckland, Wellington and Christchurch offices. Our growing workforce continues to drive PBT's achievements and we will always seek to expand our talent pool and develop our people through training and wellbeing initiatives.

At the end of FY22, we bid goodbye to our former Chief Executive Officer Pelenato Sakalia and former Board Chairman Tevita Filisonu'u Funaki, who have devoted four and six years, respectively, to PBT. We welcomed Tracey Smith to the Interim Chief Executive Officer role, as well as Paul Retimanu (effective 1 August 2022) as new Chairman of the Board.

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 & Portfolio Offerings

- **Business Assessments.** We conduct an online and advisory assessment of the capability of our registered customers to identify assistance they need.
- **Referrals.** We provide our customers access to certified, culturally competent and specialist service providers to support them in specific areas of business need and personal development.
- **Workshops.** We equip enterprises with essential skills to enable them to grow, which include general and industry-specific workshops.
- **Grants for Services.** We provide eligible customers aide to access support recommended through business assessments and referral plans.
- **Personalised Offering.** We provide customers a unique capability offering geared towards business who share common opportunities and challenges.
- **Ecosystem Engagements.** We facilitate 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.

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

• 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.

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' 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' ability to successfully compete in specific tender opportunities.

• Pacific Youth Entrepreneurship

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;
- Showcasing pathways and role models for Pacific business success;
- Providing education around core business concepts; and
- Providing a fun, safe and supportive learning environment.

In FY22, HATCH Pacific partnered with MSD to deliver two targeted business programmes (Foundation & Vaka), anchored in Pacific values, that sought to develop young Pacific entrepreneurs and business owners from initial idea to business set up and development.

The delivery of these programmes produced valuable insights that have helped form the basis for a Hatch programme revision. This refresh has resulted in the creation of 4 unique offerings (Introduction, Foundation, Start-up and Accelerator) that cater to the varying needs of learners. It will be rolled out in 2023.

In addition, this financial year, PBT has also successfully rolled out the following programmes to deliver the NZ Government's various COVID-19 support packages:

• Activate Tāmaki Makaurau COVID-19 Business Support Programme

This year, we partnered with Tātaki Auckland Unlimited to deliver the Activate Tāmaki Makaurau COVID-19 Business Support Programme, which saw the delivery of the Government's \$60 million support package for Auckland businesses impacted by COVID-19 lockdowns. PBT assisted Tātaki Auckland Unlimited with:

- Scoping, design, and delivery of the programme targeted at Pacific businesses;
- Engaging and funding at least 1,000 eligible Pacific businesses across Auckland, including the provision of funding on the Activate Tāmaki Makaurau platform and the PBT platform;
- Provision of three front line staff and management of the Pacific Advisory team to support the programme; and
- Delivering the 1:1 Advisory Support and Implementation Grant funding.

• Wage Subsidy / COVID Resurgence Support

This year, we partnered with MSD to deliver a calling campaign, targeting Pacific businesses nationally to increase support for government related financial support, particularly the Wage Subsidy. The goals for this project were:

- To increase the uptake of government financial business support, in particular the Wage Subsidy for Pacific businesses and sole traders;
- To effectively promote and raise awareness of business support available for Pacific businesses that is tailored to Pacific;
- Maximise the learning that PBT had gained about Pacific businesses from previous lockdowns.

Delivering our strategic outcomes

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 FY22, our three focus areas were: optimising our programmes and solutions, developing internal capabilities, and rolling out our digital youth entrepreneurship programme.

Investment into the evolution of our programmes and solutions

We tailored our programmes to address the growing demand for our services and adapt to the post-pandemic environment, whilst maintaining our customer-centric ways of working.

We have constantly 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 specific needs of our customers (e.g. procurement needs of the construction industry). More recently, we have co-developed COVID-responsive programmes that aim to help our Pacific businesses cope with the pandemic and thereafter.



Continuous optimisation of processes, systems and corporate functions

We streamlined our internal functions through use of best practice and protocols and effective information systems.

