



PACIFIC
COOPERATION
FOUNDATION



**2023
ANNUAL
REPORT**

**TOGETHER,
OUR MANA GROWS
STRONGER**



CONTENTS

- 04** STATEMENT OF PURPOSE
- 05** CHAIRS REPORT
- 07** OUR PATRON
- 07** MEET THE BOARD AND STAFF
- 08** DIRECTORY
- 09** GOVERNANCE AND ACCOUNTABILITY STATEMENT
- 11** TRUSTEES' RESPONSIBILITY STATEMENT
- 13** INDEPENDANT AUDITORS REPORT
- 18** **STATEMENT OF SERVICE PERFORMANCE**
 - 19** FOCUS AREA 1: STRENGTHENING IDENTITY
 - 22** FOCUS AREA 2: DEEPENING RELATIONSHIPS
 - 25** FOCUS AREA 3: AMPLIFY VOICE
 - 28** FOCUS AREA 4: ORGANISATIONAL TRANSFORMATION
- 31** **FINANCIAL STATEMENTS**
 - 31** Statement of Comprehensive Revenue and Expenses
 - 32** Statement of Changes in Net Assets/Equity
 - 33** Cash Flows Statement
 - 34** Statement of Financial Position
 - 35** Statement of Accounting Policies
 - 42** Notes to the Financial Statements

STATEMENT OF PURPOSE

VISION

Resilient & prosperous Pacific peoples' mana is enriched by fair and respectful relationships across Aotearoa New Zealand & the Pacific region.

MISSION

To provide platforms for Pacific voices & expertise and be a respected partner in reimagining the Pacific narrative.

STRATEGIC OBJECTIVES

STRENGTHEN IDENTITY – Strengthen Aotearoa New Zealand's identity as a Pacific nation

DEEPEN RELATIONSHIPS – Reframe and strengthen strategic relationships and mana across all Pacific nations

AMPLIFY VOICES – Amplify independent Pacific voices and expertise.

CHAIR'S REPORT



Anne Fitisemanu
PCF Chairperson

Tena koutou, Bula Vinaka, Fakaalofa lahi atu, Fakatalofa atu, Kia orana, Malo 'etau lava, Malo ni, Talofa lava, Aloha, Hai, Halo and Pacific Greetings

Dear Stakeholders, Supporters, and Team,

As we reflect on the past year, I extend my sincere gratitude to each of you for your commitment to Pacific Cooperation Foundation (PCF). Your contributions have played a pivotal role in shaping the achievement we achieved over the past year. Together, we have navigated challenges, celebrated milestones, and strengthened our commitment to reimagining the Pacific narrative.

At the core of our endeavours lies the mission to provide platforms for Pacific voices and expertise, positioning PCF as a respected partner in redefining the narrative surrounding the Pacific region. In doing so, we remain committed in our dedication to fostering identity, building relationships, and amplifying voices through our strategic initiatives.

One of our key accomplishments this year was the launch of the inaugural "Perceptions of New Zealanders of the Pacific" report. The report has been extensively shared among corporate entities, government agencies, local organisations, and during various events. This comprehensive research underscores New Zealand's multi-faceted relationship with the Pacific, providing insights crucial for informed discussions and policy decisions.

Our commitment to deepening relationships was exemplified through my participation in a Pacific delegation to the Solomon Islands, Fiji, and Tonga alongside the Deputy Prime Minister, Hon. Carmel Sepuloni, Hon. Barbara Edmonds, and other Pacific Island leaders. This engagement allowed us to strengthen ties and gain firsthand insights into the diverse perspectives within the Pacific community.

Our collaboration with Code Avengers in Samoa entered Phase II, impacting six schools in marginalised rural communities. This initiative aims to enhance ICT/DT engagement, particularly among female students, fostering inclusivity and skills development.

In partnership with the Science Media Centre NZ, we have facilitated numerous engagements, including expert comments, research paper releases, and media training for Pacific academics. This effort has significantly increased the visibility of Pacific perspectives in the media landscape.

Our organisational reset, marked by a new look and team, aligns with our commitment to delivering impactful programs.

I express heartfelt thanks to our partners, including the Ministry of Foreign Affairs and Trade who have assisted PCF in advancing our brand and identity, driving us toward our shared goals.

In facing challenges, we have emerged stronger. Our ability to adapt and innovate has been a testament to our resilience. As we move forward, we carry valuable lessons to guide our future direction and relevance in the space.

The positive impact of our work resonates across the Pacific region. Initiatives like Code Avengers in schools and collaborations with Lagi-Maama contribute to the wellbeing, capability and sustainability of our communities.

Looking ahead, we are excited about the continuation of our work, including further socialisation of the Perceptions of New Zealanders report globally, the long awaited Te Maeva Nui Festival and the exploration of new partnerships. Our commitment to redefining the internship program reflects our dedication to sustainable growth and impactful initiatives.

In closing, I extend my deepest appreciation to each member of the PCF family. Together, we are not just recasting the narrative framework of the Pacific but we have laid the foundation for a future where the voices of Te Moana nui a kiwa are heard, respected, and celebrated.

Fakaue lahi atu, Malo 'aupito, Fa'afetai tele lava, Vinaka vakalevu, Tangkiu, Fakafetai lahi lele, Fakafetai lasi, Tangkyu and thank you.



Anne Fitiseanu
Chair, Pacific Cooperation Foundation

OUR PATRON

Her Excellency, Rt Hon. Dame Cindy Kiro, GNZM, QSO is the Foundation's sole patron. Dame Cindy has had extensive experience in the education sector and consulting roles in the private and public sectors.

Dame Cindy was appointed as a Dame Companion of the New Zealand Order of Merit (DNZM) for services to child wellbeing and education on the New Year 2021 Honours List.

The Pacific Cooperation Foundation has been privileged to receive vice-regal patronage since its inception and launch at Government House in 2003.

