

GOVERNMENT OF NIUE

**CONSOLIDATED
FINANCIAL STATEMENTS**

for the year ended 30 June 2024

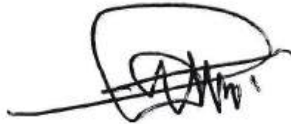
STATEMENT OF RESPONSIBILITY

The Government is pleased to present the Consolidated Financial Statements of the Government of Niue and its subsidiaries 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, as outlined in Note 2.2, 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 Government of Niue and its subsidiaries for the year ended 30 June 2024.

The Consolidated Financial Statements were authorised for issue by the Minister of Finance on 22 May 2025.



Hon. Crossley Tatui
Minister of Finance



Doreen Siataga
Financial Secretary

FIVE PERIODS SUMMARY INFORMATION (UNAUDITED)

For the year ended 30 June 2024

	GROUP (Actual unless stated otherwise)				
	2024	2023	2022	2017-21*	2016
	\$	\$	\$	\$	\$
Appropriation of Expenditure (<i>Budget</i>)	53,908,909	52,252,271	70,903,956	236,994,310	38,747,000
Actual Expenditure (Cash Basis)	54,838,917	45,391,928	44,426,103	180,974,603	32,259,754
Under-/-(Over-) Expenditure	(930,008)	6,860,343	26,477,853	56,019,707	6,487,246
<i>Cash basis - refer to Statement of Appropriation for details.</i>					
Unauthorised Expenditure	6,271,838	3,011,218	2,804,044	9,285,318	1,618,593
Permitted Excess (<i>1.5% of Budget</i>)	808,634	783,784	1,063,559	3,554,915	581,205
Excess/(Surplus) Unauthorised Expenditure	5,463,204	2,227,434	1,740,485	5,730,403	1,037,388
<i>Cash basis - refer to Statement of Unauthorised Expenditure for details.</i>					
Recurrent Income	50,843,146	46,564,406	35,724,949	164,871,254	27,754,380
Recurrent Expenditure	(50,096,494)	(43,987,759)	(38,071,489)	(179,778,721)	(30,802,869)
RECURRENT SURPLUS/(DEFICIT)	746,652	2,576,647	(2,346,540)	(14,907,467)	(3,048,489)
Income from Donors and Projects	51,904,192	6,234,807	14,162,714	87,230,750	14,211,768
Expenditure re Donors and Projects	(15,307,653)	(10,177,431)	(14,044,952)	(69,149,096)	(5,889,829)
Capitalised Expenditure	5,279,981	2,680,663	3,813,835	31,483,831	900,181
DONORS & PROJECTS - NET	41,876,520	(1,261,961)	3,931,597	49,565,485	9,222,120
NET SURPLUS/(DEFICIT)	42,623,172	1,314,686	1,585,057	34,658,018	6,173,631
<i>Accrual basis - refer to Income Statement.</i>					
Niue Bond Liquor Company Ltd	(969,257)	47,755	(161,900)	800,186	347,255
Telecom Niue	308,462	(281,793)	706,051	(2,739,020)	(416,194)
Niue Power	(3,469,419)	(2,562,840)	(1,380,061)	(2,830,167)	(1,084,087)
Bulk Fuel	2,328,853	1,176,894	418,614	4,502,675	826,820
Civil Works & Quarry (from 2021)	(1,430,585)	(1,192,594)	(1,159,855)	(1,231,017)	0
Outside Services/Heavy Plant	(422,760)	(814,351)	(426,893)	(1,551,270)	(375,021)
Niue Development Bank	(17,540)	73,454	(21,417)	956,465	232,816
Niue Commercial Enterprises Ltd	12,451	(29,627)	(26,004)	52,601	(3,688)
Niue Philatelic and Numismatic Corp.	372,957	1,004,897	664,620	(390,931)	100,098
Broadcasting Corporation of Niue	(23,596)	(103,094)	16,085	(597,760)	0
TOTAL TRADING SURPLUS/(DEFICIT)	(3,310,434)	(2,681,299)	(1,370,760)	(3,028,238)	(372,001)
NET BOOK VALUE OF PPE AND SOFTWARE					
Gross Carrying Amount (Cost)	169,061,089	123,093,610	121,348,192	115,708,287	83,195,067
Accumulated Depreciation/Amortisation	(51,998,687)	(47,264,327)	(46,013,337)	(42,752,405)	(38,077,563)
Net Book Value of PPE and Software	117,062,402	75,829,283	75,334,855	72,955,882	45,117,504
Annual Depreciation/Amortisation Charge	6,190,996	5,323,750	5,060,249	19,020,260	3,293,538

Refer Notes 14 and 15.

**One of the previous reporting periods was a multi-year period covering the five years from 1 July 2016 to 30 June 2021.*

STATEMENT OF APPROPRIATION (CASH BASIS) (UNAUDITED)
For the year ended 30 June 2024

		PARENT		
	Notes	2024 Actual \$	2024 Appropriated \$	2023 Actual \$
RECURRENT EXPENDITURE				
Central Agencies				
Premier's Department		913,354	1,496,128	1,280,736
Niue Assembly		1,016,287	1,119,604	941,959
Office of the Secretary of Government		1,001,828	1,296,100	896,995
Crown Law		305,640	412,401	251,398
Niue Public Service Commission and Secretariat		1,186,260	1,644,100	1,414,519
Project Management and Coordination Unit		207,286	405,900	220,989
Police		525,783	799,200	471,324
Total Central Agencies		5,156,438	7,173,433	5,477,920
Ministry of Finance				
Corporate and Treasury		1,202,924	1,349,937	861,898
Tax and Customs		444,725	758,248	418,217
Economic Development, Trade & Investments, Immigration, and Statistics		344,231	1,118,838	364,513
Total Ministry of Finance		1,991,880	3,227,023	1,644,628
Ministry of Social Services				
Education Department		3,310,573	3,751,754	3,149,486
Health Department		3,531,049	3,515,128	2,991,988
Justice Department (Including Community Affairs)		4,865,100	5,301,240	4,821,116
Taoga Niue		309,573	433,000	290,748
Total Ministry of Social Services		12,016,295	13,001,122	11,253,338
Ministry of Natural Resources				
Department of Agriculture, Fisheries and Forestry		938,399	1,130,418	956,990
Environment Department		368,149	437,358	477,628
Meteorological Office		129,710	130,760	223,502
Total Ministry of Natural Resources		1,436,258	1,698,536	1,658,120
Ministry of Infrastructure				
Utilities		813,107	1,118,600	568,695
Transport		1,967,421	2,257,010	1,916,857
Civil Works & Quarry		1,269,816	1,501,400	1,124,488
Niue Power		4,970,708	3,218,785	3,919,236
Total Ministry of Infrastructure		9,021,052	8,095,795	7,529,276
Commercial and Trading				
Niue Tourism Authority		510,947	400,000	285,947
Bulk Fuel		10,054,996	6,755,000	7,141,254
Total Commercial and Trading		10,565,943	7,155,000	7,427,201
TOTAL RECURRENT EXPENDITURE (PARENT)		40,187,866	40,350,909	34,990,483
OTHER EXPENDITURE				
Capital Expenditure (Excluding Projects)		856,595	100,000	336,228
Project Expenditure		13,794,456	13,458,000	10,065,217
TOTAL OTHER EXPENDITURE		14,651,051	13,558,000	10,401,445
TOTAL EXPENDITURE		54,838,917	53,908,909	45,391,928

The accompanying notes form part of these financial statements.

The Statement of Appropriation should be read in conjunction with the Statement of Unauthorised Expenditure on page 9 and with Note 4.

