



NIUE INTERNATIONAL TRUST FUND

2024 ANNUAL REPORT



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ANNUAL UPDATE - 2024

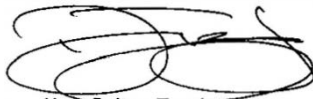
Dear All

As per clause 18 of the Deed of Trust, I am pleased to present to the Governments of Niue, New Zealand and Australia, the Annual Report of the Niue International Trust Fund (the NITF), for the financial year ended 30 June 2024.

As required in the Deed of Trust, the Annual Report includes the NITF's audited financial statements, Auditor's report, any Advisory Committee report advisable to the Board of Trustees and the independent Fund Monitor report.

The NITF was established on 25 October 2006 with the main objective to contribute to the long-term financial stability and viability of Niue, by providing the Government of Niue with an additional source of revenue for recurrent budgetary and development expenditure.

Yours Sincerely



Hon. Daton Tagetagi

Chairman

Dated: 12.03.2025

PURPOSE AND DIRECTION

Background

The Government of New Zealand had opened and contributed to a trust account for Niue in 2004. The Niue International Trust Fund (NITF) was established by the Governments of Niue, New Zealand and Australia in 2006, with the signing of the Deed of Trust. NITF subsumed the trust account.

Management of the NITF is overseen by a three-member Board of Trustees, one each of which is appointed by Governments of Niue, New Zealand, and Australia. The Trustee appointed by the Government of Niue is the Chairperson. The Trustees meet at least twice a year, and are supported by an Advisory Committee, NITF Legal Consultant, an independent Fund Monitor and a Secretariat.

Purpose

To contribute to the long-term financial stability and viability of Niue by providing the Government of Niue with an additional source of revenue for recurrent budgetary and development expenditure, and in particular to:

- (i) Assist the Government of Niue to achieve greater financial autonomy in the management of its budget;
- (ii) Enable the Government of Niue to maintain and if possible improve existing levels of social infrastructure and services;
- (iii) Enhance the capacity of the Government of Niue to receive and effectively utilise external assistance;
- (iv) Enable the Government of Niue to meet long-term maintenance and operating costs of social and economic infrastructure and services; and
- (v) Assist the Government of Niue to develop the economy of Niue.

About NITF

The NITF is intended to be an intergenerational fund, that is, it is intended that capital contributions be made to the NITF be protected against changes in the cost of living and population over the long term and, thus, that any “Fund returns” will be made to the Government of Niue after the costs of the administration and operation of the NITF and the protection of contributions have been met in full. The intention is for the Government of Niue to use Fund returns as an additional source of revenue for recurrent budgetary expenditure and development.

As at June 2024, the NITF had a value of NZD \$72.7 million with the funds held in a call account and a managed investment fund.

GOVERNANCE

As per the Fund’s Deed of Trust, there is one Trustee appointed by the Government of Niue, one Trustee appointed by the Government of New Zealand, and one Trustee appointed by the Government of Australia.

Trustees

Hon. Dalton Tagelagi
(GON)



Mr Quentin Hay
(GONZ)



Ms Kirsty McNeil
(GOA)



Service Providers

Secretariat



Auditor



Fund Monitor



NITF Legal Consultant



INVESTMENT PERFORMANCE

2023/2024 Investment Market Commentary

Market results

In the financial year ended 30 June 2024, investment markets delivered mostly positive results.

The year began somewhat poorly, after investors' hopes for a peak in interest rates and a return to looser monetary policy were frustrated, as several central bank announcements envisaged a longer timeframe before lowering rates. The phrase "higher for longer" (and several variations of it) became commonly used during the months of August and September 2023. This led to negative returns across many investment sectors, with only the cash sector delivering a positive return over the financial year's first quarter.

Fortunately, these disappointing results did not persist, and the December 2023 quarter saw strong returns. The US Federal Reserve delivered on its much anticipated "pivot" - after raising the US cash rate four times in 2023, it held the cash rate steady at its December meeting and softened its language. This ignited a "Santa Rally" in both equity and fixed interest markets which had been rising since late October in anticipation. Strong returns were seen in all major investment sectors across many countries, including in the US, Europe, Australia and New Zealand.

Momentum from the final months of 2023 largely carried into the first quarter of the 2024 calendar year. Good results continued in share markets, while fixed interest sectors saw more muted returns. During the March 2024 quarter, the large "mega-cap" US stocks performed far better than the share market's other sectors, causing the concentration in the US stock market in particular to become significant. The weighting of the top ten US stocks in the S&P 500 Index increased to around 33%, almost double the proportion typically seen over the previous decade. Emerging markets underperformed developed markets, led by China, which faced various concerns around its property market, high debt, and low foreign investment.

