



NIUE DEVELOPMENT BANK FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

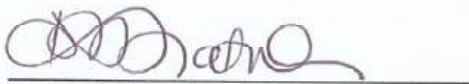
Niue Development Bank
STATEMENT OF RESPONSIBILITY
For the Year Ended 30 June 2023

The Niue Development Bank Board is pleased to present the Financial Statements for Niue Development Bank for the year ended 30 June 2023.

We hereby declare that:

- We have been responsible for the preparation of these Financial Statements and the judgements 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.
- In our opinion these Financial Statements fairly reflect the financial position and operations of the Niue Development Bank for the year ended 30 June 2023.

The Financial Statements of the Niue Development Bank were authorised for issue by the Chair of the Niue Development Bank on 17 June 2024.



Doreen Siataga
Director



Ida Hekesi
Director



Niue Development Bank
STATEMENT OF FINANCIAL PERFORMANCE
For the Year Ended 30 June 2023

	Notes	2023 Actual \$	2022 Actual \$
Recurrent Income			
Rentals		90,535	53,844
Interest from Loans		922,845	782,974
Interest from Investments		84,385	15,686
Appraisal/Application Fees		30,403	35,517
LMS Arrears Fees		11,196	4,346
Miscellaneous		10,794	(257)
Other Income	4	1,750	76,913
Total Recurrent Income		<u>1,151,908</u>	<u>969,023</u>
Recurrent Expenditure			
Personnel Expenses		603,443	570,895
Depreciation & Amortisation	10, 11	112,101	105,320
Maintenance & Materials		45,862	71,947
Travel & Transport		41,052	30,304
Impairments of Financial Assets	5, 8.5	28,505	19,496
Other Expenses	5	247,491	219,643
Total Recurrent Expenditure	5	<u>1,078,454</u>	<u>1,017,605</u>
NET SURPLUS/(DEFICIT)		<u>73,454</u>	<u>(48,582)</u>

The accompanying notes form part of these financial statements.

Niue Development Bank
STATEMENT OF FINANCIAL POSITION
As at 30 June 2023

	Notes	2023 Actual \$	2022 Actual \$
EQUITY			
Niue Government Investment	6.1	9,940,370	9,940,370
Accumulated Funds		2,975,111	2,938,384
Legal Reserve	6.2	2,186,387	2,149,660
TOTAL GOVERNMENT EQUITY		<u>15,101,868</u>	<u>15,028,414</u>
REPRESENTED BY:			
Current Assets			
Cash & Cash Equivalents	7	853,884	1,557,053
Loan Debtors - Current Portion	8	1,488,034	1,911,604
Investments		1,783,967	1,775,000
Debtors	9	50,607	4,926
Total Current Assets		<u>4,176,492</u>	<u>5,248,583</u>
Current Liabilities			
Creditors & Accruals	12	957,326	905,977
Staff Entitlements		46,534	25,300
Total Current Liabilities		<u>1,003,860</u>	<u>931,277</u>
Working Capital		<u>3,172,632</u>	<u>4,317,306</u>
Non Current Assets			
Loan Debtors	8	11,355,681	10,208,750
Property, Plant & Equipment	10	513,542	495,719
Software	11	60,013	6,639
Total Non Current Assets		<u>11,929,236</u>	<u>10,711,108</u>
TOTAL NET ASSETS		<u>15,101,868</u>	<u>15,028,414</u>

The accompanying notes form part of these financial statements.

Niue Development Bank
STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2023

	2023 Actual \$	2022 Actual \$
Niue Government Investment as at 1 July	9,940,370	5,149,970
Additional investment	0	4,790,400
Niue Government Investment as at 30 June	<u>9,940,370</u>	<u>9,940,370</u>
Accumulated Funds as at 1 July	2,938,384	2,962,675
Net Surplus/(Deficit) for the year	73,454	(48,582)
Additions to Legal Reserve	(36,727)	24,291
Accumulated Funds as at 30 June	<u>2,975,111</u>	<u>2,938,384</u>
Legal Reserve as at 1 July	2,149,660	2,173,951
Additions to Legal Reserve	36,727	(24,291)
Legal Reserve as at 30 June	<u>2,186,387</u>	<u>2,149,660</u>
TOTAL EQUITY AS AT 30 JUNE	<u>15,101,868</u>	<u>15,028,414</u>

The accompanying notes form part of these financial statements.

