



South Pacific Regional Fisheries Management Organisation

1st Meeting of the Finance and Administration Committee

Manta, Ecuador, 27-31 January 2014

FAC-01-02

Financial statement for the five month period ended 30 June 2013

**SOUTH PACIFIC REGIONAL FISHERIES
MANAGEMENT ORGANISATION**

ANNUAL REPORT

FOR THE FIVE MONTH PERIOD ENDED 30 JUNE 2013

SOUTH PACIFIC REGIONAL FISHERIES MANAGEMENT ORGANISATION

Annual Report For the Five Month Period Ended 30 June 2013

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SOUTH PACIFIC REGIONAL FISHERIES MANAGEMENT ORGANISATION

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MEMBERS OF THE COMMISSION

Australia
Belize
Chile
China
Cook Islands
Cuba
European Union
The Kingdom of Denmark in respect of Faroe Islands
Korea
New Zealand
Russia
Chinese Taipei

EXECUTIVE SECRETARY

Robin Allen

CHAIRPERSON

Bill Mansfield

VICE-CHAIRPERSON

Isauro Torres-Negri

BANKERS

Kiwibank

NATURE OF BUSINESS

Inter-Governmental organisation for conservation and sustainable use of fishery resources

CHARTERED ACCOUNTANTS

BDO Wellington Limited

AUDITORS

KPMG

SOUTH PACIFIC REGIONAL FISHERIES MANAGEMENT ORGANISATION

Auditors' Report

Audit Report

SOUTH PACIFIC REGIONAL FISHERIES MANAGEMENT ORGANISATION

Special Purpose Statement of Income and Expenditure For the Five Month Period Ended 30 June 2013

	Note	Actual \$	Budget (unaudited) \$
Income			
Member Contributions	4	153,599	153,599
Interim Secretariat Transfer	7	125,430	145,000
Total Income		279,029	298,599
Less Expenses			
Contracted Services	6	66,478	37,500
Other	6	4,352	8,333
Personnel Costs	6	89,286	173,016
Plant and Equipment	6	615	46,000
Recruitment	6	9,826	10,000
Rent and Associated Services	6	726	10,000
Telephone, Internet and Website Hosting	6	11,270	8,750
Travel and Accommodation	6	41,740	5,000
Total Expenses		224,293	298,599
Commission's Surplus for the Period		54,736	-
Commission's Accumulated Surplus Fund		\$54,736	-

This statement should be read in conjunction with the Notes to the Special Purpose Financial Statements

SOUTH PACIFIC REGIONAL FISHERIES MANAGEMENT ORGANISATION

Special Purpose Statement of Financial Position As at 30 June 2013

	Note	2013 \$
Current Assets		
Accounts Receivable		588,341
Cash & Cash Equivalents	8	551,084
Prepayments		15,848
Total Current Assets		1,155,273
Current Liabilities		
Cash & Cash Equivalents	8	9,403
Accounts Payable		17,039
Member Contributions Billed in Advance	5	1,064,932
Accruals		17,924
Total Current Liabilities		1,109,298
Working Capital		45,975
Non Current Assets		
Property, Plant and Equipment	3	8,761
Total Non Current Assets		8,761
Net Assets		\$54,736
 REPRESENTED BY:		
Equity		
Accumulated Surplus		54,736
Total Equity		\$54,736

Executive Secretary R. P. All

Date 30 October 2013

This statement should be read in conjunction with the Notes to the Special Purpose Financial Statements

SOUTH PACIFIC REGIONAL FISHERIES MANAGEMENT ORGANISATION

Notes to the Special Purpose Financial Statements For the Five Month Period Ended 30 June 2013

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

The financial statements presented here are for the entity South Pacific Regional Fisheries Management Organisation.

Accrual Accounting

Except for the policies listed below these special purpose financial statements are prepared on an accruals basis.

Measurement Base

The measurement base adopted is historical cost.

Accounts Receivable

Accounts receivable are stated at amounts billed inclusive of GST. No provision for doubtful debts are raised while the member country remains part of the Commission.

Income

Member contributions are recognised in the financial statements in the period that they are billed. Amounts billed are classified as income for member contributions relating to the current accounting period, or income billed in advance when relating to future accounting periods.

Plant and Equipment

Plant & Equipment are expensed for budgetary purposes, but capitalised for accounting purposes. Amounts are recorded at cost less accumulated depreciation. Depreciation is provided at the maximum rates allowed by the New Zealand Inland Revenue Department. The depreciation rates used are as follows:

Office Equipment	16.0% - 40.0% DV
Computer Equipment	50.0% DV

Presentation Currency

All amounts are presented in New Zealand dollars.