We have initiated various projects aimed at optimising our process discipline and supporting our people in their roles through a more robust infrastructure covering people, process and technology. These projects 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. We have continued to support our talent group navigate the 'new normal' through work-from-home arrangements, well-being initiatives and additional benefits. We have also been recruiting specialist roles that will differentiate our services within the industry, as well as senior level roles that will help shape impactful results for the 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 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.

National roll-out of digital youth entrepreneurship programme

We refreshed and redesigned our HATCH Pacific programme to be bolder and bigger than ever through a national roll-out.

- After successfully piloting HATCH, we undertook research and discovery to rebuild HATCH to be more impactful for entrepreneurial Pacific youth. To ensure a wider reach, we offered a virtual academy nationally that saw high proportions of participation not just from Auckland but from all across the country – including Wellington, Christchurch and Gisborne. There has also been growing interest from participants in Northland and the Waikato regions.

As we continuously improve our services and operations and adjust our priorities due to the ongoing impacts of the pandemic, we have seen our efforts shift to the delivery of the Wage Subsidy / COVID Resurgence Support during the first half of the financial year, and the Activate Tāmaki Makaurau programme during the second half. However, the commitment of our personnel, stakeholders, and delivery partners has led us to continue looking for ways to improve what we deliver and how we deliver our services.



Our Outcomes Framework achievements

Our commitment to continuously improve our performance is steadfast. We welcome the challenges of the ‘new normal’ and with that comes what has been a slightly different way of delivering our services. Despite that, we have reached significant and important milestones and 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.

- Business assessments: 9% increase¹
- Clients matched with Service Providers: 11% increase
- Approved grants: 58% increase
- Certified Service Providers: 183% increase

Value-add for our customers from interaction with PBT²

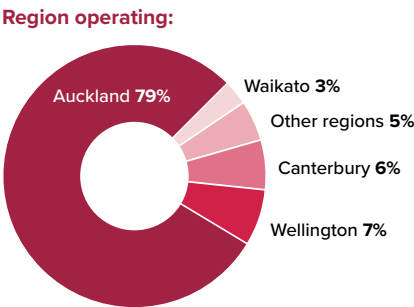
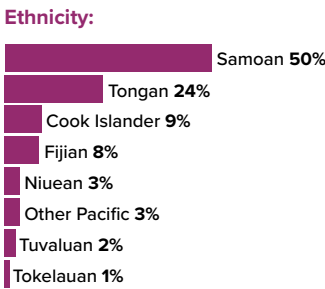
- 96% would recommend PBT to another business or friend.
- 85% are satisfied with the range of services and programmes that PBT provides.
- 79% rated that their business knowledge improved as a result of engaging with PBT.
- 70% of businesses feel that their network has grown.

1. Compared with prior financial year.
2. Annual Client Survey (July 2022)

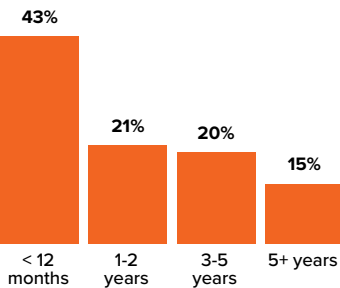
Wider Pacific engagement

BAU:

