

# **NIUE COMMERCIAL ENTERPRISES LIMITED**

## **Financial Statements**

**For the year ended 30 June 2024**

## Niue Commercial Enterprises Limited

### STATEMENT OF RESPONSIBILITY

The Board of Niue Commercial Enterprises Limited is pleased to present the Company's Financial Statements for the year ended 30 June 2024.

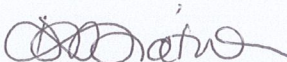
We hereby declare that:

- 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 2024.

The Financial Statements were authorised for issue by the Board on 14 May 2025.



Ian Fitzgerald  
Chair



Doreen Siataga  
Director

# **Niue Commercial Enterprises Limited**

## **STATEMENT OF FINANCIAL PERFORMANCE for the year ended 30 June 2024**

	Notes	2024 Actual \$	2023 Actual \$
Operating Grant from Niue Development Bank		60,612	0
Western Union Commission		6,538	13,773
Change Order Revenue		1,104	1,199
EFTPOS Commission		17,942	13,005
Mail Services		43,010	21,547
Prepaid Power Commission		11,387	9,989
Other Revenue		251	3,407
<b>REVENUE</b>		<b>140,844</b>	<b>62,920</b>
Depreciation & Amortisation	9	1,473	3,747
Travel and Transport		8,999	6,715
Other Expenses	5	117,921	82,085
<b>OPERATING EXPENDITURE</b>	4	<b>128,393</b>	<b>92,547</b>
<b>NET (DEFICIT)</b>		<b>12,451</b>	<b>(29,627)</b>

*The accompanying notes form part of these Financial Statements.*

**Niue Commercial Enterprises Limited**  
**STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2024**

	Notes	2024 Actual \$	2023 Actual \$
<b>EQUITY AS AT 1 JULY</b>		441,891	471,518
Net (Deficit)		12,451	(29,627)
<b>Total Recognised Revenue and Expenses</b>		12,451	(29,627)
<b>EQUITY AS AT 30 JUNE</b>		454,342	441,891

*The accompanying notes form part of these Financial Statements.*

**Niue Commercial Enterprises Limited**  
**STATEMENT OF FINANCIAL POSITION as at 30 June 2024**

	Notes	2024 Actual \$	2023 Actual \$
<b>EQUITY</b>			
Share Capital		350,000	350,000
Retained Earnings		104,342	91,891
<b>TOTAL EQUITY</b>		<u>454,342</u>	<u>441,891</u>
 <b>REPRESENTED BY:</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	6	462,889	626,017
Debtors	7	33,135	30,800
Inventories		8,845	10,690
<b>Total Current Assets</b>		<u>504,869</u>	<u>667,507</u>
 <b>Less Current Liabilities</b>			
Trade and Other Creditors	8	49,267	227,089
Income in Advance		1,260	0
<b>Total Current Liabilities</b>		<u>50,527</u>	<u>227,089</u>
 <b>WORKING CAPITAL</b>		<u>454,342</u>	<u>440,418</u>
 <b>Non Current Assets</b>			
Property, Plant and Equipment	9	0	1,473
<b>Total Non Current Assets</b>		<u>0</u>	<u>1,473</u>
 <b>TOTAL NET ASSETS</b>		<u>454,342</u>	<u>441,891</u>

*The accompanying notes form part of these Financial Statements.*

**Niue Commercial Enterprises Limited**  
**STATEMENT OF CASH FLOWS for the year ended 30 June 2024**

	<b>2024 Actual \$</b>	<b>2023 Actual \$</b>
<b>Cash Flows from/(used in) Operating Activities</b>		
Grants Received from Governments of Niue and New Zealand	60,612	0
Net Movement of Funds Held on Behalf of Customers	(153,020)	(366,191)
Other Receipts from Customers and Others	79,157	66,082
Payments to Suppliers	(149,877)	(69,436)
<b>Net Cash Flows from/(used in) Operating Activities</b>	<b>(163,128)</b>	<b>(369,545)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(163,128)</b>	<b>(369,545)</b>
Cash and Cash Equivalents as at 1st July	626,017	995,562
<b>CASH AND CASH EQUIVALENTS AS AT 30 JUNE</b>	<b>462,889</b>	<b>626,017</b>
<b>RECONCILIATION FROM NET SURPLUS TO NET CASH FLOWS FROM OPERATIONS</b>		
<b>Net Surplus</b>	<b>12,451</b>	<b>(29,627)</b>
<b>Adjustments for Non Cash Items</b>		
Depreciation & Amortisation	1,473	3,747
<b>Total adjustments for Non Cash Items</b>	<b>1,473</b>	<b>3,747</b>
<b>Movements in Working Capital</b>		
(Increase)/Decrease in Debtors	(2,335)	3,162
(Increase)/Decrease in Inventories	1,845	(1,142)
Increase/(Decrease) in Creditors	(176,562)	(345,685)
<b>Total movements in Working Capital</b>	<b>(177,052)</b>	<b>(343,665)</b>
<b>Net Cash Flows from/(used in) Operating Activities</b>	<b>(163,128)</b>	<b>(369,545)</b>

*The accompanying notes form part of these Financial Statements.*

## **Niue Commercial Enterprises Limited**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2024**

#### **1 REPORTING ENTITY**

Niue Commercial Enterprises Limited (hereafter: "the Company") was incorporated on 21 February 2013. The Government of Niue is the sole shareholder of the Company. The primary objective of the Company is to facilitate the provision of transactional banking services in Niue as an "approved agent" of Kiwibank Limited under the Niue Bank Act 1994, as amended by the Niue Bank Amendment Act 2013.

#### **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **2.1 Basis of Preparation**

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 have been prepared in accordance with the Company's significant accounting policies.

##### **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 consists mainly of fees received from customers.

The main commercial revenue streams include Western Union commission, merchant coin orders (change order fees), EFTPOS commission, revenue from postal services, and commission received for selling prepaid power tokens.

Western Union commission, change order fees, EFTPOS commission and power token sales commission are fees received from customers for facilitating international payments, changing cash denominations, and taking EFTPOS payments, respectively. This revenue is recognised in the period that the services are provided.

Revenue from mail services results from the sale of postage stamps and from settlements with NZ Post. Revenue from the sale of postage stamps is recognised upon the sale of the stamps; the Bank estimates that the costs associated with providing the related mail service are generally incurred within the same period that the stamps are sold. Revenue from settlements with NZ Post relate to the net payment received from or paid to NZ Post for mail sent to or received from New Zealand, and is recognised in the periods that the settlements relate to.

##### **2.5 Cash and Cash Equivalents**

Cash includes cash on hand and funds on deposit with banks and is measured at its face value. Most cash on hand is cash held for customers of Kiwibank.

The primary objective of the Company is to provide over-the-counter banking services to the Niue community on behalf of customers of Kiwibank. The main services are to receive cash deposits from and to provide cash withdrawals to these customers. These transactions result in changes to the customers' account balances with Kiwibank. Cash held at the Company's premises is owned by the Company; increases and decreases in the Company's cash levels as a result of transactions with Kiwibank's customers need to be settled periodically with Kiwibank and are recognised as a liability or a debtor, respectively.

**Niue Commercial Enterprises Limited**  
**NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2024**

**2.6 Debtors**

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

Kiwibank customers are not customers of the Company and their transactions do not give rise to a debtor or creditor relationship with the Company.

**2.7 Inventories**

Inventories consist mainly of postage stamps, to be sold in return for the provision of postal services. Limited stocks of mail bags and other mail related goods are kept in order to support the Bank's mail services. Inventories are measured at the lower of cost and net realisable value, calculated on a first in first out basis. Costs include all expenses incurred in bringing inventory items to their present location and condition, including freight and import duties.

**2.8 Property, Plant and Equipment**

**2.8.1 Recognition of Property, Plant and Equipment**

Property, plant, and equipment consists of: machinery, vehicles, electronic equipment (including computer equipment), and furniture and fittings.

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.

**2.8.2 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 Company 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.

**2.8.3 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**

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 and associated depreciation rates of major classes of property, plant and equipment have been estimated as follows:

- Machinery	10 years	(10%)
- Vehicles	5 years	(20%)
- Electronic Equipment	3 years	(33.3%)
- Furniture & Fittings	3 - 10 years	(10-33.3%)



**Niue Commercial Enterprises Limited**  
**NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2024**

**2.8.5 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.

**2.9 Goodwill**

Goodwill arises from business combinations, and is measured at the positive difference between the acquisition price and the fair value of the net assets obtained.

Goodwill is amortised over a maximum period of five years.

The carrying value of Goodwill is reviewed annually for potential impairments. Impairment losses are recognised in the surplus or deficit.

**2.10 Creditors**

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

Kiwibank customers are not customers of the Company and their transactions do not give rise to a debtor or creditor relationship with the Company.

**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 Company is not registered for NCT.

**2.13 Income Tax**

Although the Company is subject to income tax, its aggregate taxable income has to date been a taxable loss. As it is unlikely that the Company's previously incurred tax losses can be offset against future profits before they expire, no tax asset has been recognised in the Statement of Financial Position. Refer Note 11, below.

**2.14 Changes in Accounting Policies**

Changes in accounting policies are applied retrospectively, and comparatives are restated. The effect of these changes, if any, is disclosed in Note 3.1, below.

**Niue Commercial Enterprises Limited**  
**NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2024**

New accounting policies may be adopted for types of transactions that have become material to the Financial Statements for the first time. These are not considered changes in accounting policies. Likewise, some accounting policies may be reworded to better reflect the treatment of transactions; such rewording is also not considered a change in accounting policies.

**2.15 Changes in Accounting Estimates**

Material effects of changes in accounting estimates are recognised in the Statement of Financial Performance in the current year to the extent that they have an effect on the current year or previous years. They are disclosed in Note 3.2, below.

**2.16 Material Prior Year Errors**

If errors are detected that have a material impact on prior years, then these are applied retrospectively, and comparatives are restated. The effect of such errors, if any, is disclosed in Note 3.3, below.

**3 EVENTS AND DECISIONS WITH SIGNIFICANT ACCOUNTING IMPACTS**

**3.1 Changes in Accounting Policies**

There 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 prior year errors were found during the year.

**3.4 Discussion of Financial Performance**

The Company recorded a surplus of \$12,451, compared to a deficit of \$29,627 in the previous year.

The increase of revenue from \$62,920 to \$140,844 was mostly caused by the Niue Development Bank paying for the Company's audit fees (\$60,612), and a significant increase of \$21,463 in income from mail services.

Operating expenditure increased by \$35,846. The biggest contributor to this was a write-off of Western Union settlement of \$33,873.

**3.5 Major Events**

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

**3.6 Subsequent Events**

No significant events happened after balance date that might have a significant impact on the Bank's financial performance and position for the year.

**Niue Commercial Enterprises Limited**  
**NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2024**

**4 OPERATING EXPENDITURE**

	2024 Actual \$	2023 Actual \$
Depreciation of property, plant & equipment <i>Depreciation &amp; Amortisation (see Notes 8 and 9)</i>	1,473	3,747
	<u>1,473</u>	<u>3,747</u>
External freight <i>Travel &amp; Transport</i>	8,999	6,715
	<u>8,999</u>	<u>6,715</u>
Audit fees	39,670	34,922
Interest paid on Kiwibank settlement account	14,128	22,277
Contribution towards shared expenses	0	1,750
Miscellaneous Expenses	64,123	23,136
<i>Other Expenses</i>	<u>117,921</u>	<u>82,085</u>
<b>TOTAL OPERATING EXPENDITURE</b>	<u><u>128,393</u></u>	<u><u>92,547</u></u>

**5 AUDIT FEES**

Other Expenses include the proposed audit fees for the current year amounting to \$39,670 (2023: \$34,922).

**6 CASH AND CASH EQUIVALENTS**

	2024 Actual \$	2023 Actual \$
Company's operating account	2,579	7,990
Other customer related accounts	117,448	103,660
Cash float for Kiwibank's customers	350,000	350,000
Excess cash deposited by Kiwibank's customers (held on their behalf)	(7,138)	164,367
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<u><u>462,889</u></u>	<u><u>626,017</u></u>

The Company holds a cash float to conduct transactions with Kiwibank's customers on Kiwibank's behalf. This cash is owned by the Company. Increases in cash levels resulting from customers' deposits are settled with Kiwibank periodically.

**7 DEBTORS**

The Debtors balance is net of a provision for doubtful debts of \$12,271 (2022: \$7,394).

**8 TRADE AND OTHER CREDITORS**

	2024 Actual \$	2023 Actual \$
Trade creditors payable to other suppliers	46,556	71,358
<i>Trade creditors</i>	<u>46,556</u>	<u>71,358</u>
To settle with Kiwibank	(7,138)	164,367
To settle with Western Union	(321)	(32,334)
To settle with Niue Power	10,170	23,698
<i>Required settlements (see Note 6, above)</i>	<u>2,711</u>	<u>155,731</u>
<b>TOTAL TRADE AND OTHER CREDITORS</b>	<u><u>49,267</u></u>	<u><u>227,089</u></u>

**Niue Commercial Enterprises Limited**  
**NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2024**

The balance to settle with Kiwibank represents increases in cash levels resulting from deposits made by Kiwibank's customers that need to be settled with Kiwibank.

**9 PROPERTY, PLANT AND EQUIPMENT**

**9.1 Movements in Property, Plant and Equipment**

	2024 Actual \$	2023 Actual \$
Gross carrying amount as at 1 July	63,442	71,942
Disposals	(18,092)	(8,500)
<b>Gross carrying amount as at 30 June</b>	<b>45,350</b>	<b>63,442</b>
Accumulated depreciation as at 1 July	61,969	66,722
Depreciation charge for the period	1,473	3,747
Disposals	(18,092)	(8,500)
<b>Accumulated depreciation as at 30 June</b>	<b>45,350</b>	<b>61,969</b>
<b>NET BOOK VALUE - PROPERTY, PLANT AND EQUIPMENT</b>	<b>0</b>	<b>1,473</b>

**9.2 Asset Classes**

	2024 Actual \$	2023 Actual \$
Machinery	0	817
Furniture and fittings	0	656
<b>NET BOOK VALUE - PROPERTY, PLANT AND EQUIPMENT</b>	<b>0</b>	<b>1,473</b>

**9.3 Movements per Asset Class**

	2024 Actual \$	2023 Actual \$
<b>Machinery</b>		
Gross carrying amount as at 1 July	34,883	34,883
Disposals	(4,883)	0
<b>Gross carrying amount as at 30 June</b>	<b>30,000</b>	<b>34,883</b>
Accumulated depreciation as at 1 July	34,066	31,078
Depreciation charge for the year	817	2,988
Disposals	(4,883)	0
<b>Accumulated depreciation as at 30 June</b>	<b>30,000</b>	<b>34,066</b>
<b>Net Book Value - Machinery</b>	<b>0</b>	<b>817</b>
<b>Vehicles</b>		
Gross carrying amount as at 1 July	0	8,500
Disposals	0	(8,500)
<b>Gross carrying amount as at 30 June</b>	<b>0</b>	<b>0</b>

# Niue Commercial Enterprises Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2024

	2024 Actual \$	2023 Actual \$
Accumulated depreciation as at 1 July	0	8,500
Disposals	0	(8,500)
<b>Accumulated depreciation as at 30 June</b>	<b>0</b>	<b>0</b>
<b>Net Book Value - Vehicles</b>	<b>0</b>	<b>0</b>
<b>Electronic Equipment</b>		
Gross carrying amount as at 1 July	16,791	16,791
Disposals	(4,908)	0
<b>Gross carrying amount as at 30 June</b>	<b>11,883</b>	<b>16,791</b>
Accumulated depreciation as at 1 July	16,791	16,791
Disposals	(4,908)	0
<b>Accumulated depreciation as at 30 June</b>	<b>11,883</b>	<b>16,791</b>
<b>Net Book Value - Electronic Equipment</b>	<b>0</b>	<b>0</b>
<b>Furniture and Fittings</b>		
Gross carrying amount as at 1 July	11,768	11,768
Disposals	(8,301)	0
<b>Gross carrying amount as at 30 June</b>	<b>3,467</b>	<b>11,768</b>
Accumulated depreciation as at 1 July	11,112	10,353
Depreciation charge for the year	656	759
Disposals	(8,301)	0
<b>Accumulated depreciation as at 30 June</b>	<b>3,467</b>	<b>11,112</b>
<b>Net Book Value - Furniture and Fittings</b>	<b>0</b>	<b>656</b>
<b>NET BOOK VALUE - PROPERTY, PLANT AND EQUIPMENT</b>	<b>0</b>	<b>1,473</b>

## 10 FINANCIAL INSTRUMENTS

### 10.1 Credit Risk

The Company is not exposed to significant credit risk from its operations.

### 10.2 Currency Risk

All Kiwibank transactions are in New Zealand dollars, and the Company is not exposed to currency risk on these. The Company facilitates overseas customer transactions through Western Union, and is also not exposed to currency risk on these transactions

### 10.3 Interest Rate Risk

The Company is not exposed to interest rate risk.

### 10.4 Fair Value

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

**Niue Commercial Enterprises Limited****NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2024****11 TAX LOSSES TO CARRY FORWARD**

	2024 Actual \$	2023 Actual \$
Net surplus/(deficit)	12,451	(29,627)
Less: non taxable income	(60,612)	0
<b>Taxable (Deficit)</b>	<b>(48,161)</b>	<b>(29,627)</b>
Income tax rate	30%	30%
<b>TAX/(TAX REFUND) THEREON</b>	<b>(14,448)</b>	<b>(8,888)</b>
Tax on taxable loss for the year ended 30 June 2019	1,291	1,291
Tax on taxable loss for the year ended 30 June 2020	3,489	3,489
Tax on taxable profit for the year ended 30 June 2022	7,801	7,801
Tax on taxable profit for the year ended 30 June 2023	8,888	8,888
Tax on taxable profit for the year ended 30 June 2024	14,448	0
<b>TOTAL TAX LOSSES TO CARRY FORWARD AS AT 30 JUNE</b>	<b>35,917</b>	<b>21,469</b>

As a registered company, the Company is subject to income tax. 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. As it is unlikely that the Company's previously incurred tax losses can be offset against future profits before they expire, no tax asset has been recognised in the Statement of Financial Position.

**12 COMMITMENTS**

There were no commitments as at 30 June 2024 (2023: nil).

**13 CONTINGENT ASSETS AND LIABILITIES**

There were no contingent assets or liabilities as at 30 June 2024 (2023: nil).

**14 RELATED PARTY TRANSACTIONS**

The Government of Niue and most of its subsidiaries have bank accounts with Kiwibank; as a result of this the Company routinely provides financial services to these entities during the normal course of business.

As part of the resource sharing with the Niue Development Bank, the latter usually pays for all overheads. However, the Company may from time to time purchase goods and services from the Government of Niue and its subsidiaries at normal arms' length terms.

**15 FINANCIAL SUSTAINABILITY**

The Company's primary objective is to provide over-the-counter banking services to the Niue community on behalf of Kiwibank. The Company currently charges no fees for these service, and generates only a small amount of revenue through non-Kiwibank financial services such as Western Union, merchant coin orders, EFTPOS cash withdrawals, and postal services.

As part of the resource sharing with the Niue Development Bank, the latter usually pays for all overheads. However, the Company contributes to these shared expenses to the extent that its financial performance allows for it. However, during the year, the Niue Development Bank contributed \$60,612 to the operating expenses of the Company (2023: the Company contributed \$1,750).

## **Niue Commercial Enterprises Limited**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2024**

#### **16 DIRECTORS**

The following Directors were in office during the year.

Ian Fitzgerald (Chair)

Ida Hekesi

Brent Duff (resigned in January 2024)

Kevin Murphy (appointed in January 2024)

Doreen Siataga (ex officio - Treasury)

These Directors also serve as the Board of the Niue Development Bank; any related party transactions are disclosed in the Financial Statements of the Niue Development Bank.

Brent Duff is employed by Kiwibank Ltd in New Zealand.

