

**BROADCASTING CORPORATION  
OF NIUE**

**Financial Statements**

**For the year ended 30 June 2022**



**Broadcasting Corporation of Niue**  
**Contents**  
**For the year ended 30 June 2022**

	<b>Page</b>
Directors' statement	3
Statement of financial performance	4
Statement of changes in equity	5
Statement of financial position	6
Statement of cash flows	7
Notes to the financial statements	8-15
Independent auditor's report	16-17



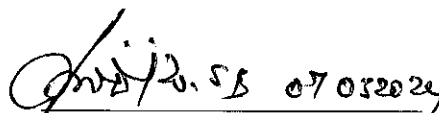
**Broadcasting Corporation of Niue**  
**Directors' statement**  
**For the year ended 30 June 2022**


The Board of the Broadcasting Corporation of Niue is pleased to present the Corporation's Financial Statements for the year ended 30 June 2022.

We hereby declare that:

- We have been responsible for the preparation of these Financial Statements and the judgments made in them.
- We are responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
- We confirm that all statutory requirements in relation to the Financial Statements have been complied with, unless stated otherwise in these Financial Statements.
- In our opinion these Financial Statements fairly reflect the financial position and operations of the Corporation for the year ended 30 June 2022.

The Financial Statements were authorised for issue by the Board on the 7th of March, 2024.

  
Rev Scanland Mitiepo  
Chair

  
Doreen Siataga  
Director

**Broadcasting Corporation of Niue  
Statement of financial performance  
For the year ended 30 June 2022**

	Note	2022 Actual \$	2019-2021* Actual \$
<b>Revenue</b>			
Government grants	15	393,758	921,538
Revenue from provision of goods & services	4	181,880	559,766
Miscellaneous income		1,313	11,878
<b>Total revenue</b>		<b>576,951</b>	<b>1,493,182</b>
<b>Expenditure</b>			
Personnel	5	307,427	1,021,807
Depreciation & amortisation	6,7	30,427	178,212
Materials, supplies & services	5	27,346	77,909
Travel & transport	5	9,024	32,623
Other operating expenses	5	186,642	419,571
Loss on assets destroyed in fire	5	-	72,618
<b>Total expenditure</b>	5	<b>560,866</b>	<b>1,802,740</b>
<b>Net profit/(loss)</b>		<b>16,085</b>	<b>(309,558)</b>

*\*The previous period was a multi-year period, with one set of financial statements compiled for the period 1 July 2018 to 30 June 2021.*

**Broadcasting Corporation of Niue  
Statement of changes in equity  
For the year ended 30 June 2022**

	Share capital	Retained earnings / (deficit)	Total equity
	Actual	Actual	Actual
	\$	\$	\$
<b>Balance at 30 June 2018</b>	<b>344,552</b>	<b>(84,324)</b>	<b>260,228</b>
Net loss	-	(309,558)	(309,558)
<b>Balance at 30 June 2021</b>	<b>344,552</b>	<b>(393,882)</b>	<b>(49,330)</b>
Net profit	-	16,085	16,085
Payment for capital expenditure by Government of Niue*	43,172	-	43,172
<b>Balance at 30 June 2022</b>	<b>387,724</b>	<b>(377,797)</b>	<b>9,927</b>

*\*During the year, the Government of Niue made a number of payments to suppliers for purchase of electronic equipment and software acquired by the Corporation. These payments for capital expenditure were treated as equity funding.*