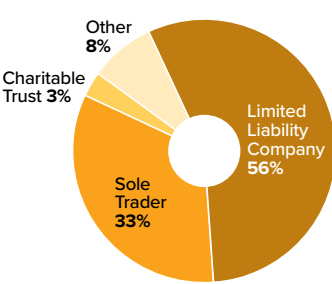
Insights into PBT’s new businesses



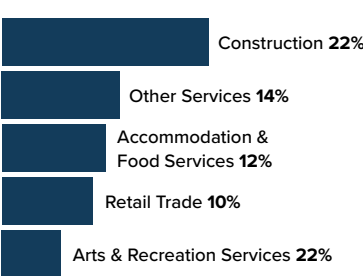
Number of years operating



Business structure



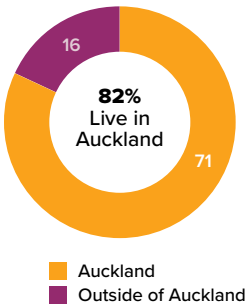
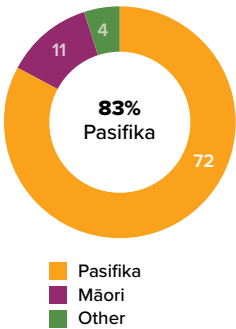
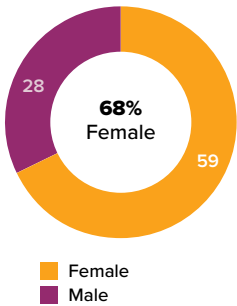
Top 5 industries



Hatch:

Profile of Hatch Pacific Participants

- Of the **87 participants** approved by MSD for funding - 68% are female. 83% are Pasifika and 82% reside in Auckland.

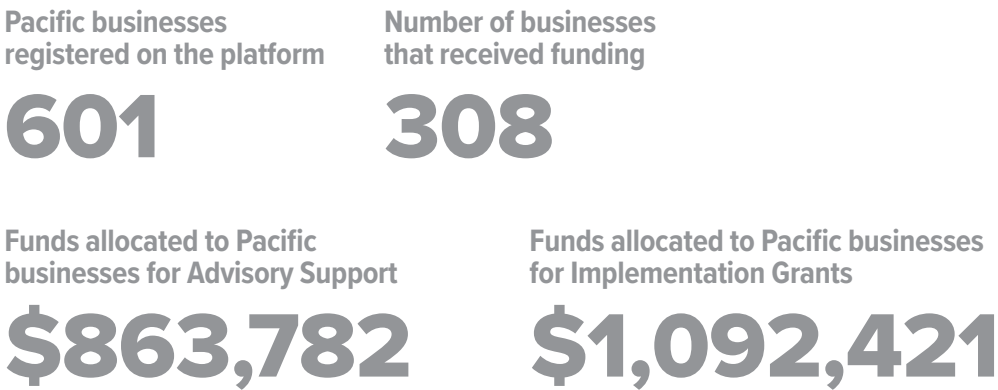


- The demographics above show high interest and demand in entrepreneurship and business for **Pacific and Pacific females** in particular. In recent cohorts, there was an increase in demand from Māori attendees looking for support (13% overall). The large majority of participants are from Auckland, particularly West and South Auckland with growing interest from the regions (Waikato and Northland).

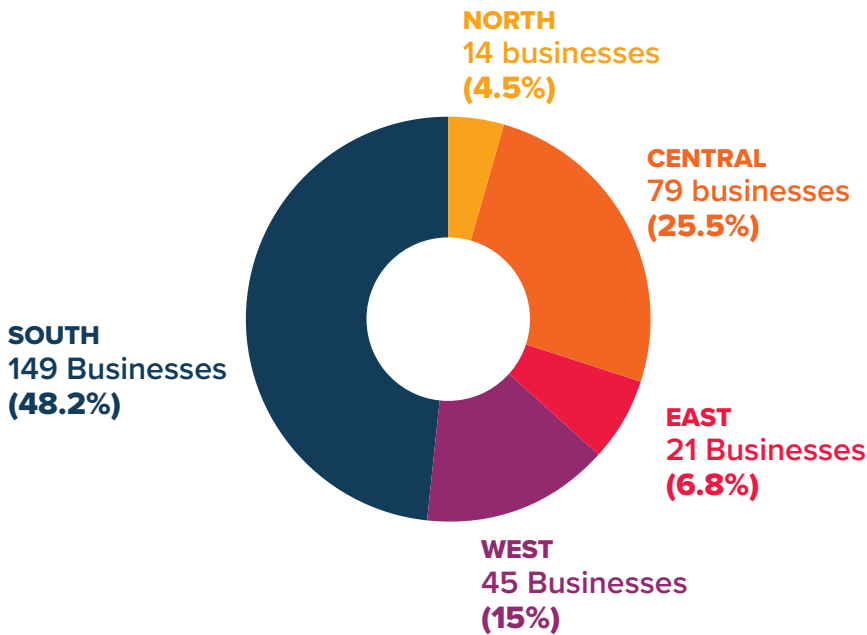
PSS:



ATM:



Eligibility criteria – Geographical spread of businesses that received funding – Auckland Region



MSD Resurgence

During the second round of the Government’s Wage Subsidy Support, PBT commenced an outbound phone calling campaign to its Pacific businesses, recognising the need for a personal touch to promote and support applications. At least 1,000+ phone calls were made by PBT Business Advisors and Customer Services Representatives over two weeks. Of those contacted 43% were eligible, had applied and/or received payment, 32% were not eligible for payment, and 25% required support.

Call Outcomes:



Application Status:



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 without 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.



Financial Statements

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

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Statement of Service Performance 2021/2022

Pacific Business Trust (PBT) strives to provide ongoing support to New Zealand’s Pacific business community by delivering programmes and services that are current, fit-for-purpose and culturally appropriate. This is achieved by building relationships with the businesses and communities we support, as well as forming more meaningful partnerships with multiple organisations to ensure Pacific businesses are receiving the most up-to-date support and knowledge to manage their businesses.

PBT is guided by our Outcomes Framework to report on the Trust’s outputs and to measure success. The activities and outcomes within the Framework present the best foundation for our Statement of Service Performance reporting for the financial year beginning 1 July 2021 and ending 30 June 2022.

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

In response to the Covid-19 lockdown in August 2021, PBT introduced another Covid-19 specific programme for Pacific businesses to access government support packages (Wage Subsidy Scheme and Resurgence Support Payment). By connecting businesses to the appropriate teams managed by Pacific staff within MSD and IRD, we were able to help business owners navigate through the process to apply for the packages and provide additional wrap-around support. PBT also partnered with Tāmaki Auckland Unlimited to deliver and assist in the administration of Activate Tāmaki Makaurau – a programme created to support businesses in Auckland through the impacts caused by Covid-19.

PBT was able to deliver these programmes and services to Pacific Businesses with support from our partners: Ministry for Pacific Peoples (MPP), Ministry of Business, Innovation and Employment (MBIE), Ministry of Social Development (MSD), Inland Revenue Department (IRD) and Tāmaki Auckland Unlimited.

Key Outputs and Measures Identified from New Performance Framework	Target 2021/2022	Actual 2021/2022	Comparative 2020/2021	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				
1. Number of completed PBT client registrations	200	697	797	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.
2. Number of completed Business Assessments	200	1,187	1,087	All new and re-engaging clients will undertake Business Health Checks at different stages of their journey with PBT. These assessments help PBT to understand the current state of a business across different aspects of their business and to help us track their progression over time. 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.
3. Number of clients who have been matched with a service provider (Referral Plans)	200	1,149	1,036	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.
4. Number of grants approved (Grants for Services)	100	944	599	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.
5. Proportion of clients satisfied with their matched Service Provider	80%	98%	95%	A client is sent a survey to rate their engagements and the work delivered to the client by the service provider. These surveys inform PBT on the client’s experience and the impact the work has had on their business and also provides us feedback on the service provider during their annual evaluations. 98% of respondents scored 3 or higher out of 5 for satisfaction with their matched Service Provider.

Key Outputs and Measures Identified from New Performance Framework	Target 2021/2022	Actual 2021/2022	Comparative 2020/2021	Commentary providing further detail on why these measures are important, and connections with other areas of focus
6. Number of Certified Service Providers	12	68	24	
7. Number of business development workshops	24	43	86	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

8. Number of businesses registered for PBT's Procurement Support Programme	-	49	98	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.
9. Number of users on PBT's Digital Platform (PBT Portal)	-	519	684	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. There is a total number of 1,273 users with access to the portal. 48.9% of users have used the portal in FY22.
10. Number of businesses registered for the Pasifika Digital Boost Programme	N/A	N/A	349	Pasifika Digital Boost was a short-term programme launched in November 2020 as a response to the lack of digital capability in the Pacific business community. PBT partnered with different organisations to supply clients with the digital devices that will enable them to operate their businesses online, as well as the delivery of online workshops to improve digital capability of Pasifika Businesses The programme concluded in June 2021 and was not continued in FY22.

