

**NIUE BOND LIQUOR  
COMPANY LIMITED**

**Financial Statements**

**For the year ended 30 June 2023**

**Niue Bond Liquor Company Limited**  
**Contents**  
**For the year ended 30 June 2023**

	<b>Page</b>
Directors' statement	3
Statement of financial performance	4
Statement of changes in equity	5
Statement of financial position	6
Statement of cash flows	7
Notes to the financial statements	8-14
Independent auditor's report	15-16

**Niue Bond Liquor Company Limited**  
**Directors' statement**  
**For the year ended 30 June 2023**

The Board of the Niue Bond Liquor Company Limited is pleased to present the Company'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 Company for the year ended 30 June 2023.

The financial statements were authorised for issue by the Board on 10 March 2025



Justin Kamupala  
Director



Doreen Siataga  
Director

**Niue Bond Liquor Company Limited**  
**Statement of financial performance**  
**For the year ended 30 June 2023**

	Notes	2023 \$	2022 \$
Sales		1,608,623	1,526,728
Interest		1,207	576
<b>Total revenue</b>		<b>1,609,830</b>	<b>1,527,304</b>
Cost of goods sold	7	931,470	1,253,344
<b>Gross profit</b>		<b>678,360</b>	<b>273,960</b>
<b>Expenditure</b>			
Personnel expenses		207,677	130,771
Depreciation and amortisation	11,12	41,539	61,382
Maintenance and materials		18,149	18,870
Losses on assets disposal	11,12	50,736	-
Travel expenses		15,302	10,793
Other expenses		262,912	261,676
Other donations		14,341	22,000
<b>Total expenditure</b>	4	<b>610,656</b>	<b>505,492</b>
<b>Net profit/(loss) before tax</b>		<b>67,704</b>	<b>(231,532)</b>
Income tax (expense)/refund	6	(19,949)	69,632
<b>Net profit/(loss) for the year</b>		<b>47,755</b>	<b>(161,900)</b>

**Niue Bond Liquor Company Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2023**

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 30 June 2021</b>	<b>467,799</b>	<b>1,567,923</b>	<b>2,035,722</b>
Net (loss) for the year	-	(161,900)	(161,900)
Reclassification*	(8,000)	8,000	-
<b>Balance at 30 June 2022</b>	<b>459,799</b>	<b>1,414,023</b>	<b>1,873,822</b>
Net profit for the year	-	47,755	47,755
<b>Balance at 30 June 2023</b>	<b>459,799</b>	<b>1,461,778</b>	<b>1,921,577</b>

\*In the previous period, it was concluded that the land upon which the Company resided should not have been transferred to the Company, but should have remained with the Government of Niue. This was recorded as a disposal through profit or loss for the period ended 30 June 2021, however the land had to be returned in the form of an equity transaction, as it formed part of the consideration for shares when the Company incorporated on 24 November 2011. This has been reclassified in the prior year to ensure the correct reflection of equity transaction.

**Niue Bond Liquor Company Limited**  
**Statement of financial position**  
**As at 30 June 2023**

	Notes	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		740,969	793,727
Inventories	7	1,209,941	813,271
Trade and other debtors	8	62,399	88,866
Related party debtors	16	720,895	719,102
<b>Total current assets</b>		<b>2,734,204</b>	<b>2,414,966</b>
<b>Non-current assets</b>			
Property, plant and equipment	11	131,689	186,557
Deferred tax asset	6	49,683	69,632
Intangible assets	12	13,698	23,895
<b>Total non-current assets</b>		<b>195,070</b>	<b>280,084</b>
<b>Total assets</b>		<b>2,929,274</b>	<b>2,695,050</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other creditors	9	308,192	115,837
Employee entitlements	10	9,455	15,341
Provision for income tax	6	690,050	690,050
<b>Total current liabilities</b>		<b>1,007,697</b>	<b>821,228</b>
<b>Total liabilities</b>		<b>1,007,697</b>	<b>821,228</b>
<b>Net assets</b>		<b>1,921,577</b>	<b>1,873,822</b>
<b>Equity</b>			
Share capital		459,799	459,799
Retained earnings		1,461,778	1,414,023
<b>Total equity</b>		<b>1,921,577</b>	<b>1,873,822</b>

