

**BROADCASTING CORPORATION
OF NIUE**

Financial Statements

For the year ended 30 June 2023

Broadcasting Corporation of Niue
Contents
For the year ended 30 June 2023

	Page
Directors' statement	3
Statement of financial performance	4
Statement of changes in equity	4
Statement of financial position	5
Statement of cash flows	6
Notes to the financial statements	7-14
Independent auditor's report	15-16

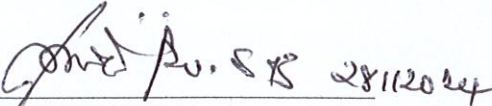
**Broadcasting Corporation of Niue
Directors' statement
For the year ended 30 June 2023**

The Board of the Broadcasting Corporation of Niue is pleased to present the Corporation's Financial Statements for the year ended 30 June 2023.

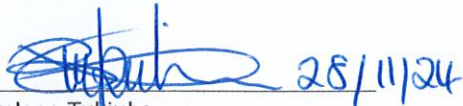
We hereby declare that:

- We have been responsible for the preparation of these financial statements and the judgments made in them.
- We are responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
- We confirm that all statutory requirements in relation to the financial statements have been complied with, unless stated otherwise in these financial statements.
- In our opinion these financial statements fairly reflect the financial position and operations of the Corporation for the year ended 30 June 2023.

The financial statements were authorised for issue by the Board on 28 November 2024.



Rev. Scanland Mitiepo
Chair



Charlene Tukiuha
Director

**Broadcasting Corporation of Niue
Statement of financial performance
For the year ended 30 June 2023**

	Note	2023 \$	2022 \$
Revenue			
Government grants		319,944	393,758
Revenue from provision of goods & services	4	154,625	181,880
Miscellaneous income		-	1,313
Total revenue		474,569	576,951
Expenditure			
Personnel	5	313,470	307,427
Depreciation & amortisation	6,7	31,448	30,427
Materials, supplies & services	5	20,493	27,346
Travel & transport	5	14,449	9,024
Other operating expenses	5	197,803	186,642
Total expenditure	5	577,663	560,866
Net (loss) / profit		(103,094)	16,085

**Statement of changes in equity
For the year ended 30 June 2023**

	Share capital \$	Retained earnings / (deficit) \$	Total equity \$
Balance at 30 June 2021	344,552	(393,882)	(49,330)
Net profit	-	16,085	16,085
Payment for capital expenditure by Government of Niue*	43,172	-	43,172
Balance at 30 June 2022	387,724	(377,797)	9,927
Net loss	-	(103,094)	(103,094)
Balance at 30 June 2023	387,724	(480,891)	(93,167)

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

Broadcasting Corporation of Niue
Statement of financial position
As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents		15,800	35,296
Trade and other debtors	8	<u>1,150</u>	<u>1,150</u>
Total current assets		16,950	36,446
Non-current assets			
Property, plant and equipment	6	261,181	323,548
Intangible assets	7	<u>1,479</u>	<u>3,887</u>
Total non-current assets		262,660	327,435
Total assets		<u>279,610</u>	<u>363,881</u>
Liabilities			
Current liabilities			
Trade and other creditors	9	357,322	339,155
Employee entitlements	10	<u>15,455</u>	<u>14,799</u>
Total current liabilities		372,777	353,954
Total liabilities		<u>372,777</u>	<u>353,954</u>
Net (liabilities) / assets		<u>(93,167)</u>	<u>9,927</u>
Equity			
Share capital		387,724	387,724
Accumulated losses		<u>(480,891)</u>	<u>(377,797)</u>
Total equity		<u>(93,167)</u>	<u>9,927</u>

Broadcasting Corporation of Niue
Statement of cash flows
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts of government grant		17,254	131,892
Receipts from customers / taxpayers / funding providers		154,625	183,159
Payments to suppliers		(137,251)	(224,548)
Payments to employees		(43,669)	(52,090)
Net cash (used) / generated by operating activities		(9,041)	38,413
Cash flows from investing activities			
Purchase of property, plant and equipment		(10,455)	(21,903)
Net cash used in investing activities		(10,455)	(21,903)
Net (decrease) / increase in cash and cash equivalents		(19,496)	16,510
Cash and cash equivalents at the beginning of the year		35,296	18,786
Cash and cash equivalents at the end of the year		15,800	35,296
Reconciliation from net profit / (loss) to net cash flows from operations			
Net (loss) / profit		(103,094)	16,085
Adjustments for non-cash items			
Depreciation & amortisation		31,448	30,427
Loss on disposal of property, plant and equipment		43,781	-
Supplies paid by Government of Niue		-	573
Increase / (decrease) in employee entitlements		656	(26,167)
Total adjustments for non-cash items		75,885	4,833
Movements in working capital			
Increase in debtors		-	(34)
Increase in creditors		18,168	17,529
Total movements in working capital		18,168	17,495
Net cash flows from operating activities		(9,041)	38,413

Broadcasting Corporation of Niue
Notes to the financial statements for the year ended 30 June 2023

1 Reporting entity

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

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

2 Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared on a historical cost and deemed cost basis.