Niue Development Bank
STATEMENT OF CASH FLOWS
For the Year Ended 30 June 2023

	2023 Actual \$	2022 Actual \$
Cash Flows from/(used in) operating activities		
Interest from Investments	61,475	15,257
Fees Received	30,403	35,517
Other Income	87,411	278,027
Personnel	(582,209)	(575,127)
Suppliers	(295,870)	(101,450)
NCT	(9,671)	(1,248)
Net Cash Flows from/(used in) operating activities	<u>(708,461)</u>	<u>(349,024)</u>
Cash Flows from/(used in) investing activities		
Loan Portfolio Collections (repayments of principal, interest, fees and rent)	4,051,089	4,467,521
Loan Advances	(3,853,532)	(3,431,024)
Purchases of Property, Plant & Equipment and Software	(183,298)	(78,172)
Investments/(divestments) in Other Investments	(8,967)	(1,775,000)
Net Cash Flows from/(used in) investing activities	<u>5,292</u>	<u>(816,675)</u>
Cash Flows from/(used in) financing activities		
Capital injection from Government of Niue	0	1,000,000
Net Cash Flows from/(used in) financing activities	<u>0</u>	<u>1,000,000</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	<u>(703,169)</u>	<u>(165,699)</u>
Cash & Cash Equivalents as at 1 July	1,557,053	1,722,752
CASH & CASH EQUIVALENTS AS AT 30 JUNE	<u>853,884</u>	<u>1,557,053</u>
RECONCILIATION FROM NET SURPLUS TO NET CASH FLOWS FROM OPERATIONS		
	2023 Actual \$	2022 Actual \$
Net Surplus/(Deficit)	73,454	(48,582)
Add back Non-Cash and Non-Operating Items:		
Depreciation & Amortisation	112,101	105,320
Impairments/(Impairment Reversals)	28,076	17,934
Interest added to Loans	(922,845)	(782,974)
MRI/LMS Fees	(11,196)	(4,346)
Customer Related Write Offs and Discounts	429	1,562
Adjust for Working Capital Movements:		
(Increase)/Decrease in Other Debtors	(38,578)	(2,902)
(Increase)/Decrease in Prepayments	(7,103)	11,942
(Decrease)/Increase in Creditors and Accruals	35,967	357,254
(Decrease)/Increase in Staff Entitlements	21,234	(4,232)
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>(708,461)</u>	<u>(349,024)</u>

The accompanying notes form part of these financial statements.

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Niue Development Bank
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2023

1 REPORTING ENTITY

1.1 General

The Niue Development Bank was established under the Niue Development Bank Act 1993 as a bank with the objective to carry on general banking business in accordance with accepted international banking principles and procedures. It commenced operations on 1 July 1994 by taking over the assets and liabilities of the Development Finance Committee and the Housing Authority which were dissolved.

1.2 Objectives and Activities of the Niue Development Bank

The objectives of the Bank include providing finance for the establishment, development, extension or assistance of industry and economic development in Niue; encouraging and promoting investment in the economic development of Niue; providing finance for dwellings and improved housing and improved living conditions in Niue; providing technical assistance or advice and to generally foster economic development in Niue. In providing financial assistance the Bank will, as a principal objective, operate as a successful business, as profitably and efficiently as comparable businesses in the private sector.

The Bank's current operations see it providing financial support to a number of sectors in Niue, including tourism, agriculture and fisheries, retail, housing and small personal loans.

In addition to this the Bank lends its expertise to various steering committees and working groups when requested and which will benefit the wider community, but within the Bank's legislative mandate.

The Bank is also responsible for managing a number of commercial properties.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Preparation

These Financial Statements are prepared on a historical cost basis. All figures shown are in New Zealand dollars, and all monetary values are rounded to whole dollars, unless mentioned otherwise.