Key Outputs and Measures Identified from New Performance Framework	Target 2021/2022	Actual 2021/2022	Comparative 2020/2021	Commentary providing further detail on why these measures are important, and connections with other areas of focus
11. Proportion of clients who are satisfied with PBT's Services	80%	85%	81%	PBT sends out an annual survey to collect feedback from clients on the programmes and services PBT has provided. For the FY22 survey, PBT received 251 responses to the survey with generally positive feedback. 85% of respondents scored 3 or higher out of 5 for satisfaction with services.

Framework Focus Area: Providing Leadership on Pacific Economic Development

12. Number of ecosystem engagements	10	10	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.
13. Number of applicants for National Awards (Biennial Pacific Business Awards – November 2020)	N/A	N/A	76 applicants across 7 categories	The Pacific Business Trust Awards Ceremony is a biennial event hosted by PBT to recognise and celebrate the outstanding achievements and successes of Pacific businesses in New Zealand. Pacific businesses can be nominated by themselves or others and are judged by an independent panel of business experts. The Pacific Business Awards were postponed to November 2022 (FY23) due to covid restrictions.
14. Number of Pacific Enterprises and Entrepreneurs attending the Pacific Social Enterprise Symposium (May 2021)	N/A	N/A	231	The 2021 Social Enterprise Symposium is a biennial event hosted by PBT that showcases the experiences of Pacific Social enterprises and their impact in the community. The previous event provided an opportunity for organisations to present the benefits of digitally enabling social enterprises to enhance the delivery and impact of the services they provide to the community. PBT did not hold this event in FY22, but intend to continue the Social Enterprise Symposium series in the coming financial year.

Trust Directory

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

- Legal Name of Entity**
The Pacific Island Business Development Trust
- Board of Trustees**
Tevita Funaki – Chairman
Maria Fuata – Trustee
Samuelu Sefuiva – Trustee
Leaupepe Rachel Karalus – Trustee
Hiueni Nuku – Trustee
Muaausa Pele Walker – Trustee
Sonia Tiatia – Trustee
Paul Retimanu - Trustee

Management
Tracey Smith - Interim 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
Langton Hudson Butcher

Statement of Responsibility

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

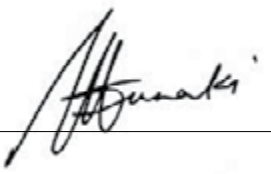
The board is responsible for the preparation of the annual financial statements and statement of service performance and the judgements used therein.

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 2022 fairly reflect the financial position and operations of the Pacific Island Business Development Trust.

On behalf of the Board,

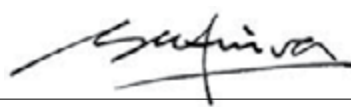
Signed by the Trustees:



Tevita Fisisonu'u Funaki
Chair, PBT Board

15 June 2023

Date:



Samuelu Sefuiva
Audit, Risk and Finance Committe Chair

15 June 2023

Date:

Statement of Comprehensive Revenue and Expenses

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

Account	Notes	2022	2021
Revenue			
Revenue from exchange transactions			
Government Funding	5	9,269,511	9,273,358
Investment Income		15,894	1,500
Total Revenue from exchange transactions		9,285,405	9,274,858
Revenue from non-exchange transactions			
Other General Funding/Grants	6	0	86,300
Other Income		2,461	2,607
Total Revenue from non-exchange transactions		2,461	88,907
Total Revenue		9,287,866	9,363,766
Expenses			
Advertising and Marketing Costs		493,366	490,082
Amortisation	10	248,247	220,434
Audit Fees	9	70,123	65,043
Costs Related to Providing Services	7	5,947,679	3,397,414
Assets - Depreciation	11	25,630	15,165
Employee Costs		1,603,846	982,105
Lease Expenses		270,506	167,632
Other Expenses	8	1,863,048	1,966,331
Trustee Fees		86,292	94,209
Transformation Costs		0	36,383
Total Expenses		10,608,736	7,434,798
Total Surplus / (Deficit) for the Year		(1,320,870)	1,928,968
Other comprehensive revenue and expense for the year			
Other comprehensive revenue and expense		0	0
Total Comprehensive Revenue and Expenses for the Year		(1,320,870)	1,928,968