INCOME STATEMENT

For the year ended 30 June 2024

		GROUP		PARENT		
		2024	2023	2024	2024	2023
	Notes	Actual	Actual	Actual	Appropriated	Actual
		\$	\$	\$	\$	\$
RECURRENT INCOME AND EXPENDITURE						
Income						
Taxes, Duties & Fines	22	15,746,177	12,168,785	15,538,406	10,877,086	12,651,565
Sale of Goods & Services	22	15,218,984	12,040,627	10,442,272	9,313,650	8,175,430
Donors (Recurrent)		16,290,000	18,340,798	16,290,000	8,290,000	18,290,000
Interest		1,459,689	1,098,046	273,462	1,100,000	58,086
Dividends		0	0	150,000	100,000	0
Other Income		2,128,296	2,916,150	436,432	52,000	315,901
Total Recurrent Income		50,843,146	46,564,406	43,130,572	29,732,736	39,490,982
Expenditure						
Cost of Sales		12,388,261	9,128,236	8,466,424	5,756,000	6,976,634
Personnel Expenses		17,323,215	16,624,027	14,667,966	18,149,147	14,216,785
Subsidies & Welfare Payments		4,699,935	4,541,082	5,065,708	4,933,200	4,712,827
Depreciation and Amortisation	14, 15	6,190,996	5,323,750	5,783,314	0	4,926,149
Maintenance & Materials		2,717,185	2,689,474	2,462,330	3,138,548	2,260,479
Travel & Transport		2,484,900	2,241,033	2,208,777	2,217,717	2,051,600
Other Expenses	6	4,292,002	3,440,157	3,144,034	3,373,997	2,301,453
Total Recurrent Expenditure	5	50,096,494	43,987,759	41,798,553	37,568,609	37,445,927
RECURRENT SURPLUS/(DEFICIT)		746,652	2,576,647	1,332,019	(7,835,873)	2,045,055
DONORS & PROJECTS						
Income from Donors and Projects		51,904,192	6,234,807	51,904,192	12,658,000	6,234,807
Expenditure Re Donors and Projects	5	(15,307,653)	(10,177,431)	(15,447,653)	(13,458,000)	(10,357,431)
Capitalised Expenditure		5,279,981	2,680,663	5,279,981	0	2,680,663
DONORS & PROJECTS - NET	7	41,876,520	(1,261,961)	41,736,520	(800,000)	(1,441,961)
NET SURPLUS/(DEFICIT)		42,623,172	1,314,686	43,068,539	(8,635,873)	603,094

The accompanying notes form part of these financial statements.

BALANCE SHEET

As at 30 June 2024

		GROUP		PARENT	
		2024 Actual \$	2023 Actual \$	2024 Actual \$	2023 Actual \$
Notes					
GOVERNMENT EQUITY					
		130,550,046	92,450,394	125,607,397	87,071,147
	7	6,206,160	1,673,871	6,206,160	1,673,871
		2,177,618	2,186,387	0	0
TOTAL GOVERNMENT EQUITY		138,933,824	96,310,652	131,813,557	88,745,018
REPRESENTED BY:					
ASSETS					
Current Assets					
	8, 13	12,314,181	24,850,896	5,811,150	17,346,254
	9	2,385,116	2,213,785	1,589,471	865,210
	11	1,587,352	1,444,918	0	0
	10	5,088,323	4,032,392	7,304,871	5,817,601
Total Current Assets		21,374,972	32,541,991	14,705,492	24,029,065
Non Current Assets					
	11	11,652,134	10,914,480	0	0
	12	0	0	11,845,547	11,845,547
	14	116,712,518	75,636,991	114,071,280	73,120,287
	15	349,884	192,292	172,861	30,365
Total Non Current Assets		128,714,536	86,743,763	126,089,688	84,996,199
TOTAL ASSETS		150,089,508	119,285,754	140,795,180	109,025,264
LIABILITIES					
Less Current Liabilities					
	16	8,148,677	8,270,413	6,451,185	5,998,693
	17	1,592,475	1,311,844	1,422,378	1,119,826
		288,107	12,355,325	0	12,140,000
Total Current Liabilities		10,029,259	21,937,582	7,873,563	19,258,519
Non Current Liabilities					
	17	1,126,425	1,037,520	1,108,060	1,021,727
Total Non Current Liabilities		1,126,425	1,037,520	1,108,060	1,021,727
TOTAL LIABILITIES		11,155,684	22,975,102	8,981,623	20,280,246
TOTAL NET ASSETS		138,933,824	96,310,652	131,813,557	88,745,018

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	GROUP		PARENT	
	2024 Actual \$	2023 Actual \$	2024 Actual \$	2023 Actual \$
Accumulated Funds as at 1 July	92,450,394	85,772,957	87,071,147	81,068,575
Net Surplus/(Deficit)	42,623,172	1,314,686	43,068,539	603,094
Transfers from/(to) Donor Trust Funds	(4,532,289)	5,399,478	(4,532,289)	5,399,478
Transfers from/(to) Other Funds and Reserves	8,769	(36,727)	0	0
Accumulated Funds as at 30 June	130,550,046	92,450,394	125,607,397	87,071,147
Donor Trust Funds as at 1 July	1,673,871	7,073,349	1,673,871	7,073,349
Transfers from/(to) Accumulated Funds	4,532,289	(5,399,478)	4,532,289	(5,399,478)
Donor Trust Funds as at 30 June	6,206,160	1,673,871	6,206,160	1,673,871
Other Funds as at 1 July	2,186,387	2,149,660	0	0
Other Transfers from/(to) Accumulated Funds	(8,769)	36,727	0	0
Other Funds as at 30 June	2,177,618	2,186,387	0	0
TOTAL EQUITY AS AT 30 JUNE	138,933,824	96,310,652	131,813,557	88,745,018

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	Notes	GROUP		PARENT	
		2024 Actual \$	2023 Actual \$	2024 Actual \$	2023 Actual \$
Cash Flows from/(used in) operating activities					
Receipts from Taxpayers		15,242,122	12,576,892	14,259,776	12,067,897
Receipts from Donors		16,192,350	28,271,512	16,192,350	28,269,457
Receipts from Customers		16,632,791	14,198,332	10,414,393	7,678,701
Interest Receipts		495,916	180,757	273,462	58,086
Payments to Employees		(23,560,393)	(20,465,720)	(20,885,795)	(18,112,766)
Payments to Suppliers		(23,280,249)	(19,662,274)	(17,665,269)	(15,001,566)
Subsidies & Welfare Payments		(5,361,106)	(5,139,764)	(5,866,879)	(5,491,509)
Net Cash Flows from/(used in) operating activities		(3,638,569)	9,959,735	(3,277,962)	9,468,300
Cash Flows from/(used in) investing activities					
Proceeds from Sales of Property, Plant & Equipment		12,260	393,395	500	393,395
Purchases of Property, Plant & Equipment		(8,966,714)	(6,410,197)	(8,407,642)	(5,687,765)
Loan Repayments Received from Customers		5,329,074	4,012,680	0	0
Loans Advanced to Customers		(5,272,766)	(3,634,967)	0	0
Receipts of Dividends		0	0	150,000	0
Net Cash Flows from/(used in) investing activities		(8,898,146)	(5,639,089)	(8,257,142)	(5,294,370)
NET INCREASE/(DECREASE) IN CASH & CASH EQ.		(12,536,715)	4,320,646	(11,535,104)	4,173,930
Cash & cash equivalents as at 1 July		24,850,896	20,530,250	17,346,254	13,172,324
CASH & CASH EQUIVALENTS AS AT 30 JUNE	8	12,314,181	24,850,896	5,811,150	17,346,254

RECONCILIATION FROM NET SURPLUS TO NET CASH FLOWS FROM OPERATIONS

	GROUP		PARENT	
	2024 Actual \$	2023 Actual \$	2024 Actual \$	2023 Actual \$
Net surplus/(deficit)	42,623,172	1,314,686	43,068,539	603,094
Adjustments for non cash and non operating items				
Depreciation and Amortisation	6,190,996	5,323,750	5,783,314	4,926,149
(Gains)/Losses on Disposals of Assets	248,202	303,974	248,202	190,344
Donated Assets	(38,717,863)	(105,350)	(38,717,863)	(105,350)
Change in Provision for Doubtful Debts	236,589	83,024	197,106	44,063
Dividends Received	0	0	(150,000)	0
Total adjustments for non cash and non op. items	(32,042,076)	5,605,398	(32,639,241)	5,055,206
Movements in assets and liabilities				
(Increase)/Decrease in Debtors	(2,228,916)	(1,706,992)	(1,684,376)	(1,063,571)
(Increase)/Decrease in Inventories	(171,331)	370,491	(724,261)	640,231
Increase/(Decrease) in Revenue in Advance	(12,067,218)	3,801,257	(12,140,000)	3,850,000
Increase/(Decrease) in Other Liabilities	247,800	574,895	841,377	383,340
Total movements in assets and liabilities	(14,219,665)	3,039,651	(13,707,260)	3,810,000
Net Cash Flows from/(used in) operating activities	(3,638,569)	9,959,735	(3,277,962)	9,468,300

The accompanying notes form part of these financial statements.

STATEMENT OF UNAUTHORISED EXPENDITURE

For the year ended 30 June 2024

		DEPARTMENTAL		
	Notes	2024 Actual \$	2024 Appropriated \$	2024 Excess \$
CALCULATION OF PERMITTED EXCESS:				
Total Appropriation of Expenditure			53,908,909	
PERMITTED EXCESS	2.2		1.5%	<u>808,634</u>
VOTES WITH UNAUTHORISED EXPENDITURE:				
Health Department		3,531,049	3,515,128	15,921
Niue Power		4,970,708	3,218,785	1,751,923
Niue Tourism Authority		510,947	400,000	110,947
Bulk Fuel		10,054,996	6,755,000	3,299,996
Recurrent Unauthorised Expenditure		<u>19,067,700</u>	<u>13,888,913</u>	<u>5,178,787</u>
Capital Expenditure (Excluding Projects)		856,595	100,000	756,595
Project Expenditure		13,794,456	13,458,000	336,456
Other Unauthorised Expenditure		<u>14,651,051</u>	<u>13,558,000</u>	<u>1,093,051</u>
CALCULATION OF TOTAL UNAUTHORISED EXPENDITURE		<u>33,718,751</u>	<u>27,446,913</u>	<u>6,271,838</u>
UNAUTHORISED EXPENDITURE EXCEEDED THE PERMITTED EXCESS BY:				<u>5,463,204</u>

The permitted excess is where Cabinet can approve additional expenditure in excess of up to 1.5% of appropriated expenditure.