The final quarter of the financial year, ending 30 June 2024, saw muted or negative returns across many asset sectors, while global equities again posted strong results, driven by large technology companies, New Zealand and Australian shares fell. The listed property market delivered particularly poor results. Fixed interest sectors delivered small positive returns.

Overall, the global developed equity markets ended the financial year up 21 per cent (in local currency terms). In New Zealand dollar terms, the result was only slightly lower. New Zealand's share market lagged, delivering an overall return of negative one per cent, while Australia did well, finishing the year up 12 per cent (in Australian Dollar terms). Emerging market equities rose by about 13 per cent in New Zealand Dollar terms.

Fixed income markets saw moderate gains for the year. New Zealand bonds, which were up by about 5 per cent, exceeded global bonds, which up by about 4 per cent. The New Zealand cash sector delivered just under 6 per cent - a strong return for this sector which benefits from a higher interest rate environment.

All figures quoted in this section are gross of fees and tax.

Investment manager results

The Trust Fund invests in the ANZ Wholesale Balanced Fund. The performance results for the periods ending 30 June 2024 are shown in the following table (before fees and tax).

Periods ending 30 June 2024	One year	Three years	Five years
ANZ Wholesale Balanced Fund	6.8 per cent	1.5 per cent per annum	4.9 per cent per annum
Composite Market Index	9.8 per cent	2.6 per cent per annum	5.0 per cent per annum

Over the twelve months to 30 June 2024, this fund rose 6.8 per cent (before fees and tax). This was behind its composite market index, which returned 9.8 per cent.

The Trust Fund invested into this ANZ fund in July 2021. While the longer term performance of the chosen fund manager remains positive in absolute terms, it has struggled to meet the performance of its benchmark. Over the three years ended 30 June 2024, ANZ has returned 1.5 per cent per annum, behind of its composite market index which returned 2.6 per cent per annum. The equivalent five year figures are 4.9 per cent per annum and 5.0 per cent per annum respectively.

The Trustees are in the process of appointing two new investment managers to replace ANZ.

Outlook

Our outlook at present is cautiously optimistic. We appear to be near the start of the interest rate easing cycle in most major economies. This should prove beneficial for investors, and many economies which have struggled with high rates and high inflation over the last few years would also benefit if these dynamics reverse.

However, risks remain, and there are many known and unknown challenges that may present themselves. For example, the upcoming US presidential election could cause volatility in investment markets, whatever the outcome, and the ongoing geopolitical conflicts are of concern.

Nevertheless, despite recent volatility, interest rates are still higher than they have been through most of the 2010s and early 2020s. This is positive for investment returns over the medium to long-term since higher interest rates translate directly into better returns from bonds and cash investments. In addition, equities, which investors demand a premium for holding, are likely to similarly benefit over the long-term from a higher interest rate base.

Ben Trollip, written 28 August 2024.



FINANCIAL STATEMENTS

The NIUE INTERNATIONAL TRUST FUND

Financial Statements

For The Year Ended 30 June 2024

**STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
FOR THE YEAR ENDED 30 JUNE 2024**


	Notes	2024 \$	2023 \$
Revenue			
Contributions	3	0	1,690,362
Interest Revenue		2,258,191	1,508,887
Gain (Loss) on ANZ Managed Fund		1,895,636	1,820,657
Total Revenue		<u>4,153,827</u>	<u>5,019,906</u>
Operating Expenses			
Audit Fees		24,382	21,476
Legal Consulting		0	39,057
Fund Management Fees		133,815	127,873
Fund Monitor Fees		18,722	12,375
Accounting Services		2,240	24,608
Other		599	0
Total Operating Expenses		<u>179,758</u>	<u>225,387</u>
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		<u>3,974,069</u>	<u>4,794,519</u>

The accompanying Notes form part of these Financial Statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	Notes	2024 \$	2023 \$
EQUITY			
Accumulated Funds		(7,166,226)	(8,570,609)
Restricted Funds	3	79,722,939	77,153,253
TOTAL EQUITY		<u>72,556,713</u>	<u>68,582,644</u>
REPRESENTED BY:			
ASSETS			
Current Assets			
Cash & Cash Equivalents	4	42,179,376	39,921,784
Total Current Assets		<u>42,179,376</u>	<u>39,921,784</u>
Non-current Assets			
Investments	4	30,485,899	28,724,078
Total Non-current Assets		<u>30,485,899</u>	<u>28,724,078</u>
Current Liabilities			
Accrued Audit Fees		75,600	51,218
Other Accrued Expenses		32,962	12,000
Total Current Liabilities		<u>108,562</u>	<u>63,218</u>
TOTAL NET ASSETS		<u>72,556,713</u>	<u>68,582,644</u>

The accompanying Notes form part of these Financial Statements.