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 2022

Account	2022	2021
Net Assets (Accumulated Revenue and Expenses)		
Opening Balance	4,831,554	2,902,585
Total comprehensive revenue and expense for the year	(1,320,870)	1,928,968
Balance as at 30 June	3,510,684	4,831,554

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 2022

Account	Notes	30 Jun 2022	30 Jun 2021
Assets			
Current Assets			
Cash and Cash Equivalents	13	3,481,138	5,386,597
Receivables from Exchange Transactions	15	1,804,423	1,893,565
Receivables from Non-Exchange Transactions	15	23,000	40,100
Total Current Assets		5,308,561	7,320,262
Non-Current Assets			
Intangible Assets	10	672,638	920,886
Westpac Bank Bond Deposit		100,000	0
Property, Plant and Equipment	11	107,440	73,631
Total Non-Current Assets		880,078	994,517
Total Assets		6,188,639	8,314,779
Liabilities			
Current Liabilities			
Trade and Other Payables	15	326,069	724,822
Deferred Revenue		160,000	1,058,891
Employee Entitlements		100,887	128,760
Goods and Services Tax		66,707	385,751
Grants approved but not paid		2,024,292	1,185,000
Total Current Liabilities		2,677,955	3,483,225
Total Liabilities		2,677,955	3,483,225
Total Assets Less Total Liabilities (Net Assets)		3,510,684	4,831,554
Trust Equity			
Accumulated Revenue and Expense		3,510,684	4,831,554
Total Trust Equity		3,510,684	4,831,554

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 2022

Account	2022	2021
Cash Flows from Operating Activities		
Revenue from exchange transactions	8,445,435	8,668,307
Revenue from non-exchange transactions	20,811	131,200
Other Revenue - Interest	15,894	1,500
GST received/(paid) (net)	(369,835)	187,076
Payments to Suppliers	(8,128,943)	(4,886,778)
Payments to Employees	(1,716,974)	(1,001,543)
Revenue - Other Comprehensive Income	0	0
Total Cash Flows from Operating Activities	(1,733,613)	3,099,762
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(71,846)	(619,032)
Purchase of intangibles	0	(6,250)
Cash flows from other investing activities	(0)	(121,592)
Westpac Bank Bond Deposit	(100,000)	0
Total Cash Flows from Investing Activities	(171,846)	(746,874)
Net Increase/(Decrease) in Cash and Cash Equivalents	(1,905,459)	2,352,888
Cash Balances and Cash Equivalents		
Cash and cash equivalents at beginning of year	5,386,597	3,033,710
Cash and cash equivalents at end of year (refer to note 13)	3,481,138	5,386,597
Net change in cash for year	(1,905,459)	2,352,888

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 2022

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 2022.

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

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.

3.3 Financial Instruments

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the financial instrument.

The Trust derecognises a financial asset when the contractual rights to the cash flows from the asset expire. The Trust derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. Financial assets and liabilities are offset and the amount presented in the statement of financial position when, and only when, the Trust has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.4 Financial Assets

All of the Trust's financial assets are classified as loans and receivables. Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value plus directly attributable transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise cash and cash equivalents, and receivables from exchange transactions. 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.

3.5 Impairment of Financial Assets

The Trust assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets classified as loans and receivables, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as

Notes to the Financial Statements (Cont’d)

the difference between the asset’s carrying amount and the present value of the estimated future cashflows discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

In determining whether there is any objective evidence of impairment, the Trust first assesses whether there is objective evidence of impairment for financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant. If the Trust determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

3.6 Financial Liabilities

The Trust’s financial liabilities include trade and other payables which are classified as amortised cost financial liabilities.