**Niue Bond Liquor Company Limited**  
**Statement of cash flows**  
**For the year ended 30 June 2023**

	Notes	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		1,638,581	1,403,784
Receipts of interest		1,207	576
Payments to suppliers		(1,449,980)	(827,835)
Payments to employees		(213,563)	(128,000)
<b>Net cash (used in)/generated by operations</b>		<b>(23,755)</b>	<b>448,525</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	11	(27,211)	(54,225)
Purchase of intangible assets	12	-	(12,338)
<b>Net cash used in investing activities</b>		<b>(27,211)</b>	<b>(66,563)</b>
<b>Cash flows from financing activities</b>			
Loans made to related parties		(1,792)	-
Repayments of loans from related parties		-	57,542
<b>Net cash (used in)/generated by financing activities</b>		<b>(1,792)</b>	<b>57,542</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(52,758)</b>	<b>439,504</b>
Cash and cash equivalents at the beginning of the year		793,727	354,223
<b>Cash and cash equivalents at the end of the year</b>		<b>740,969</b>	<b>793,727</b>
<b>Reconciliation from net profit/(loss) to net cash flows from operations</b>			
<b>Net profit/(loss)</b>		47,755	(161,900)
<b>Adjustments for non cash items</b>			
Depreciation and amortisation	11,12	41,539	61,382
Loss on disposal of assets	11,12	50,736	-
Movement in provision for doubtful debt		(3,491)	-
Intercompany adjustments		-	378
Increase/(decrease) of provision for income tax	6	19,949	(69,632)
<b>Total adjustments for non cash items</b>		<b>108,733</b>	<b>(7,872)</b>
<b>Movements in working capital</b>			
Decrease/(increase) in debtors		29,958	(85,741)
(Increase)/decrease in inventories		(396,670)	727,565
Increase/(decrease) in creditors		186,469	(23,645)
Increase in other creditors		-	118
<b>Total movements in working capital</b>		<b>(180,243)</b>	<b>618,297</b>
<b>Net cash flows from operating activities</b>		<b>(23,755)</b>	<b>448,525</b>

**Niue Bond Liquor Company Limited**  
**Notes to the financial statements for the year ended 30 June 2023**

**1 Reporting entity**

The Niue Bond Liquor Company Limited (the 'Company') was established on 24 November 2011 to assume the Bond Store's sales of alcoholic beverages from 1 July 2012. The Company is wholly owned by the Government of Niue.

**2 Summary of significant accounting policies**

**2.1 Basis of preparation**

The financial statements have been prepared on a going concern.  
The financial statements have been prepared on a historical cost basis except for financial instruments which are recorded at fair value.

**2.2 Statement of compliance**

These financial statements include the financial information of the Company for the year ended 30 June 2023. The financial statements have been prepared using the accounting policies described on pages 8 to 11 and comply with Government of Niue Accounting Policies.  
In preparing the financial statements, management has prepared a statement of financial position as 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 Functional and presentation currency**

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

**2.4 Revenue**

Revenue is measured at the fair value of consideration received or receivable. Sales are recognised when the products are sold to the customer.

**2.5 Cash and cash equivalents**

Cash includes cash on hand and funds on deposit, for less than 12 months with banks and is measured at its face value.

**2.6 Debtors**

Debtors are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less impairment charges.

Debtors are impaired when there is objective evidence that the Company will not be able to collect amounts due under the original collection terms. Significant financial difficulties of the debtor, probability of the debtor entering into bankruptcy, and default in payments are considered indicators that the debt may be impaired. Impairment is the difference between the original amount due and the present value of estimated future cash flows collectable, discounted using the effective interest rate. The carrying amount of the debtor is reduced using an impairment provision account, and the amount of the loss is recognised through surplus or deficit. Overdue receivables that are renegotiated are reclassified as current (that is, not past due).

**2.7 Inventories**

Inventories held for sale are valued at the lower of cost and net realisable value. Cost includes all expenses incurred to bring goods to the Company: purchase price, import duties, freight and handling costs.



**Niue Bond Liquor Company Limited**  
**Notes to the financial statements for the year ended 30 June 2023**

**2.8 Property, plant and equipment, and software**

**2.8.1 Recognition of property, plant and equipment, and software**

Property, plant, and equipment consists of: land, buildings, electronic equipment (including computer equipment), and furniture and fittings. Software consists of separately purchased and installed software.