**Broadcasting Corporation of Niue**  
**Statement of financial position**  
**As at 30 June 2022**

	Note	2022 Actual \$	2021 Actual \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		35,296	18,786
Trade and other debtors	8	1,150	1,116
<b>Total current assets</b>		<b>36,446</b>	<b>19,902</b>
<b>Non-current assets</b>			
Property, plant and equipment	6	323,548	293,360
Intangible assets	7	3,887	-
<b>Total non-current assets</b>		<b>327,435</b>	<b>293,360</b>
<b>Total assets</b>		<b>363,881</b>	<b>313,262</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other creditors	9	339,155	321,626
Employee entitlements	10	14,799	25,512
<b>Total current liabilities</b>		<b>353,954</b>	<b>347,138</b>
<b>Non-current liabilities</b>			
Employee entitlements	10	-	15,454
<b>Total non-current liabilities</b>		<b>-</b>	<b>15,454</b>
<b>Total liabilities</b>		<b>353,954</b>	<b>362,592</b>
<b>Net liabilities</b>		<b>9,927</b>	<b>(49,330)</b>
<b>Equity</b>			
Share capital		387,724	344,552
Retained earnings / (deficit)		(377,797)	(393,882)
<b>Total deficit</b>		<b>9,927</b>	<b>(49,330)</b>

The accompanying notes form part of these Financial Statements.



**Broadcasting Corporation of Niue  
Statement of cash flows  
For the year ended 30 June 2022**

Note	2022 Actual \$	2019-2021* Actual \$
<b>Cash flows from operating activities</b>		
Receipts of government grant	131,892	921,538
Receipts from customers / taxpayers / funding providers	183,159	543,263
Payments to suppliers	(224,548)	(389,685)
Payments to employees	(52,090)	(1,004,920)
<b>Net cash generated by operating activities</b>	<b>38,413</b>	<b>70,196</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(21,903)	(79,355)
<b>Net cash used in investing activities</b>	<b>(21,903)</b>	<b>(79,355)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>16,510</b>	<b>(9,159)</b>
Cash and cash equivalents at the beginning of the year	18,786	27,945
<b>Cash and cash equivalents at the end of the year</b>	<b>35,296</b>	<b>18,786</b>
<b>Reconciliation from net profit / (loss) to net cash flows from operations</b>		
<b>Net profit / (loss)</b>	<b>16,085</b>	<b>(309,558)</b>
<b>Adjustments for non-cash items</b>		
Depreciation	30,427	178,212
Property, plant and equipment impairment	-	72,618
Loss on disposal of property, plant and equipment	-	34,676
Supplies paid by Government of Niue	573	-
Employee entitlements paid by treasury	(26,167)	-
<b>Total adjustments for non-cash items</b>	<b>4,833</b>	<b>285,506</b>
<b>Movements in working capital</b>		
(Increase)/decrease in debtors	(34)	206
Increase in creditors	17,529	77,155
(Decrease)/Increase in employee entitlements	-	16,887
<b>Total movements in working capital</b>	<b>17,495</b>	<b>94,248</b>
<b>Net cash flows from operating activities</b>	<b>38,413</b>	<b>70,196</b>

\*The previous period was a multi-year period, with one set of financial statements compiled for the period 1 July 2018 to 30 June 2021.

**Broadcasting Corporation of Niue**  
**Notes to the financial statements for the year ended 30 June 2022**

**1 Reporting entity**

Broadcasting Corporation of Niue (hereafter: 'the Company') is a statutory body created by the Broadcasting Act 1989 with a Board of Directors charged with the responsibility of formulating practices and policies.

The primary function of the Corporation is to operate the electronic media of radio and television for the purpose of providing entertainment, information and education.

**2 Summary of significant accounting policies**

**2.1 Basis of preparation**

These Financial Statements have been prepared on a historical cost and deemed cost basis.

The functional and presentation currency is New Zealand Dollars ('NZD').

These Financial Statements have been prepared on a going concern basis. This is on the basis that the Government of Niue will continue to financially support the Corporation in the foreseeable future. The Board, after making enquiries, has a reasonable expectation that the Corporation has adequate resources to continue to operate for the foreseeable future, based on current trading terms and legislative requirements. The key considerations included the Board receiving a letter of comfort, dated 16 May 2023, from the Minister of Finance and the Financial Secretary which states that the Government of Niue will continue to provide support to the Corporation to ensure that it remains a going concern for at least 12 months from the signing of the financial statements.

**2.2 Statement of compliance**

These financial statements include the financial information of the Corporation for the year ended 30 June 2022.