 Trustee for Niue
 Date: 20/12/24



 Secretary/Treasurer
 Date: 20/12/24

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	2024 \$	2023 \$
Accumulated Funds as at 1 July		(8,570,609)	(7,378,210)
Total Comprehensive Revenue and Expense		3,974,069	4,794,519
Deduct: Contributions	3	0	(1,690,362)
Deduct: Real Value Adjustment	3	<u>(2,569,686)</u>	<u>(4,296,556)</u>
Accumulated Funds as at 30 June		<u>(7,166,226)</u>	<u>(8,570,609)</u>
Restricted Funds as at 1 July		77,153,253	71,166,335
Add: Contributions	3	0	1,690,362
Add: Real Value Adjustment	3	<u>2,569,686</u>	<u>4,296,556</u>
Restricted Funds as at 30 June		<u>79,722,939</u>	<u>77,153,253</u>
TOTAL EQUITY AS AT 30 JUNE		<u>72,556,713</u>	<u>68,582,644</u>

The accompanying Notes form part of these Financial Statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	2024 \$	2023 \$
Cash flows from/(used in) Operating Activities			
Reimbursement to Government of Niue for Operating Expenses		0	(90,805)
Contributions		0	1,890,382
Interest Received from Investments		2,258,192	1,550,403
Other		(599)	0
Net Cash Flows from/(used in) Operating Activities		<u>2,257,593</u>	<u>3,150,160</u>
Cash flows from/(used in) Investing Activities			
Investments in Term Deposits		0	13,000,000
Net Cash Flows from/(used in) Investing Activities		<u>0</u>	<u>13,000,000</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		<u>2,257,593</u>	<u>16,150,160</u>
Cash & Cash Equivalents as at 1 July		39,921,784	23,771,624
CASH & CASH EQUIVALENTS AS AT 30 JUNE	4	<u>42,179,376</u>	<u>39,921,784</u>
RECONCILIATION FROM TOTAL COMPREHENSIVE REVENUE AND EXPENSE TO NET CASH FLOWS FROM OPERATIONS			
Total Comprehensive Revenue and Expense		<u>3,974,069</u>	<u>4,794,519</u>
Add back: Movements in the Fair Value of Managed Funds		(1,895,636)	(1,820,857)
Add back: Fees Deducted from Managed Funds		133,815	127,873
Movements in the Fair Value of Managed Funds		<u>(1,761,821)</u>	<u>(1,692,784)</u>
Movements in Working Capital			
(Increase)/Decrease in Accrued Interest		0	55,834
Increase/(Decrease) in Accrued Audit Fees		24,382	(5,114)
Increase/(Decrease) in Other Accrued Expenses		20,963	(2,295)
Total Movements in Working Capital		<u>45,345</u>	<u>48,425</u>
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		<u>2,257,593</u>	<u>3,150,160</u>

The accompanying Notes form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1 REPORTING ENTITY

The Financial Statements of the Niue International Trust Fund (hereafter: the "Trust Fund") for the year ended 30 June 2024 were authorised by the Trustee for Niue on behalf of the Board of the Trust Fund on 20 December 2024.

The Trust Fund is governed by the Trust Deed executed on 25 October 2006. The purpose of the Trust Fund is to contribute to the long-term financial stability and viability of Niue by enabling it to meet financial commitments from the proceeds of investments.

Governance of the Trust Fund is provided by its Board, which consists of Trustees and alternate Trustees of the Trust Fund's main contributors, these being the Governments of Niue, New Zealand and Australia.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The Financial Statements of the Trust Fund have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Trust Fund has applied all IFRS that were issued and effective as at balance date.

The Financial Statements have been prepared on a historical cost basis, except for some financial assets and liabilities, which have been measured at fair value.

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

Transactions in foreign currencies are translated into New Zealand dollars at the time the transactions occur.

2.2 Cash & Cash Equivalents and Investments

Investments are held in managed funds, term deposits, and call deposits in New Zealand.