Foreign Currencies

Foreign currency transactions are converted to New Zealand dollars at the exchange rate ruling at the date of the transaction. No exchange gains or losses are recognised.

Taxation

The Commission is exempt from income tax under Article 28 of the Vienna Convention on Diplomatic Relations.

Goods and Services Tax

The financial statements have been prepared on a GST inclusive basis. The Commission is not registered for GST.

Rent Expense

Rent is recognised as an expense in the accounting period that an invoice is received. Lease incentives, such as an initial rent-free period, are recognised at the commencement of the lease, rather than being spread across the term of the lease agreement.

SOUTH PACIFIC REGIONAL FISHERIES MANAGEMENT ORGANISATION

Notes to the Special Purpose Financial Statements For the Five Month Period Ended 30 June 2013

Changes in Accounting Policies

There have been no changes in accounting policies during the period.

Comparative Figures

The Commission started its financial operations in February 2013 and therefore no comparative figures are provided.

2. NATURE OF BUSINESS

The South Pacific Regional Fisheries Management Organisation is an inter-governmental organisation that is committed to the long-term conservation and sustainable use of the fishery resources of the South Pacific Ocean and in so doing safeguarding the marine ecosystems in which the resources occur.

3. PLANT AND EQUIPMENT

	Actual \$
Office Equipment	
At Cost	1,978
Less Accumulated Depreciation	159
	1,819
Computer Equipment	
At Cost	7,398
Less Accumulated Depreciation	456
	6,942
 Total Property, Plant and Equipment	 \$8,761

4. MEMBER CONTRIBUTIONS

	Actual \$	Budget (unaudited) \$
Australia	8,314	8,314
Belize	2,021	2,021
Chile	43,134	43,134
Cook Islands	1,963	1,963
Cuba	2,041	2,041
European Union	46,297	46,297
The Kingdom of Denmark in respect of Faroe Islands	8,638	8,638
Korea	8,159	8,159
New Zealand	17,183	17,183
Russia	5,452	5,452
Chinese Taipei	10,397	10,397
 Total Member Contributions	 \$153,599	 153,599

SOUTH PACIFIC REGIONAL FISHERIES MANAGEMENT ORGANISATION

Notes to the Special Purpose Financial Statements For the Five Month Period Ended 30 June 2013

5.	MEMBER CONTRIBUTIONS BILLED IN ADVANCE		Actual \$
	Australia		49,692
	Belize		12,079
	Chile		257,811
	China		146,863
	Cook Islands		11,733
	Cuba		12,200
	European Union		276,721
	The Kingdom of Denmark in respect of Faroe Islands		51,630
	Korea		48,768
	New Zealand		102,706
	Russia		32,588
	Chinese Taipei		62,141
	Total Member Contributions Billed in Advance		<u><u>\$1,064,932</u></u>
6.	EXPENDITURE		
		Actual	Budget
		\$	(unaudited) \$
	Contracted Services		
	Contracted Services	41,761	
	Computer Expenses and IT Support	4,694	
	Contractors	9,507	
	Accounting Fees	6,446	
	Audit Fees	3,623	
	Subscriptions and Publications	447	
		<u>66,478</u>	37,500
	Other		
	Bank Fees	122	
	General Expenses	1,155	
	Printing and Stationery	1,806	
	Freight & Courier - National	1,083	
	Freight & Courier - International	186	
		<u>4,352</u>	8,333
	Personnel Costs		
	Wages and Salaries	89,286	
		<u>89,286</u>	173,016

SOUTH PACIFIC REGIONAL FISHERIES MANAGEMENT ORGANISATION

Notes to the Special Purpose Financial Statements For the Five Month Period Ended 30 June 2013

6. EXPENDITURE (CONTINUED)

	Actual	Budget (unaudited)
	\$	\$
Plant and Equipment		
Plant and Equipment Purchases	-	46,000
Depreciation	615	
	615	46,000

Plant & Equipment purchases have been capitalised for accounting purposes; refer to Note 3.

Recruitment		
Recruitment Expenses	9,826	
	9,826	10,000

Rent and Associated Services		
Rent	-	10,000
Cleaning	181	
Power	545	
	726	10,000

No rent was incurred in the current period, as the Commission has negotiated an initial rent-free period on the lease of its premises.

Telephone, Internet and Website Hosting		
Telephone and Internet	2,918	
Website Expenses	8,352	
	11,270	8,750

Travel and Accommodation		
Travel and Accommodation - Domestic	2,251	
Travel and Accommodation - International	37,978	
Entertainment	1,511	
	41,740	5,000

Total Expenditure	\$224,293	298,599
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7. INTERIM SECRETARIAT TRANSFER

	Actual	Budget (unaudited)
	\$	\$
Interim Secretariat Transfer	125,430	145,000
Total Interim Secretariat Transfer	\$125,430	145,000

The Commission received the balance of funds held by the Interim Secretariat during the period ended 30 June 2013. There is no obligation for the funds to be repaid.