All financial liabilities are initially recognised at fair value plus directly attributable transactional costs, and are measured subsequently at amortised cost using the effective interest method.

3.7 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.

3.8 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.

3.9 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.

3.10 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%

3.11 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.

3.12 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.

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 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.

Notes to the Financial Statements (Cont'd)

	2022	2021
5. Government Funding - exchange		
Auckland Unlimited	2,406,393	0
Department of Internal Affairs (DIA)	0	1,350,000
Moana Pasifika Funding (Pasifika Futures)	600,000	0
MPP Funding (MPP)	3,700,250	6,146,000
Ministry for Social Development (MSD)	800,701	194,049
Ministry of Business, Innovation & Employment (MBIE)	1,232,588	1,397,889
New Zealand Trade and Enterprise (NZTE)	124,881	75,119
Tamaki Regeneration	154,699	25,301
Moana Pasifika Funding (MFAT)	250,000	85,000
Total Government Funding - exchange	9,269,511	9,273,358
6. Other General Funding/Grants - non-exchange		
MPP Business Awards Ticket Sales/Donations	0	6,200
Sponsorship Revenue		80,100
Total Other General Funding/Grants - non-exchange	0	86,300
7. Costs Related to Providing Services		
Direct Cost - Contractors	1,004,451	614,610
Events Venue Hire and Supplier Fees	23,747	307,921
Grants ATM Advisory & Implementation	1,926,333	0
Grants - Digital Devices	51,551	318,344
Grant for Services	1,357,533	1,483,389
Moana Pasifika Support Costs	1,118,570	148,923
Other Expenses	372,937	168,714
Workshops & Seminars	92,557	355,513
Total Costs Related to Providing Services	5,947,679	3,397,414
8. Other Expenses		
Consultancy	1,160,350	1,275,723
Sponsorships	32,584	174,867
Economic Leadership	0	180,179
Other Miscellaneous Expenses	591,171	257,503
Staff Expenses	78,943	78,058
Total Other Expenses	1,863,048	1,966,331

9. Auditors Remuneration

Total amount recognised for audit services is \$70,123 (2021: \$65,043). Audit services are provided by BDO Auckland.

	2022	2021
10. Intangible Assets		
Digital Platform		
Opening Balance	841,058	491,524
Additions	0	550,000
Amortisation	(227,966)	(200,466)
Net book value (refer to Depreciation Schedule)	613,092	841,058
Website & Software Development		
Opening Balance	79,828	95,096
Additions	0	4,700
Amortisation	(20,282)	(19,968)
Net book value Website & Software Development (refer to Depreciation Schedule)	59,546	79,828
Total Intangible Assets	672,638	920,886
11. Property, Plant and Equipment		
Artworks		
Opening Balance	297	743
Depreciation	(297)	(446)
Net book value Artworks (refer to Depreciation Schedule)	0	297
Computer Equipment		
Opening Balance	13,885	6,289
Additions	29,459	19,439
Depreciation	(12,067)	(11,843)
Net book value Computer Equipment (refer to Depreciation Schedule)	31,277	13,885
Furniture and Fittings		
Opening Balance	58,586	8,016
Additions	5,008	53,313
Depreciation	(9,155)	(2,742)
Net book value Furniture & Fittings (refer to Depreciation Schedule)	54,440	58,586
Leasehold Improvements		
Opening Balance	862	965
Depreciation	(103)	(103)
Net book value Lease Improvements (refer to Depreciation Schedule)	759	862
Office Equipment		
Additions	24,972	0
Depreciation	(4,008)	0
Net book value Office Equipment (refer to Depreciation Schedule)	20,965	0
Total Property, Plant and Equipment	107,440	73,631

Notes to the Financial Statements (Cont'd)

12. Commitments

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

1. 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.
2. 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.