Investments in managed funds are measured at the provided fair value as at balance date. Changes (other than deposits or withdrawals) in the value of managed funds are recognised as revenue (positive or negative) in the Statement of Comprehensive Income.

Term deposits which are invested for a term of more than 90 days, are classified as Investments; other investments are classified as Cash & Cash Equivalents.

For Investments that are held to maturity, measurement is initially at fair value and subsequently at amortised cost using the effective interest method. Accrued interest is calculated on a daily basis using normal banking conventions, and recognised as a separate current asset.

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.

2.3 Impairment of Financial Assets

Financial assets are reviewed regularly for impairment. Where an indication of impairment is identified and where the carrying values of assets exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts. All impairment losses are recognised in the Statement of Comprehensive Revenue and Expense.

Where indications exist that a previously recognised impairment loss may have decreased, the recoverable amount will be re-estimated, and any resulting impairment gain will be recognised in the Statement of Comprehensive Revenue and Expense. A reversal shall not exceed the initial impairment loss.

2.4 Equity

The Deed of the Trust Fund requires all contributions to be protected from any distributions. In addition, the accumulated value of all contributions must be protected from the effects of inflation by adjusting it in accordance with the Consumer Price Index in New Zealand.

The resulting adjusted accumulated value of all contributions is referred to in the Deed as "Real Value", and is recognised as "Restricted Funds" as a separate portion of Equity.

The remaining portion of Equity is recognised as Accumulated Funds, and is in principle available for distributions to the Government of Niue and for other disbursements that are necessary for the operations of the Trust Fund.

The Deed stipulates that if these funds are not distributed to the Government of Niue in the following year, then they are deemed to be a contribution by the Government of Niue.

Like all other contributions, deemed contributions are recognised under Restricted Funds.

All revenue and expenditure incurred by the Trust Fund is recorded as such in the Statement of Comprehensive Revenue and Expense, and the total comprehensive revenue and expense at the end of each financial year is transferred to Accumulated Funds. Any necessary transfers *to* or *from* Restricted Funds are recorded *from* or *to* Accumulated Funds.

2.5 Revenue

Contributions are recognised as revenue in the year that they are actioned by the contributor, with the exception of deemed contributions, which are not recognised as revenue in the Statement of Comprehensive Revenue and Expense.

Revenue from interest is recognised as the interest accrues.

Changes (other than deposits or withdrawals) in the value of managed funds are recognised as revenue (positive or negative) in the Statement of Comprehensive Income.

2.6 Taxation

The Trust Fund is exempt from all taxes, rates and duties in Niue by virtue of section 7 of the Niue Trust Fund Act 2004 (Niue).

Section CW 59B(1) of the Income Tax Act 2007 (New Zealand) exempts revenue from the Trust Fund from income tax in New Zealand.

Source deductions, if any, are recognised under Debtors if the likelihood of a tax refund is high, and the gross proceeds are recognised as revenue as they are earned.

The Trust Fund is not registered for NCT in Niue, nor for GST in New Zealand or Australia.

2.7 Changes in Accounting Policies

Changes in accounting policies are applied retrospectively (and comparatives are restated), unless the changes are required by International Financial Reporting Standards and retrospective application is not required or appropriate to do so.

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

3 EQUITY

3.1 Contributions and Real Value Adjustment

The Trust Deed requires the value of the contributions to be protected against the effects of inflation. This is done by adjusting the values of the contributions to their real values at balance date, based on the New Zealand Consumer Price Index.

The base index for each contribution is the index at the end of the quarter in which the contribution was received. The real value of the contributions is then calculated using the index as at 30 June of the current financial year.

The current real value as at 30 June 2024 was calculated, based on an index of 1272 (2023: 1231). This index was applied to the contributions received to date, as follows.

Contribution by:	Original Value \$	Date Received	NZ CPI at Contribut. Date	Real Value \$
Opening balance as at 1 June	<u>77,153,253</u>	30/06/23	1231	<u>79,722,939</u>
REAL VALUE AS AT 30 JUNE	<u><u>77,153,253</u></u>			<u><u>79,722,939</u></u>

The Real Value Adjustment is calculated as the difference between the original value and the real value as at balance date, as follows.