Property, plant, and equipment, and software is measured at cost less accumulated depreciation and amortisation, and impairment losses. Generally, individual assets, or groups of assets, are capitalised if their cost is greater than \$1,000.

**2.8.2 Additions**

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

Assets under construction are not recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment, or software is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

**2.8.3 Disposals**

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit.

**2.8.4 Depreciation and amortisation**

Depreciation and amortisation are provided on a straight-line basis on all property, plant and equipment, at rates that will write down the cost of the assets to their estimated residual values over their useful lives.

The useful lives of major classes of property, plant and equipment and software have been estimated as follows:

- Buildings	10 - 40 Years
- Vehicles	5 Years
- Electronic Equipment	3 - 5 Years
- Furniture & Fixings	5 - 10 Years
- Software	5 Years

**2.8.5 Impairment of property, plant and equipment, and software**

Property, plant and equipment, and software with finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised through surplus or deficit.

**2.9 Creditors**

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

**2.10 Employee entitlements**

Employee benefits expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, and annual leave earned but not yet taken at balance date and expected to be settled within 12 months.

**Niue Bond Liquor Company Limited**  
**Notes to the financial statements for the year ended 30 June 2023**

**2.11 Commitments**

Expenses yet to be incurred on non-cancellable contracts that have been entered into on or before balance date are disclosed as commitments to the extent that there are equally unperformed obligations. Cancellable commitments that have penalty or exit costs explicit in the agreement on exercising that option to cancel are included in commitments at the value of that penalty or exit cost.

**2.12 Niue Consumption Tax**

All income and expenditure items are recognised net of NCT. Assets and liabilities are recognised net of NCT, except for accounts receivable and accounts payable.

**2.13 Income tax**

Income tax expense is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. The income tax calculated on losses that are carried forward in order to compensate with future taxable income, is not recognised as an asset unless it is virtually certain that future taxable income will be available for such compensation.

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

**3.1 Changes in accounting policies**

There have been no changes in accounting policies during the year.

**3.2 Changes in accounting estimates**

There have been no changes in accounting estimates during the year.

**3.3 Prior year errors**

No material prior year errors were identified.

**3.4 Subsequent events**

There were no subsequent events after balance date.

**3.5 Compliance with legislation**

**3.5.1 Financial statements not submitted on time**

The Company is governed by the Companies Act 2006. Section 130(1)(a) states that the Company shall within four months after the end of the Company's financial year complete financial statements in respect of that year and section 130(1)(b) requires these to be furnished to the shareholders. Section 131 requires that the financial statements be audited. These financial statements were prepared and audited outside of the four month requirement.

**3.5.2 Breaches of tax laws**

Income Tax returns must be filed with the Niue Tax Office no later than five months after the end of the tax year (30 June for the Company). The Company has not yet filed its tax return for the years ending 30 June 2013 to 30 June 2023, and has also failed to request filing extensions.

**Niue Bond Liquor Company Limited**  
**Notes to the financial statements for the year ended 30 June 2023**

**4 Operating expenditure**

	2023	2022
	\$	\$
Salaries & wages (employees)	176,018	125,697
Payments to contractors	29,032	2,529
Other staff benefits	2,627	2,545
<b>Personnel expenses</b>	<b>207,677</b>	<b>130,771</b>
Depreciation of property, plant & equipment	37,064	52,927
Amortisation of software	4,475	8,455
<b>Depreciation &amp; amortisation (Notes 11 and 12)</b>	<b>41,539</b>	<b>61,382</b>
Repairs & maintenance	17,853	17,141
Minor asset purchases	-	1,096
Other supplies	296	633
<b>Maintenance &amp; materials</b>	<b>18,149</b>	<b>18,870</b>
Losses on assets disposal	50,736	-
<b>Losses on assets disposal</b>	<b>50,736</b>	<b>-</b>
Travel	3,050	-
Fuel	12,252	10,793
<b>Travel &amp; transport</b>	<b>15,302</b>	<b>10,793</b>
Communication	4,726	212
Electricity	14,315	26,539
Professional fees	124,961	158,165
Debtor impairments (see Note 8)	40,694	37,203
Operational lease and rent	55,194	23,000
Other expenses	23,022	16,557
<b>Other expenses</b>	<b>262,912</b>	<b>261,676</b>
Donations to related parties	14,341	22,000
<b>Other grants</b>	<b>14,341</b>	<b>22,000</b>
<b>Total operating expenditure</b>	<b>610,656</b>	<b>505,492</b>

**5 Audit fees**

Other expenses include the agreed audit fees for the current year amounting to \$68,514 (2022: \$61,650).

**6 Taxation**

	2023	2022
	\$	\$
Net surplus/(deficit) before tax	67,704	(231,532)
Deduct: Income not subject to Niue income tax	(1,207)	(576)
<b>Income subject to Niue income tax</b>	<b>66,497</b>	<b>(232,108)</b>
Income tax rate	30%	30%
Income tax for the current year	19,949	(69,632)
Deferred tax asset utilised	(19,949)	-
Deferred tax asset carried forward	-	69,632
<b>Income tax payable for the year</b>	<b>-</b>	<b>-</b>

In the previous financial year, the Company recognised a deferred tax asset of \$69,632 for the 30 June 2022 losses. They were capitalised on the basis that the Company had a reasonable expectation it would be in a profit making position, and that those losses could be offset against future income tax payable. For 30 June 2023, the Company utilised \$19,949 against the current year's tax expense, reducing the deferred tax balance to \$49,683.

	2023	2022
	\$	\$
<b>Provision for income tax</b>		
Opening balance	690,050	690,050
Income tax for the year	19,949	-
Deferred tax asset utilised	(19,949)	-
<b>Closing balance</b>	<b>690,050</b>	<b>690,050</b>

**Niue Bond Liquor Company Limited**  
**Notes to the financial statements for the year ended 30 June 2023**

<b>7 Inventories</b>	<b>2023</b>	<b>2022</b>
	\$	\$
Opening balance	813,271	1,540,836
Purchases	1,328,140	525,779
Cost of goods sold	(931,470)	(1,253,344)
<b>Total inventories</b>	<b>1,209,941</b>	<b>813,271</b>

*Split between:*

Inventory in transit	58,808	-
Inventory on hand	1,151,133	813,271
	<b>1,209,941</b>	<b>813,271</b>

<b>8 Trade and other debtors</b>	<b>2023</b>	<b>2022</b>
	\$	\$
Trade debtors	103,093	116,316
NCT receivable	-	9,753
Provision for doubtful debts	(40,694)	(37,203)
<b>Total debtors</b>	<b>62,399</b>	<b>88,866</b>

<b>9 Trade and other creditors</b>	<b>2023</b>	<b>2022</b>
	\$	\$
Audit fees	120,369	93,190
NCT payable	106,232	-
Other liabilities	81,591	22,647
<b>Total trade and other creditors</b>	<b>308,192</b>	<b>115,837</b>

<b>10 Employee entitlements</b>	<b>2023</b>	<b>2022</b>
	\$	\$
Accrued salaries and wages	3,754	3,704
Annual leave	5,701	11,637
<b>Total employee entitlements</b>	<b>9,455</b>	<b>15,341</b>

**11 Property, plant and equipment**

	<b>Buildings</b>	<b>Vehicles</b>	<b>Electronic equipment</b>	<b>Furniture and fittings</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Cost at 1 July 2022	114,354	69,945	63,561	196,113	443,973
Additions	-	18,000	-	9,211	27,211
Disposals	(37,387)	-	(6,462)	(64,968)	(108,817)
<b>Cost at 30 June 2023</b>	<b>76,967</b>	<b>87,945</b>	<b>57,099</b>	<b>140,356</b>	<b>362,367</b>
Accumulated depreciation at 1 July 2022	42,144	46,234	55,981	113,057	257,416
Depreciation	4,489	13,773	3,928	14,874	37,064
Eliminated on disposals	(5,764)	-	(6,462)	(51,576)	(63,802)
<b>Accumulated depreciation at 30 June</b>	<b>40,869</b>	<b>60,007</b>	<b>53,447</b>	<b>76,355</b>	<b>230,678</b>
<b>Net book value at 1 July 2022</b>	<b>72,210</b>	<b>23,711</b>	<b>7,580</b>	<b>83,056</b>	<b>186,557</b>
<b>Net book value at 30 June 2023</b>	<b>36,098</b>	<b>27,938</b>	<b>3,652</b>	<b>64,001</b>	<b>131,689</b>