	2022	2021
Operating Commitments		
Not later than 12 months	154,441	146,218
Between 12 months and five years	627,795	502,139
Later than five years	0	0
Total Operating Commitments	782,236	648,357

13. Cash and Cash Equivalents

Cash and Cash Equivalents

Westpac Cheque Account (On Call)	2,296,203	3,608,532
Westpac Savings Account (On Call)	1,188,308	1,780,316
Westpac Credit Cards	(3,373)	(2,250)
Total Cash and Cash Equivalents	3,481,138	5,386,597

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 is 1.75%

The applicable interest rate on Westpac Savings account for funds in credit is 1.75%

14. Related Party Transactions

Key management personnel remuneration

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

- Members of the governing body
 - 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:

Amount of \$32,395.11 paid out to Epicure Catering - related entity to Sonia Tiatia who a member on the board of trustees.

Key management personnel did not receive any remuneration or compensation other than in their capacity as key management personnel (2021: Nil).

The former CEO of the Trust, Pelenato Sakalia is the CEO of Moana Pasifika Charitable Trust (Moana Pasifika). The Trust received \$850,000 from the Ministry of Foreign Affairs & Trade solely for the purpose of assisting Moana Pasifika with its initial entry into the Super Rugby Pacific competition.

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 (2021: \$Nil).

	2022	2021
Members of the governing body and management	\$462,792 (10 People)	\$437,208 (9 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:

	2022	2021
Financial Assets		
Loans and Receivables		
Cash and Cash Equivalents	3,481,138	5,386,597
Receivables from Exchange Transactions	1,804,423	1,933,665
Receivables from Non-Exchange Transactions	23,000	40,100
Term Deposit	100,000	0
Total Financial Assets Classified as Loans and Receivables	5,408,561	7,360,362
Total Financial Assets	5,408,561	7,360,362

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

Financial Liabilities

At Amortised Cost

Trade and Other Payables	326,069	724,822
Grants approved but not paid	2,024,292	1,185,000
Total At Amortised Cost	2,350,361	1,909,823
Total Financial Liabilities	2,350,361	1,909,823

16. Capital Commitments

There were no capital commitments at the reporting date. (2021: \$Nil).

17. Contingent Liabilities and Contingent Assets

There are no contingent assets or liabilities at the reporting date. (2021: \$Nil).

18. Breach of Statutory Reporting Deadline

The Trust was required under the Crown Entities Act 2004 and the Charities Act 2005 to complete its audited financial statements and service performance information by 31 December 2022. This timeframe was not met by the trust.

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. (2021: \$Nil).

Depreciation and Amortisation Schedule

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

Cost Account	Cost	Opening Accum Dep	Opening Value	Purchases	Disposals	Depreciation	Closing Accum Dep	Closing Value
Artworks	18,097	17,800	297	0	0	297	18,097	0
Computer Equipment	101,826	58,482	13,885	29,459	0	12,067	70,550	31,277
Digital Platform	1,139,828	298,770	841,058	0	0	227,966	526,736	613,092
Furniture & Fittings	81,843	18,249	58,586	5,008	0	9,155	27,403	54,440
Leasehold Improvements	8,671	7,808	862	0	0	103	7,911	759
Office Equipment	26,440	1,468	0	24,972	0	4,008	5,476	20,965
Website & Software Development	101,408	21,580	79,828	0	0	20,282	41,861	59,546
Total	1,478,113	424,158	994,517	59,439	0	273,877	698,034	780,078



BDO Auckland

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 2022

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 24 to 36, 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, including a summary of significant accounting policies and other explanatory information; and
- the performance information of the Trust on pages 18 to 21:

In our opinion:

- the financial statements of the Trust on pages 24 to 36:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2022; 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 on pages 18 to 21:
 - presents fairly, in all material respects, the Trust's performance for the year ended 30 June 2022; and
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 2 August 2023. 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 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.

The Trustees' responsibilities 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 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.

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 the performance information.

For the budget information reported in 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 in the annual report, 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* 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.



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



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