The Financial Statements have been prepared using the accounting policies described on pages 8 to 10. The Financial Statements comply with Government of Niue Accounting Policies.

In preparing the Financial Statements, management has prepared a statement of financial position at 30 June 2022 and a statement of financial performance, statement of cash flows, and statement of changes in equity for the year ended 30 June 2022.

**2.3 Property, plant and equipment**

Land and Buildings were predominantly recognised in the financial statements for the first time in the year ended 30 June 1998. The valuation was performed by Darroch Ltd, registered valuers, on 30 March 1998. The valuation is considered an appropriate estimate of deemed cost as at 1 July 1997. Subsequent additions are recorded at cost minus depreciation (for buildings).

Other assets are recognised in the Statement of Financial Position at cost minus depreciation.

Donated assets are recorded in the Statement of Financial Position at replacement cost or deemed cost in the year of receipt (minus depreciation).

Depreciation is charged on a straight line basis at rates calculated to allocate the cost over the estimated remaining useful life of the asset. The economic lives of assets and resulting depreciation rates are as follows:

- Land	Indefinite	Nil
- Buildings	5-50 years	2 - 20%
- Machinery	5-10 years	10 - 20%
- Motor vehicles and other	5 years	20%
- Electronic equipment	3-5 years	20 - 33.3%

(These estimated useful lives and resulting depreciation rates result from application of the Corporation's accounting policies, but are themselves not part of these accounting policies.)



**Broadcasting Corporation of Niue**  
**Notes to the financial statements for the year ended 30 June 2022**

**2.4 Cash and cash equivalents**

Cash and cash equivalents include cash on hand and funds on deposit with banks and are measured at their face value.

**2.5 Debtors**

Debtors are valued at expected realisable value after providing for doubtful debts.

**2.6 Current liabilities**

Provision is made for all known and identifiable liabilities existing at balance date.

**2.7 Employee entitlements**

The monetary value of benefits earned but not yet utilised by employees is recognised as a liability if employees are entitled to monetary compensation upon resigning or retiring, or if they are certain to enjoy the benefits after a minimum length of service. Employee entitlements comprise mainly accrued salaries, annual leave, and accrued long service leave and retiring leave.

Accrued salaries comprise the portion of salaries that are earned prior to balance date but are paid after balance date. Annual leave is the value of leave days granted at the beginning of each leave year but not yet taken at balance date, valued using the salaries at balance date.

The provisions for long service leave and retiring leave are no longer held as there is no contractual or statutory requirement for the Corporation to provide this benefit to their employees.

Benefits that have been earned and are due within one year from balance date, are recognised under current liabilities; the likelihood of these benefits being utilised by employees is deemed high enough, and the measurement of them accurate enough, to consider the accrued value to be a liability. The non-current portion of employee entitlements related to long service leave and retiring leave entitlements which are no longer recorded in the financial statements of the Corporation for the year ended 30 June 2022.

**2.8 Revenue**

Generally, revenue is recognised in the period that the related services are provided. This includes licensing revenue and other services. Operating grants from the Government of Niue consist mainly of grants for specific expenditure (such revenue is recognised in the period that the related expenditure is incurred), but may from time to time include general operating grants (which is recognised according to the stipulations underlying those grants).

**2.9 Income tax**

The Broadcasting Act 1989 provided that the Corporation shall, for a period of ten years from the date of commencement of this Act, not be liable to income tax, customs duty or any other taxation or duty. The Broadcasting Act 1989 came into force on 8 June 1989. Therefore the Corporation became subject to income taxation and duties on 8 June 1999.

**2.10 Statement of cash flows**

Cash and cash equivalents in the cash flow statement comprise cash on hand and bank account balances which form part of the day to day management of the Corporation.



**Broadcasting Corporation of Niue**  
**Notes to the financial statements for the year ended 30 June 2022**

**2.11 Financial assets**

Financial instruments include bank accounts, investments, debtors and creditors. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

**3 Events and decisions with significant accounting impacts**

**3.1 Changes in accounting policies**

There were no changes to accounting policies during the year.

**3.2 Changes in accounting estimates**

There were no changes in accounting estimates during the year.

**3.3 Prior year errors**

No prior year errors were found during the year.

**3.4 Discussion of financial performance**

Total revenue has decreased by \$916,231 for the financial year as a result of the prior period being a multiple-year period of three years, whereas the current financial period is one year.

**3.5 Major events**

No major events occurred during the year that had a significant impact on these Financial Statements.

**3.6 Subsequent events**

From 30 June 2023, the Corporation has terminated their contract with Sky, and so is no longer providing Sky TV services.

**3.7 Compliance with Legislation**

The Broadcasting Corporation of Niue is governed by the Broadcasting Act 1989. Section 34 states that the Corporation shall within three months after the end of the Corporation's financial year prepare and furnish to the Minister a report of its operations during the year ended on that date together with the Financial Statements in respect of that year. Section 33 requires that the Financial Statements be audited. These Financial Statements were prepared and audited outside of the three month requirement.

**Broadcasting Corporation of Niue**  
**Notes to the financial statements for the year ended 30 June 2022**

**4 Revenue from provision of goods & services**

	<b>2022</b> <b>Actual</b> \$	<b>2019-2021*</b> <b>Actual</b> \$
Revenue from radio advertisements	18,477	58,061
Revenue from TVN Digital	100,993	376,959
Revenue from TV advertisements	7,963	101,075
Other revenue	54,447	23,671
<i>Total revenue from the provision of goods &amp; services</i>	<b>181,880</b>	<b>559,766</b>

**5 Expenditure**

	<b>2022</b> <b>Actual</b> \$	<b>2019-2021*</b> <b>Actual</b> \$
Salaries	251,864	828,864
Board fees	1,820	15,010
Contract wages	25,741	98,145
Staff training & seminars	17,818	48,204
Super subsidy	10,184	31,584
<i>Personnel expenses</i>	<b>307,427</b>	<b>1,021,807</b>
Depreciation of property, plant & equipment and software	30,427	178,212
<i>Depreciation &amp; amortisation</i>	<b>30,427</b>	<b>178,212</b>
Repairs & maintenance	14,843	38,613
Printing & stationery	2,107	7,289
Other supplies	10,396	32,007
<i>Maintenance &amp; materials</i>	<b>27,346</b>	<b>77,909</b>
External freight	1,270	4,872
Fuel	6,939	20,615
Other travel & transport expenses	815	7,136
<i>Travel &amp; transport</i>	<b>9,024</b>	<b>32,623</b>
Communication	6,187	3,653
Electricity	37,782	115,165
Professional fees	53,078	39,129
Loss on disposal of property, plant and equipment	-	34,676
Other Expenses	89,595	226,948
<i>Other expenses</i>	<b>186,642</b>	<b>419,571</b>
Impairment loss due to assets destroyed in fire	-	72,618
<b>Total expenditure</b>	<b>560,866</b>	<b>1,802,740</b>

Professional fees includes the estimated audit fees for the year amounting to \$41,198 (2021: \$30,000).

\*The previous period was a multi-year period, with one set of financial statements compiled for the period 1 July 2018 to 30 June 2021.



**Broadcasting Corporation of Niue**  
**Notes to the financial statements for the year ended 30 June 2022**

**6 Property, plant and equipment**

	Land	Buildings	Machinery	Electronic Equipment	Motor vehicles and other PPE	Total
	Actual \$	Actual \$	Actual \$	Actual \$	Actual \$	Actual \$
Cost at 1 July 2021	27,000	453,028	31,000	29,629	26,433	567,090
Additions	-	5,362	-	52,432	690	58,484
<b>Cost at 30 June 2022</b>	<b>27,000</b>	<b>458,390</b>	<b>31,000</b>	<b>82,061</b>	<b>27,123</b>	<b>625,574</b>
Accumulated depreciation at 1 July 2021	-	221,771	23,250	10,601	18,108	273,730
Depreciation	-	14,942	3,100	8,363	1,891	28,296
<b>Accumulated depreciation at 30 June 2022</b>	<b>-</b>	<b>236,713</b>	<b>26,350</b>	<b>18,964</b>	<b>19,999</b>	<b>302,026</b>
<b>Net book value at 1 July 2021</b>	<b>27,000</b>	<b>231,257</b>	<b>7,750</b>	<b>19,028</b>	<b>8,325</b>	<b>293,360</b>
<b>Net book value at 30 June 2022</b>	<b>27,000</b>	<b>221,677</b>	<b>4,650</b>	<b>63,097</b>	<b>7,124</b>	<b>323,548</b>

The land utilised by the Corporation has been recognised as an asset at initial valuation. It is unclear whether the Corporation actually owns the land and buildings recognised in these Financial Statements. These have been recognised as assets because the Corporation maintains and controls these assets.

The Corporation considers the initial deemed cost of land and buildings at \$480,028 to be fair.

During the year, the Government of Niue made a number of payments totalling to \$36,580 to suppliers for purchase of electronic equipment acquired by the Corporation.

**7 Intangible assets**

	Software Actual \$	Total Actual \$
Cost at 1 July 2021	-	-
Additions	6,018	6,018
<b>Cost at 30 June 2022</b>	<b>6,018</b>	<b>6,018</b>
Accumulated amortisation at 1 July 2021	-	-
Depreciation	2,131	2,131
<b>Accumulated amortisation at 30 June 2022</b>	<b>2,131</b>	<b>2,131</b>
<b>Net book value at 1 July 2021</b>	<b>-</b>	<b>-</b>
<b>Net book value at 30 June 2022</b>	<b>3,887</b>	<b>3,887</b>

During the year, the Government of Niue made a number of payments totalling to \$6,019 to suppliers for purchase of software acquired by the Corporation.

**8 Trade and other debtors**

	2022 Actual \$	2021 Actual \$
Trade debtors	136,290	136,256
Less provision for doubtful debts	(135,140)	(135,140)
<b>Total trade and other debtors</b>	<b>1,150</b>	<b>1,116</b>

**Broadcasting Corporation of Niue**  
**Notes to the financial statements for the year ended 30 June 2022**

**9 Trade and other creditors**

	<b>2022 Actual \$</b>	<b>2021 Actual \$</b>
Trade creditors	219,658	211,720
PAYE payable	26,281	23,397
NCT payable	93,216	86,509
<b>Total trade and other creditors</b>	<b>339,155</b>	<b>321,626</b>

**10 Employee entitlements**

	<b>2022 Actual \$</b>	<b>2021 Actual \$</b>
Payroll accrual	387	132
Leave entitlements	14,412	40,834
<b>Total employee entitlements</b>	<b>14,799</b>	<b>40,966</b>
<b>Current</b>	14,799	25,512
<b>Non-current</b>	-	15,454
<b>Total employee entitlements</b>	<b>14,799</b>	<b>40,966</b>

Movements in the leave entitlements can be summarised as follows:

	<b>2022 Actual \$</b>	<b>2021 Actual \$</b>
Opening balance	40,835	22,579
Effect of salary increases	368	970
Effect of discounting	(919)	(2,428)
Effect of expected resignations	(552)	(1,457)
Net effect of additional and utilised entitlements	(25,320)	21,170
<b>Total employee entitlements</b>	<b>14,412</b>	<b>40,834</b>

**11.0 Financial instruments**

**11.1 General**

The Corporation is party to financial instruments as part of its normal operations. These financial instruments may include bank accounts, investments, debtors, creditors and loans. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

**11.2 Credit Risk**

The exposure to credit risk is monitored by reviewing the amounts that individual debtors owe on a regular basis. The Corporation does not have any significant concentrations of credit risk.

**11.3 Currency Risk**

The Corporation has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies, arising from normal trading activities. The Corporation does not hedge against these exposures.

**11.4 Interest Rate Risk**

The Corporation is not exposed to significant interest rate risk.



**Broadcasting Corporation of Niue**  
**Notes to the financial statements for the year ended 30 June 2022**

**11.5 Fair Value**

The fair value of financial instruments is equivalent to their carrying value in the Statement of Financial Position.

**12 Tax losses to carry forward**

	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
Net (deficit)	16,085	(309,558)
Less: non taxable income	(393,758)	(921,538)
<b>Taxable (deficit)</b>	<b>(377,673)</b>	<b>(1,231,096)</b>
Income tax rate	30%	30%
<b>(Tax refund)</b>	<b>(113,302)</b>	<b>(369,329)</b>
Balance (refund) as at 1 July	(727,989)	(732,245)
Current year tax losses	(113,302)	(369,329)
Losses de-recognised due to six year rule	105,175	373,585
<b>Total tax losses to carry forward</b>	<b>(736,116)</b>	<b>(727,989)</b>
Tax on taxable loss for the year ended 30 June 2016	-	105,175
Tax on taxable loss for the year ended 30 June 2017	175,346	175,346
Tax on taxable loss for the year ended 30 June 2018	78,139	78,139
Tax on taxable loss for the year ended 30 June 2019	101,170	101,170
Tax on taxable loss for the year ended 30 June 2020	149,201	149,201
Tax on taxable loss for the year ended 30 June 2021	118,958	118,958
Tax on taxable loss for the year ended 30 June 2022	113,302	-
<b>Total tax losses to carry forward at 30 June</b>	<b>736,116</b>	<b>727,989</b>

The Corporation derives most of its revenue from Government grants, which are exempt from income tax. This is not expected to change in the foreseeable future. As it is unlikely that these tax losses can be offset against future profits, no tax asset has been recognised in the Statement of Financial Position.

Section 58 of the Income Tax Act 1961 allows taxable losses to be carried forward and offset against future taxable profits for up to six years.

**13 Commitments**

There were no commitments as at 30 June 2022 (2021: nil).

**14 Contingencies**

There were no contingencies as at 30 June 2022 (2021: nil).



**Broadcasting Corporation of Niue**  
**Notes to the financial statements for the year ended 30 June 2022**

**15 Related party transactions**

The Corporation is an entity wholly owned by the Government of Niue. The Government of Niue significantly influences the role of the Corporation and is its major source of revenue. The Corporation enters into transactions with other government departments and other government owned entities on an arm's length basis.

Transactions entered into with related parties during the year, can be summarised as follows (net of NCT).

	<b>2022</b>	<b>2019-2021*</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
Funding received from the Government of Niue	393,758	921,538
Sales to the Government of Niue	64,753	168,732
Sales to Niue Bond Liquor Company	-	670
Sales to Niue Development Bank	518	1,856
Sales to Niue Philatelic and Numismatic Corporation	519	6,858
Sales to Telecom Niue Limited	1,293	19,016
Purchases from Niue Bond Liquor Company	(297)	(495)
Purchases from Niue Development Bank	(2,340)	(7,166)
Purchases from Niue Philatelic and Numismatic Corporation	(889)	(102,945)
Purchases from Telecom Niue Limited	0	(8,075)
Purchases from Niue Commercial Enterprises Limited	(103)	-
Purchases from the Government of Niue	(38,050)	(7,562)
	<u><b>419,162</b></u>	<u><b>992,427</b></u>

These transactions resulted in the following balances owed by / owing to related parties as at 30 June (net of NCT).

Payable to Niue Philatelic and Numismatic Corporation	(59,973)	(59,973)
Payable owing to Niue Bond Liquor Company	(1,620)	(1,620)
Payable owing to Government of Niue (Treasury)	-	(208,100)
Payable owing to Niue Development Bank	(195)	-
Payable owing to Telecom Niue Limited	(5,937)	(1,500)
Receivable owing from Telecom Niue Limited	34	-
Receivable owing from Niue Philatelic and Numismatic Corporation	1,116	1,116
	<u><b>(66,575)</b></u>	<u><b>(270,077)</b></u>

\*The previous period was a multi-year period, with one set of financial statements compiled for the period 1 July 2018 to 30 June 2021.