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

These financial statements have been prepared on a going concern basis. This is on the basis that the Government of Niue will continue to financially support the Corporation in the foreseeable future. The Board, after making enquiries, has a reasonable expectation that the Corporation has adequate resources to continue to operate for the foreseeable future, based on current trading terms and legislative requirements. The key considerations included the Board receiving a letter of comfort, dated 20 November 2024, from the Minister of Finance and the Financial Secretary which states that the Government of Niue will continue to provide support to the Corporation to ensure that it remains a going concern.

2.2 Statement of compliance

These financial statements include the financial information of the Corporation for the year ended 30 June 2023.

The financial statements have been prepared using the accounting policies described on pages 7 to 9. The Financial Statements comply with Government of Niue Accounting Policies.

In preparing the financial statements, management has prepared a statement of financial position at 30 June 2023 and a statement of financial performance, statement of cash flows, and statement of changes in equity for the year ended 30 June 2023.

2.3 Property, plant and equipment and software

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

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

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

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

- Land	Indefinite	Nil
- Buildings	5-50 years	2 - 20%
- Machinery	5-10 years	10 - 20%
- Motor vehicle and other	5 years	20%
- Electronic Equipment	3-5 years	20 - 33.3%
- Software	2.5 years	40%

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

Broadcasting Corporation of Niue
Notes to the financial statements for the year ended 30 June 2023

2.4 Cash and cash equivalents

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

2.5 Debtors

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

2.6 Current liabilities

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

2.7 Employee entitlements

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

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

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

Benefits that have been earned and are due within one year from balance date, are recognised under current liabilities; the likelihood of these benefits being utilised by employees is deemed high enough, and the measurement of them accurate enough, to consider the accrued value to be a liability.

2.8 Revenue

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

2.9 Income tax

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

2.10 Statement of cash flows

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

Broadcasting Corporation of Niue

Notes to the financial statements for the year ended 30 June 2023

2.11 Financial assets

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

3 Events and decisions with significant accounting impacts

3.1 Changes in accounting policies

There were no changes to accounting policies during the year.

3.2 Changes in accounting estimates

There were no changes in accounting estimates during the year.

3.3 Prior year errors

No prior year errors were found during the year.

3.4 Major events

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

3.5 Subsequent events

There were no subsequent events after balance date.

3.6 Compliance with Legislation

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

Broadcasting Corporation of Niue
Notes to the financial statements for the year ended 30 June 2023

4 Revenue from provision of goods & services

	2023	2022
	\$	\$
Revenue from radio advertisements	19,692	18,477
Revenue from TVN Digital	74,015	100,993
Revenue from TV advertisements	29,094	7,963
Other revenue	31,824	54,447
Total revenue from the provision of goods & services	154,625	181,880

5 Expenditure

	2023	2022
	\$	\$
Salaries	277,930	251,864
Board fees	3,700	1,820
Contract wages	16,849	25,741
Staff Amenities	-	-
Staff training & seminars	4,870	17,818
Super subsidy	10,121	10,184
Personnel expenses	313,470	307,427
Depreciation of property, plant & equipment	29,040	28,296
Amortisation of intangible assets	2,408	2,131
Depreciation & amortisation	31,448	30,427
Repairs & maintenance	13,842	14,843
Printing & stationery	1,291	2,107
Other supplies	5,360	10,396
Maintenance & materials	20,493	27,346
External freight	-	1,270
Fuel	7,944	6,939
Other travel & transport expenses	6,505	815
Travel & transport	14,449	9,024
Communication	2,168	6,187
Electricity	19,304	37,782
Professional fees	50,049	53,078
Loss on disposal of property, plant and equipment	43,782	-
Other Expenses	82,500	89,595
Other expenses	197,803	186,642
Total Expenditure	577,663	560,866

Professional fees includes the estimated audit fees for the year amounting to \$45,880 (2022: \$41,198).