The Statement of Financial Performance, the Statement of Financial Position and the Statement of Changes in Equity are prepared on an accrual basis, and include non-cash items such as depreciation, accruals and provisions.

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.

2.2 Statement of Compliance

The Financial Statements follow the legislative requirements of Section 26 of the Niue Development Act 1993, which requires the Bank to maintain accounts and transactions with which the Bank is concerned and be subject to an annual audit. The Financial Statements have been prepared in accordance with the Bank's significant accounting policies.

2.3 Cash & Cash Equivalents and Investments

Cash & Cash Equivalents comprise mainly cash at bank and call and term deposits. Term deposits which are invested for a term of more than 90 days, are classified as Investments. Investments with a remaining term of a year or less are classified as current assets, and investments with a remaining term of more than a year are classified as non-current assets.

2.4 Debtors

Debtors are measured at their expected realisable value, which is generally the original amount less an adequate provision for doubtful debts. Bad Debts are written off when this is approved by Niue Development Bank Board.

Debtors are assessed for impairment regularly. Management reviews all debts that are in arrears for possible impairment. Generally, balances that are more than six months overdue are considered impaired, and balances that are overdue for a lesser period are assessed on a case by case basis.

Until 2014 the Bank offered a Mortgage Repayment Insurance (MRI) scheme, which entitled the estate of deceased participants to repayments being waived. Some customers are still entitled to the scheme's benefits. An additional impairment to reflect these benefits is based on the estimated life expectancy of customers who are entitled to the scheme's benefits and on the value of their benefits if exercised.

2.5 Financial Instruments

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

2.6 Property, Plant & Equipment

Property, Plant & Equipment is stated at cost or valuation 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 (these rates are not themselves part of this accounting policy).

Land	Indefinite
Buildings & Site Improvements	3-35 years
Vehicles	6-7 years
Electronic Equipment	5 years
Furniture & Fixings	5-10 years

2.7 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. Employee entitlements comprise mainly accrued salaries and annual leave.

2.8 Revenue Recognition

Income from interest on loans, interest on investments and rent is recognised during the period in which it is accrued, whether or not it is received during the year.

Income from fees charged, such as application fees and arrears fees, is recognised in full in the year they are charged.

Other income is recognised in the year to which it relates, unless impractical.

2.9 Income Tax

In accordance with Section 37 of the Niue Development Bank Act 1993, the income and revenue of the bank is not subject to income tax.

2.10 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.

2.11 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

There were no changes in accounting policies during the year.

3.2 Changes in Accounting Estimates

There were no significant changes in accounting estimates during the year.

3.3 Prior year errors

No significant prior year errors were found.

3.4 Discussion of financial performance

The Bank achieved a net surplus of \$73,454, compared to a deficit of \$48,582 in the previous year. This was mainly the result of loan interest and rent holidays having been phased out during the previous year. Also, interest from investments increased considerably as a result of rising interest rates. Other income decreased considerably, as the reimbursement for shared costs from Niue Commercial Enterprises Ltd reduced considerably, and no interest and rent relief was received from the Government.

Expenditure increased by \$60,849 from \$1,017,605 to \$1,078,454. The main drivers were an increase in personnel expenses by \$32,548, an increase in audit costs by \$7,115, and an increase in consulting costs by \$26,626. This was partially offset by a decrease in maintenance costs by \$26,085.

3.5 Subsequent Events

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

3.6 Significant Events

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

4 OTHER INCOME

	2023	2022
	\$	\$
Reimbursement from Niue Commercial Enterprises Ltd for shared costs	1,750	30,000
Grant from Government of Niue for interest and rent relief	0	46,913
TOTAL OTHER INCOME	1,750	76,913

5 EXPENSES

	2023 \$	2022 \$
Salaries & wages (employees)	494,753	490,892
Payments to contractors	23,280	22,380
Board fees	3,575	3,750
Pension premiums	20,802	10,328
Other staff benefits	61,033	43,545
Personnel Expenses	<u>603,443</u>	<u>570,895</u>
Depreciation & Amortisation	112,101	105,320
Repairs & maintenance	26,396	48,945
Other supplies	19,466	23,002
Maintenance & Materials	<u>45,862</u>	<u>71,947</u>
Travel	36,894	25,126
Fuel	4,158	5,178
Travel & Transport	<u>41,052</u>	<u>30,304</u>
Debtor impairments	28,076	17,934
Relief & discounts	429	1,562
Impairments of Financial Assets (Note 8.4)	<u>28,505</u>	<u>19,496</u>
Communication	52,147	51,604
Electricity	15,964	10,808
Professional fees	98,952	66,137
Rent	11,910	11,992
Other expenses	68,518	79,102
Other expenses	<u>247,491</u>	<u>219,643</u>
TOTAL EXPENDITURE	<u><u>1,078,454</u></u>	<u><u>1,017,605</u></u>
Other Operating Expenses include audit fees as follows.	66,785	59,670

The proposed audit fees for the year ended 30 June 2022 and 2023 have not been approved by the Board.

6 EQUITY

6.1 Corporate Ownership

Under section 14 of the Niue Development Bank Act 1993, the Bank was to be set up by Cabinet with an initial authorised capital at \$5,000,000 in September 1996. The Niue Government transferred the various assets and liabilities of the previous DFC and Housing Authority.

After examination of Loan Portfolios and negotiations, the assets were accepted at a net realisable value of \$3,557,442. The amount of unissued share capital is valued at \$1,442,558. In terms of section 15 of the Act, the Bank shall not allot any of its unissued shares to any person other than Her Majesty the Queen, or nominees.

	2023 \$	2022 \$
Initial authorised capital	5,000,000	5,000,000
Less unissued share capital	(1,442,558)	(1,442,558)
Capital injections	6,382,928	6,382,928
TOTAL NIUE GOVERNMENT INVESTMENT	<u><u>9,940,370</u></u>	<u><u>9,940,370</u></u>

6.2 Legal Reserve

Under section 24 of the Niue Development Bank Act 1993, the bank is required to provide for any anticipated losses by establishing and maintaining a reserve fund to which shall be allocated:

(a) Not less than 50% of the net profit of the bank of that year until the sum standing to the credit of such reserve fund shall amount to the sum equal to the paid-up share capital of the bank: and

(b) Not less than 10% of the net profit of the bank in that year if the total sum standing to the credit of such reserve fund exceeds a sum equal to the paid-up capital of the bank.

The Bank considers that any funds or surplus from targeted donor-funded activities is not subject to this section of the Act, because such funds or surplus are subject to restrictions imposed by the donor.

7 CASH & CASH EQUIVALENTS

	2023	2022
	\$	\$
Operational funds	105,280	52,699
Unspent donor funds	194,517	399,392
Call accounts	554,087	1,104,962
TOTAL CASH & CASH EQUIVALENTS	<u>853,884</u>	<u>1,557,053</u>

8 LOAN DEBTORS

8.1 Summary

	2023	2022
	\$	\$
Due within one year from balance date	1,563,969	1,931,311
Provision for doubtful debts - current	(75,935)	(19,707)
Current Portion of Loan Debtors	<u>1,488,034</u>	<u>1,911,604</u>
Due after one year from balance date	11,471,864	10,360,988
Provision for doubtful debts - non current	(88,206)	(112,248)
Provision for MRI risk	(27,977)	(39,990)
Non Current Portion of Loan Debtors	<u>11,355,681</u>	<u>10,208,750</u>
TOTAL LOAN DEBTORS	<u>12,843,715</u>	<u>12,120,354</u>