MEET THE *BOARD MEMBERS*

- Anne Fitisemanu, Chair
- Naca Yalimawai
- Joanna Bourke
- Rachael Tuwhangai
- Dr Steven Ratuva
- Andrew Needs
- Melissa Lama

STAFF

- David Vaeafe, Executive Director
- Melissa Lama, Project Manager
- Arona Leaga Mini, Salesforce & Digital Officer
- Anji Naidu-Khan, Executive Assistant & Project Manager

DIRECTORY

For the year ended 30 June 2023

LEGAL NAME OF TRUST	Pacific Cooperation Foundation
ENTITY TYPE AND LEGAL BASIS	Charitable Trust - Promote and support Pacific businesses & communities
REGISTERED CHARITY NUMBER	CC39462
PURPOSE OR MISSION	PCF's role is to promote Pacific collaboration, cooperation, and support for sustainable economic development within the region, to align with New Zealand's identity as a Pacific nation.
TRUST STRUCTURE	The Board of Trustees has seven trustee members.
ENTITY STRUCTURE	There are 4 full-time employees. The Trust has the Board, who looks after the governance and the employees, who take care of the operations to ensure the delivery of the work
MAIN SOURCES OF THE TRUST'S CASH AND RESOURCES	Grants from the Ministry of Foreign Affairs and Trade, charitable organizations and individual donations, including sponsorships.
MAIN METHODS USED BY THE TRUST TO RAISE FUNDS	Grant applications
TRUSTS RELIANCE ON VOLUNTEERS AND ONATED GOODS OR SERVICES	The Trust partners with several public and private sector organisations for its project work. The partnerships may include a donation of services or sponsorship from time to time. Volunteers from time to time have been interns.
TRUST FORMATION DATE	3 June 2008
TRUSTEES	Felicity Bollen (Appointed 24 July 2023) Andre Joanna Bourke Anne Fitisemanu Nacanieli Yalimaiwai Andrew Needs (ceased 30 June 2023) Sitiveni Ratuva (ceased 30 June 2023) Wanairangi Kihī Rachael Tuwhangai (ceased 30 June 2023) Melissa Lama (ceased 16 November 2022)
PHYSICAL ADDRESS	Level 1 57 Symonds Street Grafton Auckland 1010
ACCOUNTANTS	Deloitte 80 Queen Street, Auckland CBD Auckland 1010
INDEPENDANT AUDITORS	BDO Auckland Level 4, BDO Centre, 4 Graham Street Auckland
BANKERS	Westpac Bank
SOLICITORS	Gaze Burt

GOVERNANCE & ACCOUNTABILITY STATEMENT

ROLE OF THE BOARD

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

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

STRUCTURE OF PACIFIC COOPERATION FOUNDATION

Operations

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

Board Committees

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

Quality Assurance

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

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

GOVERNANCE

Board Membership

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

Connection to Stakeholders

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

Division of responsibility between the Board and Management

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

Accountability

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

Conflicts of Interest

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

Internal Controls

Overall responsibility for maintaining effective systems of internal control, including the policies, systems and procedures established to provide assurance that specific objectives of the Board are achieved ultimately rests with the Board. The Board has acknowledged its responsibilities by signing the Statement of Responsibility on page 18 of this report.

Risk Management

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

Legislative Compliance

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

Ethics

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



STATEMENT OF RESPONSIBILITY

FOR THE YEAR ENDED 30 JUNE 2023

**PACIFIC COOPERATION FOUNDATION
Trustees' Responsibility Statement**

For the Year ended 30 June 2023

The Trustees are pleased to present the Annual Report of the Trust for the year ended 30 June 2023.

The Trustees are responsible for ensuring that the Annual Report fairly presents the financial position of the Trust as at 30 June 2023 and the financial performance and cash flows for the year ended on that date, and the performance information of the Trust.

The Trustees consider that the Annual Report of the Trust has been prepared using appropriate accounting policies consistently applied and supported by reasonable judgements and estimates and that all the relevant financial reporting and accounting standards have been followed.

The Trustees believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial reporting of the Trust. In the opinion of the Trustees, the Annual Report for the year ended 30 June 2023 fairly reflect the financial position, deficit and cash flow of the Trust.

The Trustees of the Trust authorised the Annual Report set out on pages 18 - 47 for issue on 5th December 2023.



Chair

Anne Fitisemanu
5th December 2023



Chair Finance Audit Risk Committee

Nacanieli Yalimaiwai
5th December 2023



INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF PACIFIC COOPERATION FOUNDATION'S FINANCIAL STATEMENTS AND
PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2023

The Auditor-General is the auditor of Pacific Cooperation Foundation (“the Foundation”). The Auditor-General has appointed me, Junita Sen, using the staff and resources of BDO Auckland, to carry out the audit of the financial statements and the performance information of the Foundation on his behalf.

Opinion

We have audited:

- the financial statements of the Foundation on pages 31 to 47, that comprise the statement of financial position as at 30 June 2023, and the statement of comprehensive revenue and expense, statement of changes in net assets/equity and cash flows statement for the year then ended, and notes to the financial statements, and a statement of accounting policies; and
- the performance information which reports against the **Foundation’s statement of performance expectations** for the year ended 30 June 2023 on pages 18 to 29.

In our opinion:

- the financial statements of the Foundation on pages 31 to 47:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2023; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with **Public Benefit Entity Standards Reduced Disclosure Regime (“PBE Standards”)** issued by the New Zealand Accounting Standards Board; and
- the performance information on pages 18 to 29:
 - **presents fairly, in all material respects: the Foundation’s performance for the year ended 30 June 2023**, including for each class of reportable outputs:
 - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 5 December 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.

Material uncertainty related to going concern

Without modifying our opinion, we draw attention to note 16 on page 46. This note outlines the uncertainty over the future financial viability of the Foundation due to the need for it to secure future funding beyond 30 June 2024 and manage its operating costs during the next 12 months. These matters indicate that a material uncertainty exists that may cast significant doubt on the **Foundation's ability to continue as a going concern.**

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.

Responsibilities of the Trustees for the financial Statements and the performance information

The Trustees are responsible on behalf of the Foundation 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 Foundation for assessing the Foundation'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 Foundation, 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 financial statements and the performance information, our procedures were limited to checking that the information agreed to the budget approved by the **Trustees and Foundation'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 Foundation'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 **Foundation'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 Foundation'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 Foundation to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Trustees are responsible for the other information. The other information comprises the information included on pages 4 to 11, 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 Foundation 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 Foundation.



Junita Sen
BDO Auckland
On behalf of the Auditor-General
Auckland, New Zealand



STATEMENT OF SERVICE PERFORMANCE

The Pacific Cooperation Foundation (PCF) original mandate was to develop and implement public/private sector economic development and socio-cultural initiatives in the Pacific region. PCF was established in 2003 to benefit the peoples of the Pacific Islands (Pacific Peoples) and the people of New Zealand by increasing cooperation and understanding among these peoples.