The unauthorised expenditure in excess of 1.5% of appropriated expenditure, amounting to \$5,463,204, which requires a supplementary appropriation, has not been authorised by an appropriation act, which is a breach of articles 56(3) and 59(4) of the Constitution and section 19 of the Public Revenues Act 1959.

In June 2024, Cabinet made several decisions regarding overspending within the Office of the Secretary of Government; however, this vote was not overspent (CM(23)776 and CM(23)797). Unauthorised expenditure of \$6,271,838 was not approved by Cabinet under article 59(4) of the Constitution, which is a breach of article 59(4) of the Constitution.

The accompanying notes form part of these financial statements.

The Statement of Unauthorised Expenditure should be read in conjunction with the Statement of Appropriation on page 4 and with Note 3.4.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

1 REPORTING ENTITY

The Consolidated Financial Statements of the Government of Niue include the Financial Statements of the Government of Niue ("Parent"), corporations that operate under statute, and other subsidiaries ("Group"). During the current and the previous financial year, the Group consisted of the following reporting entities:

- The Government of Niue (the Parent).
- Telecom Niue Limited, which is wholly owned by the Government of Niue and which operates under the Companies Act 2006.
- The Niue Development Bank, which is wholly owned by the Government of Niue and which operates under the Niue Development Bank Act 1993.
- Niue Commercial Enterprises Limited, which is wholly owned by the Government of Niue and operates under the Companies Act 2006, acts as an agent for Kiwibank to provide over-the-counter banking services in Niue.
- The Broadcasting Corporation of Niue, which is wholly owned by the Government of Niue and which operates under the Broadcasting Act 1989 and the Broadcasting Amendment Act 1997.
- The Niue Philatelic and Numismatic Corporation, which is wholly owned by the Government of Niue and which operates under the Niue Philatelic and Numismatic Act 1996 and the Niue Philatelic and Numismatic Amendment Act 2011.
- The Niue Bond Liquor Company Limited, which is wholly owned by the Government of Niue and operates under the Companies Act 2006.
- The Niue Bank, which is wholly owned by the Government of Niue and which operated under the Niue Bank Act 1994 and the Niue Bank Amendment Act 2013. Under the Niue Bank Amendment Act 2013, the Niue Bank supervises the provision of banking services by New Zealand banks through local agents.

In 2004, the Government of New Zealand established a Trust Fund to contribute to the long term financial stability and viability of Niue by enabling it to meet financial commitments from the proceeds of investments. On 25 October 2006 a Trust Deed was executed to establish the Niue International Trust Fund. The Trust Fund operates under the Niue Trust Fund Act 2004. The Trustees represent the Governments of Niue, New Zealand and Australia, which are the main contributors to the Trust Fund. The Government of Niue does not control the Trust Fund, and the Financial Statements of the Trust Fund are therefore not included in the Consolidated Financial Statements of the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The Consolidated Financial Statements and the Financial Statements of the individual reporting entities that are the basis for consolidation are prepared on a historical cost basis, except for financial instruments which are recorded at fair value.

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

The Income Statement, the Balance Sheet and the Statement of Changes in Equity are prepared on an accrual basis. Non-cash transactions (such as depreciation, accruals and provisions) are not appropriated.

The Statement of Appropriation and the Statement of Unauthorised Expenditure are prepared on a cash basis, and compare actual expenditure of each Government department to the funds appropriated by the Assembly.

The Statement of Cash Flows shows the sources and uses of cash and cash equivalents during the year. Cash and cash equivalents comprise mainly cash at bank and call and short term deposits.

Except for the Statement of Appropriation, the Financial Statements of all Group entities are consolidated on a line by line basis. Material transactions and balances between Group entities and departments are eliminated; these relate mostly to supplies that are not available from other suppliers, and include: the delivery of fuel for the generation of electricity, the supply of electricity to Group entities, and the supply of communication services to Group entities. Most other transactions between Group entities are small stand-alone transactions performed on an arms' length basis, and are not eliminated. Also, the charges relating to import duties, which are payable by law when goods cross the border, are not eliminated (but outstanding debts as at 30 June are eliminated).

The Government of Niue occupies a significant proportion of economic life in Niue; the country's private sector is small by comparison to other countries. Consequently, many routine transactions that otherwise would be with external parties, are conducted between Government departments and/or trading entities. These transactions are conducted on the same terms as transactions concerning the same goods or services with external parties. Therefore the Government does not consider it beneficial to the readability of these Financial Statements to disclose transactions and balances between related parties.

The Consolidated Financial Statements are based on consistent accounting policies for the Financial Statements of all included Group entities. Adjustments are made for any material differences that arise from different accounting policies used in the Group entities' own Financial Statements. All Group entities have a balance date of 30 June.

The Statement of Appropriation and the Statement of Unauthorised Expenditure reflect only the expenditure of the departments of the Government of Niue ("Parent") and of subsidiaries with appropriated expenditure.

2.2 Statement of Compliance

The Consolidated Financial Statements and the Financial Statements of the individual reporting entities are prepared in accordance with the accounting policies of the Government of Niue. The Consolidated Financial Statements also comply with specific requirements in the Constitution of Niue and with applicable statutes:

- Article 58(1) of the Constitution requires all expenditure of public money to be appropriated by the Assembly. The latest approved version of the budget is shown in the Financial Statements.
- Article 59(4) of the Constitution allows for expenditure in excess of appropriated expenditure of up to 1.5% of total appropriated expenditure. Article 59(6) requires inclusion of a Statement of Unauthorised Expenditure in the Financial Statements.
- Article 60 of the Constitution appoints the Office of the Auditor General of New Zealand as the auditor of the Government's Financial Statements.
- Section 25 of the Public Revenues Act 1959 requires the Financial Secretary to prepare Financial Statements as soon as possible after the end of the financial year, which should then be audited and submitted (with audit report) to the Assembly.
- Section 40 of the Public Revenues Act 1959 requires a statement of investments to be included in the Financial Statements, showing details of public securities held during the financial year.

Separate legal requirements exist for some of the Group's subsidiaries' Financial Statements. These requirements do not apply to the Consolidated Financial Statements.

The above Statement of Compliance refers to financial reporting requirements only. In addition, the Government is subject to significant constitutional requirements that restrict expenditure. Compliance or non-compliance with these requirements are disclosed separately in the Statement of Unauthorised Expenditure, above.

2.3 Translation of Foreign Currency Transactions

Both the functional and presentation currencies of the Government of Niue and the Group are the New Zealand dollar. Transactions in foreign currencies are initially recorded in the New Zealand dollar at the exchange rates ruling at the dates of the transactions. At balance date, monetary assets and liabilities are translated at the exchange rates ruling at the balance date. Resulting exchange differences are recognised in the Income Statement.

2.4 Impairment of Assets

Current assets are reviewed regularly for impairment. Impairment factors may include: obsolescence, default risk, and other factors. Where an indication of impairment exists and where the carrying value exceeds the estimated recoverable amount, the asset is written down to its recoverable amount. Where indications exist that a previously recognised impairment loss may have reversed, the recoverable amount will be re-estimated, and the resulting reversal is included in the Income Statement. Non-current assets are not regularly reviewed for impairment, but impairment adjustments are made if indications of impairment exist.

2.5 Cash & Cash Equivalents

Cash & Cash Equivalents comprise mainly cash at bank and call and short term deposits (deposits with an original maturity of one year or less).

2.6 Inventories

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.

2.7 Debtors

Debtors are measured at their expected realisable value, which is generally the original amount less a provision for uncollectible amounts. Bad debts are written off when this is approved by Cabinet or the Board of a subsidiary.

2.8 Loans

Loans are valued at the lower of cost and realisable value. The current portion of long term loans is classified under Current Assets.

2.9 Other Investments

Other Investments include investments in subsidiaries and other associated parties and investments in shares in non controlled entities. Investments are measured at the lower of cost and impaired value.