	2024 \$	2023 \$
Real Value as at 30 June	79,722,939	77,153,253
Deduct: Value of contributions before Real Value Adjustment	<u>(77,153,253)</u>	<u>(72,856,697)</u>
REAL VALUE ADJUSTMENT	<u><u>2,569,686</u></u>	<u><u>4,296,556</u></u>

3.2 Distributions

Distributions are deducted from Accumulated Funds, and all contributions (including deemed contributions) and the Real Value Adjustment are transferred from Accumulated Funds to Restricted Funds. What remains in Accumulated Funds as at 30 June of the current financial year is available for distribution to the Government of Niue during the following financial year.

Any returns that are available for distribution to the Government of Niue during the following financial year but are not distributed during that following year, are deemed to be contributions made on 30 June of that following year by the Government of Niue.

As at 1 July 2023, an accumulated shortfall of funds available for distributions in the following year, represented by the negative balance of Accumulated Funds in the Statement of Financial Position, amounted to \$8,570,609. In the year ended 30 June 2024, this shortfall was reduced by the surplus excluding distributions of \$3,974,069, and increased by the Real Value Adjustment of \$2,569,686, resulting in an accumulated shortfall of funds available for distributions in the following year of \$7,166,226. This shortfall is represented by the negative balance of Accumulated Funds in the Statement of Financial Position.

3.3 Contributions Received Since Inception

The contributions received by the Trust Fund to date and the reconciliation to the balance of Restricted Funds as at 30 June can be summarised as follows.

	2024 \$	2023 \$
Government of New Zealand	25,500,000	25,500,000
Government of Australia	11,664,864	11,664,864
Government of Niue	50,000	50,000
Government of Niue - deemed contributions - refer Note 3.2, above	16,969,159	16,969,159
Niue Kaufakalataha Wellington Region Inc.	15,000	15,000
Estate of Jock McEwen	15,000	15,000
Contributions Received to Date	54,214,023	54,214,023
Real Value Adjustments	25,508,916	22,939,230
RESTRICTED FUNDS AS AT 30 JUNE	79,722,939	77,153,253

4 INVESTMENTS

The Trust Deed requires the Board of Trustees to protect contributions from any distributions. In addition, the accumulated value of all contributions must be protected from the effects of inflation by adjusting it in accordance with the Consumer Price Index in New Zealand. With the formal adoption of the Statement of Investment Policies and Objectives (SIPO) by the Board of Trustees, on 25 March 2019, the primary investment objective of the Trust Fund is to achieve a return (net of expenses and fees) to exceed inflation (as measured by the New Zealand Consumer Price Index) by at least 2 per cent over rolling five year periods. The Trust Fund continues to focus on passive management of assets, albeit now through specialist investment managers rather than bank deposits. The current investment policy is for the Fund's investments to transition to a long-term portfolio, comprising financial assets including cash and cash equivalents, bonds and shares, and other investments, as appropriate from time to time.

All available funds are invested with registered banks and managed funds in New Zealand. The intention is to keep cash at a minimum, and usually include it with the next re-investment. At balance date, current and non-current investments were as follows.

	2024 \$	2023 \$
Current accounts and call accounts	42,179,376	39,921,784
Cash & Cash Equivalents	<u>42,179,376</u>	<u>39,921,784</u>
ANZ Investments	30,485,899	28,724,078
Non-current Investments	<u>30,485,899</u>	<u>28,724,078</u>
INVESTMENTS	<u><u>72,665,275</u></u>	<u><u>68,645,862</u></u>

5 FINANCIAL INSTRUMENTS

5.1 Overview

The Trust Fund's principal financial instruments are term deposits (short term and long term), call accounts and current accounts; all with banks that are registered in New Zealand, in addition to investments in managed funds in New Zealand. From time to time other financial instruments may be held as a result of the Trust Fund's activities, such as debtors and creditors.

The main risks associated with the Trust Fund's financial instruments are: interest rate risk, market volatility, credit risk, liquidity risk, and potentially foreign currency risk.

When funds become available for investment, the Trust Fund's Secretariat prepares an investment proposal, using quotes from banks that are registered in New Zealand. Yield curves are taken into account when the preferred quote is selected.

5.2 Fair Values

The Trust Fund's investments may include term deposits with varying terms, that are designated to be held to maturity. As such, they are subsequently measured at amortised cost using the effective interest method.

As investments in deposits are designated to be held to maturity, and because of their relatively short terms, the fair values of all financial instruments at balance date were not considered to differ materially from their carrying values.

5.3 Interest Rate Risk (and the effect of changes in the Consumer Price Index)

The Trust Fund's main interest rate risk is that the increase in the Consumer Price Index in New Zealand exceeds the interest rates that apply to the Trust Fund's existing investments or that are available for new investments. This would result in not enough interest revenue being generated to protect the Real Value of the Trust Fund's contributions from the effects of inflation.