**Niue Bond Liquor Company Limited**  
**Notes to the financial statements for the year ended 30 June 2023**

**12 Intangible assets**

	<b>Software</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
Cost at 1 July 2022	58,850	58,850
Disposals	(31,213)	(31,213)
<b>Cost at 30 June 2023</b>	<b>27,637</b>	<b>27,637</b>
Accumulated amortisation at 1 July 2022	34,955	34,955
Amortisation	4,475	4,475
Eliminated on disposals	(25,491)	(25,491)
<b>Accumulated amortisation at 30 June 2023</b>	<b>13,939</b>	<b>13,939</b>
<b>Net book value at 1 July 2022</b>	<b>23,895</b>	<b>23,895</b>
<b>Net book value at 30 June 2023</b>	<b>13,698</b>	<b>13,698</b>

**13 Financial instruments**

**13.1 Credit risk**

The Company is from time to time exposed to a small credit risk resulting from sales that are settled overnight. The exposure is monitored regularly by reviewing amounts owing.

**13.2 Currency risk**

The Company purchases most goods from New Zealand and in New Zealand dollars, but is from time to time exposed to foreign exchange risk as a result of purchases from suppliers outside Niue and New Zealand. The exposure is managed by reviewing the foreign exchange rate at the time of purchase before confirming the purchase. All sales are in New Zealand dollars, so the Company is not exposed to currency risk on sales.

**13.3 Interest rate risk**

The Company is not exposed to significant interest rate risk.

**13.4 Fair value**

The fair value of financial instruments are equivalent to their carrying value in the statement of financial position.

**14 Commitments**

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

**15 Contingent liabilities**

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

**Niue Bond Liquor Company Limited**  
**Notes to the financial statements for the year ended 30 June 2023**

**16 Related party transactions**

The Company regularly enters into transactions with the Government of Niue and other entities within the group. Significant transactions (excluding NCT) during the year were as follows.

	2023 \$	2022 \$
Sales to Government (Treasury)	16,290	17,605
Sales to Telecom Niue Limited	-	2,502
Sales to Broadcasting Corporation of Niue	-	297
Purchases from Government	-	(40)
Purchases from NPNC	(2,560)	-
Audit fees paid to Government (Treasury)	(53,665)	-
NCT paid to Government (Treasury)	(58,983)	-
PAYE paid to Government (Treasury)	(26,058)	-
Customs charges paid to Government (Treasury)	(105,353)	-
Purchases of communication services from Telecom Niue Limited	(422)	(377)
Purchases of electricity prepaid tokens from Telecom Niue Limited	(12,562)	(18,222)
<b>Total transactions</b>	<b>(243,313)</b>	<b>1,765</b>

The prepaid tokens for electricity are purchased from Telecom Niue Limited, who then passes the payment to the electricity provider, Government of Niue. The comparative period payments were included within purchases of communication services from Telecom Niue Limited.

These and other events resulted in the following balances (including NCT if applicable) owing to/(owed by) the Company as at 30 June.

	2023 \$	2022 \$
Payable to Telecom Niue Limited	(35)	(2,500)
NCT payable to Government (Treasury)	(106,232)	-
Payable to Government (Treasury)	(4,290)	-
<b>Total payable</b>	<b>(110,557)</b>	<b>(2,500)</b>

	2023 \$	2022 \$
Receivable from Government Departments	599,382	597,589
Receivable from Niue Philatelic and Numismatic Corporation	119,893	119,893
Receivable from Broadcasting Corporation of Niue	1,620	1,620
<b>Total receivable</b>	<b>720,895</b>	<b>719,102</b>

The Company also makes regular tax payments to the Tax Office (Treasury). PAYE is paid on behalf of its employees. Details of Company Income Tax are disclosed in Note 6.

**17 Directors**

The following Directors were in office during the year:

Hon Premier Mr Dalton Taqelaqi (Chair)  
Hon. Mr Crossley Tatui  
Mrs Doreen Siataga  
Mr Justin Kamupala