

Independent Auditor's Report**To the readers of
Niue Bond Liquor Company Limited group's financial statements
for the year ended 30 June 2025**

The Auditor-General is the auditor of the Niue Bond Liquor Company Limited group. The Auditor-General has appointed me, Rehan Badar, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the group on his behalf.

We have audited the financial statements of the group on pages 3 to 16, that comprise the consolidated statement of financial position as at 30 June 2025, the consolidated statement of financial performance, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

Qualified opinion

In our opinion, except for the possible effects of the matters described in the Basis for our qualified opinion section of our report, the financial statements of the group have been prepared, in all material respects, in accordance with the accounting policies described in note 2, Summary of Significant Accounting Policies.

Our audit was completed on 14 May 2026. This is the date at which our qualified opinion is expressed.

Basis for our qualified opinion***Our work over provision for income tax was limited***

As disclosed in note 2, Niue Bond Liquor Company Limited (the Company) has not filed income tax returns since 2013. As a result, we were unable obtain sufficient appropriate audit evidence to determine whether any adjustments were needed to the provision for income tax of \$49,683, income tax expense/credit of nil, and unrecognised tax losses carried forward of \$147,653 as set out in note 7 and in the prior period error correction note 3, or whether they were completely and properly recorded and disclosed. There were no satisfactory audit procedures that we could adopt to determine the effect of this limitation in scope.

Attention is drawn to the fact that we issued a qualified opinion on the group's 30 June 2024 financial statements for the same reasons outlined above. As a consequence, no assurance can be provided in relation to this matter on the comparative information presented in the 30 June 2025 financial statements.

Our work over sales revenue, debtors and Niue Consumption Tax (NCT) in the prior year was limited

We were able to obtain sufficient assurance over sales revenue and the associated debtors and NCT for the year ended 30 June 2025. However, in the prior year, the group did not maintain adequate systems and controls, nor provide all supporting documentation for recording sales revenue. Therefore we were unable to determine whether any adjustments were needed to the recorded sales revenue of \$1,862,329, nor the associated trade and other debtors of \$65,747 (including debtor impairments of \$47,921) and NCT payable of \$389,263. The scope of our audit was limited because we were unable to obtain sufficient appropriate audit evidence to determine whether these amounts were completely and properly recorded and disclosed. There were no satisfactory audit procedures that we could adopt to determine the effect of these limitations in scope. As a consequence, no assurance can be provided in relation to this matter on the comparative information presented in the 30 June 2025 financial statements.

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

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Emphasis of matter - Reliance on Niue Philatelic and Numismatic Corporation for financial support

Without further modifying our opinion, we draw attention to Note 2 on page 8 which outlines the Company preparing its financial statements using the going concern assumption. This is on the basis that the Board of Directors has obtained a letter of support from Niue Philatelic and Numismatic Corporation which confirms that it will continue to provide support to the Company to ensure that it remains a going concern.

Report on other legal requirements

In accordance with the Niue Companies Act 2006, we report that, in our opinion:

- except for the matter described in the Basis for our qualified opinion section of the report, proper accounting records have been kept by the group, as far as appears from an examination of those records; and
- the financial statements comply with applicable regulations made under the Niue Companies Act 2006.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible on behalf of the group for preparing financial statements that comply with the accounting policies described in note 2, Summary of Significant Accounting Policies.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible on behalf of the group for assessing the group's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the group or to cease operations or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Niue Companies Act 2006.

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

However, future events or conditions may cause the group to cease to continue as a going concern.

- We obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibility arises from section 138 of the Niue Companies Act 2006 and Article 60 of the Niue Constitution 1974.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 2, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Company and group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (for audits of public interest entities) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in the Company or its subsidiary.



Rehan Badar
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand