

**GOVERNMENT OF NIUE**

**CONSOLIDATED  
FINANCIAL STATEMENTS**

**for the year ended 30 June 2022**



## STATEMENT OF RESPONSIBILITY

The Government is pleased to present the Consolidated Financial Statements of the Government of Niue and its subsidiaries 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, as outlined in Note 2.2, 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 Government of Niue and its subsidiaries for the year ended 30 June 2022.

The Consolidated Financial Statements were authorised for issue by the Minister of Finance on 30 October 2024.



**Hon. Crossley Tatui**  
Minister of Finance



**Doreen Siataga**  
Financial Secretary

## MULTI-YEAR SUMMARY INFORMATION (UNAUDITED)

For the year ended 30 June 2022

|   | GROUP (Actual unless stated otherwise) |                     |                    |                    |                    |
|---|--|---------------------|--------------------|--------------------|--------------------|
|   | 2022                                   | 2017-21             | 2016               | 2015               | 2014               |
|   | \$                                     | \$                  | \$                 | \$                 | \$                 |
| Appropriation of Expenditure ( <b>Budget</b> )                                  | 70,903,956                             | 236,994,310         | 38,747,000         | 37,609,700         | 38,626,000         |
| Actual Expenditure (Cash Basis)   | 44,426,103                             | 180,974,603         | 32,259,754         | 31,986,591         | 34,713,274         |
| <b>Under-(Over-) Expenditure</b>  | <u>26,477,853</u>                      | <u>56,019,707</u>   | <u>6,487,246</u>   | <u>5,623,109</u>   | <u>3,912,726</u>   |
| <i>Cash basis - refer to Statement of Appropriation for details.</i>            |  |                     |                    |                    |                    |
| Unauthorised Expenditure  | 2,804,044                              | 9,285,318           | 1,618,593          | 1,476,711          | 874,317            |
| Permitted Excess ( <b>1.5% of Budget</b> )                                      | 1,063,559                              | 3,554,915           | 581,205            | 564,146            | 579,390            |
| <b>Excess/(Surplus) Unauthorised Expenditure</b>                                | <u>1,740,485</u>                       | <u>5,730,403</u>    | <u>1,037,388</u>   | <u>912,565</u>     | <u>294,927</u>     |
| <i>Cash basis - refer to Statement of Unauthorised Expenditure for details.</i> |  |                     |                    |                    |                    |
| Recurrent Income  | 35,724,949                             | 164,871,254         | 27,754,380         | 26,511,435         | 25,472,603         |
| Recurrent Expenditure (refer Note 3.3)  | (38,071,489)                           | (179,778,721)       | (30,802,869)       | (29,082,137)       | (27,737,402)       |
| <b>RECURRENT SURPLUS/(DEFICIT)</b>  | <u>(2,346,540)</u>                     | <u>(14,907,467)</u> | <u>(3,048,489)</u> | <u>(2,570,702)</u> | <u>(2,264,799)</u> |
| Income from Donors and Projects   | 14,162,714                             | 87,230,750          | 14,211,768         | 6,180,255          | 8,503,921          |
| Expenditure re Donors and Projects  | (14,044,952)                           | (69,149,096)        | (5,889,829)        | (6,364,812)        | (8,914,255)        |
| Capitalised Expenditure   | 3,813,835                              | 31,483,831          | 900,181            | 1,153,450          | 3,271,039          |
| <b>DONORS &amp; PROJECTS - NET</b>  | <u>3,931,597</u>                       | <u>49,565,485</u>   | <u>9,222,120</u>   | <u>968,893</u>     | <u>2,860,705</u>   |
| <b>NET SURPLUS/(DEFICIT)</b>  | <u>1,585,057</u>                       | <u>34,658,018</u>   | <u>6,173,631</u>   | <u>(1,601,809)</u> | <u>595,906</u>     |
| <i>Accrual basis - refer to Income Statement.</i>                               |  |                     |                    |                    |                    |
| Niue Bond Liquor Company Ltd  | (161,900)                              | 800,186             | 347,255            | 472,268            | (14,618)           |
| Telecom Niue (refer Note 3.3, below)  | 706,051                                | (2,739,020)         | (416,194)          | (215,662)          | (168,608)          |
| Niue Power  | (1,380,061)                            | (2,830,167)         | (1,084,087)        | (1,115,529)        | (734,392)          |
| Bulk Fuel   | 418,614                                | 4,502,675           | 826,820            | 983,896            | 354,462            |
| Civil Works & Quarry (from 2021)  | (1,159,855)                            | (1,231,017)         | 0                  | 0                  | 0                  |
| Outside Services  | (426,893)                              | (1,551,270)         | (375,021)          | (301,582)          | (372,978)          |
| Niue Development Bank   | (21,417)                               | 956,465             | 232,816            | 450,484            | 536,543            |
| Niue Commercial Enterprises Ltd   | (26,004)                               | 52,601              | (3,688)            | (3,093)            | 20,922             |
| Matavai Resort Limited  | 0                                      | 0                   | 0                  | 0                  | (6)                |
| Niue Philatelic and Numismatic Corp.  | 664,620                                | (390,931)           | 100,098            | (218,964)          | 307,427            |
| Broadcasting Corporation of Niue  | 16,085                                 | (597,760)           | 0                  | (42,334)           | 0                  |
| <b>TOTAL TRADING SURPLUS/(DEFICIT)</b>  | <u>(1,370,760)</u>                     | <u>(3,028,238)</u>  | <u>(372,001)</u>   | <u>9,484</u>       | <u>(71,248)</u>    |
| <b>NET BOOK VALUE OF PPE AND SOFTWARE</b>                                       |  |                     |                    |                    |                    |
| Gross Carrying Amount (Cost)  | 121,348,192                            | 115,708,287         | 83,195,067         | 74,202,010         | 72,322,883         |
| Accumulated Depreciation/Amortisation   | (46,013,337)                           | (42,752,405)        | (38,077,563)       | (34,945,831)       | (32,237,206)       |
| <b>Net Book Value of PPE and Software</b>                                       | <u>75,334,855</u>                      | <u>72,955,882</u>   | <u>45,117,504</u>  | <u>39,256,179</u>  | <u>40,085,677</u>  |
| <b>Annual Depreciation/Amortisation Charge</b>                                  | <u>5,060,249</u>                       | <u>19,020,260</u>   | <u>3,293,538</u>   | <u>3,030,874</u>   | <u>2,597,059</u>   |
| <i>Refer Notes 14 and 15.</i>   |  |                     |                    |                    |                    |

\*The previous reporting period was a multi-year period covering the five years from 1 July 2016 to 30 June 2021.

# STATEMENT OF APPROPRIATION (CASH BASIS) (UNAUDITED)

For the year ended 30 June 2022

|  | Notes    | PARENT               |                            |                          |
|--|----------|----------------------|----------------------------|--------------------------|
|  |          | 2022<br>Actual<br>\$ | 2022<br>Appropriated<br>\$ | 2017-21*<br>Actual<br>\$ |
| <b>RECURRENT EXPENDITURE</b>                     |          |                      |                            |                          |
| <b>Central Agencies</b>                          |          |                      |                            |                          |
| Cabinet and Parliamentary Services               |          | 1,531,854            | 2,114,900                  | 12,632,566               |
| Office of the Secretary of Government            |          | 895,926              | 1,048,500                  | 0                        |
| Crown Law  |          | 252,502              | 419,780                    | 1,921,706                |
| Niue Public Service Commission and Secretariat   |          | 1,330,755            | 1,544,400                  | 6,049,582                |
| Treasury   |          | 2,155,533            | 2,046,534                  | 8,823,416                |
| Project Management and Coordination Unit         |          | 250,387              | 344,000                    | 1,202,371                |
| Police   |          | 599,841              | 752,287                    | 2,756,730                |
| <b>Total Central Agencies</b>                    |          | <b>7,016,798</b>     | <b>8,270,401</b>           | <b>33,386,371</b>        |
| <b>Ministry of Social Services</b>               |          |                      |                            |                          |
| Education Department                             |          | 3,125,074            | 3,285,540                  | 14,233,464               |
| Health Department                                |          | 2,955,564            | 3,216,456                  | 12,747,155               |
| Justice Department (Including Community Affairs) |          | 4,477,033            | 5,465,293                  | 20,859,788               |
| Taoga Niue                                       |          | 304,994              | 377,000                    | 1,212,144                |
| <b>Total Ministry of Social Services</b>         |          | <b>10,862,665</b>    | <b>12,344,289</b>          | <b>49,052,551</b>        |
| <b>Ministry of Natural Resources</b>             |          |                      |                            |                          |
| Agriculture, Fisheries and Forestry              |          | 907,734              | 965,110                    | 4,084,767                |
| Environment Department                           |          | 382,649              | 304,500                    | 1,643,287                |
| Meteorological Office                            |          | 195,178              | 251,868                    | 982,086                  |
| <b>Total Ministry of Natural Resources</b>       |          | <b>1,485,561</b>     | <b>1,521,478</b>           | <b>6,710,140</b>         |
| <b>Ministry of Infrastructure</b>                |          |                      |                            |                          |
| Utilities  |          | 813,061              | 924,440                    | 9,881,915                |
| Transport  |          | 1,516,070            | 1,924,500                  | 6,779,102                |
| Civil & Quarry                                   |          | 1,125,533            | 1,421,598                  | 0                        |
| Niue Power                                       |          | 2,223,372            | 1,861,300                  | 0                        |
| <b>Total Ministry of Infrastructure</b>          |          | <b>5,678,036</b>     | <b>6,131,838</b>           | <b>16,661,017</b>        |
| <b>Commercial and Trading</b>                    |          |                      |                            |                          |
| Niue Tourism Authority                           |          | 241,217              | 429,950                    | 1,777,625                |
| Bulk Fuel  |          | 5,141,923            | 3,914,000                  | 25,375,191               |
| Broadcasting Corporation of Niue                 |          | 0                    | 0                          | 1,020,108                |
| <b>Total Commercial and Trading</b>              |          | <b>5,383,140</b>     | <b>4,343,950</b>           | <b>28,172,924</b>        |
| <b>TOTAL RECURRENT EXPENDITURE (PARENT)</b>      |          | <b>30,426,200</b>    | <b>32,611,956</b>          | <b>133,983,003</b>       |
| <b>OTHER EXPENDITURE</b>                         |          |                      |                            |                          |
| Capital Expenditure (Excluding Projects)         |          | 1,126,901            | 100,000                    | 536,883                  |
| Project Expenditure                              |          | 12,873,002           | 38,192,000                 | 46,454,717               |
| <b>TOTAL OTHER EXPENDITURE</b>                   |          | <b>13,999,903</b>    | <b>38,292,000</b>          | <b>46,991,600</b>        |
| <b>TOTAL EXPENDITURE</b>                         | <b>4</b> | <b>44,426,103</b>    | <b>70,903,956</b>          | <b>180,974,603</b>       |

The accompanying notes form part of these financial statements.

The Statement of Appropriation should be read in conjunction with the Statement of Unauthorised Expenditure on page 9 and with Note 4.

\*The previous reporting period was a multi-year period covering the five years from 1 July 2016 to 30 June 2021.

**INCOME STATEMENT**  
For the year ended 30 June 2022

|   | Notes  | GROUP                |                          | PARENT               |                            |                          |
|---|--------|----------------------|--------------------------|----------------------|----------------------------|--------------------------|
|   |        | 2022<br>Actual<br>\$ | 2017-21*<br>Actual<br>\$ | 2022<br>Actual<br>\$ | 2022<br>Appropriated<br>\$ | 2017-21*<br>Actual<br>\$ |
| <b>RECURRENT INCOME AND EXPENDITURE</b> |        |                      |                          |                      |                            |                          |
| <b>Income</b>                           |        |                      |                          |                      |                            |                          |
| Taxes, Duties & Fines                   | 23     | 9,534,020            | 53,273,505               | 9,447,204            | 8,068,575                  | 53,641,755               |
| Sale of Goods & Services                | 23     | 9,321,266            | 54,500,016               | 6,232,373            | 5,633,280                  | 36,250,243               |
| Donors (Recurrent)                      |        | 12,900,000           | 37,638,406               | 12,900,000           | 7,500,000                  | 37,500,000               |
| Interest                                |        | 839,149              | 4,086,162                | 35,484               | 1,100,000                  | 654,606                  |
| Other Income                            |        | 3,130,514            | 15,373,165               | 1,494,752            | 4,646,890                  | 8,273,216                |
| <b>Total Recurrent Income</b>           |        | <b>35,724,949</b>    | <b>164,871,254</b>       | <b>30,109,813</b>    | <b>26,948,745</b>          | <b>136,319,820</b>       |
| <b>Expenditure</b>                      |        |                      |                          |                      |                            |                          |
| Cost of Sales                           |        | 5,880,441            | 31,064,161               | 4,081,737            | 3,036,000                  | 22,897,921               |
| Personnel Expenses                      |        | 15,885,730           | 69,877,822               | 13,925,594           | 15,783,360                 | 62,124,736               |
| Subsidies & Welfare Payments            |        | 4,134,092            | 17,005,735               | 4,477,576            | 5,091,260                  | 19,949,389               |
| Depreciation and Amortisation           | 14, 15 | 5,060,249            | 19,020,260               | 4,631,479            | 0                          | 12,497,063               |
| Maintenance & Materials                 |        | 2,186,509            | 11,162,792               | 1,859,735            | 2,736,830                  | 7,907,403                |
| Travel & Transport                      |        | 1,726,469            | 8,915,436                | 1,580,429            | 1,648,936                  | 6,888,006                |
| Other Expenses                          | 6      | 3,197,999            | 22,732,515               | 2,383,858            | 2,445,790                  | 21,233,833               |
| <b>Total Recurrent Expenditure</b>      | 5      | <b>38,071,489</b>    | <b>179,778,721</b>       | <b>32,940,408</b>    | <b>30,742,176</b>          | <b>153,498,351</b>       |
| <b>RECURRENT SURPLUS/(DEFICIT)</b>      |        | <b>(2,346,540)</b>   | <b>(14,907,467)</b>      | <b>(2,830,595)</b>   | <b>(3,793,431)</b>         | <b>(17,178,531)</b>      |
| <b>DONORS &amp; PROJECTS</b>            |        |                      |                          |                      |                            |                          |
| Income from Donors and Projects         |        | 14,162,714           | 87,230,750               | 14,162,714           | 37,392,000                 | 88,099,874               |
| Expenditure Re Donors and Projects      | 5      | (14,044,952)         | (69,149,096)             | (14,044,952)         | (38,192,000)               | (68,728,794)             |
| Capitalised Expenditure                 |        | 3,813,835            | 31,483,831               | 3,813,835            | 0                          | 31,483,831               |
| <b>DONORS &amp; PROJECTS - NET</b>      | 7      | <b>3,931,597</b>     | <b>49,565,485</b>        | <b>3,931,597</b>     | <b>(800,000)</b>           | <b>50,854,911</b>        |
| <b>NET SURPLUS/(DEFICIT)</b>            |        | <b>1,585,057</b>     | <b>34,658,018</b>        | <b>1,101,002</b>     | <b>(4,593,431)</b>         | <b>33,676,380</b>        |

The accompanying notes form part of these financial statements.

\*The previous reporting period was a multi-year period covering the five years from 1 July 2016 to 30 June 2021.

**BALANCE SHEET**  
As at 30 June 2022

|                                      | Notes | GROUP                |                      | PARENT               |                      |
|--------------------------------------|-------|----------------------|----------------------|----------------------|----------------------|
|                                      |       | 2022<br>Actual<br>\$ | 2021<br>Actual<br>\$ | 2022<br>Actual<br>\$ | 2021<br>Actual<br>\$ |
| <b>GOVERNMENT EQUITY</b>             |       |                      |                      |                      |                      |
| Accumulated Funds                    |       | 85,772,957           | 75,769,035           | 81,068,575           | 71,864,644           |
| Donor Trust Funds                    | 7     | 7,073,349            | 15,788,110           | 7,073,349            | 15,176,278           |
| Other Funds & Reserves               |       | 2,149,660            | 1,853,764            | 0                    | 0                    |
| <b>TOTAL GOVERNMENT EQUITY</b>       |       | <b>94,995,966</b>    | <b>93,410,909</b>    | <b>88,141,924</b>    | <b>87,040,922</b>    |
| <b>REPRESENTED BY:</b>               |       |                      |                      |                      |                      |
| <b>ASSETS</b>                        |       |                      |                      |                      |                      |
| <b>Current Assets</b>                |       |                      |                      |                      |                      |
| Cash & Cash Equivalents              | 8, 13 | 20,530,250           | 12,043,847           | 13,172,324           | 7,540,192            |
| Inventories                          | 9     | 2,584,276            | 2,613,324            | 1,505,441            | 790,239              |
| Current Portion of Long Term Loans   | 11    | 1,911,604            | 1,201,124            | 0                    | 0                    |
| Debtors                              | 10    | 3,297,637            | 1,948,811            | 4,798,093            | 5,361,890            |
| <b>Total Current Assets</b>          |       | <b>28,323,767</b>    | <b>17,807,106</b>    | <b>19,475,858</b>    | <b>13,692,321</b>    |
| <b>Non Current Assets</b>            |       |                      |                      |                      |                      |
| Loans                                | 11    | 9,936,294            | 10,237,356           | 0                    | 3,790,400            |
| Other Investments                    | 12    | 0                    | 0                    | 11,845,547           | 5,959,768            |
| Property, Plant & Equipment          | 14    | 75,224,695           | 72,786,490           | 72,819,616           | 70,569,784           |
| Software                             | 15    | 110,160              | 169,392              | 47,809               | 99,041               |
| <b>Total Non Current Assets</b>      |       | <b>85,271,149</b>    | <b>83,193,238</b>    | <b>84,712,972</b>    | <b>80,418,993</b>    |
| <b>TOTAL ASSETS</b>                  |       | <b>113,594,916</b>   | <b>101,000,344</b>   | <b>104,188,830</b>   | <b>94,111,314</b>    |
| <b>LIABILITIES</b>                   |       |                      |                      |                      |                      |
| <b>Less Current Liabilities</b>      |       |                      |                      |                      |                      |
| Trade and Other Creditors            | 16    | 7,653,323            | 4,914,273            | 5,518,870            | 4,645,396            |
| Employee Entitlements                | 17    | 1,357,723            | 1,407,838            | 1,226,573            | 1,251,038            |
| Revenue in Advance                   |       | 8,554,068            | 388,615              | 8,290,000            | 349,224              |
| <b>Total Current Liabilities</b>     |       | <b>17,565,114</b>    | <b>6,710,726</b>     | <b>15,035,443</b>    | <b>6,245,658</b>     |
| <b>Non Current Liabilities</b>       |       |                      |                      |                      |                      |
| Employee Entitlements                | 17    | 1,033,836            | 878,709              | 1,011,463            | 824,734              |
| <b>Total Non Current Liabilities</b> |       | <b>1,033,836</b>     | <b>878,709</b>       | <b>1,011,463</b>     | <b>824,734</b>       |
| <b>TOTAL LIABILITIES</b>             |       | <b>18,598,950</b>    | <b>7,589,435</b>     | <b>16,046,906</b>    | <b>7,070,392</b>     |
| <b>TOTAL NET ASSETS</b>              |       | <b>94,995,966</b>    | <b>93,410,909</b>    | <b>88,141,924</b>    | <b>87,040,922</b>    |

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 30 June 2022**

|  | GROUP                |                          | PARENT               |                          |
|--|----------------------|--------------------------|----------------------|--------------------------|
|  | 2022<br>Actual<br>\$ | 2017-21*<br>Actual<br>\$ | 2022<br>Actual<br>\$ | 2017-21*<br>Actual<br>\$ |
| Accumulated Funds as at 1 July               | 75,769,035           | 50,351,496               | 71,864,644           | 47,985,770               |
| Restatement of Opening Balance               | 0                    | (11,582)                 | 0                    | 0                        |
| Net Surplus/(Deficit)                        | 1,585,057            | 34,658,018               | 1,101,002            | 33,676,380               |
| Transfers from/(to) Donor Trust Funds        | 8,714,761            | (10,303,828)             | 8,102,929            | (9,797,506)              |
| Transfers from/(to) Other Funds and Reserves | (295,896)            | 1,074,931                | 0                    | 0                        |
| <b>Accumulated Funds as at 30 June</b>       | <b>85,772,957</b>    | <b>75,769,035</b>        | <b>81,068,575</b>    | <b>71,864,644</b>        |
| Donor Trust Funds as at 1 July               | 15,788,110           | 5,484,282                | 15,176,278           | 5,378,772                |
| Transfers from/(to) Accumulated Funds        | (8,714,761)          | 10,303,828               | (8,102,929)          | 9,797,506                |
| <b>Donor Trust Funds as at 30 June</b>       | <b>7,073,349</b>     | <b>15,788,110</b>        | <b>7,073,349</b>     | <b>15,176,278</b>        |
| Other Funds as at 1 July                     | 1,853,764            | 2,928,695                | 0                    | 0                        |
| Other Transfers from/(to) Accumulated Funds  | 295,896              | (1,074,931)              | 0                    | 0                        |
| <b>Other Funds as at 30 June</b>             | <b>2,149,660</b>     | <b>1,853,764</b>         | <b>0</b>             | <b>0</b>                 |
| <b>TOTAL EQUITY AS AT 30 JUNE</b>            | <b>94,995,966</b>    | <b>93,410,909</b>        | <b>88,141,924</b>    | <b>87,040,922</b>        |

The accompanying notes form part of these financial statements.

\*The previous reporting period was a multi-year period covering the five years from 1 July 2016 to 30 June 2021.

**STATEMENT OF CASH FLOWS**  
For the year ended 30 June 2022

|   | Notes    | GROUP              |                     | PARENT             |                     |
|---|----------|--------------------|---------------------|--------------------|---------------------|
|   |          | 2022               | 2017-21*            | 2022               | 2017-21*            |
|   |          | Actual             | Actual              | Actual             | Actual              |
|   |          | \$                 | \$                  | \$                 | \$                  |
| <b>Cash Flows from/(used in) operating activities</b>     |          |                    |                     |                    |                     |
| Receipts from Taxpayers                                   |          | 9,208,257          | 54,114,830          | 9,878,556          | 52,365,707          |
| Receipts from Donors                                      |          | 35,306,677         | 123,002,691         | 35,288,970         | 122,357,964         |
| Receipts from Customers                                   |          | 10,498,757         | 68,145,176          | 6,420,001          | 44,926,156          |
| Interest Receipts   |          | 63,903             | 7,434,833           | 35,484             | 654,606             |
| Payments to Employees                                     |          | (20,886,821)       | (68,939,641)        | (18,869,433)       | (61,281,127)        |
| Payments to Suppliers                                     |          | (12,266,070)       | (111,660,536)       | (12,651,136)       | (94,884,087)        |
| Subsidies & Welfare Payments                              |          | (6,249,609)        | (16,805,472)        | (6,620,556)        | (19,949,389)        |
| <b>Net Cash Flows from/(used in) operating activities</b> |          | <b>15,675,094</b>  | <b>55,291,881</b>   | <b>13,481,886</b>  | <b>44,189,830</b>   |
| <b>Cash Flows from/(used in) investing activities</b>     |          |                    |                     |                    |                     |
| Proceeds from Sales of Property, Plant & Equipment        |          | (60,826)           | 0                   | 6,283              | 0                   |
| Purchases of Property, Plant & Equipment                  |          | (7,471,829)        | (45,817,946)        | (6,812,863)        | (36,342,387)        |
| Investments in Subsidiaries and Affiliates                |          | 0                  | 0                   | (1,043,174)        | 253,377             |
| Loan Repayments Received from Customers                   |          | 3,907,772          | 14,237,821          | 0                  | 0                   |
| Loans Advanced to Customers                               |          | (3,563,808)        | (18,795,761)        | 0                  | (3,502,791)         |
| <b>Net Cash Flows from/(used in) investing activities</b> |          | <b>(7,188,691)</b> | <b>(50,375,886)</b> | <b>(7,849,754)</b> | <b>(39,591,801)</b> |
| <b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQ.</b>     |          | <b>8,486,403</b>   | <b>4,915,995</b>    | <b>5,632,132</b>   | <b>4,598,029</b>    |
| Cash & cash equivalents as at 1 July                      |          | 12,043,847         | 7,127,852           | 7,540,192          | 2,942,163           |
| <b>CASH &amp; CASH EQUIVALENTS AS AT 30 JUNE</b>          | <b>8</b> | <b>20,530,250</b>  | <b>12,043,847</b>   | <b>13,172,324</b>  | <b>7,540,192</b>    |

**RECONCILIATION FROM NET SURPLUS TO NET CASH FLOWS FROM OPERATIONS**

|   | GROUP             |                   | PARENT            |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 2022              | 2017-21*          | 2022              | 2017-21*          |
|   | Actual            | Actual            | Actual            | Actual            |
|   | \$                | \$                | \$                | \$                |
| <b>Net surplus/(deficit)</b>                              | 1,585,057         | 34,658,018        | 1,101,002         | 33,676,380        |
| <b>Adjustments for non cash and non operating items</b>   |                   |                   |                   |                   |
| Depreciation and Amortisation                             | 5,060,249         | 19,020,260        | 4,631,479         | 12,497,063        |
| (Gains)/Losses on Disposals of Assets                     | 157,177           | 625,510           | 40,245            | 15,672            |
| Donated Assets  | (63,744)          | (1,666,202)       | (63,744)          | (3,241,910)       |
| Change in Provision for Doubtful Debts                    | 655,936           | (1,030,438)       | 573,762           | (1,003,908)       |
| Other Impairments and Reversals                           | 0                 | 0                 | (1,052,205)       | 0                 |
| Opening Accumulated Funds Adjustment                      | 0                 | (11,582)          | 0                 | 0                 |
| <b>Total adjustments for non cash and non op. items</b>   | <b>5,809,618</b>  | <b>16,937,548</b> | <b>4,129,537</b>  | <b>8,266,917</b>  |
| <b>Movements in assets and liabilities</b>                |                   |                   |                   |                   |
| (Increase)/Decrease in Debtors                            | (2,758,144)       | 2,280,232         | (9,965)           | (940,607)         |
| (Increase)/Decrease in Inventories                        | 29,048            | (1,359,441)       | (715,202)         | (293,499)         |
| Increase/(Decrease) in Revenue in Advance                 | 8,165,453         | 56,813            | 7,940,776         | 17,904            |
| Increase/(Decrease) in Other Liabilities                  | 2,844,062         | 2,718,711         | 1,035,738         | 3,462,735         |
| <b>Total movements in assets and liabilities</b>          | <b>8,280,419</b>  | <b>3,696,315</b>  | <b>8,251,347</b>  | <b>2,246,533</b>  |
| <b>Net Cash Flows from/(used in) operating activities</b> | <b>15,675,094</b> | <b>55,291,881</b> | <b>13,481,886</b> | <b>44,189,830</b> |

The accompanying notes form part of these financial statements.

\*The previous reporting period was a multi-year period covering the five years from 1 July 2016 to 30 June 2021.



# STATEMENT OF UNAUTHORISED EXPENDITURE

For the year ended 30 June 2022

|  |   | DEPARTMENTAL |              |           |
|--|---|--------------|--------------|-----------|
|  |   | 2022         | 2022         | 2022      |
|  |   | Actual       | Appropriated | Excess    |
|  |   | \$           | \$           | \$        |
| Notes  |   |              |              |           |
| <b>CALCULATION OF PERMITTED EXCESS:</b>              |   |              |              |           |
|  | Total Appropriation of Expenditure        |              | 70,903,956   |           |
|  | <b>PERMITTED EXCESS</b>                   |              | 1.5%         | 1,063,559 |
| <b>VOTES WITH UNAUTHORISED EXPENDITURE:</b>          |   |              |              |           |
|  | Treasury                                  | 2,155,533    | 2,046,534    | 108,999   |
|  | Environment Department                    | 382,649      | 304,500      | 78,149    |
|  | Niue Power                                | 2,223,372    | 1,861,300    | 362,072   |
|  | Bulk Fuel                                 | 5,141,923    | 3,914,000    | 1,227,923 |
|  | <b>Recurrent Unauthorised Expenditure</b> | 9,903,477    | 8,126,334    | 1,777,143 |
|  | Capital expenditure (recurrent)           | 1,126,901    | 100,000      | 1,026,901 |
|  | <b>Other Unauthorised Expenditure</b>     | 1,126,901    | 100,000      | 1,026,901 |
| <b>CALCULATION OF TOTAL UNAUTHORISED EXPENDITURE</b> |   | 11,030,378   | 8,226,334    | 2,804,044 |

**UNAUTHORISED EXPENDITURE EXCEEDED THE PERMITTED EXCESS BY:** 1,740,485

The permitted excess is where Cabinet can approve additional expenditure in excess of up to 1.5% of appropriated expenditure.

The unauthorised expenditure in excess of 1.5% of appropriated expenditure, amounting to \$1,740,485, which requires a supplementary appropriation, has not been authorised by an appropriation act, which is a breach of articles 56(3) and 59(4) of the Constitution and section 19 of the Public Revenues Act 1959.

During the year, Cabinet did not approve any overexpenditure.

*The accompanying notes form part of these financial statements.*

*The Statement of Unauthorised Expenditure should be read in conjunction with the Statement of Appropriation on page 4 and with Note 3.4.*



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

## 1 REPORTING ENTITY

The Consolidated Financial Statements of the Government of Niue include the Financial Statements of the Government of Niue ("Parent"), corporations that operate under statute, and other subsidiaries ("Group"). During the current and the previous financial year, the Group consisted of the following reporting entities:

- The Government of Niue (the Parent).
- Telecom Niue Limited, which is wholly owned by the Government of Niue and which operates under the Companies Act 2006.
- The Niue Development Bank, which is wholly owned by the Government of Niue and which operates under the Niue Development Bank Act 1993.
- Niue Commercial Enterprises Limited, which is wholly owned by the Government of Niue and operates under the Companies Act 2006, acts as an agent for Kiwibank to provide over-the-counter banking services in Niue.
- The Broadcasting Corporation of Niue, which is wholly owned by the Government of Niue and which operates under the Broadcasting Act 1989 and the Broadcasting Amendment Act 1997.
- The Niue Philatelic and Numismatic Corporation, which is wholly owned by the Government of Niue and which operates under the Niue Philatelic and Numismatic Act 1996 and the Niue Philatelic and Numismatic Amendment Act 2011.
- The Niue Bond & Liquor Company Limited, which is wholly owned by the Government of Niue and operates under the Companies Act 2006.
- The Niue Bank, which is wholly owned by the Government of Niue and which operates under the Niue Bank Act 1994 and the Niue Bank Amendment Act 2013. Under the Niue Bank Amendment Act 2013, the Niue Bank supervises the provision of banking services by New Zealand banks through local agents.

In 2004, the Government of New Zealand established a Trust Fund to contribute to the long term financial stability and viability of Niue by enabling it to meet financial commitments from the proceeds of investments. On 25 October 2006 a Trust Deed was executed to establish the Niue International Trust Fund. The Trust Fund operates under the Niue Trust Fund Act 2004. The Trustees represent the Governments of Niue, New Zealand and Australia, which are the main contributors to the Trust Fund. The Government of Niue does not control the Trust Fund, and the Financial Statements of the Trust Fund are therefore not included in the Consolidated Financial Statements of the Group.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of Preparation

The Consolidated Financial Statements and the Financial Statements of the individual reporting entities that are the basis for consolidation are prepared on a historical cost basis, except for financial instruments which are recorded at fair value.

The Financial Statements are presented in New Zealand dollars, and all monetary values are rounded to whole dollars, unless mentioned otherwise.

The Income Statement, the Balance Sheet and the Statement of Changes in Equity are prepared on an accrual basis. Non-cash transactions (such as depreciation, accruals and provisions) are not appropriated.

The Statement of Appropriation and the Statement of Unauthorised Expenditure are prepared on a cash basis, and compare actual expenditure of each Government department to the funds appropriated by the Assembly.

The Statement of Cash Flows shows the sources and uses of cash and cash equivalents during the year. Cash and cash equivalents comprise mainly cash at bank and call and short term deposits.

Except for the Statement of Appropriation, the Financial Statements of all Group entities are consolidated on a line by line basis. Material transactions and balances between Group entities and departments are eliminated; these relate mostly to supplies that are not available from other suppliers, and include: the delivery of fuel for the generation of electricity, the supply of electricity to Group entities, and the supply of communication services to Group entities. Most other transactions between group entities are small stand-alone transactions performed on an arms' length basis, and are not eliminated. Also, import duties, which are payable by law when goods cross the border, are not eliminated.

The Government of Niue occupies a significant proportion of economic life in Niue; the country's private sector is small by comparison to other countries. Consequently, many routine transactions that otherwise would be with external parties, are conducted between Government departments and/or trading entities. These transactions are conducted on the same terms as transactions concerning the same goods or services with external parties. Therefore the Government does not consider it beneficial to the readability of these Financial Statements to disclose transactions and balances between related parties.

The Consolidated Financial Statements are based on consistent accounting policies for the Financial Statements of all included Group entities. Adjustments are made for any material differences that arise from different accounting policies used in the Group entities' own Financial Statements. All Group entities have a balance date of 30 June.

The Statement of Appropriation and the Statement of Unauthorised Expenditure reflect only the expenditure of the departments of the Government of Niue ("Parent") and of subsidiaries with appropriated expenditure (if any).

In order to catch up on a backlog of annual Financial Statements, the period from 1 July 2016 to 30 June 2021 (five years) had been covered by a single set of Financial Statements. The comparatives in these Financial Statements for the year ended 30 June 2022 are the five year balances from 1 July 2016 to 30 June 2021 where applicable (for the Statement of Appropriation, the Income Statement, the Statement of Changes in Equity, the Statement of Cash Flows, and those parts of the Five Year Summary Information and the Notes to the Financial Statements that relate to these Primary Financial Statements).

## 2.2 Statement of Compliance

The Consolidated Financial Statements and the Financial Statements of the individual reporting entities are prepared in accordance with the accounting policies of the Government of Niue. The Consolidated Financial Statements also comply with specific requirements in the Constitution of Niue and with applicable statutes:

- Article 58(1) of the Constitution requires all expenditure of public money to be appropriated by the Assembly. The latest approved version of the budget is shown in the Financial Statements.
- Article 59(4) of the Constitution allows for expenditure in excess of appropriated expenditure of up to 1.5% of total appropriated expenditure. Article 59(6) requires inclusion of a Statement of Unauthorised Expenditure in the Financial Statements.
- Article 60 of the Constitution appoints the Office of the Auditor General of New Zealand as the auditor of the Government's Financial Statements.
- Section 25 of the Public Revenues Act 1959 requires the Financial Secretary to prepare Financial Statements as soon as possible after the end of the financial year, which should then be audited and submitted (with audit report) to the Assembly.
- Section 40 of the Public Revenues Act 1959 requires a statement of investments to be included in the Financial Statements, showing details of public securities held during the financial year.

Separate legal requirements exist for some of the Group's subsidiaries' Financial Statements. These requirements do not apply to the Consolidated Financial Statements.

The above Statement of Compliance refers to financial reporting requirements only. In addition, the Government is subject to significant constitutional requirements that restrict expenditure. Compliance or non-compliance with these requirements are disclosed separately in the Statement of Unauthorised Expenditure, above.

## 2.3 Translation of Foreign Currency Transactions

Both the functional and presentation currencies of the Government of Niue and the Group are the New Zealand dollar. Transactions in foreign currencies are initially recorded in the New Zealand dollar at the exchange rates ruling at the dates of the transactions. At balance date, monetary assets and liabilities are translated at the exchange rates ruling at the balance date. Resulting exchange differences are recognised in the Income Statement.

## 2.4 Impairment of Assets

Current assets are reviewed regularly for impairment. Impairment factors may include: obsolescence, default risk, and other factors.

Where an indication of impairment exists and where the carrying value exceeds the estimated recoverable amount, the asset is written down to its recoverable amount.

Where indications exist that a previously recognised impairment loss may have reversed, the recoverable amount will be re-estimated, and the resulting reversal is included in the Income Statement.

Non-current assets are not regularly reviewed for impairment, but impairment adjustments are made if indications of impairment exist.

## 2.5 Cash & Cash Equivalents

Cash & Cash Equivalents comprise mainly cash at bank and call and short term deposits (deposits with an original maturity of one year or less).

## 2.6 Inventories

Inventories are measured at the lower of cost and net realisable value, calculated on a first in first out basis. Costs include all expenses incurred in bringing inventory items to their present location and condition, including freight and import duties.

## 2.7 Debtors

Debtors are measured at their expected realisable value, which is generally the original amount less a provision for uncollectible amounts. Bad debts are written off when this is approved by Cabinet or the Board of a subsidiary.

## 2.8 Loans

Loans are valued at the lower of cost and realisable value. The current portion of long term loans is classified under Current Assets.

## 2.9 Other Investments

Other Investments include investments in subsidiaries and other associated parties and investments in shares in non controlled entities. Investments are measured at the lower of cost and impaired value.

At each balance date, an impairment assessment of investments in subsidiaries is performed. Impairment indicators include but are not necessarily restricted to: the carrying value of an investment in a subsidiary in the Parent's books exceeding total equity in the subsidiary's own Financial Statements, or a multi-year forecast indicating that this may happen in the foreseeable future. Impairments, if any, are recognised as an expense in the Income Statement. Where indications exist that a previously recognised impairment loss may have reversed, the recoverable amount will be re-estimated, and the resulting reversal is included in the Income Statement.

## 2.10 Property, Plant & Equipment

Land and Buildings were first recognised in the Financial Statements in the year ended 30 June 1998. The valuation was performed by Darroch Limited, Registered Valuers, on 30 March 1998. This valuation is considered an appropriate estimate of deemed costs as at 1 July 1997. Subsequent additions are initially measured at cost.

Property, Plant & Equipment is stated at cost less accumulated depreciation and accumulated impairment losses (if any). Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives and resulting depreciation rates of currently held assets can be summarised as follows.

|  | Useful Lives | Depreciation Rates |
|--|--------------|--------------------|
| - Land   | indefinite   | none               |
| - Infrastructural assets:                            |              |                    |
| - Roads  | 5-25 years   | 4 - 20%            |
| - Sea tracks and other parks                         | 5-20 years   | 5 - 20%            |
| - Cabling, pipes and towers                          | 10-40 years  | 2.5 - 10%          |
| - Airport runway                                     | 60 years     | 1.7%               |
| - Water tanks and equipment                          | 10 years     | 10%                |
| - Buildings:   |              |                    |
| - Substantial concrete buildings                     | 50 years     | 2%                 |
| - General concrete buildings                         | 35-50 years  | 2 - 2.9%           |
| - Light construction, metal clad or timber buildings | 10-30 years  | 3.3 - 10%          |
| - Miscellaneous structures and fitouts               | 3-25 years   | 4 - 33%            |
| - Plant & Equipment:                                 |              |                    |
| - Electronic equipment including computers           | 2-20 years   | 5 - 50%            |
| - Mechanical plant and equipment                     | 2.5-20 years | 5 - 40%            |
| - Furniture and fittings                             | 2-20 years   | 5 - 50%            |
| - Bulk fuel tanks                                    | 5-20 years   | 5 - 20%            |
| - Airport electrical equipment                       | 10 years     | 10%                |
| - Vehicles (including vessels)                       | 3-20 years   | 5 - 33.3%          |

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

Internally developed assets, whether funded from recurrent funds or by donors, are initially measured at cost. Cost includes the cost of labour where this can be measured reliably. Expenditure is capitalised when incurred; assets that are still under development at the balance date are included in Work in Progress at the cost incurred to that date.

Assets donated by aid partners are recognised upon completion, which is deemed to be when the rights and responsibilities associated with the use of the assets are vested in the Group and the assets are available for their intended use.

## 2.11 Software

Computer software includes separately acquired software and the directly attributable cost of developing and implementing comprehensive computer-based information systems. The cost of hardware on which computer software runs, is carried under Property, Plant and Equipment.

Software is stated at cost less accumulated amortisation and accumulated impairment losses (if any). Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets. Useful lives of software are estimated between 3 and 14 years, with resulting depreciation rates of 7 to 33.3%.

## 2.12 Creditors

Subject to more detailed policies described below, creditors are recognised for benefits that were received by balance date but had not been paid for. They are measured at the expected amounts to be paid after balance date.

## 2.13 Employee Entitlements

The monetary value of benefits earned but not yet enjoyed 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 is earned prior to balance date but is 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 measured by first calculating the expected future value of these entitlements at the time that employees are expected to become entitled to them. This future value of these entitlements is increased by estimated average salary increases over time, and decreased by an estimated average resignation rate and by a discount rate reflecting the passage of time. Only the portion of the expected future value that reflects past service at balance date is recognised as a liability, calculated pro rata over the period during which the benefits are expected to be earned.

Benefits that have been earned and are due within one year from balance date, are recognised as current liabilities; the likelihood of these benefits being enjoyed 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 long service leave and retiring leave entitlements is recognised as a non current provision.

## 2.14 Equity

Government Equity consists of Accumulated Funds, Donor Trust Funds and Other Funds & Reserves. Donor Trust Funds represent cash received from donors for specified projects (see Note 2.15, below) that has not yet been spent. Other Funds & Reserves include legal reserves that some of the Government's subsidiaries are required to recognise under the Acts under which they operate.

Equity recognised by entities over which the Government exerts significant control may include Capital, which represents the Government's investment in these subsidiaries. This Capital takes the form of Share Capital for those subsidiaries that are companies under the Companies Act 2006. Subsidiaries' Capital is eliminated against the Parent's investment in these subsidiaries upon consolidation.

## 2.15 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will be received and can be reliably measured.

Revenue from the provision of goods and services is recognised when the goods or services have been delivered.

Revenue earned by the Parent entity from taxes, duties and other levies is recognised as follows:

- Revenue from income tax and Niue Consumption Tax is recognised when it can be measured with reasonable certainty. This is usually when a return has been received or an assessment has been issued. A provision is recognised for the expected amount of individual income tax refunds for the fiscal year (which ends on 31 March).
- Import duties are payable when imported goods pass into the country, and revenue from import duties is recognised at that moment.
- Revenue from fishing rights is recognised in the period that it relates to, or - when this cannot be reliably established - in the period that it is received.
- Revenue from other levies is recognised when it is received or invoiced.

Revenue from donors is recognised as follows:

- Financial support for ongoing activities such as budget support and administrative assistance is recognised in the period to which the grants relate.
- Funding for investment and development projects is recognised as income upon receipt. At balance date the unspent portion of these receipts is recognised under Donor Trust Funds as a part of Equity through a transfer from (increase in Donor Trust Funds) or to (decrease in Donor Trust Funds) Accumulated Funds.
- Donated assets are usually measured at the cost incurred by the donor, and the associated revenue is recognised in the Income Statement in the period that the assets are completed and made available to the Government of Niue. Donated services are recognised as income, and are usually measured at the cost incurred by the donor. This cost is also deemed to be the fair value of the related expense, which is recognised as donor-/project-related expenditure in the Income Statement.

## **2.16 Niue Consumption Tax**

Accounts Receivable and Accounts Payable are measured inclusive of NCT (where applicable). Other transactions are measured net of NCT to the extent that the NCT is payable (for revenue) or recoverable (for purchases).

The Parent entity recognises the net amount of NCT payable to or recoverable from the Tax Office as an increase or decrease (respectively) of Tax Revenue in the period that it relates to. The other reporting entities recognise a corresponding liability or debtor until payment is made to or received from the Tax Office.

Cash flows are included in the Statement of Cash Flows exclusive of NCT. The NCT component of cash flows is recognised under operating cash flows (to the extent that the NCT is payable or recoverable).

Commitments and contingencies are disclosed net of NCT.

## **2.17 Appropriated Amounts**

The Parent Financial Statements show the amounts appropriated by the last (supplementary) Appropriation Bill that relates to the current financial year. Appropriations are on a cash basis, as a result of which the Statement of Appropriation (which is also on a cash basis) provides a better comparison between actual and appropriated expenditure than the Income Statement does. No estimates are prepared for the Balance Sheet or the Statement of Cash Flows.

## **2.18 Changes in Accounting Policies**

Changes in accounting policies are applied retrospectively, and comparatives are restated. The effect of these changes, if any, is disclosed in Note 3.1, below.

New accounting policies may be adopted for types of transactions that have become material to the Financial Statements for the first time. These are not considered changes in accounting policies. Likewise, some accounting policies may be reworded to better reflect the treatment of transactions; such rewording is also not considered a change in accounting policies.

## **2.19 Changes in Accounting Estimates**

Material effects of changes in accounting estimates are recognised in the Income Statement in the current year to the extent that they have an effect on the current year or previous years. They are disclosed in Note 3.2, below.

## **2.20 Material Prior Year Errors**

If errors are detected that have a material impact on prior years, then these are applied retrospectively, and comparatives are restated. The effect of such errors, if any, is disclosed in Note 3.3, below.

## **3 EVENTS AND DECISIONS WITH SIGNIFICANT ACCOUNTING IMPACTS**

### **3.1 Changes in Accounting Policies and Treatments**

There have been no changes in accounting policies and treatments during the year ended 30 June 2022.

### **3.2 Changes in Accounting Estimates**

There have been no changes in accounting estimates during the year ended 30 June 2022.

### **3.3 Prior Year Error (Telecom Niue Ltd)**

In the year ended 30 June 2021, Telecom Niue Ltd overstated the balance of unspent project funds by \$359,732. The comparatives in Telecom's and the Group's Financial statements have therefore been restated, reducing Other Expenses and Trade Creditors by \$359,732 and increasing the Group's Accumulated Funds by \$359,732.

### **3.4 Budget Approval**

The Assembly passed the budget for the financial year on 1 July 2021, appropriating expenditure to a limit of \$33,512,000 (rounded) recurrent plus \$37,392,000 donor funded; total appropriated expenditure for the Government amounted to \$70,904,000. Estimated revenue amounted to \$66,211,000 resulting in a budgeted deficit of \$4,693,000.



The Appropriation Acts apply to the Parent only. Most subsidiaries prepare a budget that is tabled in the Assembly, but these budgets do not have the legal status of appropriations. Therefore, the comparatives in the Income Statement show only the budget for the Parent.

Furthermore, appropriated expenditure includes capital items and transactions between Government departments and entities that are eliminated from the accrual-based Income Statement. Budgeted surplus or deficit as shown in an Appropriation Act therefore differs from budgeted surplus or deficit as shown in the Appropriation column in the Income Statement.

The budgeted surplus according to the Supplementary Appropriation Act can be reconciled to the accrual-based Income Statement as follows.

|   | <b>PARENT<br/>2022<br/>Appropriated<br/>\$</b> |
|---|--|
| <b>Budgeted Revenue - Appropriation Act</b>           | 66,210,525                                     |
| Eliminate: Sales between Departments                  | <u>(1,869,780)</u>                             |
| <b>Budgeted Revenue - Income Statement</b>            | <u>64,340,745</u>                              |
| <b>Budgeted Expenditure - Appropriation Act</b>       | 70,903,956                                     |
| Eliminate: Sales between Departments                  | <u>(1,869,780)</u>                             |
| Deduct: Capital Expenditure                           | <u>(100,000)</u>                               |
| <b>Budgeted Expenditure - Income Statement</b>        | <u>68,934,176</u>                              |
| <b>BUDGETED SURPLUS/(DEFICIT) - APPROPRIATION ACT</b> | (4,693,431)                                    |
| Add back: Capital Expenditure (including Telecom)     | <u>100,000</u>                                 |
| <b>BUDGETED SURPLUS/(DEFICIT) - INCOME STATEMENT</b>  | <u>(4,593,431)</u>                             |

No adjustments are made for accrual-based expense items that are not appropriated. Examples include capitalised project expenditure, depreciation and impairment losses and reversals.

### 3.5 Major events

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

### 3.6 Subsequent Events

No significant events occurred after balance date that may have had a significant impact on these Financial Statements.

## 4 RECONCILIATION OF STATEMENT OF APPROPRIATION TO INCOME STATEMENT

|  | <u>GROUP</u>      |                    | <u>PARENT</u>     |                    |
|--|-------------------|--------------------|-------------------|--------------------|
|  | 2022<br>\$        | 2017-21<br>\$      | 2022<br>\$        | 2017-21<br>\$      |
| <b>Expenditure According to Statement of Appropriation</b> | 44,426,103        | 180,974,603        | 44,426,103        | 180,974,603        |
| Add: Movements in accruals                                 | 1,263,898         | (439,901)          | 1,263,898         | (80,169)           |
| Add: Depreciation and Amortisation                         | 4,631,479         | 12,497,068         | 4,631,479         | 12,497,063         |
| Add: Disposals and impairments                             | 0                 | 112,790            | 0                 | 112,790            |
| Add: (Increase)/Decrease in Inventories                    | (715,202)         | 368,905            | (715,202)         | 368,905            |
| Add: (Increase)/Decrease in Provision for Doubtful Debts   | 571,069           | 3,128,409          | 571,069           | 6,447,659          |
| Add: Fair Value of Donated Expenses                        | 0                 | 22,967,068         | 0                 | 22,443,179         |
| Deduct: Internal Transactions                              | (2,065,086)       | (17,196,430)       | (2,065,086)       | 0                  |
| Deduct: Capital Expenditure                                | (126,901)         | (536,885)          | (126,901)         | (536,885)          |
| Deduct: Capitalisation of Niue Development Bank            | (1,000,000)       | 0                  | (1,000,000)       | 0                  |
| Add: Subsidiaries without Appropriation                    | 5,131,081         | 47,052,190         | 0                 | 0                  |
| <b>EXPENDITURE ACCORDING TO INCOME STATEMENT</b>           | <u>52,116,441</u> | <u>248,927,817</u> | <u>46,985,360</u> | <u>222,227,145</u> |
| Recurrent Expenditure (Income Statement)                   | 38,071,489        | 179,778,721        | 32,940,408        | 153,498,351        |
| Project Expenditure (Note 7, below)                        | 14,044,952        | 69,149,096         | 14,044,952        | 68,728,794         |
| <b>EXPENDITURE ACCORDING TO INCOME STATEMENT</b>           | <u>52,116,441</u> | <u>248,927,817</u> | <u>46,985,360</u> | <u>222,227,145</u> |

5 EXPENDITURE

|   | GROUP             |                    | PARENT            |                    |
|---|-------------------|--------------------|-------------------|--------------------|
|   | 2022<br>\$        | 2017-21<br>\$      | 2022<br>\$        | 2017-21<br>\$      |
| <b>Recurrent</b>                                |                   |                    |                   |                    |
| Cost of Sales                                   | 11,293            | 61,057             | 11,293            | 61,057             |
| Personnel Expenses                              | 4,739,568         | 23,002,721         | 4,739,568         | 23,002,721         |
| Subsidies & Welfare Payments                    | 182,966           | 1,741,254          | 576,724           | 1,741,254          |
| Depreciation & Amortisation (see Notes 14-15)   | 1,338,470         | 2,002,011          | 1,338,470         | 2,002,011          |
| Maintenance & Materials                         | 210,071           | 1,586,576          | 210,071           | 1,586,576          |
| Travel & Transport                              | 285,362           | 1,617,953          | 285,362           | 1,617,953          |
| Other Expenses                                  | 820,835           | 12,335,443         | 894,765           | 12,335,443         |
| <b>Central Agencies</b>                         | <b>7,588,565</b>  | <b>42,347,015</b>  | <b>8,056,253</b>  | <b>42,347,015</b>  |
| Cost of Sales                                   | 4,059             | 37,504             | 4,059             | 37,504             |
| Personnel Expenses                              | 4,801,704         | 21,662,287         | 4,801,704         | 21,662,287         |
| Subsidies & Welfare Payments                    | 3,886,376         | 18,124,127         | 3,886,376         | 18,124,127         |
| Depreciation & Amortisation (see Notes 14-15)   | 1,106,205         | 3,898,468          | 1,106,205         | 3,898,468          |
| Maintenance & Materials                         | 760,409           | 3,468,358          | 760,409           | 3,468,358          |
| Travel & Transport                              | 595,680           | 2,855,954          | 595,680           | 2,855,954          |
| Other Expenses                                  | 592,648           | 2,941,871          | 610,669           | 2,941,871          |
| <b>Social Services</b>                          | <b>11,747,081</b> | <b>52,988,569</b>  | <b>11,765,102</b> | <b>52,988,569</b>  |
| Cost of Sales                                   | 1,608             | 0                  | 1,608             | 0                  |
| Personnel Expenses                              | 1,225,051         | 5,539,148          | 1,225,051         | 5,539,148          |
| Subsidies & Welfare Payments                    | 14,476            | 77,019             | 14,476            | 77,019             |
| Depreciation & Amortisation (see Notes 14-15)   | 189,784           | 784,222            | 189,784           | 784,222            |
| Maintenance & Materials                         | 104,157           | 422,962            | 104,157           | 422,962            |
| Travel & Transport                              | 104,754           | 414,317            | 104,754           | 414,317            |
| Other Expenses                                  | 18,932            | 359,262            | 35,761            | 359,262            |
| <b>Natural Resources</b>                        | <b>1,658,762</b>  | <b>7,596,930</b>   | <b>1,675,591</b>  | <b>7,596,930</b>   |
| Cost of Sales                                   | 9,844             | 1,500,871          | 9,844             | 1,500,871          |
| Personnel Expenses                              | 2,667,585         | 7,976,885          | 2,667,585         | 7,976,885          |
| Subsidies & Welfare Payments                    | 0                 | 6,989              | 0                 | 6,989              |
| Depreciation & Amortisation (see Notes 14-15)   | 1,855,256         | 4,939,360          | 1,855,256         | 4,939,360          |
| Maintenance & Materials                         | 646,542           | 1,935,006          | 646,542           | 1,935,006          |
| Travel & Transport                              | 485,799           | 1,275,191          | 485,799           | 1,275,191          |
| Other Expenses                                  | 489,580           | 4,148,444          | 523,082           | 4,148,444          |
| <b>Infrastructure</b>                           | <b>6,154,606</b>  | <b>21,782,746</b>  | <b>6,188,108</b>  | <b>21,782,746</b>  |
| Cost of Sales                                   | 5,853,637         | 29,464,729         | 4,054,933         | 21,298,489         |
| Personnel Expenses                              | 2,451,822         | 11,696,781         | 491,686           | 3,943,695          |
| Subsidies & Welfare Payments                    | 50,274            | (2,943,654)        | 0                 | 0                  |
| Depreciation & Amortisation (see Notes 14-15)   | 570,534           | 7,396,199          | 141,764           | 873,002            |
| Maintenance & Materials                         | 465,330           | 3,749,890          | 138,556           | 494,501            |
| Travel & Transport                              | 254,874           | 2,752,021          | 108,834           | 724,591            |
| Other Expenses                                  | 1,276,004         | 2,947,495          | 319,581           | 1,448,813          |
| <b>Commercial &amp; Trading</b>                 | <b>10,922,475</b> | <b>55,063,461</b>  | <b>5,255,354</b>  | <b>28,783,091</b>  |
| <b>Total Recurrent Expenditure</b>              | <b>38,071,489</b> | <b>179,778,721</b> | <b>32,940,408</b> | <b>153,498,351</b> |
| <b>Donors &amp; Projects</b>                    |                   |                    |                   |                    |
| Cost of Sales                                   | 19,175            | 0                  | 19,175            | 0                  |
| Personnel Expenses                              | 5,106,103         | 31,714,873         | 5,106,103         | 31,714,873         |
| Subsidies & Welfare Payments                    | 2,115,517         | 11,624,204         | 2,142,980         | 11,723,793         |
| Maintenance & Materials                         | 2,700,037         | 8,931,466          | 2,700,037         | 8,915,983          |
| Travel & Transport                              | 659,383           | 2,736,105          | 659,383           | 2,736,105          |
| Other Expenses                                  | 3,444,737         | 13,638,040         | 3,417,274         | 13,638,040         |
| Fair value of donated services (paid by donors) | 0                 | 504,408            | 0                 | 0                  |
| <b>Total Donor &amp; Projects Expenditure</b>   | <b>14,044,952</b> | <b>69,149,096</b>  | <b>14,044,952</b> | <b>68,728,794</b>  |
| <b>TOTAL EXPENDITURE</b>                        | <b>52,116,441</b> | <b>248,927,817</b> | <b>46,985,360</b> | <b>222,227,145</b> |



## 6 AUDIT FEES

Other Departmental Expenses include the cost of auditing the Group's Financial Statements, as follows.

|                                       | GROUP          |                  | PARENT         |                |
|---------------------------------------|----------------|------------------|----------------|----------------|
|                                       | 2022           | 2017-21          | 2022           | 2017-21        |
|                                       | \$             | \$               | \$             | \$             |
| Agreed Audit Fees                     | 745,574        | 989,000          | 439,110        | 602,524        |
| Disbursements                         | 90,000         | 100,331          | 90,000         | 100,331        |
| Fees paid by Government for Niue Bank | 3,998          | 6,750            | 3,998          | 6,750          |
| <b>TOTAL AUDIT FEES</b>               | <b>839,572</b> | <b>1,096,081</b> | <b>533,108</b> | <b>709,605</b> |

## 7 DONORS AND PROJECTS

### 7.1 Donors and Projects

|  | GROUP               |                     | PARENT              |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | 2022                | 2017-21             | 2022                | 2017-21             |
|  | \$                  | \$                  | \$                  | \$                  |
| Project Funding Received                           | 14,098,970          | 85,364,285          | 14,098,970          | 84,857,964          |
| Donated Assets (paid by donors)                    | 63,744              | 1,666,202           | 63,744              | 3,241,910           |
| Donated Services (paid by donors)                  | 0                   | 200,263             | 0                   | 0                   |
| <b>Income from Donors and Projects</b>             | <b>14,162,714</b>   | <b>87,230,750</b>   | <b>14,162,714</b>   | <b>88,099,874</b>   |
| Project Expenditure                                | (14,044,952)        | (69,149,096)        | (14,044,952)        | (68,728,794)        |
| <b>Expenditure relating to Donors and Projects</b> | <b>(14,044,952)</b> | <b>(69,149,096)</b> | <b>(14,044,952)</b> | <b>(68,728,794)</b> |
| <b>Capitalised Expenditure</b>                     | <b>3,813,835</b>    | <b>31,483,831</b>   | <b>3,813,835</b>    | <b>31,483,831</b>   |
| <b>DONORS AND PROJECTS - NET</b>                   | <b>3,931,597</b>    | <b>49,565,485</b>   | <b>3,931,597</b>    | <b>50,854,911</b>   |

Most projects are funded by external donors, but some are funded internally by the Government.

Project Funding Received relates to funding received by the Government from external donors for specific development projects (including, but not limited to the development of assets) that are controlled by the Government and/or its subsidiaries. Some external funding may be received from time to time for projects that are considered mostly Government funded. The spending of this project funding is recognised under Project Expenditure. Unused funds for externally funded projects are recognised under Donor Trust Funds as a part of Equity.

Donated Assets consist of assets that are purchased or developed by donors and under their control, and transferred to the Government of Niue upon completion, at which time they usually become available for use.

Donated Services represent the fair value of services performed or acquired by donors and under their control, for the benefit of the Government and/or its subsidiaries.

### 7.2 Movements in Donor Trust Funds

Project funds that have been received for externally funded projects but not yet spent, are recognised under Donor Trust Funds as a part of Equity. This does not apply to internally funded projects. Movements in Donor Trust Funds were as follows.

|  | GROUP            |                   | PARENT           |                   |
|--|------------------|-------------------|------------------|-------------------|
|  | 2022             | 2017-21           | 2022             | 2017-21           |
|  | \$               | \$                | \$               | \$                |
| Opening balance as at 1 July             | 15,788,110       | 5,484,282         | 15,176,278       | 5,378,772         |
| Project funding received during the year | 14,098,970       | 85,364,285        | 14,098,970       | 84,857,964        |
| Deduct: internal funding                 | (709,808)        | (784,583)         | (709,808)        | (784,584)         |
| Project funds spent during the year      | (14,044,952)     | (68,728,794)      | (14,044,952)     | (68,728,794)      |
| Assets purchased from project funds      | (2,915,291)      | (8,862,620)       | (2,915,291)      | (8,862,620)       |
| Add back: internally funded expenditure  | (5,143,680)      | 3,315,540         | (4,531,848)      | 3,315,540         |
| <b>TOTAL DONOR TRUST FUNDS</b>           | <b>7,073,349</b> | <b>15,788,110</b> | <b>7,073,349</b> | <b>15,176,278</b> |

### 7.3 Summary of Donor Trust Funds

The Donor Trust Funds as balance date can be summarised as follows.

|                                | GROUP            |                   | PARENT           |                   |
|--------------------------------|------------------|-------------------|------------------|-------------------|
|                                | 2022             | 2021              | 2022             | 2021              |
|                                | \$               | \$                | \$               | \$                |
| NZAID: asset management        | (4,494,199)      | (5,025,010)       | (4,494,199)      | (5,025,010)       |
| NZAID: tourism development     | 2,512,603        | 1,316,112         | 2,512,603        | 1,316,112         |
| NZAID: technical assistance    | 4,506,577        | 1,842,262         | 4,506,577        | 1,842,262         |
| NZAID: education/scholarships  | 300,602          | 1,082,138         | 300,602          | 1,082,138         |
| NZAID: health support          | 847,455          | 1,023,780         | 847,455          | 1,023,780         |
| NZAID: COVID support           | 250,000          | 10,724,542        | 250,000          | 10,724,542        |
| FFA: Project Development Funds | 0                | 134,650           | 0                | 134,650           |
| European Union: EDF10          | 13,991           | (13,513)          | 13,991           | (13,513)          |
| UNESCO: education              | 58,133           | 107,888           | 58,133           | 107,888           |
| AUSAID: Regional Fund          | 0                | (7,002)           | 0                | (7,002)           |
| AUSAID: 18/19                  | 2,204,815        | 2,565,239         | 2,204,815        | 2,565,239         |
| UNDP: Ridge to Reef            | 395,631          | 1,077,182         | 395,631          | 1,077,182         |
| Other donors                   | 477,741          | 959,842           | 477,741          | 348,010           |
| <b>TOTAL DONOR TRUST FUNDS</b> | <b>7,073,349</b> | <b>15,788,110</b> | <b>7,073,349</b> | <b>15,176,278</b> |

Negative donor trust fund balances comprise projects or project groups for which as at balance date the expenditure incurred exceeded the project funding received.

As at 30 June, the amount of cash required to complete these projects was more than the actual amount of cash held in the donor and trust fund bank accounts (refer Note 8, below).

### 7.4 Movements per Category of Donor Trust Funds

|  | GROUP              |                    | PARENT             |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | 2022               | 2017-21            | 2022               | 2017-21            |
|  | \$                 | \$                 | \$                 | \$                 |
| Opening balance as at 1 July             | (5,025,010)        | 48,253             | (5,025,010)        | 48,253             |
| Project funding received during the year | 2,125,000          | 4,600,000          | 2,125,000          | 4,600,000          |
| Project funds spent during the year      | (2,867,078)        | (6,373,005)        | (2,867,078)        | (6,373,005)        |
| Transfers from/(to) other projects       | 1,272,889          | (3,300,258)        | 1,272,889          | (3,300,258)        |
| <b>NZAID: asset management</b>           | <b>(4,494,199)</b> | <b>(5,025,010)</b> | <b>(4,494,199)</b> | <b>(5,025,010)</b> |
| Opening balance as at 1 July             | 1,316,112          | 707,134            | 1,316,112          | 707,134            |
| Project funding received during the year | 2,007,800          | 5,295,126          | 2,007,800          | 5,295,126          |
| Project funds spent during the year      | (520,835)          | (4,685,648)        | (520,835)          | (4,685,648)        |
| Transfers from/(to) other projects       | (290,474)          | (500)              | (290,474)          | (500)              |
| <b>NZAID: tourism development</b>        | <b>2,512,603</b>   | <b>1,316,112</b>   | <b>2,512,603</b>   | <b>1,316,112</b>   |
| Opening balance as at 1 July             | 1,842,262          | 3,150,926          | 1,842,262          | 3,150,926          |
| Project funding received during the year | 3,800,000          | 33,881,845         | 3,800,000          | 33,881,845         |
| Project funds spent during the year      | (1,135,685)        | (37,229,734)       | (1,135,685)        | (37,229,734)       |
| Transfers from/(to) other projects       | 0                  | 2,039,225          | 0                  | 2,039,225          |
| <b>NZAID: technical assistance</b>       | <b>4,506,577</b>   | <b>1,842,262</b>   | <b>4,506,577</b>   | <b>1,842,262</b>   |
| Opening balance as at 1 July             | 1,082,138          | 436,856            | 1,082,138          | 436,856            |
| Project funding received during the year | 300,000            | 2,136,000          | 300,000            | 2,136,000          |
| Project funds spent during the year      | (458,057)          | (1,490,718)        | (458,057)          | (1,490,718)        |
| Transfers from/(to) other projects       | (623,479)          | 0                  | (623,479)          | 0                  |
| <b>NZAID: education/scholarships</b>     | <b>300,602</b>     | <b>1,082,138</b>   | <b>300,602</b>     | <b>1,082,138</b>   |
| Opening balance as at 1 July             | 1,023,780          | 697,402            | 1,023,780          | 697,402            |
| Project funding received during the year | 400,000            | 2,440,000          | 400,000            | 2,440,000          |
| Project funds spent during the year      | (173,507)          | (2,113,622)        | (173,507)          | (2,113,622)        |
| Transfers from/(to) other projects       | (402,818)          | 0                  | (402,818)          | 0                  |
| <b>NZAID: health support</b>             | <b>847,455</b>     | <b>1,023,780</b>   | <b>847,455</b>     | <b>1,023,780</b>   |

|  | GROUP            |                   | PARENT           |                   |
|--|------------------|-------------------|------------------|-------------------|
|  | 2022<br>\$       | 2017-21<br>\$     | 2022<br>\$       | 2017-21<br>\$     |
| Opening balance as at 1 July             | 10,724,542       | 0                 | 10,724,542       | 0                 |
| Project funding received during the year | 0                | 16,750,000        | 0                | 16,750,000        |
| Project funds spent during the year      | 0                | (6,237,890)       | 0                | (6,237,890)       |
| Transfers from/(to) other projects       | (10,474,542)     | 212,432           | (10,474,542)     | 212,432           |
| <b>NZAID: COVID Support</b>              | <u>250,000</u>   | <u>10,724,542</u> | <u>250,000</u>   | <u>10,724,542</u> |
| Opening balance as at 1 July             | 134,650          | 254,053           | 134,650          | 254,053           |
| Project funds spent during the year      | (267,684)        | (119,403)         | (267,684)        | (119,403)         |
| Transfers from/(to) other projects       | 133,034          | 0                 | 133,034          | 0                 |
| <b>FFA: Project Development Funds</b>    | <u>0</u>         | <u>134,650</u>    | <u>0</u>         | <u>134,650</u>    |
| Opening balance as at 1 July             | (13,513)         | 109,123           | (13,513)         | 109,123           |
| Project funding received during the year | 81               | 579,670           | 81               | 579,670           |
| Project funds spent during the year      | (30)             | (702,306)         | (30)             | (702,306)         |
| Transfers from/(to) other projects       | 27,453           | 0                 | 27,453           | 0                 |
| <b>European Union: EDF10</b>             | <u>13,991</u>    | <u>(13,513)</u>   | <u>13,991</u>    | <u>(13,513)</u>   |
| Opening balance as at 1 July             | 107,888          | 10,120            | 107,888          | 10,120            |
| Project funding received during the year | 0                | 381,066           | 0                | 381,066           |
| Project funds spent during the year      | (50,009)         | (283,298)         | (50,009)         | (283,298)         |
| Transfers from/(to) other projects       | 254              | 0                 | 254              | 0                 |
| <b>UNESCO: education</b>                 | <u>58,133</u>    | <u>107,888</u>    | <u>58,133</u>    | <u>107,888</u>    |
| Opening balance as at 1 July             | (7,002)          | 0                 | (7,002)          | 0                 |
| Project funding received during the year | 0                | 150,000           | 0                | 150,000           |
| Project funds spent during the year      | 0                | (157,002)         | 0                | (157,002)         |
| Transfers from/(to) other projects       | 7,002            | 0                 | 7,002            | 0                 |
| <b>AUSAID: Regional Fund</b>             | <u>0</u>         | <u>(7,002)</u>    | <u>0</u>         | <u>(7,002)</u>    |
| Opening balance as at 1 July             | 2,565,239        | 0                 | 2,565,239        | 0                 |
| Project funding received during the year | 1,052,000        | 3,750,000         | 1,052,000        | 3,750,000         |
| Project funds spent during the year      | (1,416,185)      | (1,130,743)       | (1,416,185)      | (1,130,743)       |
| Transfers from/(to) other projects       | 3,761            | (54,018)          | 3,761            | (54,018)          |
| <b>AUSAID: Funds 18/19</b>               | <u>2,204,815</u> | <u>2,565,239</u>  | <u>2,204,815</u> | <u>2,565,239</u>  |
| Opening balance as at 1 July             | 1,077,182        | 0                 | 1,077,182        | 0                 |
| Project funding received during the year | 676,263          | 4,010,886         | 676,263          | 4,010,886         |
| Project funds spent during the year      | (1,431,542)      | (2,175,660)       | (1,431,542)      | (2,175,660)       |
| Transfers from/(to) other projects       | 73,728           | (758,044)         | 73,728           | (758,044)         |
| <b>UNDP: Ridge to Reef</b>               | <u>395,631</u>   | <u>1,077,182</u>  | <u>395,631</u>   | <u>1,077,182</u>  |
| Opening balance as at 1 July             | 959,842          | 70,415            | 348,010          | (35,095)          |
| Project funding received during the year | 3,028,018        | 10,605,109        | 3,028,018        | 10,098,787        |
| Project funds spent during the year      | (2,706,394)      | (11,576,845)      | (2,706,394)      | (11,576,845)      |
| Transfers from/(to) other projects       | (803,725)        | 1,861,163         | (191,893)        | 1,861,163         |
| <b>Other donors</b>                      | <u>477,741</u>   | <u>959,842</u>    | <u>477,741</u>   | <u>348,010</u>    |
| <b>TOTAL DONOR TRUST FUNDS</b>           | <u>7,073,349</u> | <u>15,788,110</u> | <u>7,073,349</u> | <u>15,176,278</u> |

## 8 CASH & CASH EQUIVALENTS

|                              | GROUP             |                  | PARENT            |                  |
|------------------------------|-------------------|------------------|-------------------|------------------|
|                              | 2022<br>\$        | 2021<br>\$       | 2022<br>\$        | 2021<br>\$       |
| Cash and bank balances       | 15,123,763        | 2,707,128        | 12,223,023        | 122,417          |
| Call and short term deposits | 3,565,661         | 3,108,137        | 4,882             | 1,292,028        |
| <b>Recurrent funds</b>       | <u>18,689,424</u> | <u>5,815,265</u> | <u>12,227,905</u> | <u>1,414,445</u> |

|  | GROUP             |                   | PARENT            |                  |
|--|-------------------|-------------------|-------------------|------------------|
|  | 2022              | 2021              | 2022              | 2021             |
|  | \$                | \$                | \$                | \$               |
| Cash and bank balances                   | 839,834           | 1,370,239         | (56,573)          | 1,267,404        |
| Call and short term deposits             | 1,000,992         | 4,858,343         | 1,000,992         | 4,858,343        |
| <b>Donor and trust funds</b>             | <b>1,840,826</b>  | <b>6,228,582</b>  | <b>944,419</b>    | <b>6,125,747</b> |
| <b>TOTAL CASH &amp; CASH EQUIVALENTS</b> | <b>20,530,250</b> | <b>12,043,847</b> | <b>13,172,324</b> | <b>7,540,192</b> |

The cash required to complete current projects (amounting to \$7,073,349, refer Note 7, above) is \$5,232,523 more than what is held in the donor and trust funds bank accounts (\$1,840,826), because cash held in donor bank accounts has been used for recurrent expenditure. In addition, funds for other projects have been used to cover overexpenditure of \$4,494,199 in asset management projects.

## 9 INVENTORIES

|   | GROUP            |                  | PARENT           |                |
|---|------------------|------------------|------------------|----------------|
|   | 2022             | 2021             | 2022             | 2021           |
|   | \$               | \$               | \$               | \$             |
| Fuel (wholesale)  | 1,402,959        | 790,239          | 1,402,959        | 790,239        |
| Bond Store (retail and wholesale)                         | 813,271          | 1,540,836        | 0                | 0              |
| Other inventories for resale                              | 329,704          | 282,249          | 64,140           | 0              |
| <b>Inventories for resale</b>                             | <b>2,545,934</b> | <b>2,613,324</b> | <b>1,467,099</b> | <b>790,239</b> |
| Other inventories (fuel and spare parts for internal use) | 38,342           | 0                | 38,342           | 0              |
| <b>TOTAL INVENTORIES</b>                                  | <b>2,584,276</b> | <b>2,613,324</b> | <b>1,505,441</b> | <b>790,239</b> |

## 10 DEBTORS

|   | GROUP            |                  | PARENT           |                  |
|---|------------------|------------------|------------------|------------------|
|   | 2022             | 2021             | 2022             | 2021             |
|   | \$               | \$               | \$               | \$               |
| Trade debtors                           | 3,094,224        | 1,421,994        | 1,649,114        | 2,403,202        |
| Taxes receivable                        | 673,895          | 558,619          | 3,038,686        | 2,939,214        |
| Other receivables                       | 118,553          | 347,757          | 530,901          | 264,002          |
| Accrued income                          | 369,482          | 15,942           | 365,654          | 15,942           |
| Prepaid expenses                        | 61,853           | 5,000            | 47,970           | 0                |
| <b>Carrying amount of Debtors</b>       | <b>4,318,007</b> | <b>2,349,312</b> | <b>5,632,325</b> | <b>5,622,360</b> |
| Deduct: Provision for doubtful debts    | (1,020,370)      | (400,501)        | (834,232)        | (260,470)        |
| <b>NET VALUE OF ACCOUNTS RECEIVABLE</b> | <b>3,297,637</b> | <b>1,948,811</b> | <b>4,798,093</b> | <b>5,361,890</b> |

## 11 LOANS

|   | GROUP             |                   | PARENT   |                  |
|---|-------------------|-------------------|----------|------------------|
|   | 2022              | 2021              | 2022     | 2021             |
|   | \$                | \$                | \$       | \$               |
| Rent-to-buy and Other Housing loans                       | 290,941           | 0                 | 0        | 0                |
| Other loans   | 1,640,370         | 1,226,124         | 0        | 0                |
| <b>Gross carrying amount of long term loans</b>           | <b>1,931,311</b>  | <b>1,226,124</b>  | <b>0</b> | <b>0</b>         |
| Deduct: Provision for doubtful debts                      | (19,707)          | (25,000)          | 0        | 0                |
| <b>Net value of Long Term Loans - Current Portion</b>     | <b>1,911,604</b>  | <b>1,201,124</b>  | <b>0</b> | <b>0</b>         |
| Rent-to-buy and Other Housing loans                       | 2,957,708         | 3,322,999         | 0        | 0                |
| Other loans   | 7,130,824         | 7,027,438         | 0        | 3,790,400        |
| <b>Gross carrying amount of long term loans</b>           | <b>10,088,532</b> | <b>10,350,437</b> | <b>0</b> | <b>3,790,400</b> |
| Deduct: Provision for doubtful debts                      | (152,238)         | (113,081)         | 0        | 0                |
| <b>Net value of Long Term Loans - Non Current Portion</b> | <b>9,936,294</b>  | <b>10,237,356</b> | <b>0</b> | <b>3,790,400</b> |
| <b>NET VALUE OF OF LONG TERM LOANS</b>                    | <b>11,847,898</b> | <b>11,438,480</b> | <b>0</b> | <b>3,790,400</b> |

## 12 OTHER INVESTMENTS

|  | GROUP    |          | PARENT            |                  |
|--|----------|----------|-------------------|------------------|
|  | 2022     | 2021     | 2022              | 2021             |
|  | \$       | \$       | \$                | \$               |
| Investment in Niue Development Bank                    | 0        | 0        | 9,940,370         | 5,149,970        |
| Investment in Niue Philatelic & Numismatic Corporation | 0        | 0        | 1,095,378         | 0                |
| Investment in Niue Bond and Liquor Company Limited     | 0        | 0        | 459,799           | 459,798          |
| Investment in Niue Commercial Enterprises Limited      | 0        | 0        | 350,000           | 350,000          |
| <b>TOTAL OTHER INVESTMENTS</b>                         | <b>0</b> | <b>0</b> | <b>11,845,547</b> | <b>5,959,768</b> |

Movements in the value of the Government's investments in its subsidiaries and in non-controlled entities can be summarised as follows.

|   | PARENT            |                  |
|---|-------------------|------------------|
|   | 2022              | 2017-21          |
|   | \$                | \$               |
| Carrying amount as at 1 July  | 5,959,768         | 7,330,048        |
| Transfer of Swanson land to Niue Philatelic & Numismatic Corporation                        | 0                 | 377,475          |
| Transfer of prepaid meters to Niue Philatelic & Numismatic Corporation                      | 0                 | 15,086           |
| Transfer of property, plant & equipment to Niue Philatelic & Numismatic Corporation         | 0                 | 362,268          |
| Transfer of Civil Works, Quarry and Niue Power assets to Niue Philatelic & Numismatic Corp. | 0                 | 8,254,686        |
| Transfer of Civil Works, Quarry and Niue Power assets back to the Government of Niue        | 0                 | (6,476,894)      |
| Transfer of Telecom Niue department net assets to Telecom Niue Limited                      | 0                 | 2,152,561        |
| Transfer of vehicle to Telecom Niue Limited   | 0                 | 15,483           |
| Transfer of net assets from Niue Bond and Liquor Company Limited                            | 1                 | (8,001)          |
| Additional investments in Niue Development Bank   | 4,790,400         | 0                |
| Transfer of assets to Broadcasting Corporation of Niue                                      | 43,172            | 0                |
| Impairment loss reversals/(losses) in investments in subsidiaries                           | 1,052,206         | (6,062,944)      |
| <b>CARRYING AMOUNT AS AT 30 JUNE</b>  | <b>11,845,547</b> | <b>5,959,768</b> |

## 13 STATEMENT OF INVESTMENTS

Section 40 of the Public Revenues Act 1959 requires disclosure of details of public securities, being securities representing the investment of any public moneys.

|  | GROUP             |                   | PARENT            |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | 2022              | 2021              | 2022              | 2021              |
|  | \$                | \$                | \$                | \$                |
| Investments in recurrent cash & cash eq. (see Note 8, above) | 3,565,661         | 3,108,137         | 4,882             | 1,292,028         |
| Investments in donor cash & cash eq. (see Note 8, above)     | 1,000,992         | 4,858,343         | 1,000,992         | 4,858,343         |
| Investments in subsidiaries (see Note 12, above)             | 0                 | 0                 | 11,845,547        | 5,959,768         |
| Loans - gross carrying amount (see Note 11, above)           | 12,019,843        | 11,576,561        | 0                 | 3,790,400         |
| <b>TOTAL INVESTMENTS</b>                                     | <b>16,586,496</b> | <b>19,543,041</b> | <b>12,851,421</b> | <b>15,900,539</b> |

## 14 PROPERTY, PLANT & EQUIPMENT

### 14.1 Movements in Property, Plant & Equipment

|  | GROUP              |                    | PARENT             |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | 2022               | 2017-21            | 2022               | 2017-21            |
|  | \$                 | \$                 | \$                 | \$                 |
| Gross carrying amount as at 1 July         | 115,087,788        | 82,656,795         | 106,589,445        | 75,456,234         |
| Additions                                  | 7,508,307          | 47,249,060         | 6,867,697          | 44,016,818         |
| Transfer of assets from related entities   | 0                  | 0                  | 0                  | 10,195,147         |
| Disposals                                  | (1,851,323)        | (8,546,540)        | (651,331)          | (22,991,754)       |
| Correction of misclassifications           | 0                  | (6,271,527)        | 0                  | (87,000)           |
| <b>Gross carrying amount as at 30 June</b> | <b>120,744,772</b> | <b>115,087,788</b> | <b>112,805,811</b> | <b>106,589,445</b> |

|   | GROUP             |                   | PARENT            |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 2022              | 2021              | 2022              | 2021              |
|   | \$                | \$                | \$                | \$                |
| Accumulated depreciation as at 1 July                 | 42,301,298        | 37,732,768        | 36,019,661        | 33,128,641        |
| Depreciation charge for the year                      | 4,973,751         | 18,761,087        | 4,571,337         | 12,350,408        |
| Transfer of assets from related entities              | 0                 | 0                 | 0                 | 3,718,251         |
| Disposals   | (1,754,972)       | (7,921,030)       | (604,803)         | (13,177,639)      |
| Correction of misclassifications                      | 0                 | (6,271,527)       | 0                 | 0                 |
| <b>Accumulated depreciation as at 30 June</b>         | <b>45,520,077</b> | <b>42,301,298</b> | <b>39,986,195</b> | <b>36,019,661</b> |
| <b>NET BOOK VALUE - PROPERTY, PLANT AND EQUIPMENT</b> | <b>75,224,695</b> | <b>72,786,490</b> | <b>72,819,616</b> | <b>70,569,784</b> |

#### 14.2 Asset Classes

|   | GROUP             |                   | PARENT            |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 2022              | 2021              | 2022              | 2021              |
|   | \$                | \$                | \$                | \$                |
| Land  | 5,518,617         | 5,141,142         | 5,013,642         | 5,013,642         |
| Infrastructural assets                                | 29,428,254        | 30,587,853        | 28,972,124        | 30,100,497        |
| Buildings and site improvements                       | 28,195,929        | 25,824,554        | 27,468,431        | 25,017,138        |
| Machinery   | 3,630,731         | 3,598,659         | 3,401,451         | 3,290,690         |
| Vehicles  | 5,089,903         | 4,374,191         | 4,892,320         | 4,138,261         |
| Electronic equipment                                  | 3,049,393         | 2,957,769         | 2,885,450         | 2,837,820         |
| Furniture and Fittings                                | 311,868           | 302,322           | 186,198           | 171,736           |
| <b>NET BOOK VALUE - PROPERTY, PLANT AND EQUIPMENT</b> | <b>75,224,695</b> | <b>72,786,490</b> | <b>72,819,616</b> | <b>70,569,784</b> |

The Government does not own all the land which its buildings occupy. However, because the Government effectively controls the land and receives the benefits from its use, all land that the Government uses has been recognised as assets.

Infrastructural assets include the Airport runway and the Alofi wharf. Other infrastructural assets, such as roads, street lights and underground cables, are also owned by the Government. These have historically been treated as operating expenditure. Most of these assets have been in use for a considerable time and would, if they had been recognised as assets and depreciated in accordance with the Government's normal depreciation rules, have been almost fully depreciated. New infrastructural assets will be recognised as assets in accordance with the Government's accounting policies.

Buildings and site improvements include: buildings, sheds, bulk fuel tanks, site preparation, landscaping, paths and lawns around buildings used by the Government, and storage containers.

Vehicles include boats.

Electronic equipment includes computer equipment and peripherals, network equipment to service the Government's internal network, medical equipment, etc.

#### 14.3 Movements per Asset Class

|                                    | GROUP            |                  | PARENT           |                  |
|------------------------------------|------------------|------------------|------------------|------------------|
|                                    | 2022             | 2017-21          | 2022             | 2017-21          |
|                                    | \$               | \$               | \$               | \$               |
| <b>Land</b>                        |                  |                  |                  |                  |
| Gross carrying amount as at 1 July | 5,141,142        | 5,141,142        | 5,013,642        | 5,005,642        |
| Additions                          | 377,475          | 0                | 0                | 8,000            |
| <b>Net Book Value - Land</b>       | <b>5,518,617</b> | <b>5,141,142</b> | <b>5,013,642</b> | <b>5,013,642</b> |

The addition of land arose from land having been prepared for first use and thus acquiring a commercial value in the year ended 30 June 2017, but the addition had been erroneously omitted from the consolidation. As it is considered immaterial, the value of the land has been added in the current financial year, rather than having been treated as a prior year error.

#### Infrastructural Assets

|  |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|
| Gross carrying amount as at 1 July         | 40,929,202        | 20,767,500        | 38,778,987        | 20,075,751        |
| Additions                                  | 651,245           | 19,874,502        | 651,245           | 19,809,739        |
| Disposals                                  | (34,271)          | (3,254,798)       | (34,271)          | (8,172,326)       |
| Correction of misclassifications           | 0                 | 3,541,998         | 0                 | 7,065,823         |
| <b>Gross carrying amount as at 30 June</b> | <b>41,546,176</b> | <b>40,929,202</b> | <b>39,395,961</b> | <b>38,778,987</b> |



|   | GROUP             |                   | PARENT            |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 2022<br>\$        | 2017-21<br>\$     | 2022<br>\$        | 2017-21<br>\$     |
| Accumulated depreciation as at 1 July                   | 10,341,349        | 9,607,872         | 8,678,490         | 8,916,123         |
| Depreciation charge for the year                        | 1,810,844         | 4,133,066         | 1,779,618         | 2,381,902         |
| Disposals   | (34,271)          | (3,064,497)       | (34,271)          | (4,903,911)       |
| Correction of misclassifications                        | 0                 | (335,092)         | 0                 | 2,284,376         |
| <b>Accumulated depreciation as at 30 June</b>           | <b>12,117,922</b> | <b>10,341,349</b> | <b>10,423,837</b> | <b>8,678,490</b>  |
| <b>Net Book Value - Infrastructural Assets</b>          | <b>29,428,254</b> | <b>30,587,853</b> | <b>28,972,124</b> | <b>30,100,497</b> |
| <b>Buildings and Site Improvements</b>                  |                   |                   |                   |                   |
| Gross carrying amount as at 1 July                      | 40,716,011        | 28,716,815        | 37,898,012        | 26,302,254        |
| Additions   | 3,505,413         | 12,759,996        | 3,483,433         | 12,383,265        |
| Disposals   | (158,461)         | (385,312)         | (45,000)          | (957,441)         |
| Correction of misclassifications                        | 0                 | (375,488)         | 0                 | 169,934           |
| <b>Gross carrying amount as at 30 June</b>              | <b>44,062,963</b> | <b>40,716,011</b> | <b>41,336,445</b> | <b>37,898,012</b> |
| Accumulated depreciation as at 1 July                   | 14,891,457        | 10,396,056        | 12,880,874        | 8,913,002         |
| Depreciation charge for the year                        | 1,086,063         | 5,126,984         | 987,140           | 4,492,617         |
| Disposals   | (110,486)         | (316,614)         | 0                 | (683,473)         |
| Correction of misclassifications                        | 0                 | (314,969)         | 0                 | 158,728           |
| <b>Accumulated depreciation as at 30 June</b>           | <b>15,867,034</b> | <b>14,891,457</b> | <b>13,868,014</b> | <b>12,880,874</b> |
| <b>Net Book Value - Buildings and Site Improvements</b> | <b>28,195,929</b> | <b>25,824,554</b> | <b>27,468,431</b> | <b>25,017,138</b> |
| <b>Machinery</b>  |                   |                   |                   |                   |
| Gross carrying amount as at 1 July                      | 8,849,776         | 14,230,198        | 7,917,335         | 12,591,582        |
| Additions   | 499,650           | 5,650,519         | 470,100           | 4,444,490         |
| Transfer of assets from related entities                | 0                 | 0                 | 0                 | 1,860,212         |
| Disposals   | (546,242)         | (216,686)         | (194,941)         | (9,523,382)       |
| Correction of misclassifications                        | 0                 | (10,814,255)      | 0                 | (1,455,567)       |
| <b>Gross carrying amount as at 30 June</b>              | <b>8,803,184</b>  | <b>8,849,776</b>  | <b>8,192,494</b>  | <b>7,917,335</b>  |
| Accumulated depreciation as at 1 July                   | 5,251,117         | 6,379,115         | 4,626,645         | 5,872,654         |
| Depreciation charge for the year                        | 439,397           | 4,598,557         | 359,339           | 1,183,993         |
| Transfer of assets from related entities                | 0                 | 0                 | 0                 | 634,416           |
| Disposals   | (518,061)         | (213,476)         | (194,941)         | (3,819,346)       |
| Correction of misclassifications                        | 0                 | (5,513,079)       | 0                 | 754,928           |
| <b>Accumulated depreciation as at 30 June</b>           | <b>5,172,453</b>  | <b>5,251,117</b>  | <b>4,791,043</b>  | <b>4,626,645</b>  |
| <b>Net Book Value - Machinery</b>                       | <b>3,630,731</b>  | <b>3,598,659</b>  | <b>3,401,451</b>  | <b>3,290,690</b>  |
| <b>Vehicles</b>   |                   |                   |                   |                   |
| Gross carrying amount as at 1 July                      | 11,552,251        | 6,234,637         | 10,027,339        | 4,868,633         |
| Additions   | 1,464,029         | 5,696,999         | 1,411,200         | 5,095,915         |
| Transfer of assets from related entities                | 0                 | 0                 | 0                 | 390,172           |
| Disposals   | (715,055)         | (694,617)         | (255,314)         | (971,332)         |
| Correction of misclassifications                        | 0                 | 315,232           | 0                 | 643,951           |
| <b>Gross carrying amount as at 30 June</b>              | <b>12,301,225</b> | <b>11,552,251</b> | <b>11,183,225</b> | <b>10,027,339</b> |
| Accumulated depreciation as at 1 July                   | 7,178,060         | 5,061,755         | 5,889,078         | 3,768,473         |
| Depreciation charge for the year                        | 729,462           | 2,638,258         | 655,613           | 2,340,081         |
| Transfer of assets from related entities                | 0                 | 0                 | 0                 | 222,911           |
| Disposals   | (696,200)         | (482,711)         | (253,786)         | (693,907)         |
| Correction of misclassifications                        | 0                 | (39,242)          | 0                 | 251,520           |
| <b>Accumulated depreciation as at 30 June</b>           | <b>7,211,322</b>  | <b>7,178,060</b>  | <b>6,290,905</b>  | <b>5,889,078</b>  |
| <b>Net Book Value - Vehicles</b>                        | <b>5,089,903</b>  | <b>4,374,191</b>  | <b>4,892,320</b>  | <b>4,138,261</b>  |
| <b>Electronic Equipment</b>                             |                   |                   |                   |                   |
| Gross carrying amount as at 1 July                      | 6,808,753         | 6,740,996         | 6,335,541         | 6,022,356         |
| Additions   | 916,583           | 2,930,375         | 800,899           | 2,179,226         |
| Transfer of assets from related entities                | 0                 | 0                 | 0                 | 7,938,045         |
| Disposals   | (204,843)         | (3,943,693)       | (115,940)         | (3,299,664)       |
| Correction of misclassifications                        | 0                 | 1,081,075         | 0                 | (6,504,422)       |
| <b>Gross carrying amount as at 30 June</b>              | <b>7,520,493</b>  | <b>6,808,753</b>  | <b>7,020,500</b>  | <b>6,335,541</b>  |

|   | GROUP             |                   | PARENT            |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 2022<br>\$        | 2017-21<br>\$     | 2022<br>\$        | 2017-21<br>\$     |
| Accumulated depreciation as at 1 July                 | 3,850,984         | 5,767,447         | 3,497,721         | 5,319,049         |
| Depreciation charge for the year                      | 824,958           | 1,925,592         | 753,269           | 1,775,607         |
| Transfer of assets from related entities              | 0                 | 0                 | 0                 | 2,856,021         |
| Disposals   | (204,842)         | (3,792,298)       | (115,940)         | (3,009,455)       |
| Correction of misclassifications                      | 0                 | (49,757)          | 0                 | (3,443,501)       |
| <b>Accumulated depreciation as at 30 June</b>         | <b>4,471,100</b>  | <b>3,850,984</b>  | <b>4,135,050</b>  | <b>3,497,721</b>  |
| <b>Net Book Value - Electronic Equipment</b>          | <b>3,049,393</b>  | <b>2,957,769</b>  | <b>2,885,450</b>  | <b>2,837,820</b>  |
| <b>Furniture and Fittings</b>                         |                   |                   |                   |                   |
| Gross carrying amount as at 1 July                    | 1,090,653         | 825,507           | 618,589           | 590,016           |
| Additions   | 93,912            | 336,669           | 50,820            | 96,183            |
| Transfer of assets from related entities              | 0                 | 0                 | 0                 | 6,718             |
| Disposals   | (192,451)         | (51,434)          | (5,865)           | (67,609)          |
| Correction of misclassifications                      | 0                 | (20,089)          | 0                 | (6,719)           |
| <b>Gross carrying amount as at 30 June</b>            | <b>992,114</b>    | <b>1,090,653</b>  | <b>663,544</b>    | <b>618,589</b>    |
| Accumulated depreciation as at 1 July                 | 788,331           | 520,523           | 446,853           | 339,340           |
| Depreciation charge for the year                      | 83,027            | 338,630           | 36,358            | 176,208           |
| Transfer of assets from related entities              | 0                 | 0                 | 0                 | 4,903             |
| Disposals   | (191,112)         | (51,434)          | (5,865)           | (67,547)          |
| Correction of misclassifications                      | 0                 | (19,388)          | 0                 | (6,051)           |
| <b>Accumulated depreciation as at 30 June</b>         | <b>680,246</b>    | <b>788,331</b>    | <b>477,346</b>    | <b>446,853</b>    |
| <b>Net Book Value - Furniture and Fittings</b>        | <b>311,868</b>    | <b>302,322</b>    | <b>186,198</b>    | <b>171,736</b>    |
| <b>NET BOOK VALUE - PROPERTY, PLANT AND EQUIPMENT</b> | <b>75,224,695</b> | <b>72,786,490</b> | <b>72,819,616</b> | <b>70,569,784</b> |

#### 14.4 Work in progress

The total amount of assets in the course of construction included in the cost of Property, Plant and Equipment is \$4.2 mln (2021: \$25.3 mln). Depreciation on these assets had not been started by 30 June.

#### 15 SOFTWARE

|   | GROUP          |                | PARENT         |                |
|---|----------------|----------------|----------------|----------------|
|   | 2022<br>\$     | 2017-21<br>\$  | 2022<br>\$     | 2017-21<br>\$  |
| Gross carrying amount as at 1 July            | 620,499        | 538,272        | 450,789        | 488,664        |
| Additions                                     | 27,266         | 235,088        | 8,910          | 108,603        |
| Disposals                                     | (44,345)       | 0              | 0              | (146,478)      |
| Correction of misclassifications              | 0              | (152,861)      | 0              | 0              |
| <b>Gross carrying amount as at 30 June</b>    | <b>603,420</b> | <b>620,499</b> | <b>459,699</b> | <b>450,789</b> |
| Accumulated depreciation as at 1 July         | 451,107        | 344,795        | 351,748        | 335,900        |
| Depreciation charge for the year              | 86,498         | 259,173        | 60,142         | 146,655        |
| Disposals                                     | (44,345)       | 0              | 0              | (130,807)      |
| Correction of misclassifications              | 0              | (152,861)      | 0              | 0              |
| <b>Accumulated depreciation as at 30 June</b> | <b>493,260</b> | <b>451,107</b> | <b>411,890</b> | <b>351,748</b> |
| <b>NET BOOK VALUE - SOFTWARE</b>              | <b>110,160</b> | <b>169,392</b> | <b>47,809</b>  | <b>99,041</b>  |

Software includes separately acquired computer programmes and the directly attributable cost of implementing comprehensive computer-based information systems.





**16 TRADE AND OTHER CREDITORS**

|   | GROUP            |                  | PARENT           |                  |
|---|------------------|------------------|------------------|------------------|
|   | 2022             | 2021             | 2022             | 2021             |
|   | \$               | \$               | \$               | \$               |
| Trade creditors (refer Note 3.3, above) | 5,531,687        | 2,834,085        | 4,204,971        | 3,637,037        |
| Tax liabilities (refunds)               | 310,975          | 521,462          | 1,068,164        | 537,340          |
| Other creditors                         | 1,810,661        | 1,558,726        | 245,735          | 471,019          |
| <b>TOTAL AND OTHER CREDITORS</b>        | <b>7,653,323</b> | <b>4,914,273</b> | <b>5,518,870</b> | <b>4,645,396</b> |

**17 EMPLOYEE ENTITLEMENTS**

|   | GROUP            |                  | PARENT           |                  |
|---|------------------|------------------|------------------|------------------|
|   | 2022             | 2021             | 2022             | 2021             |
|   | \$               | \$               | \$               | \$               |
| Accrued salaries (current)                        | 398,480          | 328,432          | 374,350          | 309,503          |
| Leave entitlements (see below for classification) | 1,993,079        | 1,958,115        | 1,863,686        | 1,766,269        |
| <b>EMPLOYEE ENTITLEMENTS</b>                      | <b>2,391,559</b> | <b>2,286,547</b> | <b>2,238,036</b> | <b>2,075,772</b> |

Leave entitlements include current and non current entitlements, as follows.

|                           |                  |                  |                  |                  |
|---------------------------|------------------|------------------|------------------|------------------|
| Current entitlements      | 959,243          | 1,079,406        | 852,223          | 941,535          |
| Non current entitlements  | 1,033,836        | 878,709          | 1,011,463        | 824,734          |
| <b>LEAVE ENTITLEMENTS</b> | <b>1,993,079</b> | <b>1,958,115</b> | <b>1,863,686</b> | <b>1,766,269</b> |

Movements in leave entitlements can be summarised as follows.

|  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|
| Balance as at 1 July                               | 1,958,115        | 1,324,416        | 1,766,269        | 1,232,163        |
| Transfer of Telecom Niue annual leave balance      | 0                | 0                | 0                | (82,902)         |
| Effect of salary increases                         | 28,319           | 280,914          | 27,160           | 266,490          |
| Effect of changes in staff numbers                 | 134,202          | 0                | 134,202          | 0                |
| Effect of discounting                              | (55,359)         | (41,823)         | (52,576)         | (29,876)         |
| Effect of early resignations                       | (43,732)         | (44,514)         | (42,061)         | (37,346)         |
| Net effect of additional and utilised entitlements | (28,466)         | 439,122          | 30,692           | 417,740          |
| <b>LEAVE ENTITLEMENTS AS AT 30 JUNE</b>            | <b>1,993,079</b> | <b>1,958,115</b> | <b>1,863,686</b> | <b>1,766,269</b> |

**18 FINANCIAL INSTRUMENTS****18.1 Credit risk**

The Government of Niue and its associated entities incur credit risk from financial institutions, loan debtors, tax debtors, trade debtors and other debtors. The Government has placed its funds as cash and interest bearing deposits with the Westpac Banking Corporation and Kiwibank in New Zealand. Loans are only advanced to borrowers that meet certain credit criteria.

**18.2 Interest rate risk**

The Government places surplus funds on short term interest bearing deposits that are subject to normal market fluctuations.

**18.3 Currency risk**

The Government does not keep assets in foreign currencies.

**18.4 Fair value**

Financial instruments are recorded at their fair value.

## 19 COMMITMENTS

|  | GROUP            |                  | PARENT           |                |
|--|------------------|------------------|------------------|----------------|
|  | 2022             | 2021             | 2022             | 2021           |
|  | \$               | \$               | \$               | \$             |
| Property, Plant & Equipment                          | 1,112,825        | 0                | 1,112,825        | 0              |
| <b>Capital Commitments</b>                           | <b>1,112,825</b> | <b>0</b>         | <b>1,112,825</b> | <b>0</b>       |
| <b>Loans approved but not yet drawn by borrowers</b> | <b>1,128,896</b> | <b>784,280</b>   | <b>0</b>         | <b>0</b>       |
| Not later than one year                              | 571,374          | 367,567          | 0                | 0              |
| Later than one year and not later than five years    | 364,947          | 104,139          | 0                | 0              |
| Later than five years                                | 662,862          | 83,116           | 0                | 0              |
| <b>Operating Lease Commitments</b>                   | <b>1,599,183</b> | <b>554,822</b>   | <b>0</b>         | <b>0</b>       |
| Not later than one year                              | 304,879          | 325,856          | 221,763          | 322,856        |
| Later than one year and not later than five years    | 223,308          | 456,789          | 140,192          | 456,789        |
| <b>Other Operating Commitments</b>                   | <b>528,187</b>   | <b>782,645</b>   | <b>361,955</b>   | <b>779,645</b> |
| <b>TOTAL COMMITMENTS</b>                             | <b>4,369,091</b> | <b>2,121,747</b> | <b>1,474,780</b> | <b>779,645</b> |

## 20 CONTINGENT LIABILITY: COIN ISSUES

The Niue Philatelic and Numismatic Corporation issues coin for the numismatic collectors' market. This coin is legal tender only in Niue. Coins may therefore be redeemed against the Niue Philatelic and Numismatic Corporation or the Government of Niue. However, because of the nature of the coins and because they are only legal tender within Niue, it is considered unlikely that any material amount will be redeemed.

## 21 FINANCIAL SUSTAINABILITY

Niue is a self governing country in free association with New Zealand. Through the Niue Constitution Act 1974, New Zealand has committed itself to providing Niue with the necessary economic and administrative assistance.

Niue relies on New Zealand's ongoing support, which presently includes: (a) annual budget support, (b) funding for specified development projects, and (c) funding for short term and longer term technical advisors.

New Zealand has committed to a 2 year Forward Aid Program of \$24.09 mln for the two years 2021/22 and 2022/23. This is considered sufficient to meet the Government of Niue's operational commitments and ensure adequate capital investment in Niue's key assets.

## 23 REVENUE WITH UNCERTAINTY RELATING TO COMPLETENESS

Necessary controls were not in place to provide the auditors with sufficient assurance around the complete recognition of all revenue from NCT, income tax, import duties and port charges which are included in Taxes, Duties and Fines. The line "Taxes, Duties & Fines" in the Income Statement can be specified as follows.

|  | GROUP            |                   | PARENT           |                   |
|--|------------------|-------------------|------------------|-------------------|
|  | 2022             | 2017-21           | 2022             | 2017-21           |
|  | \$               | \$                | \$               | \$                |
| NCT, import duties and port charges                                | 4,142,153        | 23,170,389        | 4,142,153        | 23,170,389        |
| Other taxes  | 3,429,994        | 20,180,819        | 3,429,994        | 20,180,819        |
| Fines, fishing rights, landing rights, and other registration fees | 1,875,057        | 10,290,547        | 1,875,057        | 10,290,547        |
| Intercompany eliminations  | 86,816           | (368,250)         | 0                | 0                 |
| <b>TOTAL TAXES, DUTIES &amp; FINES</b>                             | <b>9,534,020</b> | <b>53,273,505</b> | <b>9,447,204</b> | <b>53,641,755</b> |

Necessary controls were not in place to provide the auditors with sufficient assurance around the complete recognition of all revenue which is included in Sale of Goods and Services from Telecom Niue, Broadcasting Corporation of Niue and Niue Bond & Liquor Company Ltd. The line "Sale of Goods and Services" in the Income Statement can be specified as follows.

|   | GROUP            |                   | PARENT           |                   |
|---|------------------|-------------------|------------------|-------------------|
|   | 2022             | 2017-21           | 2022             | 2017-21           |
|   | \$               | \$                | \$               | \$                |
| Government departments                    | 6,232,373        | 36,250,243        | 6,232,373        | 36,250,343        |
| Telecom Niue                              | 2,327,188        | 7,672,230         | 0                | 0                 |
| Niue Development Bank                     | 93,707           | 324,964           | 0                | 0                 |
| Broadcasting Corporation of Niue          | 181,880          | 867,617           | 0                | 0                 |
| Niue Philatelic & Numismatic Corporation  | 55,755           | 13,757,440        | 0                | 0                 |
| Niue Bond & Liquor Company Ltd            | 1,526,728        | 8,574,146         | 0                | 0                 |
| Niue Commercial Enterprises Ltd           | 62,222           | 0                 | 0                | 0                 |
| Intercompany eliminations                 | (1,158,587)      | (12,946,624)      | 0                | 0                 |
| <b>TOTAL SALE OF GOODS &amp; SERVICES</b> | <b>9,321,266</b> | <b>54,500,016</b> | <b>6,232,373</b> | <b>36,250,343</b> |