At each balance date, an impairment assessment of investments in subsidiaries is performed. Impairment indicators include but are not necessarily restricted to: the carrying value of an investment in a subsidiary in the Parent's books exceeding total equity in the subsidiary's own Financial Statements, or a multi-year forecast indicating that this may happen in the foreseeable future. Impairments, if any, are recognised as an expense in the Income Statement. Where indications exist that a previously recognised impairment loss may have reversed, the recoverable amount will be re-estimated, and the resulting reversal is included in the Income Statement.

2.10 Property, Plant & Equipment

Land and Buildings were first recognised in the Financial Statements in the year ended 30 June 1998. The valuation was performed by Darroch Limited, Registered Valuers, on 30 March 1998. This valuation is considered an appropriate estimate of deemed costs as at 1 July 1997. Subsequent additions are initially measured at cost.

Property, Plant & Equipment is stated at cost less accumulated depreciation and accumulated impairment losses (if any). Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives and resulting depreciation rates of currently held assets can be summarised as follows.

	indefinite	none
- Land		
- Infrastructural assets:		
- Roads	5-30 years	3.3 - 20%
- Sea tracks and other parks	5-20 years	5 - 20%
- Cabling, pipes and towers	5-40 years	2.5 - 20%
- Airport runway	60 years	1.7%
- Water tanks and equipment	10 years	10%
- Buildings:		
- Substantial concrete buildings	50 years	2%
- General concrete buildings	35-50 years	2 - 2.8%
- Light construction, metal clad or timber buildings	5-30 years	3.3 - 20%
- Miscellaneous structures and fitouts	3-25 years	4 - 33%
- Plant & Equipment:		
- Electronic equipment including computers	2-20 years	5 - 50%
- Mechanical plant and equipment	2.5-20 years	5 - 40%
- Furniture and fittings	2-20 years	5 - 50%
- Bulk fuel tanks	5-20 years	5 - 20%
- Airport electrical equipment	10 years	10%
- Vehicles (including vessels)	3-25 years	4 - 33.3%

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

Internally developed assets, whether funded from recurrent funds or by donors, are initially measured at cost. Cost includes the cost of labour where this can be measured reliably. Expenditure is capitalised when incurred; assets that are still under development at the balance date are included in Work in Progress at the cost incurred to that date.

Assets donated by aid partners are recognised upon completion, which is deemed to be when the rights and responsibilities associated with the use of the assets are vested in the Group and the assets are available for their intended use.

2.11 Software

Computer software includes separately acquired software and the directly attributable cost of developing and implementing comprehensive computer-based information systems. The cost of hardware on which computer software runs, is carried under Property, Plant and Equipment.

Software is stated at cost less accumulated amortisation and accumulated impairment losses (if any). Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets. Useful lives of software are estimated between 2.5 and 14 years, with resulting depreciation rates of 7 to 40%.

2.12 Creditors

Subject to more detailed policies described below, creditors are recognised for benefits that were received by balance date but had not been paid for. They are measured at the expected amounts to be paid after balance date.

2.13 Employee Entitlements

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

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

The provisions for long service leave and retiring leave are 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. 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.

2.14 Equity

Government Equity consists of Accumulated Funds, Donor Trust Funds and Other Funds & Reserves. Donor Trust Funds represent cash received from donors for specified projects (see Note 2.15, below) that has not yet been spent. Other Funds & Reserves include legal reserves that some of the Government's subsidiaries are required to recognise under the Acts under which they operate.

Equity recognised by entities over which the Government exerts significant control may include Capital, which represents the Government's investment in these subsidiaries. This Capital takes the form of Share Capital for those subsidiaries that are companies under the Companies Act 2006. Subsidiaries' Capital is eliminated against the Parent's investment in these subsidiaries upon consolidation.

2.15 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will be received and can be reliably measured.

Revenue from the provision of goods and services is recognised when the goods or services have been delivered.

Revenue earned by the Parent entity from taxes, duties and other levies is recognised as follows:

- Revenue from income tax and Niue Consumption Tax is recognised when it can be measured with reasonable certainty. This is usually when a return has been received or an assessment has been issued. A provision is recognised for the expected amount of individual income tax refunds for the fiscal year (which ends on 31 March).
- Import duties are payable when imported goods pass into the country, and revenue from import duties is recognised at that moment.
- Revenue from fishing rights is recognised in the period that it relates to, or - when this cannot be reliably established - in the period that it is received.
- Revenue from other levies is recognised when it is received or invoiced.

Revenue from donors is recognised as follows:

- Financial support for ongoing activities such as budget support and administrative assistance is recognised in the period to which the grants relate.
- Funding for investment and development projects is recognised as income upon receipt. At balance date the unspent portion of these receipts is recognised under Donor Trust Funds as a part of Equity through a transfer from (increase in Donor Trust Funds) or to (decrease in Donor Trust Funds) Accumulated Funds.
- Donated assets are usually measured at the cost incurred by the donor, and the associated revenue is recognised in the Income Statement in the period that the assets are completed and made available to the Government of Niue. Donated services are recognised as income, and are usually measured at the cost incurred by the donor. This cost is also deemed to be the fair value of the related expense, which is recognised as donor-/project-related expenditure in the Income Statement.

2.16 Niue Consumption Tax

Accounts Receivable and Accounts Payable are measured inclusive of NCT (where applicable). Other transactions are measured net of NCT to the extent that the NCT is payable (for revenue) or recoverable (for purchases).

The Parent entity recognises the net amount of NCT payable to or recoverable from the Tax Office as an increase or decrease (respectively) of Tax Revenue in the period that it relates to. The other reporting entities recognise a corresponding liability or debtor until payment is made to or received from the Tax Office.

Cash flows are included in the Statement of Cash Flows exclusive of NCT. The NCT component of cash flows is recognised under operating cash flows (to the extent that the NCT is payable or recoverable).

Commitments and contingencies are disclosed net of NCT.

2.17 Appropriated Amounts

The Parent Financial Statements show the amounts appropriated by the last (supplementary) Appropriation Bill that relates to the current financial year. Appropriations are on a cash basis, as a result of which the Statement of Appropriation (which is also on a cash basis) provides a better comparison between actual and appropriated expenditure than the Income Statement does. No estimates are prepared for the Balance Sheet or the Statement of Cash Flows.

2.18 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.

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.

2.19 Changes in Accounting Estimates

Material effects of changes in accounting estimates are recognised in the Income Statement 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.

2.20 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 and Treatments

There have been no changes in accounting policies and treatments during the year ended 30 June 2024.

3.2 Changes in Accounting Estimates

There have been no changes in accounting estimates during the year ended 30 June 2024.

3.3 Prior Year Errors

No prior year errors were found for the year ended 30 June 2024.

3.4 Budget Approval

The Assembly passed the budget for the financial year on 28 June 2023, appropriating expenditure to a limit of \$45,601,000 (rounded) recurrent plus \$8,308,000 donor funded; total appropriated expenditure for the Government amounted to \$53,909,000. Estimated revenue amounted to \$45,173,000 resulting in a budgeted deficit of \$8,736,000.

The Appropriation Acts apply to the Parent only. Most subsidiaries prepare a budget that is tabled in the Assembly, but these budgets do not have the legal status of appropriations. Therefore, the comparatives in the Income Statement show only the budget for the Parent.

Furthermore, appropriated expenditure includes capital items and transactions between Government departments and entities that are eliminated from the accrual-based Income Statement. Budgeted surplus or deficit as shown in an Appropriation Act therefore differs from budgeted surplus or deficit as shown in the Appropriation column in the Income Statement. The budgeted surplus according to the Supplementary Appropriation Act can be reconciled to the accrual-based Income Statement as follows.

	PARENT 2024 Appropriated \$
Budgeted Revenue - Appropriation Act	45,173,036
Eliminate: Sales between Departments	(2,782,300)
Budgeted Revenue - Income Statement	<u>42,390,736</u>
Budgeted Expenditure - Appropriation Act	53,908,909
Eliminate: Sales between Departments	(2,782,300)
Deduct: Capital Expenditure	(100,000)
Budgeted Expenditure - Income Statement	<u>51,026,609</u>
BUDGETED SURPLUS/(DEFICIT) - APPROPRIATION ACT	(8,735,873)
Add back: Capital Expenditure (including Telecom)	100,000
BUDGETED SURPLUS/(DEFICIT) - INCOME STATEMENT	<u>(8,635,873)</u>

No adjustments are made for accrual-based expense items that are not appropriated. Examples include capitalised project expenditure, depreciation and impairment losses and reversals.

3.5 Major events

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

3.6 Subsequent Events

No significant events occurred after balance date that may have had a significant impact on these Financial Statements.