Following a review by MFAT of PCF's funding arrangements in 2019 the Transition Board (2020) has undertaken an inclusive consultation process with stakeholders to map out its new Future Direction. PCF's new mandate is to be an independent and influential voice for the Pacific-Aotearoa New Zealand relationship; to deliver strategic programmes of advice and insight on the Pacific that informs and challenges policy and programme delivery; and coordinate and promote stories on the contribution of Pacific peoples.

OUR NEW VISION

Resilient & prosperous Pacific peoples' mana is enriched by fair and respectful relationships across Aotearoa New Zealand & the Pacific region.

OUR NEW MISSION

To provide platforms for Pacific voices & expertise and be a respected partner in reimagining the Pacific narrative.

OUR NEW FOCUS AREAS

Strengthen Identity

Strengthen Aotearoa New Zealand's identity as a Pacific nation.

Deepen Relationships

Reframe and strengthen strategic relationships and mana across all Pacific nations.

Amplify Voices

Amplify independent Pacific voices and expertise.

Organisational Transformation

PCF is relevant to our stakeholders and responds and adjusts as their needs and the regional landscape changes.

AN OVERVIEW OF PCF'S PERFORMANCE

PCF was mandated to develop and implement a range of work that strengthen identity, deepen relationships and amplify voices in the Pacific region. With the impact of the pandemic recovery PCF had to review its focus areas and method of delivery to ensure that it remained relevant to its stakeholders, and activities were delivered effectively.

PCF was able to deliver most of its outputs/activities for the 2022/2023 financial year on time and within budget despite the ongoing challenges with the pandemic recovery and borders slowly opening.



FOCUS AREA 1

STRENGTHENING IDENTITY

Focus Area 1: Strengthening Identity		
Outcome		Strengthen Aotearoa New Zealand's Identity as a Pacific Nation
Outcome Indicators		Achievement
<ul style="list-style-type: none"> Aotearoa-New Zealanders increasingly recognise, value, and acknowledge their place as a Pacific nation and the cultural, social, economic, and political ties that bind us. Increased support for PCF's work from Aotearoa New Zealand and Pacific regional influencers across business, political, academia, government, religious and civil society. 		<ul style="list-style-type: none"> This has been highlighted in the perception study. However, individuals consulted in the study were not comfortable calling themselves Pacific peoples as New Zealand is a multicultural society. There has been increased support for PCF's work from Aotearoa New Zealand and the Pacific as reflected by the partnerships that PCF has created with various public sector, private sector, and not-for-profit organisations.
Outputs	Indicators	Achievement
<p>Annual Perceptions Study</p> <p>Commission an Annual Perceptions Study to better understand and measure New Zealander's views of the Pacific region and Pacific Peoples across Melanesia, Micronesia, and Polynesia (this will be a cornerstone activity for PCF going forward)</p>	<ul style="list-style-type: none"> A consulting firm is engaged, and a contract signed to carry out this study. A final report is completed to the satisfaction of PCF. Printing, launch and one online Talanoa event. 	<p>Achieved</p> <ul style="list-style-type: none"> PCF engaged Kantar Public to conduct a survey and produce the New Zealanders' Perceptions Report. The contract was signed 15 October 2021 and the work carried out after. The Report was completed to PCF's satisfaction in late 2022 and Report design phase started. New Zealander's Perceptions of the Pacific Report was launched The Executive Director gave radio and television interviews about the Report. Printed copies were sent to all Members of Parliament following the launch as well as to academia, libraries, government departments, Embassies and High Commissions, tertiary students, NGO's, businesses and stakeholders and partners in January 2023. The ED presented on the Report to the New Zealand Institute of International Affairs (NZIIA) at Auckland University 14 April 2023. Data from the Report was also used in the Voices for Change: Diverse lived experience perspectives and opportunities for health equity report – feeding into the Pae Ora (Healthy Futures) strategy development.
<p>Pacific Language Weeks</p> <p>The Tupu Toa and PCF Language Series are designed to be an informative, interactive and safe space for corporates to learn and share introductory insights into the Pacific region and worldview.</p>	<p>Following the successful Samoa event last quarter, the final seven events will occur over the next two quarters (Cook Islands, Kiribati, Tonga, Tuvalu, Fiji, Niue and Tokelau)</p>	<p>Achieved</p> <p>TupuToa presented key facts about each country, while PCF presented on its work in the region.</p> <ul style="list-style-type: none"> Seven PCF TupuToa Pacific Language Weeks have taken place as follows: <ul style="list-style-type: none"> Kiribati @ Sharesies in Wellington, 25+ attendees (July 2022) The Cook Islands @ Microsoft, Auckland, 25+ attendees (August 2022) Tonga @ Auckland Transport, Auckland, 30+ attendees (September 2022) Tuvalu @ Yellow, Auckland, 25+ attendees (September 2022) Tokelau @ PWC, Auckland, 60 attendees (September 2022) Niue @ KPMG, Auckland, 25+ attendees (October 2022) Fiji @ Simpson Grierson, Auckland, 35+ attendees (October 2022) For the presentations, TupuToa Alumni spoke of their experience and Pacific values they brought to the companies while working there. They were: <ul style="list-style-type: none"> Tonga – Leilani Funaki Tuvalu – Mikara Hendry Fiji – Joeli Filipo Niue – Cameron Webster.