Broadcasting Corporation of Niue
Notes to the financial statements for the year ended 30 June 2023

6 Property, plant and equipment

	Land	Buildings	Machinery	Electronic Equipment	Motor vehicles and other PPE	Total
	\$	\$	\$	\$	\$	\$
Cost at 1 July 2022	27,000	458,390	31,000	82,061	27,123	625,574
Additions	-	-	-	10,455	-	10,455
Disposals	-	(86,548)	-	(7,053)	(2,803)	(96,404)
Cost at 30 June 2023	27,000	371,842	31,000	85,463	24,320	539,625
Accumulated depreciation at 1 July 2022	-	236,713	26,350	18,964	19,999	302,026
Depreciation	-	8,060	3,100	15,989	1,891	29,040
Eliminated on disposals	-	(44,349)	-	(5,470)	(2,803)	(52,622)
Accumulated depreciation at 30 June 2023	-	200,424	29,450	29,483	19,087	278,444
Net book value at 1 July 2022	27,000	221,677	4,650	63,097	7,124	323,548
Net book value at 30 June 2023	27,000	171,418	1,550	55,980	5,233	261,181

7 Intangible assets

	Software	Total
	\$	\$
Cost at 1 July 2022	6,018	6,018
Cost at 30 June 2023	6,018	6,018
Accumulated amortisation at 1 July 2022	2,131	2,131
Amortisation	2,408	2,408
Accumulated amortisation at 30 June 2023	4,539	4,539
Net book value at 1 July 2022	3,887	3,887
Net book value at 30 June 2023	1,479	1,479

8 Trade and other debtors

	2023	2022
	\$	\$
Trade debtors	136,290	136,290
Less provision for doubtful debts	(135,140)	(135,140)
Total trade and other debtors	1,150	1,150

Broadcasting Corporation of Niue
Notes to the financial statements for the year ended 30 June 2023

9 Trade and other creditors

	2023	2022
	\$	\$
Trade creditors	218,436	219,658
PAYE payable	30,273	26,281
NCT payable	108,613	93,216
Total trade and other creditors	<u>357,322</u>	<u>339,155</u>

10 Employee entitlements

	2023	2022
	\$	\$
Payroll accrual	7,210	387
Leave entitlements	8,245	14,412
Total employee entitlements	<u>15,455</u>	<u>14,799</u>

11 Financial instruments

11.1 General

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

11.2 Credit Risk

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

11.3 Currency Risk

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

11.4 Interest Rate Risk

The Corporation is not exposed to significant interest rate risk.

11.5 Fair Value

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

Broadcasting Corporation of Niue
Notes to the financial statements for the year ended 30 June 2023

12 Tax losses to carry forward

	2023	2022
	\$	\$
Net (deficit) / profit	(103,094)	16,085
Less: non taxable income	(319,944)	(393,758)
Taxable (deficit)	(423,038)	(377,673)
Income tax rate	30%	30%
Eligible tax losses	(126,911)	(113,302)
Balance (refund) as at 1 July	(736,116)	(727,989)
Current year tax losses	(126,911)	(113,302)
Losses de-recognised due to six year rule	175,346	105,175
Total tax losses to carry forward	(687,681)	(736,116)
Summary of tax losses carried forward for the year ended 30 June 2015		
Summary of tax losses for the year ended 30 June 2017	-	175,346
Summary of tax losses for the year ended 30 June 2018	78,139	78,139
Summary of tax losses for the year ended 30 June 2019	101,170	101,170
Summary of tax losses for the year ended 30 June 2020	149,201	149,201
Summary of tax losses for the year ended 30 June 2021	118,958	118,958
Summary of tax losses for the year ended 30 June 2022	113,302	113,302
Summary of tax losses for the year ended 30 June 2023	126,911	-
Summary of tax losses carried forward	687,681	736,116

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

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

13 Commitments

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

14 Contingencies

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

Broadcasting Corporation of Niue
Notes to the financial statements for the year ended 30 June 2023

15 Related party transactions

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

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

	2023	2022
	\$	\$
Funding received from the Government of Niue	269,887	393,758
Sales to the Government of Niue	57,675	64,753
Sales to Niue Development Bank	218	518
Sales to Niue Philatelic and Numismatic Corporation	-	519
Sales to Telecom Niue Limited	270	1,293
Purchases from Niue Bond Liquor Company	-	(297)
Purchases from Niue Development Bank	(2,426)	(2,340)
Purchases from Niue Philatelic and Numismatic Corporation	-	(889)
Purchases from Telecom Niue Limited	(2,203)	-
Purchases from Niue Commercial Enterprises Limited	-	(103)
Purchases from the Government of Niue (Treasury)	(22,062)	(38,050)
	<u>301,359</u>	<u>419,162</u>

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

	2023	2022
	\$	\$
Payable to Niue Philatelic and Numismatic Corporation	(59,973)	(59,973)
Payable owing to Niue Bond Liquor Company	(1,620)	(1,620)
Payable owing to Telecom Niue Limited	(5,837)	(5,937)
Payable owing to Niue Development Bank	-	(195)
Payable owing to Government of Niue (Treasury)	(196,966)	-
Receivable owing from Niue Philatelic and Numismatic Corporation	1,116	1,116
Receivable owing from Telecom Niue Limited	-	34
	<u>(263,280)</u>	<u>(66,575)</u>