4 RECONCILIATION OF STATEMENT OF APPROPRIATION TO INCOME STATEMENT

	GROUP		PARENT	
	2024	2023	2024	2023
	\$	\$	\$	\$
Expenditure According to Statement of Appropriation	54,838,917	45,391,928	54,838,917	45,391,928
Add: Movements in accruals	991,836	551,161	991,836	551,161
Add: Depreciation	5,783,314	4,926,149	5,783,314	4,926,149
Add: Disposals and impairments	269,858	198,401	269,858	198,401
Add: (Increase)/Decrease in Inventories	(724,259)	640,230	(724,259)	640,230
Add: (Increase)/Decrease in Provision for Doubtful Debts	197,125	44,063	197,125	44,063
Deduct: Internal Transactions	(4,397,969)	(3,612,346)	(4,397,969)	(3,612,346)
Deduct: Capital Expenditure	(856,595)	(336,228)	(856,595)	(336,228)
Adjusting items (Parent)	<u>1,263,310</u>	<u>2,411,430</u>	<u>1,263,310</u>	<u>2,411,430</u>
Add: Subsidiaries without Appropriation	8,157,941	6,361,832	0	0
EXPENDITURE ACCORDING TO INCOME STATEMENT	<u>64,260,168</u>	<u>54,165,190</u>	<u>56,102,227</u>	<u>47,803,358</u>
Recurrent Expenditure (Income Statement)	50,096,494	43,987,759	41,798,553	37,445,927
Project Expenditure (Note 7, below)	14,163,674	10,177,431	14,303,674	10,357,431
EXPENDITURE ACCORDING TO INCOME STATEMENT	<u>64,260,168</u>	<u>54,165,190</u>	<u>56,102,227</u>	<u>47,803,358</u>

5 EXPENDITURE

Recurrent

	GROUP		PARENT	
	2024	2023	2024	2023
	\$	\$	\$	\$
Cost of Sales	16,061	7,585	16,061	7,585
Personnel Expenses	3,888,956	3,898,078	3,888,956	3,898,078
Subsidies & Welfare Payments	(230,920)	(68,857)	170,133	200,289
Depreciation & Amortisation (see Notes 14-15)	1,577,806	1,545,028	1,577,806	1,545,028
Maintenance & Materials	376,422	186,808	376,422	186,808
Travel & Transport	391,679	503,080	391,679	503,080
Other Expenses	746,665	585,663	827,751	620,117
Central Agencies	6,766,669	6,657,385	7,248,808	6,960,985
Cost of Sales	0	0	0	0
Personnel Expenses	978,908	1,040,231	978,908	1,040,231
Subsidies & Welfare Payments	487,743	298,848	487,743	298,848
Depreciation & Amortisation (see Notes 14-15)	60,900	75,439	60,900	75,439
Maintenance & Materials	104,700	72,420	104,700	72,420
Travel & Transport	38,869	11,481	38,869	11,481
Other Expenses	547,078	290,431	573,733	312,752
Finance	2,218,198	1,788,850	2,244,853	1,811,171
Cost of Sales	7,120	20,177	7,120	20,177
Personnel Expenses	5,009,361	4,769,431	5,009,361	4,769,431
Subsidies & Welfare Payments	4,368,374	4,176,121	4,368,374	4,176,121
Depreciation & Amortisation (see Notes 14-15)	1,103,072	1,129,964	1,103,072	1,129,964
Maintenance & Materials	861,143	712,825	861,143	712,825
Travel & Transport	657,201	622,630	657,201	622,630
Other Expenses	902,151	895,197	939,456	922,284
Social Services	12,908,422	12,326,345	12,945,727	12,353,432
Personnel Expenses	1,130,980	1,359,165	1,130,980	1,359,165
Subsidies & Welfare Payments	11,521	18,898	11,521	18,898
Depreciation & Amortisation (see Notes 14-15)	186,698	179,232	186,698	179,232
Maintenance & Materials	91,854	120,890	91,854	120,890
Travel & Transport	124,379	128,391	124,379	128,391
Other Expenses	22,986	15,740	39,204	30,343
Natural Resources	1,568,418	1,822,316	1,584,636	1,836,919
Cost of Sales	(49,398)	49,472	(49,398)	49,472
Personnel Expenses	3,012,880	2,611,322	3,012,880	2,611,322
Subsidies & Welfare Payments	1,793	0	1,793	0
Depreciation & Amortisation (see Notes 14-15)	2,684,493	1,836,163	2,684,493	1,836,163
Maintenance & Materials	850,294	1,011,120	850,294	1,011,120
Travel & Transport	795,562	668,665	795,562	668,665
Other Expenses	387,084	129,326	423,786	163,170
Infrastructure	7,682,708	6,306,068	7,719,410	6,339,912
Cost of Sales	12,414,478	9,051,002	8,492,641	6,899,400
Personnel Expenses	3,302,130	2,945,800	646,881	538,558
Subsidies & Welfare Payments	61,424	116,072	26,144	18,671
Depreciation & Amortisation (see Notes 14-15)	578,027	557,924	170,345	160,323
Maintenance & Materials	432,772	585,411	177,917	156,416
Travel & Transport	477,210	306,786	201,087	117,353
Other Expenses	1,686,038	1,523,800	340,104	252,787
Commercial & Trading	18,952,079	15,086,795	10,055,119	8,143,508
Total Recurrent Expenditure	50,096,494	43,987,759	41,798,553	37,445,927

	GROUP		PARENT	
	2024	2023	2024	2023
	\$	\$	\$	\$
Donors & Projects				
Cost of Sales	0	2,929	0	2,929
Personnel Expenses	6,606,714	3,799,498	6,606,714	3,799,498
Subsidies & Welfare Payments	661,171	598,682	801,171	778,682
Maintenance & Materials	2,485,280	2,026,029	2,485,280	2,026,029
Travel & Transport	977,645	784,553	977,645	784,553
Other Expenses	3,432,864	2,965,740	3,432,864	2,965,740
Fair value of donated services (paid by donors)	1,143,979	0	1,143,979	0
Total Donor & Projects Expenditure	15,307,653	10,177,431	15,447,653	10,357,431
TOTAL EXPENDITURE	65,404,147	54,165,190	57,246,206	47,803,358

6 AUDIT FEES

Other Departmental Expenses include the cost of auditing the Group's Financial Statements, as follows.

	GROUP		PARENT	
	2024	2023	2024	2023
	\$	\$	\$	\$
Agreed Audit Fees	942,270	829,464	554,850	488,348
Disbursements	90,000	90,000	90,000	90,000
Fees paid by the Government for Niue Bank	5,108	4,499	5,108	4,499
TOTAL AUDIT FEES	1,037,378	923,963	649,958	582,847

7 DONORS AND PROJECTS

7.1 Donors and Projects

	GROUP		PARENT	
	2024	2023	2024	2023
	\$	\$	\$	\$
Project Funding Received	12,042,350	6,129,457	12,042,350	6,129,457
Donated Assets (paid by donors)	38,717,863	105,350	38,717,863	105,350
Donated Services (paid by donors)	1,143,979	0	1,143,979	0
Income from Donors and Projects	51,904,192	6,234,807	51,904,192	6,234,807
Project Expenditure	(14,163,674)	(10,177,431)	(14,303,674)	(10,357,431)
Fair Value of Donated Services (paid by donors)	(1,143,979)	0	(1,143,979)	0
Expenditure relating to Donors and Projects	(15,307,653)	(10,177,431)	(15,447,653)	(10,357,431)
Capitalised Expenditure	5,279,981	2,680,663	5,279,981	2,680,663
DONORS AND PROJECTS - NET	41,876,520	(1,261,961)	41,736,520	(1,441,961)

Most projects are funded by external donors, but some are funded internally by the Government.

Project Funding Received relates to funding received by the Government from external donors for specific development projects (including, but not limited to the development of assets) that are controlled by the Government and/or its subsidiaries. Some external funding may be received from time to time for projects that are considered mostly Government funded. The spending of this project funding is recognised under Project Expenditure. Unused funds for externally funded projects are recognised under Donor Trust Funds as a part of Equity.

Donated Assets consist of assets that are purchased or developed by donors and under their control, and transferred to the Government of Niue upon completion, at which time they usually become available for use.

Donated Services represent the fair value of services performed or acquired by donors and under their control, for the benefit of the Government and/or its subsidiaries.

7.2 Movements in Donor Trust Funds

Project funds that have been received for externally funded projects but not yet spent, are recognised under Donor Trust Funds as a part of Equity. This does not apply to internally funded projects. Movements in Donor Trust Funds were as follows.

	GROUP		PARENT	
	2024	2023	2024	2023
	\$	\$	\$	\$
Opening balance as at 1 July	1,673,871	7,073,349	1,673,871	7,073,349
Project funding received during the year	12,042,350	6,129,457	12,042,350	6,129,457
Deduct: internal funding	(6,489,149)	(502,043)	(6,489,149)	(502,043)
Project funds spent during the year	(14,163,674)	(10,177,431)	(14,303,674)	(10,357,431)
Assets purchased from project funds	(2,292,220)	(2,670,875)	(2,292,220)	(2,670,875)
Add back: internally funded expenditure	15,434,982	1,821,414	15,574,982	2,001,414
TOTAL DONOR TRUST FUNDS	6,206,160	1,673,871	6,206,160	1,673,871

7.3 Summary of Donor Trust Funds

The Donor Trust Funds as balance date can be summarised as follows.

	GROUP		PARENT	
	2024	2023	2024	2023
	\$	\$	\$	\$
NZAID: asset management	(137,101)	(2,401,604)	(137,101)	(2,401,604)
NZAID: tourism development	150,739	1,196,699	150,739	1,196,699
NZAID: technical assistance	2,302,113	2,586,206	2,302,113	2,586,206
European Union: EDF10	12,678	44,095	12,678	44,095
UNESCO: education	85,594	151,888	85,594	151,888
AUSAID: 18/19	368,619	449,378	368,619	449,378
UNDP: Ridge to Reef	123,617	196,214	123,617	196,214
Other donors	3,299,901	(549,005)	3,299,901	(549,005)
TOTAL DONOR TRUST FUNDS	6,206,160	1,673,871	6,206,160	1,673,871

Negative donor trust fund balances comprise projects or project groups for which as at balance date the expenditure incurred exceeded the project funding received.

7.4 Movements per Category of Donor Trust Funds

	GROUP		PARENT	
	2024	2023	2024	2023
	\$	\$	\$	\$
Opening balance as at 1 July	(2,401,604)	(4,494,199)	(2,401,604)	(4,494,199)
Project funding received during the year	1,344,962	4,032,114	1,344,962	4,032,114
Project funds spent during the year	(3,646,133)	(2,776,501)	(3,646,133)	(2,776,501)
Transfers from/(to) other projects	4,565,674	836,982	4,565,674	836,982
NZAID: asset management	(137,101)	(2,401,604)	(137,101)	(2,401,604)
Opening balance as at 1 July	1,196,699	2,512,603	1,196,699	2,512,603
Project funds spent during the year	0	(186,390)	0	(186,390)
Transfers from/(to) other projects	(1,045,960)	(1,129,514)	(1,045,960)	(1,129,514)
NZAID: tourism development	150,739	1,196,699	150,739	1,196,699
Opening balance as at 1 July	2,586,206	4,506,577	2,586,206	4,506,577
Project funding received during the year	50,000	20,000	50,000	20,000
Project funds spent during the year	(334,093)	(612,584)	(334,093)	(612,584)
Transfers from/(to) other projects	0	(1,327,787)	0	(1,327,787)
NZAID: technical assistance	2,302,113	2,586,206	2,302,113	2,586,206
Opening balance as at 1 July	0	300,602	0	300,602
Project funds spent during the year	0	(141,296)	0	(141,296)
Transfers from/(to) other projects	0	(159,306)	0	(159,306)
NZAID: education/scholarships	0	0	0	0

	GROUP		PARENT	
	2024 \$	2023 \$	2024 \$	2023 \$
Opening balance as at 1 July	0	847,455	0	847,455
Project funds spent during the year	0	(173,644)	0	(173,644)
Transfers from/(to) other projects	0	(673,811)	0	(673,811)
NZAID: health support	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Opening balance as at 1 July	0	250,000	0	250,000
Transfers from/(to) other projects	0	(250,000)	0	(250,000)
NZAID: COVID Support	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Opening balance as at 1 July	44,095	13,991	44,095	13,991
Project funding received during the year	590	420	590	420
Project funds spent during the year	(2,292)	(62)	(2,292)	(62)
Transfers from/(to) other projects	(29,715)	29,746	(29,715)	29,746
European Union: EDF10	<u>12,678</u>	<u>44,095</u>	<u>12,678</u>	<u>44,095</u>
Opening balance as at 1 July	151,888	58,133	151,888	58,133
Project funding received during the year	0	144,858	0	144,858
Project funds spent during the year	(66,294)	(41,292)	(66,294)	(41,292)
Transfers from/(to) other projects	0	(9,811)	0	(9,811)
UNESCO: education	<u>85,594</u>	<u>151,888</u>	<u>85,594</u>	<u>151,888</u>
Opening balance as at 1 July	449,378	2,204,815	449,378	2,204,815
Project funds spent during the year	(80,759)	(955,437)	(80,759)	(955,437)
Transfers from/(to) other projects	0	(800,000)	0	(800,000)
AUSAID: Funds 18/19	<u>368,619</u>	<u>449,378</u>	<u>368,619</u>	<u>449,378</u>
Opening balance as at 1 July	196,214	395,631	196,214	395,631
Project funding received during the year	0	(2,429)	0	(2,429)
Project funds spent during the year	(72,597)	(196,988)	(72,597)	(196,988)
Opening balance as at 1 July	(549,005)	477,741	(549,005)	477,741
Project funding received during the year	4,157,649	1,432,451	4,157,649	1,432,451
Project funds spent during the year	(3,593,684)	(2,439,263)	(3,593,684)	(2,439,263)
Transfers from/(to) other projects	3,284,941	(19,934)	3,284,941	(19,934)
Other donors	<u>3,299,901</u>	<u>(549,005)</u>	<u>3,299,901</u>	<u>(549,005)</u>
TOTAL DONOR TRUST FUNDS	<u>6,206,160</u>	<u>1,673,871</u>	<u>6,206,160</u>	<u>1,673,871</u>

8 CASH & CASH EQUIVALENTS

	GROUP		PARENT	
	2024 \$	2023 \$	2024 \$	2023 \$
Cash and bank balances	2,043,853	16,118,560	299,109	12,182,936
Call and short term deposits	6,571,402	3,214,851	2,005,567	4,717
Recurrent funds	<u>8,615,255</u>	<u>19,333,411</u>	<u>2,304,676</u>	<u>12,187,653</u>
Cash and bank balances	354,880	378,612	162,428	19,728
Call and short term deposits	3,344,046	5,138,873	3,344,046	5,138,873
Donor and trust funds	<u>3,698,926</u>	<u>5,517,485</u>	<u>3,506,474</u>	<u>5,158,601</u>
TOTAL CASH & CASH EQUIVALENTS	<u>12,314,181</u>	<u>24,850,896</u>	<u>5,811,150</u>	<u>17,346,254</u>

The cash actually held in the donor and trust funds bank accounts is insufficient by \$2,507,234 to complete the current projects (refer Note 7, above). Also, funds received for other projects have been used to cover over-expenditure of \$2,174,325 in asset management and some other projects.

9 INVENTORIES

	GROUP		PARENT	
	2024	2023	2024	2023
	\$	\$	\$	\$
Fuel (wholesale)	1,455,430	858,766	1,455,430	858,766
Bond Store (retail and wholesale)	677,562	1,209,941	0	0
Other inventories for resale	193,283	145,078	75,200	6,444
Inventories for resale	2,326,275	2,213,785	1,530,630	865,210
Other inventories (fuel and spare parts for internal use)	58,841	0	58,841	0
TOTAL INVENTORIES	2,385,116	2,213,785	1,589,471	865,210

10 DEBTORS

	GROUP		PARENT	
	2024	2023	2024	2023
	\$	\$	\$	\$
Trade debtors	3,523,244	3,624,007	2,055,258	1,946,939
Taxes receivable	1,185,311	679,501	4,528,070	3,264,962
Other receivables	442,659	236,762	612,364	954,965
Accrued income	1,162,072	479,935	1,154,988	456,395
Prepaid expenses	59,567	87,505	29,592	72,635
Carrying amount of Debtors	6,372,853	5,107,710	8,380,272	6,695,896
Deduct: Provision for doubtful debts	(1,284,530)	(1,075,318)	(1,075,401)	(878,295)
NET VALUE OF ACCOUNTS RECEIVABLE	5,088,323	4,032,392	7,304,871	5,817,601

11 LOANS

	GROUP		PARENT	
	2024	2023	2024	2023
	\$	\$	\$	\$
Rent-to-buy and Other Housing loans	273,173	284,442	0	0
Other loans	1,328,529	1,236,411	0	0
Gross carrying amount of long term loans	1,601,702	1,520,853	0	0
Deduct: Provision for doubtful debts	(14,350)	(75,935)	0	0
Net value of Long Term Loans - Current Portion	1,587,352	1,444,918	0	0
Rent-to-buy and Other Housing loans	4,247,616	3,317,955	0	0
Other loans	7,546,663	7,712,708	0	0
Gross carrying amount of long term loans	11,794,279	11,030,663	0	0
Deduct: Provision for doubtful debts	(142,145)	(116,183)	0	0
Net value of Long Term Loans - Non Current Portion	11,652,134	10,914,480	0	0
NET VALUE OF OF LONG TERM LOANS	13,239,486	12,359,398	0	0

12 OTHER INVESTMENTS

	GROUP		PARENT	
	2024	2023	2024	2023
	\$	\$	\$	\$
Investment in Niue Development Bank	0	0	9,940,370	9,940,370
Investment in Niue Philatelic & Numismatic Corporation	0	0	1,095,378	1,095,378
Investment in Niue Bond Liquor Company Limited	0	0	459,799	459,799
Investment in Niue Commercial Enterprises Limited	0	0	350,000	350,000
TOTAL OTHER INVESTMENTS	0	0	11,845,547	11,845,547

Movements in the value of the Government's investments in its subsidiaries and in non-controlled entities can be summarised as follows.