Outputs	Indicators	Achievement
<p>PCF partners with Te Maeva Nui. Supporting the biennial event that builds on preserving, teaching, and celebrating Cook Islands culture in New Zealand. Sponsoring the Tu Rangatira Award for Youth Excellence at the event.</p>	<p>Participate in and support the NZ Cook Islands diaspora's largest biennial event celebrating music, arts, dance, culture, and language.</p>	<p>Postponed This project was postponed until 2023-2024 Financial Year as the Te Maeva Nui Festival date was set for later September 2023.</p>
<p>Partner with Lagi Maama</p> <ul style="list-style-type: none"> • To deliver the fourth phase of 'Tok Stori Tuesdays' – A Talanoa on Pacific arts, culture and heritage, which celebrates Pacific identity, and indigenous cultural linkages to profile and strengthen our shared identity. • To facilitate a platform for Moana Oceania (Pacific) indigenous holders of knowledge to share their diverse ways of knowing, seeing, and doing 'arts.' • To highlight knowledge gaps in the arts. • To enhance Pacific people's knowledge of the arts from various indigenous world views. 	<ul style="list-style-type: none"> • The contract is finalised and signed with Lagi-Maama Academy and Consultancy • Tok Stori Tuesday's sessions are conducted for at least two Pacific Island countries – Samoa and Aotearoa 	<p>Partially Achieved</p> <ul style="list-style-type: none"> • Contract signed • Research and prep started this year • Delivery agreed to take place in FY2023-2024
<p>Media Action Plan + PMPYA PCF Award</p> <ul style="list-style-type: none"> • Implement a media plan to raise the profile of PCF's work and engagement. • Sponsor the International Scholar Award at the Prime Minister Pacific Youth Awards 	<ul style="list-style-type: none"> • Post a range of comments and topics on PCF's social media channels. • Deliver a monthly newsletter with newsworthy articles • A media plan that raises awareness, commentary, engagement and visibility on Pacific issues, linkages and stories is finalized and executed. • All candidates are assessed against set criteria, and the winning candidate is identified and confirmed. • PCF awards the winning candidate with prize money of NZ\$10,000. 	<p>Achieved</p> <ul style="list-style-type: none"> • Topical comments made on social media platforms with various posts. • Monthly newsletter sent out to Mail Chimp database • Media plan put together by Bright Sunday actioned • Ministry of Pacific Peoples advertised the award category and applicants compiled, assessed, interview by a MPP/PCF panel and a winner selected. • PCF International Scholar Award at the Prime Ministers Pacific Youth Awards 2022, was won by Mele Mafi, an engineering scholarship student from Tonga. The awards ceremony took place at the Beehive on 12 December 2022. • Winning candidate Mele Mafi received her prize money after the awards ceremony.



FOCUS AREA 2
DEEPEN RELATIONSHIPS

Focus Area 2: Deepen Relationships		
Outcome		Reframe and strengthen strategic relationships and mana across all Pacific nations
Outcome Indicators		Achievement
<ul style="list-style-type: none"> PCF is viewed as a key strategic partner by its stakeholders both in Aotearoa, New Zealand, and the Pacific region Increased support for PCF's work from Aotearoa New Zealand and Pacific regional influencers across business, political, academia, government, religious and civil society. PCF is acknowledged as connecting people across the Aotearoa New Zealand – Pacific relationship There is increased demand across Aotearoa, New Zealand, and the Pacific region for engagement with PCF 		<ul style="list-style-type: none"> PCF's mandate has positioned it strategically amongst its stakeholders resulting in the partnerships that it fostered in this financial year in the areas of youth engagement and the impact of the pandemic. PCF's ability to connect people across the Aotearoa New Zealand – Pacific relationship has been acknowledged through the various projects that it has delivered with partners both in Aotearoa, New Zealand and the Pacific region. This is evident with the new partners that PCF has engaged with both in Aotearoa, New Zealand, and the Pacific region.
Outputs	Indicators	Achievement
<p>Pacific Research Fund one piece of research focusing on gender equality, equity, traditional knowledge, gender etc.</p>	<ul style="list-style-type: none"> Partnership/s is/are confirmed and agreed on terms of reference. Final report/reports are/are completed to PCF's satisfaction, and copy/copies shared with PCF 	<p>Partially Achieved</p> <ul style="list-style-type: none"> This project was delayed due to staff changeover and only started in second half of financial year. Initially discussion with a researcher didn't come to fruition. Project brought inhouse by Project Manager, Melissa Lama. Research was completed and report finished after the end of the financial year.
<p>Partner with TupuToa to</p> <ul style="list-style-type: none"> support internships in relevant research/policy/media professions for MFAT Pacific Scholarship Students Develop an Alumni network future leaders programme across the region with relevant organisations 	<ul style="list-style-type: none"> Ten students are offered internships in New Zealand research/policy/media professions. Further, develop and build upon the Alumni Database to include all MFAT Scholarship Students from past years 	<p>Partially Achieved</p> <ul style="list-style-type: none"> The internship programme was completed partially achieved with eight interns placed through TupuToa. PCF Interns Alumni Database built in Salesforce, with latest interns added. Work is continuing with MFAT to secure their alumni to add to our database. A zoom meeting was held with all the interns and 3 interns met the project manager face-to-face for a brief interview to shed light on their experience while one intern gave online interviews. All the interns shared one similar sentiment, which was that they would love PCF to be more involved in their journey. The stories were shared by the interns and the video interviews will be shared on PCF website.

Outputs	Indicators	Achievement
<p>INDIGITECH PACIFICODE – PHASE II</p> <p>Roll out a Phase II with ten schools in marginalised and vulnerable rural communities that will seek to improve ICT/DT engagement and ability in Samoan schools and their students, especially among female students, who are overwhelmingly underrepresented in ICT/DT fields.</p>	<ul style="list-style-type: none"> • Ten schools confirmed in Samoa • Teacher curriculum training completes • Indigitech Pacific code Camps conducted by all ten schools 	<p>Partially Achieved</p> <ul style="list-style-type: none"> • Code Avengers have successfully delivered the programme to 6 schools so far and continue to embark on the delivery as per plan for the 10 schools. The feedback from the local government authorities, community leaders, teachers and public is positive. • E3 Trust and Code Avengers conducted teacher training with each school prior to the code camps. The Code Avengers and E3 facilitators debriefed after each day of delivering the ICT training and made necessary adjustments to the schedule including: <ul style="list-style-type: none"> ○ Adapting unplugged activities to a context the facilitators were comfortable with. ○ Using the time available to explore the platform tools in more depth than originally planned rather than diving into Computer Science concepts, which were placing an increased cognitive load on the teachers. The facilitators also debriefed with the content developers after the delivery of the third school. ○ The aim of this session was to identify any opportunities to improve the experience for the teachers. The language barrier is an ongoing issue. Translation of some key courses is a consideration if this pilot turns into a larger school rollout. In the interim some translation of worksheets and posters is achievable. ○ The E3 team have now provided 3 x ICT Professional Development training sessions to 45 primary school teachers at 6 schools. The program was well received. ○ Six of the schools' camps were held during the financial year and the remaining four camps after the financial year end.