8.2 Loan Debtors by Category

	2023	2022
	\$	\$
Business loans	6,954,688	5,314,517
Housing loans	3,538,588	3,248,649
Microloans	418,075	392,499
Staff loans	5,917	22,838
Vehicle loans	367,503	678,913
Tourism development loans	140,475	24,827
Business overdraft facility	0	581,286
Tourism accommodation expansion loans	0	165,846
Personal loans	1,552,536	1,299,118
Rent to own loans	58,051	72,439
Cyclone microloans	0	491,367
Loan Debtors - Nominal Value	<u>13,035,833</u>	<u>12,292,299</u>
Business loans	(110,013)	(84,489)
Housing loans	(36,489)	(40,274)
Personal loans	(17,639)	(7,192)
Provision for Doubtful Debts	<u>(164,141)</u>	<u>(131,955)</u>

	2023 \$	2022 \$
Provision for MRI Risk	(27,977)	(39,990)
NET LOAN DEBTORS	<u>12,843,715</u>	<u>12,120,354</u>

8.3 Provision for Doubtful Debts

	2023 \$	2022 \$
Opening balance	131,955	95,910
Additional impairments	65,706	50,943
Impairment reversals	(38,355)	(26,898)
Debts written back to/(off against) Provision	4,835	12,000
PROVISION FOR DOUBTFUL DEBTS AS AT 30 JUNE	<u>164,141</u>	<u>131,955</u>

8.4 Provision for MRI Risk

	2023 \$	2022 \$
Opening balance	39,990	46,101
(Releases from)/Additions to Provision	725	(6,111)
Relief provided against Provision	(12,738)	0
PROVISION FOR MRI RISK AS AT 30 JUNE	<u>27,977</u>	<u>39,990</u>

Until 2014 the Bank offered a Mortgage Repayment Insurance (MRI) scheme, which entitled the estates of deceased participants to repayments being waived. The potential costs of such waivers are recognised as an impairment, and are measured based on estimated future waivers.

If a balance of a qualifying loan is expected to remain when a debtor reaches the age of his or her life expectancy, then the remaining loan balance is impaired in full. This impairment test is based on an assumed life expectancy in Niue of 80 for females and 73 for males, as per the 2017 census. Previously, this life expectancy was estimated at 70, based on limited statistical information available within Niue and on comparisons with other Pacific islands.

Annually, a sensitivity analysis is performed to assess the impact that changes in life expectancy assumptions have on the impairment. The results of the sensitivity analysis can be summarised as follows.

	2023 \$	2022 \$
Increase in impairment resulting from reduction of life expectancy by 5 years	4,118	7,193
(Decrease) in impairment resulting from increase of life expectancy by 5 years	(2,186)	(12,000)

8.5 Impairment Expenses/(Gains)

	2023 \$	2022 \$
Additional impairments	65,706	50,943
Impairment reversals	(38,355)	(26,898)
(Releases from)/Additions to the Provision for MRI risk	725	(6,111)
Direct write-offs and other relief and discounts	429	1,562
IMPAIRMENT EXPENSES/(GAINS) ON FINANCIAL ASSETS (Note 5)	<u>28,505</u>	<u>19,496</u>

9 DEBTORS

	2023	2022
	\$	\$
Accrued interest	23,540	630
Rent debtors	19,224	3,556
Prepaid expenses	7,843	740
TOTAL OTHER CURRENT DEBTORS	<u>50,607</u>	<u>4,926</u>

10 PROPERTY, PLANT & EQUIPMENT

10.1 Movements in Property, Plant & Equipment

	2023	2022
	\$	\$
Gross carrying amount as at 1 July	1,526,416	1,530,025
Additions	119,183	78,172
Disposals	(48,322)	(81,781)
Gross carrying amount as at 30 June	<u>1,597,277</u>	<u>1,526,416</u>
Accumulated depreciation as at 1 July	1,030,697	1,010,098
Depreciation charge for the year	101,360	102,380
Disposals	(48,322)	(81,781)
Accumulated Depreciation as at 30 June	<u>1,083,735</u>	<u>1,030,697</u>
NET BOOK VALUE - PROPERTY, PLANT & EQUIPMENT	<u>513,542</u>	<u>495,719</u>

10.2 Asset Classes

	2023	2022
	\$	\$
Land	100,500	100,500
Buildings and Leasehold Improvements	289,818	278,766
Plant and Equipment	26,462	13,265
Vehicles	36,728	47,193
Electronic Equipment	30,707	35,551
Furniture	29,327	20,444
TOTAL PROPERTY, PLANT & EQUIPMENT	<u>513,542</u>	<u>495,719</u>

10.3 Movements per Asset Class

	2023	2022
	\$	\$
Land		
Gross carrying amount as at 1 July	100,500	100,500
Net Book Value Land	<u>100,500</u>	<u>100,500</u>
Buildings and Leasehold Improvements		
Gross carrying amount as at 1 July	1,151,906	1,145,422
Additions	72,871	15,494
Disposals	(5,498)	(9,010)
Gross carrying amount as at 30 June	<u>1,219,279</u>	<u>1,151,906</u>
Accumulated depreciation as at 1 July	873,140	819,128
Depreciation charge for the year	61,819	63,022
Disposals	(5,498)	(9,010)
Accumulated Depreciation as at 30 June	<u>929,461</u>	<u>873,140</u>
Net Book Value Buildings and Leasehold Improvements	<u>289,818</u>	<u>278,766</u>

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	2023 \$	2022 \$
Plant and Equipment		
Gross carrying amount as at 1 July	22,346	18,733
Additions	20,222	3,613
Gross carrying amount as at 30 June	<u>42,568</u>	<u>22,346</u>
Accumulated depreciation as at 1 July	9,081	4,853
Depreciation charge for the year	7,025	4,228
Accumulated Depreciation as at 30 June	<u>16,106</u>	<u>9,081</u>
Net Book Value Plant and Equipment	<u>26,462</u>	<u>13,265</u>
Vehicles		
Gross carrying amount as at 1 July	69,765	25,825
Additions	0	43,940
Gross carrying amount as at 30 June	<u>69,765</u>	<u>69,765</u>
Accumulated depreciation as at 1 July	22,572	14,852
Depreciation charge for the year	10,465	7,720
Accumulated Depreciation as at 30 June	<u>33,037</u>	<u>22,572</u>
Net Book Value Vehicles	<u>36,728</u>	<u>47,193</u>
Electronic Equipment		
Gross carrying amount as at 1 July	147,952	179,660
Additions	12,468	8,348
Disposals	(32,526)	(40,056)
Gross carrying amount as at 30 June	<u>127,894</u>	<u>147,952</u>
Accumulated depreciation as at 1 July	112,401	130,545
Depreciation charge for the year	17,312	21,912
Disposals	(32,526)	(40,056)
Accumulated Depreciation as at 30 June	<u>97,187</u>	<u>112,401</u>
Net Book Value Electronic Equipment	<u>30,707</u>	<u>35,551</u>
Furniture		
Gross carrying amount as at 1 July	33,947	59,885
Additions	13,622	6,777
Disposals	(10,298)	(32,715)
Gross carrying amount as at 30 June	<u>37,271</u>	<u>33,947</u>
Accumulated depreciation as at 1 July	13,503	40,720
Depreciation charge for the year	4,739	5,498
Disposals	(10,298)	(32,715)
Accumulated Depreciation as at 30 June	<u>7,944</u>	<u>13,503</u>
Net Book Value Furniture	<u>29,327</u>	<u>20,444</u>
TOTAL PROPERTY, PLANT & EQUIPMENT	<u>513,542</u>	<u>495,719</u>

11 SOFTWARE

	2023 \$	2022 \$
Gross carrying amount as at 1 July	14,703	14,703
Additions	64,115	0
Disposals	(7,791)	0
Gross carrying amount as at 30 June	<u>71,027</u>	<u>14,703</u>

	2023	2022
	\$	\$
Accumulated amortisation as at 1 July	8,064	5,124
Amortisation charge for the year	10,741	2,940
Disposals	(7,791)	0
Accumulated Amortisation as at 30 June	<u>11,014</u>	<u>8,064</u>
TOTAL SOFTWARE	<u>60,013</u>	<u>6,639</u>