Although movements in the market interest rates and the Consumer Price Index are outside the control of the Trust Fund, the Trust Fund attempts to minimise the risk of adverse movements by taking into account yield curves and economic forecasts when investment decisions are being prepared.

The Trust Fund currently has no policy of hedging interest rate risks through forward deals.

Maturity information and interest rates that give an indication of the interest rate exposure on the investments (see Note 4), can be summarised as follows.

	2024	2023
Lowest interest rate on term deposits during the year	N/A	3.76%
Highest interest rate on term deposits during the year	N/A	3.76%
Weighted average interest rate on term deposits as at 30 June	N/A	N/A
Latest maturity date after 30 June	N/A	N/A

Changes in the Consumer Price Index influence the returns that are available for distribution to the Government of Niue. If the Consumer Price Index had increased by an additional 1% in June 2024, then the returns that would have become available for distribution as at 30 June 2024 would have reduced by \$814,778 (30 June 2023: \$735,514).

5.4 Credit Risk

Credit risk is the risk that a debtor defaults on its obligations to the Trust Fund.

The Trust Fund's current investment policy is to invest all funds with banks and managed funds that are registered in New Zealand. The Board therefore considers the credit risk on investments to be minimal.

5.5 Market Volatility

Approximately half of the Trust Fund's investments are in ANZ Investments, a managed fund in New Zealand. ANZ Investments invests in New Zealand and overseas equities, bonds, and cash. Equities and bonds are subject to market fluctuations, which are recognised in the Statement of Comprehensive Revenue and Expense.

The Trust Fund's investment horizon is long term, and it is therefore comfortable with market fluctuations that affect the value of its investments.

6 CONTINGENCIES

No contingent assets or liabilities existed as at balance date (2023: nil).

7 COMMITMENTS

There were no commitments as at balance date (2023: nil).

8 RELATED PARTIES


The Deed under which the Trust Fund operates, was executed on behalf of the Governments of Niue, New Zealand and Australia, and provides for these Governments to appoint one Trustee each. The Trust Fund is thus controlled by these three Governments.

The Government of Niue is the sole beneficiary of the Trust Fund. The Government of Niue is also represented on the Trust Fund's Board of Trustees.

Most contributions are made by the three Governments; the details are disclosed in Note 3.

9 SUBSEQUENT EVENTS

No events happened after balance date that may have a material impact on these Financial Statements



Independent Auditor's Report

To the readers of the Niue International Trust Fund's financial statements for the year ended 30 June 2024

I have audited the financial statements of the Niue International Trust Fund (the Fund) for the year ended 30 June 2024 using my staff and resources.

Opinion

I have audited the financial statements of the Fund on pages 2 to 12, that comprise the statement of financial position as at 30 June 2024, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2024 and the notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements of the Fund on pages 2 to 12:

- give a true and fair view of the Fund's:
 - financial position as at 30 June 2024; and
 - financial performance and cash flows for the year then ended; and
- comply with International Financial Reporting Standards.

Our audit was completed on 20 December 2024. This is the date at which our opinion is expressed.

The basis for my opinion is explained below. In addition, I outline the responsibilities of the Trustees and my responsibilities relating to the financial statements and I explain my independence.

Basis for our opinion

I carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. My responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

I have fulfilled my responsibilities in accordance with the Auditor-General's Auditing Standards.

I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Trustees for the financial statements

The Trustees are responsible on behalf of the Fund for preparing financial statements that give a true and fair view and comply with internationally recognised generally accepted accounting practice. The Trustees are responsible for such internal control as they determine is necessary to enable them to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible on behalf of the Fund for assessing the Fund's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Fund, or there is no realistic alternative but to do so.

The Trustee's responsibilities arise from section 7 of the Niue Trust Fund Act 2004 and clause 16 of the Deed concerning the Fund.

Responsibilities of the auditor for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements.

I did not evaluate the security and controls over any electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- I identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- I conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

My responsibilities arise from clause 17 of the Trust Deed concerning the Fund.

Independence

While carrying out this audit, my staff complied with the Auditor-General's independence requirements, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

As an Officer of the New Zealand Parliament, I am constitutionally and operationally independent of the Government of Niue and the Niue International Trust Fund. Other than in my capacity as auditor, I have no relationship with, or interests, in the Fund.



John Ryan
Auditor-General
Niue