FOCUS AREA 3 AMPLIFY VOICES

Focus Area 3: Amplify Voices		
Outcome		Amplify independent Pacific voices and expertise
Outcome Indicators		Achievement
<ul style="list-style-type: none"> PCF is increasingly sought for commentary or to connect to commentators on Aotearoa New Zealand - Pacific relationship issues. PCF's research and opinion pieces are helpful, relevant, and credible for our stakeholders and contribute to Aotearoa New Zealand - Pacific policy and programme development and ensure the Aotearoa New Zealand - Pacific relationships are better informed and broadly assisted by PCF's research, opinion pieces and programmes 		<ul style="list-style-type: none"> PCF has increased visibility through updated branding and marketing, along with rolling out a new communications campaign that is in line with new strategic objectives. PCF successfully commissioned and disseminated research and opinion pieces by and/or about Pacific issues to mainstream and Pacific media.
Outputs	Indicators	Achievement
<p>Media Visits + Voyager Media Awards. Support 4 x visits by prominent NZ media organisations into the region to cover topical issues not known to New Zealanders</p>	<p>Publication or screening of four media pieces through various mainstream media channels</p>	<p>Partially Achieved</p> <ul style="list-style-type: none"> 11 Entries were received (television, radio, and print) and judged by Board Member Joanna Bourke and Executive Director David Vaeafe. Two runners-up and a winner were chosen, finalists were announced at the award ceremony on 27 May 2023 in Auckland. The PCF Le Mana Pacific Award winner was Lydia Lewis from Radio New Zealand Pacific. Three media travel requests were received, two from Pacific Media Network and one from TVNZ. The travel grants were for \$2500 per person. Selection of two visits was made in April. PMN visited Fiji and Interviewed Prime Minister Rabuka; TVNZ Sunday Programme planned visit to PNG was cancelled due to security costs and concerns. TVNZ Sunday plans a new Pacific story and trip in 2023-2024.
<p>Opinion Pieces Invite and publish eight opinion pieces from the Pacific region on topical issues</p>	<ul style="list-style-type: none"> Eight Pacific voices are identified, opinion topics confirmed, and distribution channels confirmed Opinion pieces generate ongoing Talanoa around the topics in social media and other digital platforms. 	<p>Partially Achieved</p> <ul style="list-style-type: none"> This project started late due to staff changes mid-year. Four opinion pieces were filmed and recorded and will be released in first quarter for 2023-2024. This is yet to be assessed though it is expected once the opinion pieces are posted in the first quarter of 2023-2024 will generate Talanoa and feedback.
<p>Pacific Futures II Book Commission a series of contributions from a vahine perspective on the future of the Pacific region – political leaders, academics, poets, youth, LBGTO, civil society etc.</p>	<ul style="list-style-type: none"> The production and publication of Pacific Futures II (interim title) book taking a vahine perspective on the future of the Pacific region. Securing ANU and Pandanus Press as project partners 	<p>Not Achieved</p> <ul style="list-style-type: none"> Work started on this project late into the Q3 period with discussions with potentially editor and contributors. After deliberation it was decided to cancel this project as it could not be delivered in the time frame remaining.

Outputs	Indicators	Achievement
<p>PCF Science Media Centre Pacific Scimex Project</p> <ul style="list-style-type: none"> • NZ Science Media Centre and Pacific Cooperation Foundation are partnering to amplify Pacific science, health, and expert voices in the media • The partnership with PCF will extend further to include support for other SMC initiatives, including: <ul style="list-style-type: none"> ○ Expanding the range of Pacific expert voices included in our expert reaction service to journalists. ○ Building and widening our relationships with academic journal publishers enables the SMCs to upload more research relevant to the Pacific proactively. ○ Media training for Pacific researchers in NZ, including early career researchers & senior researchers facing frequent media interest, through nationally recognised Science Media SAVVY programme. 	<p>The NZ SMC and AusSMC will use the shared news platform (Scimex.org) to help connect Pacific journalists with relevant science stories, newly published research, and expertise.</p>	<p>Achieved</p> <p>A breakdown of Science Media Centre NZ work with Pacific research and journalism (for 2023 up to 31 May)</p> <ul style="list-style-type: none"> • 11 Pacific expert comments on breaking news distributed to journalists through our Expert Reactions and Q&As. • 24 Research papers and media releases relevant to the Pacific were uploaded to Scimex. • 25 Journalists, experts, and media officers signaled they are based in the Pacific or have Pacific Island ancestry when signing up to Scimex and SMC emails. • 82 Journalists, experts, and media officers selected the Pacific as a topic of interest when signing up for Scimex and SMC emails. • 66 Meetings with Pacific media and academics, including in-person meetings in Fiji. • 7 Pacific academics have gone through our intensive 2-day media training course or had a one-on-one media training session. • 4 In-person events involving Pacific experts have been promoted to journalists.



FOCUS AREA 4 ORGANISATIONAL TRANSFORMATION

Focus Area 4: Organisational Transformation		
Outcome		PCF is relevant to our stakeholders and responds and adjusts as their needs and the regional landscape changes
Outcome Indicators		Achievement
A new-look organisation that is robust and relevant.		
Outputs	Indicators	Achievement
Implement transformational organisation structure review efficiently and sensitively	<ul style="list-style-type: none"> Change management process actioned Board governance processes compliant Work programme signed off by Minister and actioned 	Achieved <ul style="list-style-type: none"> PCF started and completed the change management process, completing redundancy work and hiring of new team members. Board processes executed. One board member stepped off the board, successfully applying for an operations position within the organisation. PCF work programme and SOPE signed off by Minister.
Implement new operational changes in governance, delivery and resourcing, including a reduction in overhead costs.	<ul style="list-style-type: none"> New Future Direction Strategy review by the new Board Operation costs reviewed and overheads reduced 	Achieved <ul style="list-style-type: none"> Strategy reviewed and adopted by new board Operation cuts reviewed and adjusted to make savings where possible.
Implement work programme within agreed timeframes and budgets	<ul style="list-style-type: none"> Projects launched and monitored. Project budgets reviewed monthly. 	Achieved <ul style="list-style-type: none"> Projects started and monitored throughout the financial year. Some were started late due to staffing changes. Projects monitored by management, accountants and Finance Audit Risk Committee.
Develop a relevant, realistic performance and outcome measurement framework	Utilising a relevant software program to track performance and progress	Achieved Project management software Asana was implemented to manage projects and track performance for reporting.