	PARENT	
	2024 \$	2023 \$
Carrying amount as at 1 July	11,845,547	11,845,547
Transfer of assets to Broadcasting Corporation of Niue	21,156	0
Impairment loss reversals/(losses) in investments in subsidiaries	(21,156)	0
CARRYING AMOUNT AS AT 30 JUNE	11,845,547	11,845,547

13 STATEMENT OF INVESTMENTS

Section 40 of the Public Revenues Act 1959 requires disclosure of details of public securities, being securities representing the investment of any public moneys.

	GROUP		PARENT	
	2024 \$	2023 \$	2024 \$	2023 \$
Investments in recurrent cash & cash eq. (see Note 8, above)	6,571,402	3,214,851	2,005,567	4,717
Investments in donor cash & cash equivalents (see Note 8, above)	3,344,046	5,138,873	3,344,046	5,138,873
Investments in subsidiaries (see Note 12, above)	0	0	11,845,547	11,845,547
Loans - gross carrying amount (see Note 11, above)	13,395,981	12,551,516	0	0
TOTAL INVESTMENTS	23,311,429	20,905,240	17,195,160	16,989,137

14 PROPERTY, PLANT & EQUIPMENT

14.1 Movements in Property, Plant & Equipment

	GROUP		PARENT	
	2024 \$	2023 \$	2024 \$	2023 \$
Gross carrying amount as at 1 July	122,436,240	120,744,772	114,323,416	112,805,811
Additions	47,456,149	6,351,756	46,962,077	5,775,263
Disposals	(1,597,753)	(4,660,288)	(1,530,469)	(4,257,658)
Gross carrying amount as at 30 June	168,294,636	122,436,240	159,755,024	114,323,416
Accumulated depreciation as at 1 July	46,799,249	45,520,077	41,203,129	39,986,195
Depreciation charge for the year	6,128,992	5,247,813	5,771,214	4,890,853
Disposals	(1,346,123)	(3,968,641)	(1,290,599)	(3,673,919)
Accumulated depreciation as at 30 June	51,582,118	46,799,249	45,683,744	41,203,129
NET BOOK VALUE - PROPERTY, PLANT AND EQUIPMENT	116,712,518	75,636,991	114,071,280	73,120,287

14.2 Asset Classes

	GROUP		PARENT	
	2024 \$	2023 \$	2024 \$	2023 \$
Land	5,518,617	5,518,617	5,013,642	5,013,642
Infrastructural assets	64,544,845	27,946,984	64,112,810	27,509,630
Buildings and site improvements	31,505,500	29,054,564	30,898,192	28,417,973
Machinery	5,325,861	4,772,191	4,582,910	4,207,084
Vehicles	5,844,917	5,085,345	5,702,576	4,933,042
Electronic equipment	3,550,884	2,966,731	3,444,469	2,860,209
Furniture and Fittings	421,894	292,559	316,681	178,707
NET BOOK VALUE - PROPERTY, PLANT AND EQUIPMENT	116,712,518	75,636,991	114,071,280	73,120,287

The Government does not own all the land which its buildings occupy. However, because the Government effectively controls the land and receives the benefits from its use, all land that the Government uses has been recognised as assets.

Infrastructural assets include the Airport runway and the Alofi wharf. Other infrastructural assets, such as roads, street lights and underground cables, are also owned by the Government. These have historically been treated as operating expenditure. Most of these assets have been in use for a considerable time and would, if they had been recognised as assets and depreciated in accordance with the Government's normal depreciation rules, have been almost fully depreciated. New infrastructural assets will be recognised as assets in accordance with the Government's accounting policies.

Buildings and site improvements include: buildings, sheds, bulk fuel tanks, site preparation, landscaping, paths and lawns around buildings used by the Government, and storage containers.

Vehicles include boats.

Electronic equipment includes computer equipment and peripherals, network equipment to service the Government's internal network, medical equipment, etc.

14.3 Movements per Asset Class

	GROUP		PARENT	
	2024	2023	2024	2023
	\$	\$	\$	\$
Land				
Gross carrying amount as at 1 July	5,518,617	5,518,617	5,013,642	5,013,642
Net Book Value - Land	<u>5,518,617</u>	<u>5,518,617</u>	<u>5,013,642</u>	<u>5,013,642</u>
Infrastructural Assets				
Gross carrying amount as at 1 July	41,767,780	41,546,176	39,617,565	39,395,961
Additions	39,137,080	234,182	39,123,510	234,182
Disposals	(726,232)	(12,578)	(726,232)	(12,578)
Gross carrying amount as at 30 June	<u>80,178,628</u>	<u>41,767,780</u>	<u>78,014,843</u>	<u>39,617,565</u>
Accumulated depreciation as at 1 July	13,820,796	12,117,922	12,107,935	10,423,837
Depreciation charge for the year	2,437,432	1,715,213	2,418,543	1,696,437
Disposals	(624,445)	(12,339)	(624,445)	(12,339)
Accumulated depreciation as at 30 June	<u>15,633,783</u>	<u>13,820,796</u>	<u>13,902,033</u>	<u>12,107,935</u>
Net Book Value - Infrastructural Assets	<u>64,544,845</u>	<u>27,946,984</u>	<u>64,112,810</u>	<u>27,509,630</u>
Buildings and Site Improvements				
Gross carrying amount as at 1 July	45,280,013	44,062,963	42,613,957	41,336,445
Additions	3,980,176	2,325,824	3,917,395	2,252,953
Disposals	(539,629)	(1,108,774)	(539,629)	(975,441)
Gross carrying amount as at 30 June	<u>48,720,560</u>	<u>45,280,013</u>	<u>45,991,723</u>	<u>42,613,957</u>
Accumulated depreciation as at 1 July	16,225,449	15,867,034	14,195,984	13,868,014
Depreciation charge for the year	1,391,317	1,383,749	1,299,253	1,296,166
Disposals	(401,706)	(1,025,334)	(401,706)	(968,196)
Accumulated depreciation as at 30 June	<u>17,215,060</u>	<u>16,225,449</u>	<u>15,093,531</u>	<u>14,195,984</u>
Net Book Value - Buildings and Site Improvements	<u>31,505,500</u>	<u>29,054,564</u>	<u>30,898,192</u>	<u>28,417,973</u>
Machinery				
Gross carrying amount as at 1 July	9,478,641	8,803,184	8,467,470	8,192,494
Additions	1,034,868	1,586,128	755,308	1,168,411
Disposals	(41,879)	(910,671)	(22,136)	(893,435)
Gross carrying amount as at 30 June	<u>10,471,630</u>	<u>9,478,641</u>	<u>9,200,642</u>	<u>8,467,470</u>
Accumulated depreciation as at 1 July	4,706,450	5,172,453	4,260,386	4,791,043
Depreciation charge for the year	469,438	442,470	379,482	362,778
Disposals	(30,119)	(908,473)	(22,136)	(893,435)
Accumulated depreciation as at 30 June	<u>5,145,769</u>	<u>4,706,450</u>	<u>4,617,732</u>	<u>4,260,386</u>
Net Book Value - Machinery	<u>5,325,861</u>	<u>4,772,191</u>	<u>4,582,910</u>	<u>4,207,084</u>

