

**NIUE PHILATELIC AND NUMISMATIC
CORPORATION**

**Financial Statements
For the year ended 30 June 2023**

Niue Philatelic and Numismatic Corporation

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Niue Philatelic and Numismatic Corporation

Directors' statement

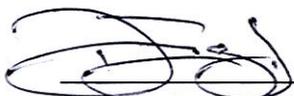
For the year ended 30 June 2023

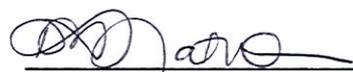
The Board of the Niue Philatelic and Numismatic Corporation is pleased to present the Corporation's Financial Statements for the year ended 30 June 2023.

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
- 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.

These financial statements were authorised for issue by the Board on 11 February 2025.



Hon. Premier Dalton Tagelagi
Chair

Doreen Siataga
Director

Niue Philatelic and Numismatic Corporation

Statement of financial performance

For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Revenue			
Royalties	4	1,867,571	907,272
Sales	5	94,435	55,755
Interest		8,018	2,134
Other revenue	6	278,055	239,332
Total revenue		2,248,079	1,204,493
Cost of goods sold	7	9,892	5,050
Gross profit		2,238,187	1,199,443
Expenditure			
Personnel expenses	8	273,574	190,590
Donations and sponsorships	8	83,060	28,274
Depreciation and amortisation	8,15	59,319	78,737
Maintenance and materials	8	85,151	70,669
Travel and transport	8	31,632	27,867
Other expenses	8	237,723	155,871
Total expenses		770,459	552,008
Net profit before tax		1,467,728	647,435
Income tax (expense)/credit for the year	10	(462,831)	17,185
Net profit for the year		1,004,897	664,620

Niue Philatelic and Numismatic Corporation

Statement of changes in equity

For the year ended 30 June 2023

	Share capital \$	Retained earnings \$	Total equity \$
Balance at 30 June 2021	1,095,376	(579,163)	516,213
Net profit for the year	-	664,620	664,620
Balance at 30 June 2022	1,095,376	85,457	1,180,833
Net profit for the year	-	1,004,897	1,004,897
Balance at 30 June 2023	1,095,376	1,090,354	2,185,730

Niue Philatelic and Numismatic Corporation
Statement of financial position
As at 30 June 2023

	Notes	2023 \$	2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	11	2,509,167	1,444,805
Inventory	12	55,682	62,608
Trade and other debtors	13	306,068	107,113
Deferred tax asset	10	-	17,185
Total current assets		2,870,917	1,631,711
Non-current assets			
Property, plant and equipment	15	700,715	701,555
Total non-current assets		700,715	701,555
TOTAL ASSETS		3,571,632	2,333,266
LIABILITIES			
Current liabilities			
Trade and other creditors	14	791,988	1,019,471
Intercompany loans		119,893	119,893
Provision for income tax	10	445,646	-
Employee entitlements	16	28,347	5,569
Total current liabilities		1,385,874	1,144,933
Non-current liabilities			
Employee entitlements	16	28	7,500
Total non-current liabilities		28	7,500
TOTAL LIABILITIES		1,385,902	1,152,433
NET ASSETS		2,185,730	1,180,833
EQUITY			
Share capital		1,095,376	1,095,376
Retained earnings		1,090,354	85,457
Total equity		2,185,730	1,180,833

Niue Philatelic and Numismatic Corporation
Statement of cash flows
For the year ended 30 June 2023

	2023	2022
	\$	\$
Cash flows from operating activities		
Receipts of royalties	1,796,804	907,272
Receipts from customers	203,957	292,427
Receipts of interest	8,018	2,134
Payments to suppliers	(211,981)	(556,984)
Payments to employees	(258,268)	(216,234)
Payments of sponsorships and other donations	(83,060)	(28,274)
Payment of NCT	(320,000)	-
Net cash generated by operations	1,135,470	400,341
Cash flows from investing activities		
Purchase of property, plant and equipment	(71,108)	(6,340)
Net cash used in investing activities	(71,108)	(6,340)
Net increase in cash and cash equivalents	1,064,362	394,001
Cash and cash equivalents at the beginning of the year	1,444,805	1,050,804
Cash and cash equivalents at the end of the year	2,509,167	1,444,805

Reconciliation from net profit to net cash flows from operations

	2023	2022
	\$	\$
Net profit for the period	1,004,897	664,620
Adjustments for non-cash items		
Depreciation and amortisation	59,319	78,737
Debtor impairments	-	(1,133)
Disposal of fixed assets	12,629	49,821
Utilisation of deferred tax asset	17,185	(17,185)
Total adjustments for non-cash items	89,133	110,240
Movements in working capital		
(Increase)/decrease in debtors	(198,955)	(2,660)
(Increase)/decrease in inventories	6,926	(34,239)
Decrease/(increase) in employee entitlements	15,306	(25,644)
Decrease in trade and other creditors	(227,483)	(311,976)
Increase/(decrease) in provision for income tax	445,646	-
Total movements in working capital	41,440	(374,519)
Net cash flows from operating activities	1,135,470	400,341

Niue Philatelic and Numismatic Corporation

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

1 REPORTING ENTITY

The Niue Philatelic and Numismatic Corporation (the 'Corporation') was established, and operates, under the Niue Philatelic and Numismatic Amendment Act 2011 and is domiciled in Niue. The Government of Niue is the sole owner of the Corporation.

The main function of the Corporation is to generate revenues through various activities which the Corporation has assumed from Government over the years which include:

- royalties from the sale of coins and stamps by the New Zealand Mint ('NZ Mint') and the New Zealand Post;
- Noni Farm management and sales of Noni juice; and
- government housing.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared on a historical cost basis except for financial instruments which are recorded at fair value, and the functional and presentation currency is New Zealand Dollars ('NZD'). Amounts are rounded to the nearest dollar. These financial statements have been prepared on a going concern basis.

2.2 Statement of compliance

These financial statements include the financial information of the Corporation for the year ended 30 June 2023. These financial statements have been prepared using the accounting policies described in the notes to the financial statements and comply with the accounting policies of the Government of Niue. Comparative information has been included for the year ending, and balances as at, 30 June 2022.

2.3 Revenue

2.3.1 Measurement of revenue

Revenue is measured at the fair value of consideration received or receivable.

2.3.2 Royalties

The Corporation has an agreement with the NZ Mint, earning royalties based on its sales of Niuean coins and stamps. The agreement includes a de minimis clause which guarantees the Corporation is a minimum amount of royalties each year.

Income from the minimum amount of royalties guarantee is recognised over the periods the agreement with the NZ Mint covers. Royalties in excess of the minimum guarantee are recognised as revenue in the period covered by the underlying coin and stamps sales, if the amounts can be determined with reasonable certainty or else in the earliest period that such information becomes available.

2.3.3 Sale of goods

Sales of physical goods such as coins and stamps and noni juice are recognised when the product is sold to the customer. The recorded revenue is the gross amount of the sale.

2.3.4 Rent income

Rent income is recognised in the periods that the rental charges relate to.

2.4 Cash and cash equivalents

Cash includes cash on hand and funds on deposit with banks and is measured at its face value.

2.5 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 Corporation will not be able to collect amounts due according to the original terms of the receivable.

2.6 Inventory

Inventory held for sale or use in the provision of goods and services on a commercial basis are valued at the lower of cost and net realisable value.

Niue Philatelic and Numismatic Corporation

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

2.7 Property, plant and equipment

2.7.1 Recognition of property, plant and equipment

Property, plant, and equipment consists of: buildings and site and leasehold improvements, machinery, vehicles, electronic equipment (including computer equipment), land and furniture and fittings.

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

2.7.2 Additions

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Corporation and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment 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.

2.7.3 Disposals

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

2.7.4 Depreciation

Depreciation is 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 have been estimated as follows:

- Land	Indefinite
- Buildings	10-40 years
- Machinery	5-20 years
- Vehicles	5-10 years
- Electronic Equipment	3-33 years
- Furniture & Fixings	3-12 years

2.7.5 Impairment of property, plant and equipment

Property, plant and equipment that have a finite useful life 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 in the surplus or deficit.

2.8 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 are measured at nominal values based on accrued entitlements at current rates of pay.

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

The provisions for long service leave and retiring leave are measured by first calculating the expected future value of these entitlements at the time that employees are expected to become entitled to them. This future value of these entitlements is increased by estimated average salary increases over time, and decreased by an estimated average resignation rate and by a discount rate reflecting the passage of time.

Niue Philatelic and Numismatic Corporation

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

2.10 Employee entitlements (continued)

Only the portion of the expected future value that reflects past service at balance date is recognised as a liability, calculated pro rata over the period during which the benefits are expected to be earned.

Benefits that have been earned and are due within one year from balance date, are recognised as current liabilities; the likelihood of these benefits being enjoyed by employees is deemed high enough, and the measurement of them accurate enough, to consider the accrued value to be a liability. The non-current portion of long service leave and retiring leave entitlements is recognised as a non current provision.

2.11 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

The Corporation is registered for Niue Consumption Tax ('NCT'). Except for debtors and creditors, amounts presented in these financial statements exclude any applicable NCT.

2.13 Income and deferred tax

Tax expense comprises current and deferred tax. Income tax is a provision for the income tax payable based on the taxable surplus for the current year, plus any adjustments to prior provisions in respect of previous periods. Income tax expense is calculated using tax rates and tax laws (substantively) enacted at balance date. Income tax expense is recognised against surplus or deficit for the period.

Deferred tax is recognised for temporary differences (if any) between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. In respect of losses, deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available, against which the asset can be utilised.

Otherwise, tax losses are not recognised in the period they are incurred and are brought forward until they can be recognised as a deferred tax asset or offset against current tax liabilities.

Recognised and unrecognised tax deferred tax assets are reassessed at the end of each reporting period.

2.14 Changes in accounting policies and estimates

There have been no changes in accounting policies, or changes in accounting estimates, during the 30 June 2023 financial year.

3 SUBSEQUENT EVENTS

There were no subsequent events that may have a significant impact on these financial statements.

4 ROYALTIES

	2023	2022
	\$	\$
Royalties from coin sales (New Zealand Mint)	1,867,571	907,272
Total royalties	1,867,571	907,272

5 SALES

	2023	2022
	\$	\$
Noni fruit	55,093	55,755
Coins and stamps	39,342	-
Total sales	94,435	55,755

Niue Philatelic and Numismatic Corporation
Notes to the financial statements for the year ended 30 June 2023

6 OTHER REVENUE

	2023	2022
	\$	\$
Rent income - residential and commercial property	233,055	187,991
Rent income - Swanson	45,000	45,000
Other income	-	6,341
Total other revenue	278,055	239,332

7 COST OF GOODS SOLD

	2023	2022
	\$	\$
Coins and Stamps	7,069	658
Noni juice	2,823	3,340
Water costs	-	1,052
Total cost of sales	9,892	5,050

8 OPERATING EXPENDITURE

	2023	2022
	\$	\$
Salaries & wages (employees)	221,232	149,629
Payments to contractors	40,974	28,740
Board fees	1,200	4,552
Other staff benefits	10,168	7,669
Personnel expenses	273,574	190,590
Other donations	83,060	28,274
Donations and Sponsorships	83,060	28,274
Depreciation of property, plant & equipment (Note 15)	59,319	78,737
Depreciation expense	59,319	78,737
Repairs & maintenance	70,274	15,806
Losses on disposals	12,629	49,822
Other supplies	2,248	5,041
Maintenance & materials	85,151	70,669
Travel	8,886	8,865
External freight	11,990	8,834
Fuel	10,756	10,168
Travel & transport	31,632	27,867
Communication	1,230	1,987
Electricity	4,058	3,336
Professional fees	227,764	171,398
Loss/(gain) on clearance of related party amounts	(1,962)	244
Loss/(gain) on clearance of supplier clearing account	4,323	-
Operational lease and rent	1,664	-
Marketing Expenses	-	11,084
Debtor impairments	-	(1,133)
Other expenses	646	3,852
Inventory adjustment	-	(34,897)
Other expenses	237,723	155,871
TOTAL OPERATING EXPENDITURE	770,459	552,008

9 AUDIT FEES

Professional fees includes the estimated audit fees for the year amounting to \$57,470 (2022 \$51,525).

Niue Philatelic and Numismatic Corporation

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

10 INCOME AND DEFERRED TAX

	2023	2022
	\$	\$
Net profit before tax	1,467,728	647,435
Deduct: Interest income not subject to Niue income tax	(8,018)	(2,134)
Add: Non-deductible expenditure	83,060	28,274
Income subject to Niue income tax	1,542,770	673,575
At the Niuean statutory income tax rate of 30% (2022: 30%)	462,831	202,073
Utilisation of previously unrecognised tax losses	-	(202,073)
Recognition of losses from previous periods as deferred tax asset	-	(17,185)
Income tax expense/(credit)	462,831	(17,185)
Opening provision for income tax	-	-
This year's income tax provision	462,831	-
Utilisation of deferred tax asset	(17,185)	-
Income tax provision at 30 June	445,646	-

At 30 June 2022, the Corporation recognised a deferred asset of \$17,185 for its remaining unutilised (and unrecognised) tax losses on the expectation that it would be utilised in this financial year. At 30 June 2023, the Corporation utilised its deferred tax asset and has no unrecognised tax losses.

11 CASH AND CASH EQUIVALENTS

	2023	2022
	\$	\$
Current accounts	2,509,167	1,444,805
Total cash and cash equivalents	2,509,167	1,444,805

12 INVENTORY

	2023	2022
	\$	\$
Coins and stamps	55,682	62,608
Total inventory	55,682	62,608

13 TRADE AND OTHER DEBTORS

	2023	2022
	\$	\$
Trade receivables	161,730	32,217
Royalties debtors	84,365	10,400
Related party debtors	59,973	59,973
Prepayments	-	1,325
Accrued income	-	3,198
Total debtors	306,068	107,113

14 TRADE AND OTHER CREDITORS

	2023	2022
	\$	\$
Trade and other creditors - intercompany	7,978	16,492
Trade creditors - other	177,665	61,891
Rent bonds	23,540	17,560
Income in advance	171,250	216,250
NCT payable	411,555	707,278
Total trade and other creditors	791,988	1,019,471

Niue Philatelic and Numismatic Corporation
Notes to the financial statements for the year ended 30 June 2023

15 PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery	Vehicles	Electronic Equipment	Furniture and Fittings	Total
Cost at 1 July 2021	\$ 377,475	\$ 410,799	\$ 406,796	\$ 85,536	\$ 90,560	\$ 64,086	\$ 1,435,252
Accumulated depreciation at 1 July 2021	-	255,338	206,033	40,376	64,533	45,198	611,478
Net book value at 1 July 2021	377,475	155,461	200,763	45,160	26,027	18,888	823,774
Cost at 1 July 2022	377,475	376,269	301,169	56,645	49,395	43,882	1,204,835
Additions	-	-	54,217	9,167	1,350	6,375	71,109
Disposals	-	(3,900)	0	0	(40,141)	(43,881)	(87,922)
Cost at 30 June 2023	377,475	372,369	355,386	65,812	10,604	6,376	1,188,022
Accumulated depreciation at 1 July 2022	-	234,268	168,802	36,666	26,804	36,740	503,280
Depreciation	-	10,163	27,240	5,446	9,974	6,496	59,319
Eliminated on disposals	-	(1,527)	-	-	(31,953)	(41,812)	(75,292)
Accumulated depreciation at 30 June 2023	-	242,904	196,042	42,112	4,825	1,424	487,307
Net book value at 1 July 2022	377,475	142,001	132,367	19,979	22,591	7,142	701,555
Net book value at 30 June 2023	377,475	129,465	159,344	23,700	5,779	4,952	700,715

Niue Philatelic and Numismatic Corporation

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

16 EMPLOYEE ENTITLEMENTS

	2023 \$	2022 \$
Accrued salaries and wages	1,946	3,488
Leave entitlements	26,401	2,081
Current employee entitlements	28,347	5,569
Leave entitlements	28	7,500
Non current leave entitlements	28	7,500
Total employee entitlements	28,375	13,069

17 FINANCIAL INSTRUMENTS

17.1 Credit risk

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

17.2 Currency risk

The Corporation has no exposure to foreign exchange risk as a result of transactions denominated in foreign currencies. The sale of noni juice to overseas markets is denominated in New Zealand dollars.

17.3 Interest rate risk

The Corporation is not exposed to significant interest rate risk.

17.4 Fair value

The fair value of financial instruments approximates their carrying value in the Statement of Financial Position.

18 COMMITMENTS

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

19 CONTINGENCIES

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

Other than the above, there are no contingencies as at 30 June 2023 (2022: nil).

20 BREACHES OF LEGISLATION

20.1 Financial Statements not submitted in time

The Niue Philatelic and Numismatic Corporation is governed by the Niue Philatelic and Numismatic Amendment Act 2011. Section 20 requires the Corporation to submit a report of its operations and its Financial Statements to Cabinet and Assembly within three months after the end of the financial year. These Financial Statements for the year ended 30 June 2023 were prepared and submitted outside this three month requirement.

Niue Philatelic and Numismatic Corporation

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

20 BREACHES OF LEGISLATION (continued)

20.2 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 Corporation). The Corporation has not yet filed its tax returns for the years ended 30 June 2012 and thereafter, and has also failed to request a filing extension.

21 RELATED PARTY TRANSACTIONS

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

	2023	2022
	\$	\$
Sales and receipts		
Sales to Niue Development Bank	10,667	10,667
Sales and services provided to Niue Bond Liquor Company	2,560	-
Sales and services provided to Broadcasting Corporation of Niue	-	889
Sales and services provided to Government of Niue	6,908	265
Purchase and payments		
Marketing services provided by Broadcasting Corporation of Niue	-	(519)
Communication service and assets from Telecom Niue Limited	(3,558)	(1,622)
Goods and services from Government of Niue - Treasury Department	(138,333)	(30,336)
Total transactions	(121,756)	(20,656)

The related party transactions and other events resulted in the following balances owing to, or owed by, the Corporation as at 30 June. The following balances include any applicable NCT.

	2023	2022
	\$	\$
Receivable owing from Broadcasting Corporation of Niue	59,973	59,973
Total receivable	59,973	59,973
Payable to Government of Niue - Treasury Department	(6,862)	(13,414)
Payable to Niue Bond Liquor Company	(119,893)	(119,893)
Payable to Broadcasting Corporation of Niue	(1,116)	(1,116)
Payable to Telecom Niue Limited	-	(1,962)
Total payable	(127,871)	(136,385)

The Corporation also makes regular tax payments to the Tax Office (Treasury). PAYE is paid on behalf of its employees.