Statement of Comprehensive Revenue and Expenses
for the year ended 30 June 2023

	Note	<i>Actual</i> 2023 \$	<i>Unaudited Budget</i> 2023 \$	<i>Actual</i> 2022 \$
Revenue				
Revenue from non-exchange transactions				
Funding from the crown	1	1,400,000	1,400,000	1,150,000
Sponsorship	1	-	-	60,000
		<u>1,400,000</u>	<u>1,400,000</u>	<u>1,210,000</u>
Revenue from exchange transactions				
Other revenue	1	97,634	14,304	6,192
		<u>97,634</u>	<u>14,304</u>	<u>6,192</u>
Total Revenue		<u>1,497,634</u>	<u>1,414,304</u>	<u>1,216,192</u>
Expenditure				
Personnel costs	2	466,456	434,749	571,100
Depreciation and amortisation	6	11,952	7,000	9,401
Loss on disposal of fixed asset	6	-	-	37,262
Other operating costs	3	1,062,258	1,155,784	1,019,666
Total Expenditure		<u>1,540,666</u>	<u>1,597,533</u>	<u>1,637,429</u>
(Deficit) for the year		(43,032)	(183,229)	(421,237)
Other comprehensive revenue and expense for the year		-	-	-
Total comprehensive revenue and expense for the year		<u>(43,032)</u>	<u>(183,229)</u>	<u>(421,237)</u>

Explanations of significant variances against budget are detailed in note 17.

The accompanying notes form an integral part of these financial statements and should be read in conjunction with them.

**Statement of Changes in Net Assets/Equity
for the year ended 30 June 2023**

	Note			
		<i>Actual</i>	<i>Unaudited Budget</i>	<i>Actual</i>
		2023	2023	2022
		\$	\$	\$
Accumulated comprehensive revenue and expense				
Balance at beginning of the year		67,329	67,329	488,566
Total comprehensive revenue and expense		<u>(43,032)</u>	<u>(183,229)</u>	<u>(421,237)</u>
Balance at end of the year		<u>24,297</u>	<u>(115,900)</u>	<u>67,329</u>
General reserve				
Balance at beginning of the year		<u>21,919</u>	<u>21,919</u>	<u>21,919</u>
Balance at end of the year		<u>21,919</u>	<u>21,919</u>	<u>21,919</u>
Total Net Assets/Equity		<u>46,216</u>	<u>(93,981)</u>	<u>89,248</u>

The accompanying notes form an integral part of these financial statements and should be read in conjunction with them.

**Cash Flows Statement
for the year ended 30 June 2023**

Note

	<i>Actual</i>	<i>Unaudited Budget</i>	<i>Actual</i>
	2023	2023	2022
	\$	\$	\$
Cash flows from operating activities			
Receipts from crown revenue	1,400,000	1,400,000	1,150,000
Receipts from other revenue	152,958	14,304	6,889
Interest received	3,330	-	507
Payments to suppliers	(1,116,174)	(1,055,902)	(1,212,751)
Payments to employees	(402,135)	(430,000)	(425,109)
Net GST received/(paid)	32,381	35,000	(8,901)
Net Cash flows from/(to) operating activities	<u>70,359</u>	<u>(36,598)</u>	<u>(489,366)</u>
Cashflows from investing activities			
Payments for property, plant and equipment	-	-	(30,363)
Net Cash flows from/(to) investing activities	<u>-</u>	<u>-</u>	<u>(30,363)</u>
Net increase/(decrease) in cash held	70,359	(36,598)	(519,729)
Plus cash at the start of the year	47,257	47,257	566,985
Cash held at the end of the year	<u>117,615</u>	<u>10,659</u>	<u>47,257</u>
Represented by:			
Cash and cash equivalents at the end of the year	<u>117,615</u>	<u>10,659</u>	<u>47,257</u>

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

The accompanying notes form an integral part of these financial statements and should be read in conjunction with them.

Statement of Financial Position As at
30 June 2023

	Note	<i>Actual</i>	<i>Unaudited Budget</i>	<i>Actual</i>
		2023	2023	2022
		\$	\$	\$
Assets				
<u>Current assets</u>				
Cash and cash equivalents	4	117,615	10,659	47,257
Receivables from non-exchange transactions	5	10,350	-	69,000
Prepayments		10,071	5,000	5,781
GST Receivable		23,249	10,000	55,630
Total current assets		161,285	25,659	177,668
<u>Non-current assets</u>				
Property, plant and equipment	6	35,407	40,360	47,360
Total non-current assets		35,407	40,360	47,360
Total Assets		196,692	66,019	225,028
Liabilities				
<u>Current liabilities</u>				
Creditors and other payables from exchange transactions	7	104,574	115,000	107,444
Taxes (PAYE)		12,363	15,000	4,964
Employee entitlements	8	33,539	30,000	23,372
Total current liabilities		150,475	160,000	135,779
Total liabilities		150,475	160,000	135,779
Net Assets		46,216	(93,981)	89,248
<u>Net Assets/Equity</u>				
Accumulated comprehensive revenue and expense		24,297	(115,900)	67,329
General reserve		21,919	21,919	21,919
Net Assets/Equity		46,216	(93,981)	89,248

The accompanying notes form an integral part of these financial statements and should be read in conjunction with them.

Statement of Accounting Policies for the year ended 30 June 2023

1. Reporting Entity

Pacific Cooperation Foundation is an independent charitable trust listed in Schedule 4 of the Public Finance Act 1989.

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

Accordingly, the Pacific Cooperation Foundation has designated itself as a public benefit entity for the purpose of financial reporting.

The financial statements for Pacific Cooperation Foundation are for the year ended 30 June 2023, and were approved by the Board as indicated on page 3.

2. Basis of Preparation

Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("GAAP"), the Public Finance Act and the Crown Entities Act 2004.

They comply with the Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 public benefit entities, for which all reduced disclosure regime exemptions have been adopted.

Measurement Base

The financial statements have been prepared on a historical cost basis.

Functional and Presentation Currency

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

3. Critical Accounting Estimates and Assumptions

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

Critical judgements in applying the Foundation's accounting policies

Management has exercised the following critical judgements in applying the Foundation's accounting policies for the period ended 30 June 2023 and prior year.

Non-government grants

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

4. Significant Accounting Policies

Revenue

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

Funding from the crown (non-exchange)

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

The Foundation recognises an asset (cash or a receivable) and the related revenue when the funding is receivable, unless there is an obligation to return the funds if conditions of the funding are not met. If there is such an obligation, the funding is initially recorded as revenue in advance and recognised as revenue in the statement of comprehensive revenue and expenses when the conditions of the agreement are satisfied.