SOUTH PACIFIC REGIONAL FISHERIES MANAGEMENT ORGANISATION

Notes to the Special Purpose Financial Statements For the Five Month Period Ended 30 June 2013

8. CASH & CASH EQUIVALENTS

	Actual \$
Current Assets	
Kiwibank - General & Accumulated Surplus Fund	551,084
Kiwibank - Special Requirements Fund	-
Total	<u>551,084</u>
Current Liabilities	
Kiwibank Credit Card	9,403
Total	<u>9,403</u>
Total Cash & Cash Equivalents	<u><u>\$541,681</u></u>

9. TRANSFER OF APPROPRIATIONS

Financial Regulation 3.3 provides that the Executive Secretary may transfer appropriations between categories in the budget adopted by the Commission provided these categories are not altered by more than 10% of the amounts in the adopted budget and that a statement of all such transfers shall be submitted to the Commission and the auditors with the annual financial statements. The Chairperson of the Commission may however authorise the Executive Secretary to transfer appropriations above this limit.

The Chairperson has approved transfers of \$2,000 and \$80,000 from the appropriation for Personnel Costs to Telephone, Internet and Website Hosting and Travel and Accommodation respectively, and a transfer of \$16,000 from the appropriation for Plant and Equipment to Contracted Services for the period ended 30 June 2013.

The variances between the expected actual expenditure and the amounts in the adopted budget for Contracted Services and Travel and Accommodation are the unexpected costs of the Review Panel established to hear the objection of the Russian Federation to CMM 1.02.

The Commission purchased flights for the Executive Secretary and Data Manager to participate in the 1st meeting of the Science Committee in order to secure the best flight arrangements. These have been recognised as a prepayment in the current period financial statements and will be included in the Travel and Accommodation costs in the 2014 period.

10. AUDIT

These financial statements are subject to audit, please refer to the Auditors' report.

SOUTH PACIFIC REGIONAL FISHERIES MANAGEMENT ORGANISATION

Schedule of Property, Plant & Equipment For the Five Month Period Ended 30 June 2013

Asset	Cost Price	Book Value 01/07/2012	Additions Disposals	Gain/Loss on Disposal	Capital Profit	--- Depreciation --- Mth Rate	\$	Accum Deprec 30/06/2013	Book Value 30/06/2013
Office Equipment									
Office Equipment			805			4	40.0% DV	107	698
Office Equipment			43			3	40.0% DV	4	39
Work station			1,060			3	16.0% DV	43	1,017
Rubbish Bin			70			2	40.0% DV	5	65
Sub-Total			1,978					159	1,819
Computer Equipment									
Computer Equipment			3,470			2	50.0% DV	289	3,181
Keyboard and Mouse			53			2	50.0% DV	5	48
Computer Equipment			3,875			1	50.0% DV	162	3,713
Sub-Total			7,398					456	6,942
Total			9,376					615	8,761

This statement should be read in conjunction with the Notes to the Special Purpose Financial Statements



Independent auditor's report

To the Finance and Administration Committee of South Pacific Regional Fisheries Management Organisation

Report on the special purpose financial statements

We have audited the accompanying special purpose financial statements of South Pacific Regional Fisheries Management Organisation ("the Organisation") on pages 3 to 10. The special purpose financial statements comprise the statement of financial position as at 30 June 2013, the statement of income and expenditure for the 5 month period then ended, and a summary of significant accounting policies and other explanatory information. The special purpose financial statements have been prepared based on the Financial Regulations of the Commission.

Management's responsibility for the special purpose financial statements

Management is responsible for the preparation of these special purpose financial statements, in accordance with the Financial Regulations of the Commission, and for such internal control as management determines is necessary to enable the preparation of special purpose financial statements that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these special purpose financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the special purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organisation's preparation of the special purpose financial statements 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 Organisation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the special purpose financial statements.

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

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



Opinion

In our opinion the special purpose financial statements of South Pacific Regional Fisheries Management Organisation on pages 3 to 10 for the 5 month period ended 30 June 2013 are prepared, in all material respects, in accordance with the Financial Regulations of the Commission.

Basis of accounting and restriction on distribution and use

Without modifying our opinion, we draw attention to Note 1 of the accounting policies within the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared to comply with the Financial Regulations of the Commission. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for South Pacific Regional Fisheries Management Organisation and should not be distributed to or used by any parties other than South Pacific Regional Fisheries Management Organisation.

KPMG

30 October 2013
Wellington