12 CREDITORS & ACCRUALS

	2023	2022
	\$	\$
Creditors & accruals	554,022	518,055
Customer accounts in credit	403,304	387,922
TOTAL CREDITORS & ACCRUALS	<u>957,326</u>	<u>905,977</u>

13 COMMITMENTS

13.1 Operating Commitments

	2023	2022
	\$	\$
Less than one year	29,000	29,000
One to five years	26,000	52,000
OPERATING COMMITMENTS	<u>55,000</u>	<u>81,000</u>

13.2 Loan Facilities Approved but not Disbursed

	2023	2022
	\$	\$
Business loans	140,149	119,347
Housing loans	962,688	761,205
Business overdraft facility	493,072	240,908
Personal loans	54,437	7,436
LOAN FACILITIES APPROVED BUT NOT DISBURSED	<u>1,650,346</u>	<u>1,128,896</u>

14 CONTINGENCIES

There were no contingencies as at 30 June 2023 (2022: nil).

15 FINANCIAL INSTRUMENTS

15.1 Credit Risk

Financial instruments which subject the Bank to consist of debtors. The exposure is monitored by reviewing the amounts that individual debtors owe on a regular basis.

15.2 Currency Risk

The currency risk is the risk that the value of a financial instrument will fluctuate due to changes in a foreign exchange rate. All currency items in the financial statements represent NZ dollars.

15.3 Interest Rate Risk

The interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates.

15.4 Fair Value

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

16 RELATED PARTY TRANSACTIONS

A number of staff and directors have loans from the Bank. In all cases the loans have been disbursed under the Banks normal lending criteria.

The following table details loans advanced to Directors and entities that Directors are associated with and the interest earned on these loans.

Directors	Amounts Owing to NDB 2023	Amounts Owing to NDB 2022	Interest Recognised by NDB on Directors loans 2023	Interest Recognised by NDB on Directors loans 2022
Ida Talagi-Hekesi	72,495	75,168	2,953	246

Director Brent Duff is employed in New Zealand by Kiwibank Ltd. Director Ian Fitzgerald is also a director of Telecom Niue Ltd and of Matavai Niue Ltd. All transactions with these entities are at arms' length and all transactions with Telecom Niue Ltd are disclosed in this Note.

The Bank regularly enters into transactions with the Government and other entities within the Group. These transactions are arms' length transactions, with the exception of operational grants. These receipts/(payments) can be summarised as follows.

	2023 \$	2022 \$
Purchases of electricity and services from Niue Power	(15,964)	(10,808)
Purchases of communication services from Telecom Niue	(52,147)	(51,604)
Payments of rent to the Niue Philatelic and Numismatic Corporation	(11,910)	(11,992)
Rent received from related parties	15,816	14,340

These purchases resulted in the following balances payable as at 30 June.

	2023 \$	2022 \$
NCT payable to the Tax Office	1,736	11,407
Contractor Withholding Tax payable to the Tax Office	750	973
Payable to Niue Power	237	3,596

The Bank provides lending to other subsidiaries of the Government of Niue.

	2023 \$	2022 \$
Telecom Niue	484,387	272,456

17 CAPITAL TO ASSET RATIO

	2023	2022
	\$	\$
Equity	15,101,868	15,028,414
Assets	16,105,728	15,959,691
CAPITAL TO ASSET RATIO	<u>0.94 : 1</u>	<u>0.94 : 1</u>

Capital is defined as the total paid up capital plus surpluses and reserves.

Total Assets is defined as current and non-current assets as presented in the Statement of Financial Position which take into account the Board's estimated provision for doubtful debts and accumulated depreciation and impairment losses on fixed assets.

18 DIRECTORS FEES

The following fees were paid to Directors.

	Board Fees Payable for Year 2023	Board Fees Payable for Year 2022
Ida Talagi-Hekesi	1,350	1,350
Doreen Siataga	875	1,050
Ian Fitzgerald	1,350	1,350
	<u>3,575</u>	<u>3,750</u>

Director Ian Fitzgerald donates all his Board fees to the Bank's Social Club.