Other revenue (exchange transaction)

Revenue from services rendered is recognised in surplus or deficit in proportion to the stage-of-completion of the transaction at the reporting date. The stage of completion is assessed by reference to the conditions being met that are set out in the agreement held with the funder. Amounts received in advance for services to be provided in future periods are recognised as a liability until such time as the service is provided.

Other revenue (non-exchange transaction)

Non-exchange transactions include any inflow of resources received which may include; cash and or tangible/intangible items with no consideration provided in return. Thus, there is no right of return for funds provided. This is limited to the criteria set out for Charities whereby recognition of non-exchange revenues such as grants, donations, legacies and bequests etc. is determined by the stipulations attached to this inflow of cash received, and whether an obligation is owed as a result (liability) or revenue recognised.

Interest

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

Leases

Operating Leases

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

Cash and cash equivalents

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

Receivables from exchange transactions

Receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Where necessary any advances to related parties will be recognised. Additionally, receivables which are impaired is established when there is objective evidence that the Foundation will not be able to collect the amount due according to the original terms of the receivable. Significant financial difficulties of the

debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the debtor is impaired. The amount of the impairment is the difference between the assets carrying amount and the present value of estimated future cash flows. When the receivable is uncollectable, it is written off against the allowance account for receivables (i.e. bad debt).

Property, plant and equipment

Property, plant and equipment asset classes consist of leasehold improvements, furniture & fittings and computer equipment. Items of property plant and equipment are initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition. Property, plant and equipment are subsequently measured at cost, less any accumulated depreciation and impairment losses.

Additions

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

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

Subsequent costs

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

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

Depreciation

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

The following estimated rate is used in the calculation of depreciation:

Furniture and fittings	5-10 years	0 - 33%
Computer equipment	2-3 years	33% - 40%
Leasehold improvements	8 years	-

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

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

Impairment

The Foundation's property, plant and equipment are not held primarily to generate a commercial return and are therefore considered non-cash generating assets. They have a finite useful life and are assessed at each reporting date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable as to whether there is an indication that they may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

In assessing value in use, the Foundation has adopted the depreciation replacement cost approach. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the

already consumed or expired service potential of the asset.

The best evidence of fair value less costs to sell is a price in a binding agreement in an arm's length transaction, adjusted for incremental costs that would be directly attributed to the disposal of the asset. If there is no binding agreement, but the asset is traded on an active market, fair value

less cost to sell is the asset's market price less cost of disposal. If there is no binding sale agreement or active market for an asset, the Foundation determines fair value less cost to sell based on the best available information.

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

Estimating the useful lives for property, plant and equipment is also a critical accounting estimate/assumption.

Financial instruments

Recognition and initial measurement

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

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

Classification and subsequent measurement

Financial assets

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

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

The Foundation's financial assets comprise cash and cash equivalents and receivables.

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

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

Financial liabilities

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

The Foundation's financial liabilities comprise payables.

Impairment of financial assets

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

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Trust considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Foundation's historical experience and informed credit assessment and including forward-looking information.

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

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

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

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

Creditors and other payables

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

Employee entitlements

Short-term employee entitlements

Short-term employee benefit liabilities are recognised when the Foundation has a legal or constructive obligation to remunerate employees for services provided and that are expected to be settled wholly before 12 months after the reporting date. Short-term employee benefits are measured on an undiscounted basis and expensed in the period in which employment services are provided.

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

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

The Foundation allocates salaries and wages to the programs on the basis of time spent by each employee on the relevant tasks.

Defined contribution plans 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. Prepaid contributions are recognised as an asset (prepayment) to the extent that a cash refund or a reduction in future payments is available.

Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the services are discounted to their present value.

Good and Service Tax (GST)

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

The net amount of GST recoverable from, or payable to, the Inland Revenue (IRD) is included as part of

receivables or payables in the statement of financial position.

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

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

The Foundation is a public entity and consequently is exempt from the payment of income tax.

Accordingly, no charge for income tax has been provided for.

General Reserve

This reserve comprises unspent programme funds from prior year which was set aside from the retained earnings.

Budget Figures

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

Cash flow statement

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

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

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

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

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

Changes in accounting policies

Initial application of new PBE Standards

(i) PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 Financial Instruments was effective from 1 January 2022 and was adopted by the Foundation from 1 July 2022.

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

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

(ii) PBE FRS 48 Service Performance Reporting

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

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

Notes to the Financial Statements

For the year ended 30 June 2023

1 Revenue

Funding from the crown

The Foundation has been provided with funding from the crown for the specific purpose of the organisation as set out in its founding legislation, the scope of the relevant government appropriations and their respective Purchase Agreement. Apart from these general restrictions, there are no unfulfilled conditions or contingencies attached to the government funding.

Other revenue

	<i>Actual</i> 2023	<i>Actual</i> 2022
	\$	\$
<u>Revenue from exchange transactions</u>		
Interest received	3,330	507
Other revenue	94,304	5,685
Total revenue from exchange transactions	97,634	6,192
<u>Revenue from non-exchange transactions</u>		
Sponsorship	-	60,000
Total revenue from non-exchange transactions	-	60,000

2 Personnel costs

	<i>Actual</i> 2023	<i>Actual</i> 2022
	\$	\$
Salaries and wages	435,973	538,466
Employer contributions to defined contribution plans	8,568	5,160
Contractors	21,915	27,474
Total personnel costs	466,456	571,100

During the year ended 30 June 2023, redundancy payments of \$21,308 were made to employees.

3 Other operating costs

	<i>Actual</i> 2023	<i>Actual</i> 2022
	\$	\$
Administration	256,451	315,151
Audit fees	77,064	25,000
Board costs	71,126	42,817
Office lease	61,632	60,034
Other operating costs	570,255	574,329
Staff travel	25,730	2,335
Total other operating costs	1,062,258	1,019,666

4 Cash and cash equivalents

	<i>Actual</i> 2023 \$	<i>Actual</i> 2022 \$
Cash at bank	117,615	47,257
Total cash and cash equivalents	<u>117,615</u>	<u>47,257</u>

Cash at bank includes no unspent grant funding received during the year (2022: \$nil) that is subject to restrictions. The restrictions generally specify how the grant is required to be spent in providing specified deliverables of the grant arrangement.