	GROUP		PARENT	
	2024 \$	2023 \$	2024 \$	2023 \$
Vehicles				
Gross carrying amount as at 1 July	12,966,351	12,301,225	11,855,917	11,183,225
Additions	1,591,026	1,322,202	1,528,283	1,295,035
Disposals	(164,867)	(657,076)	(145,955)	(622,343)
Gross carrying amount as at 30 June	14,392,510	12,966,351	13,238,245	11,855,917
Accumulated depreciation as at 1 July	7,881,006	7,211,322	6,922,875	6,290,905
Depreciation charge for the year	831,294	749,468	758,589	678,782
Disposals	(164,707)	(79,784)	(145,795)	(46,812)
Accumulated depreciation as at 30 June	8,547,593	7,881,006	7,535,669	6,922,875
Net Book Value - Vehicles	5,844,917	5,085,345	5,702,576	4,933,042
Electronic Equipment				
Gross carrying amount as at 1 July	6,680,792	7,520,493	6,249,684	7,020,500
Additions	1,511,158	817,830	1,454,284	793,557
Disposals	(102,215)	(1,657,531)	(96,517)	(1,564,373)
Gross carrying amount as at 30 June	8,089,735	6,680,792	7,607,451	6,249,684
Accumulated depreciation as at 1 July	3,714,061	4,471,100	3,389,475	4,135,050
Depreciation charge for the year	927,005	887,671	870,024	818,074
Disposals	(102,215)	(1,644,710)	(96,517)	(1,563,649)
Accumulated depreciation as at 30 June	4,538,851	3,714,061	4,162,982	3,389,475
Net Book Value - Electronic Equipment	3,550,884	2,966,731	3,444,469	2,860,209
Furniture and Fittings				
Gross carrying amount as at 1 July	744,046	992,114	505,181	663,544
Additions	201,841	65,590	183,297	31,125
Disposals	(22,931)	(313,658)	0	(189,488)
Gross carrying amount as at 30 June	922,956	744,046	688,478	505,181
Accumulated depreciation as at 1 July	451,487	680,246	326,474	477,346
Depreciation charge for the year	72,506	69,242	45,323	38,616
Disposals	(22,931)	(298,001)	0	(189,488)
Accumulated depreciation as at 30 June	501,062	451,487	371,797	326,474
Net Book Value - Furniture and Fittings	421,894	292,559	316,681	178,707
NET BOOK VALUE - PROPERTY, PLANT AND EQUIPMENT	116,712,518	75,636,991	114,071,280	73,120,287

14.4 Work in progress

The total amount of assets in the course of construction included in the cost of Property, Plant and Equipment is \$12.2 mln (2023: \$6.6 mln). Depreciation on these assets had not been started by 30 June.

15 SOFTWARE

	GROUP		PARENT	
	2024 \$	2023 \$	2024 \$	2023 \$
Gross carrying amount as at 1 July	657,370	603,420	406,714	459,699
Additions	228,428	163,791	163,428	17,852
Disposals	(119,345)	(109,841)	(119,345)	(70,837)
Gross carrying amount as at 30 June	766,453	657,370	450,797	406,714
Accumulated amortisation as at 1 July	465,078	493,260	376,349	411,890
Amortisation charge for the year	62,004	75,937	12,100	35,296
Disposals	(110,513)	(104,119)	(110,513)	(70,837)
Accumulated amortisation as at 30 June	416,569	465,078	277,936	376,349
NET BOOK VALUE - SOFTWARE	349,884	192,292	172,861	30,365

Software includes separately acquired computer programmes and the directly attributable cost of implementing comprehensive computer-based information systems.

16 TRADE AND OTHER CREDITORS

	GROUP		PARENT	
	2024	2023	2024	2023
	\$	\$	\$	\$
Trade creditors	7,403,092	7,366,995	5,491,879	5,045,654
Tax liabilities (refunds)	726,443	724,688	695,250	710,772
Other creditors	19,142	178,730	264,056	242,267
TOTAL AND OTHER CREDITORS	8,148,677	8,270,413	6,451,185	5,998,693

17 EMPLOYEE ENTITLEMENTS

	GROUP		PARENT	
	2024	2023	2024	2023
	\$	\$	\$	\$
Accrued salaries (current)	521,172	367,416	482,793	332,763
Leave entitlements (see below for classification)	2,197,728	1,981,948	2,047,645	1,808,790
EMPLOYEE ENTITLEMENTS	2,718,900	2,349,364	2,530,438	2,141,553

Leave entitlements include current and non current entitlements, as follows.

Current entitlements	1,071,303	944,428	939,585	787,063
Non current entitlements	1,126,425	1,037,520	1,108,060	1,021,727
LEAVE ENTITLEMENTS	2,197,728	1,981,948	2,047,645	1,808,790

Movements in leave entitlements can be summarised as follows.

Balance as at 1 July	1,981,948	1,993,079	1,808,790	1,863,686
Effect of salary increases	295,454	29,243	286,201	27,347
Effect of changes in staff numbers	42,424	127,359	42,424	127,359
Effect of discounting	(67,923)	(63,554)	(65,626)	(61,333)
Effect of early resignations	(53,879)	(50,399)	(52,501)	(49,066)
Net effect of additional and utilised entitlements	(296)	(53,780)	28,357	(99,203)
LEAVE ENTITLEMENTS AS AT 30 JUNE	2,197,728	1,981,948	2,047,645	1,808,790

18 FINANCIAL INSTRUMENTS

18.1 Credit risk

The Government of Niue and its associated entities incur credit risk from financial institutions, loan debtors, tax debtors, trade debtors and other debtors. The Government has placed its funds as cash and interest bearing deposits with the Westpac Banking Corporation and Kiwibank in New Zealand. Loans are only advanced to borrowers that meet certain credit criteria.

18.2 Interest rate risk

The Government places surplus funds on short term interest bearing deposits that are subject to normal market fluctuations.

18.3 Currency risk

The Government does not keep assets in foreign currencies.

18.4 Fair value

Financial instruments are recorded at their fair value.

19 COMMITMENTS

	GROUP		PARENT	
	2024 \$	2023 \$	2024 \$	2023 \$
Property, Plant & Equipment	435,712	3,230,821	435,712	3,230,821
Capital Commitments	435,712	3,230,821	435,712	3,230,821
Loans approved but not yet drawn by borrowers	1,533,375	1,650,346	0	0
Not later than one year	283,522	310,927	0	0
Later than one year and not later than five years	257,123	282,151	0	0
Later than five years	162,956	409,549	0	0
Operating Lease Commitments	703,601	1,002,627	0	0
Not later than one year	219,854	416,360	196,990	393,479
Later than one year and not later than five years	792,614	187,560	792,614	187,560
Other Operating Commitments	1,012,468	603,920	989,604	581,039
TOTAL COMMITMENTS	3,685,156	6,487,714	1,425,316	3,811,860

20 CONTINGENT LIABILITY: COIN ISSUES

The Niue Philatelic and Numismatic Corporation issues coin for the numismatic collectors' market. This coin is 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 the coins and because they are only legal tender within Niue, it is considered unlikely that any material amount will be redeemed.

21 FINANCIAL SUSTAINABILITY

Niue is a self governing country in free association with New Zealand. Through the Niue Constitution Act 1974, New Zealand has committed itself to providing Niue with the necessary economic and administrative assistance.

Niue relies on New Zealand's ongoing support, which presently includes: (a) annual budget support, (b) annual sector support, (c) annual funding for administrative and technical assistance, and (d) funding for specified development projects. New Zealand has committed to Annual Consolidated Budget Support of \$12,790,000 for the year 2023/24, and of \$15,000,000 for the year 2024/25. Also, New Zealand provided additional support of \$10,000,000 in 2022/23 and \$10,000,000 in 2023/24. This is considered sufficient to meet the Government of Niue's operational commitments and ensure adequate capital investment in Niue's key assets.

22 REVENUE WITH UNCERTAINTY RELATING TO COMPLETENESS

Necessary controls were not in place to provide the auditors with sufficient assurance around the complete recognition of all revenue from NCT, import duties, port charges and income tax, which are included in Taxes, Duties and Fines. The line "Taxes, Duties & Fines" in the Income Statement can be specified as follows.

	GROUP		PARENT	
	2024 \$	2023 \$	2024 \$	2023 \$
NCT, import duties and port charges	7,729,056	5,031,645	7,729,056	5,031,645
Income tax	3,609,464	4,580,698	3,609,464	4,580,698
Other taxes	1,438,456	882,966	1,438,456	882,966
Fines, fishing rights, landing rights, and other registration fees	2,761,430	2,156,256	2,761,430	2,156,256
Intercompany eliminations of income tax	207,771	(482,780)	0	0
TOTAL TAXES, DUTIES & FINES	15,746,177	12,168,785	15,538,406	12,651,565

Necessary controls were not in place to provide the auditors with sufficient assurance around the complete recognition of all revenue from Telecom Niue Ltd and the Broadcasting Corporation of Niue which is included in Sale of Goods and Services. The line "Sale of Goods and Services" in the Income Statement can be specified as follows.

	GROUP		PARENT	
	2024	2023	2024	2023
	\$	\$	\$	\$
Government departments	10,442,272	8,175,430	10,442,272	8,175,430
Telecom Niue Ltd	3,161,354	2,721,883	0	0
Niue Development Bank	144,746	132,134	0	0
Broadcasting Corporation of Niue	101,717	154,625	0	0
Niue Philatelic & Numismatic Corporation	102,615	94,435	0	0
Niue Bond Liquor Company Ltd	1,862,329	1,608,623	0	0
Niue Commercial Enterprises Ltd	80,232	62,920	0	0
Intercompany eliminations	(676,281)	(909,423)	0	0
TOTAL SALE OF GOODS & SERVICES	15,218,984	12,040,627	10,442,272	8,175,430