5 Receivables

	<i>Actual</i> 2023 \$	<i>Actual</i> 2022 \$
Receivables from non-exchange transactions		
Trade debtors	10,350	69,000
Total receivables	<u>10,350</u>	<u>69,000</u>

6 Property, plant and equipment

Gross carrying amount	Leasehold Improvements \$	Furniture & Fittings \$	Computer Equipment \$	Total \$
Cost				
Balance at 1 July 2022	20,499	36,945	35,575	93,019
Additions	-	-	-	-
Disposals	-	-	-	-
Balance at 30 June 2023	<u>20,499</u>	<u>36,945</u>	<u>35,575</u>	<u>93,019</u>
Accumulated depreciation and disposals				
Balance at 1 July 2022	941	21,443	23,277	45,660
Depreciation expense	3,417	3,096	5,440	11,952
Disposals	-	-	-	-
Balance at 30 June 2023	<u>4,358</u>	<u>24,539</u>	<u>28,717</u>	<u>57,612</u>
Net Carrying Amounts				
At 1 July 2021	17,868	34,381	9,189	61,437
At 30 June 2022	19,558	15,503	12,299	47,360
At 30 June 2023	<u>16,141</u>	<u>12,406</u>	<u>6,858</u>	<u>35,407</u>

There are no restrictions over the titles of the Foundation's property, plant and equipment nor is there any security pledged on them.

7 Creditors and other payables

	<i>Actual</i> 2023	<i>Actual</i> 2022
	\$	\$
Creditors and other payables from exchange transactions		
Trade creditors	59,191	77,558
Accrued expenses	45,225	25,704
Credit Cards	157	4,182
Total creditors and other payables	<u>104,574</u>	<u>107,444</u>

Creditors and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of creditors and other payables approximates their fair value.

8 Employee entitlements

	<i>Actual</i> 2023	<i>Actual</i> 2022
	\$	\$
Accrued salaries and wages	13,748	4,483
Annual leave	19,791	18,888
Total employee entitlements	<u>33,539</u>	<u>23,372</u>

9 Capital commitments and operating leases

At balance date, the Foundation had no capital commitments (2022:Nil).

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

	<i>Actual</i> 2023	<i>Actual</i> 2022
	\$	\$
Not later than one year	51,763	50,627
Later than one year and not later than five years	43,376	77,388
	<u>95,139</u>	<u>128,014</u>

The Foundation entered into a new four-year photocopier lease with Sharp Corporation of New Zealand Limited on 22 February 2023. The lease commenced on 15 April 2023.

The Foundation does not have the option to purchase the assets at the end of the lease term. There are no restrictions placed on the Foundation by any of its leasing arrangements.

10 Contingencies

There are no contingent liabilities at year end (2022:Nil).

11 Related party transactions

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

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

Anne Fitisemanu is a board member of PCF and also the Chief Executive of the charity TupuToa. PCF has entered into a sponsorship agreement with Tupu Toa for the language week series and internship programme for early career development. During the year PCF paid \$74,145 to TupuToa (2022; \$65,000). Further, \$1,739 was paid to Anne Fitisemanu in relation to her role on PCF's board. Joanna Bourke was a board member of PCF during the 2023 financial year. During the year Joanna was contracted to provide Director Delivery services to PCF. It is noted during this time Joanna did not act in her capacity as a board member. During the year PCF paid \$69,000 to Joanna.

The Foundation has incurred no other related party transactions during the financial year.

12 Key management personnel compensation

	Actual	Actual
	2023	2022
	\$	\$
Total key management personnel compensation	194,269	273,684

Key management personnel include the Chief Executive Officer, and Programme Manager. Board remuneration is set out below.

13 Board member remuneration

	Actual	Actual
	2023	2022
	\$	\$
Total Board member remuneration	36,125	-

14 Categories of financial assets and liabilities

The carrying amounts of financial assets and liabilities are as follows:

	Note	<i>Actual</i> 2023	<i>Actual</i> 2022
<i>Financial assets measured at amortised cost</i>			
Cash and cash equivalents	4	\$ 117,615	\$ 47,257
Receivables	5	10,350	69,000
Total financial assets measured at amortised cost		127,965	116,257
<i>Financial liabilities measured at amortised cost</i>			
Creditors and other payables	7	104,574	107,444
Total financial liabilities		104,574	107,444

15 Events after balance date

There were no other subsequent events after balance date.

16 Going Concern

During the financial year ended 30 June 2023, PCF experienced an operating deficit of \$43,032, and a net cash inflow from operating activities of \$70,359. The Foundation continues to experience financial difficulties during the 2024 financial year.

The future viability of the Foundation and its ability to continue as a going concern remain dependent on securing Government funding beyond 2024 and additional private sector funding. MFAT has committed to fund

\$1.4m for the year ended 30 June 2024, however the funding for 2025 financial year and beyond is not yet confirmed. The Foundation will continue to review operational costs to reduce spending. The Trustees note the following uncertainties relating to this:

- ability to secure funding from MFAT beyond 1 July 2024; and
- ability to reduce operating costs in the near term to offset any budget revenue shortfall.

If the Foundation is unable to secure sufficient funding beyond 1 July 2024 it may be unable to realise its assets and discharge its liabilities in the normal course of business. These material uncertainties could cast significant doubt on the Foundation's ability to continue its operations for the foreseeable future. The Foundation has started the 2024 financial year with a newly appointed Executive Director.

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period. The Foundation is of the view that it will be able to continue to operate at existing levels and meet its debts when they fall due for the foreseeable future.

17 Explanation of significant variances against budget

Explanations for significant variances from the Foundation's budgeted figures.

Statement of comprehensive revenue and expense:

Sponsorship

An unbudgeted insurance proceed amount of \$79,841 was paid to the Foundation.

Personnel Costs

Variance mainly due to underestimating the extent for the need of a media staffing contractor during the period.

Other Operating Costs

Variance mainly attributable to lower professional consultant costs being incurred following the decision to undertake additional activities by internal PCF staff.

Statement of financial position:

Cash and Cash equivalents

Variance due to receipt of unbudgeted insurance proceeds as discussed above.

Receivables from non-exchange transactions

Variance arose due to an unexpected refund arising from an unused portion of the intern partnership sponsorship funds.

Cashflows Statement:

Receipts from other revenue

Variance mainly due to receipt of insurance proceeds. Additionally, the cash inflow of the sponsorship amount which was receivable at the end of the previous financial year.

Payment to Suppliers

Variance mainly due to increased supplier expenditure as a result of new work programme projects.