

NIUE COMMERCIAL ENTERPRISES LIMITED

Financial Statements

For the year ended 30 June 2025

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 2025.

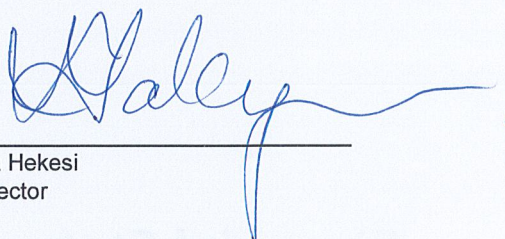
We hereby declare that:

- 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 2025.

The Financial Statements were authorised for issue by the Board on 1 April 2026.



Doreen Siataga
Director



Ida Hekesi
Director

Niue Commercial Enterprises Limited

STATEMENT OF FINANCIAL PERFORMANCE for the year ended 30 June 2025

	Notes	2025 Actual \$	2024 Actual \$
Operating Grant from Niue Development Bank		62,946	60,612
Income from Donated Services	4	70,864	0
Western Union Commission		6,457	6,538
Change Order Revenue		896	1,104
EFTPOS Commission		21,061	17,942
Mail Services		36,577	43,010
Prepaid Power Commission		9,184	11,387
Other Revenue		35	251
REVENUE		208,020	140,844
Depreciation	10	0	1,473
Travel and Transport		10,663	8,999
Other Expenses	6	168,253	117,921
OPERATING EXPENDITURE	5	178,916	128,393
NET (DEFICIT)		29,104	12,451

The accompanying notes form part of these Financial Statements.

Niue Commercial Enterprises Limited**STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2025**

	Notes	2025 Actual \$	2024 Actual \$
EQUITY AS AT 1 JULY		454,342	441,891
Net (Deficit)		29,104	12,451
Total Recognised Revenue and Expenses		29,104	12,451
EQUITY AS AT 30 JUNE		483,446	454,342

The accompanying notes form part of these Financial Statements.

Niue Commercial Enterprises Limited
STATEMENT OF FINANCIAL POSITION as at 30 June 2025

	Notes	2025 Actual \$	2024 Actual \$
EQUITY			
Share Capital		350,000	350,000
Retained Earnings		133,446	104,342
TOTAL EQUITY		<u>483,446</u>	<u>454,342</u>
 REPRESENTED BY:			
Current Assets			
Cash and Cash Equivalents	7	501,856	462,889
Debtors	8	46,102	33,135
Inventories		8,146	8,845
Total Current Assets		<u>556,104</u>	<u>504,869</u>
Less Current Liabilities			
Trade and Other Creditors	9	71,873	49,267
Income in Advance		785	1,260
Total Current Liabilities		<u>72,658</u>	<u>50,527</u>
TOTAL NET ASSETS		<u>483,446</u>	<u>454,342</u>

The accompanying notes form part of these Financial Statements.

Niue Commercial Enterprises Limited
STATEMENT OF CASH FLOWS for the year ended 30 June 2025

	2025 Actual \$	2024 Actual \$
Cash Flows from/(used in) Operating Activities		
Grants Received from Governments of Niue and New Zealand	0	60,612
Net Movement of Funds Held on Behalf of Customers	22,747	(153,020)
Other Receipts from Customers and Others	60,768	79,157
Payments to Suppliers	(44,548)	(149,877)
Net Cash Flows from/(used in) Operating Activities	38,967	(163,128)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	38,967	(163,128)
Cash and Cash Equivalents as at 1st July	462,889	626,017
CASH AND CASH EQUIVALENTS AS AT 30 JUNE	501,856	462,889
RECONCILIATION FROM NET SURPLUS TO NET CASH FLOWS FROM OPERATIONS		
Net Surplus	29,104	12,451
Adjustments for Non Cash Items		
Depreciation	0	1,473
Debtor Impairments	4,268	0
Total adjustments for Non Cash Items	4,268	1,473
Movements in Working Capital		
(Increase)/Decrease in Debtors	(17,235)	(2,335)
(Increase)/Decrease in Inventories	699	1,845
Increase/(Decrease) in Creditors	22,131	(176,562)
Total movements in Working Capital	5,595	(177,052)
Net Cash Flows from/(used in) Operating Activities	38,967	(163,128)

The accompanying notes form part of these Financial Statements.

Niue Commercial Enterprises Limited
NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2025

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 2025

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%)

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 2025

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 \$29,104, compared to a surplus of \$12,451 in the previous year.

The increase of revenue from \$140,844 to \$208,020 was mostly caused by the New Zealand Ministry of Foreign Affairs and Trade now paying for the Company's audit fees; this is recognised as income from donated services.

Operating expenditure increased by \$50,523. The biggest contributor to this the recognition of fees paid and payable to Kiwibank.

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 2025

4 INCOME FROM DONATED SERVICES

The New Zealand Ministry for Foreign Affairs (hereafter: "MFAT") and the Office of the Auditor-General have entered into an agreement under which MFAT pays Audit New Zealand directly for its audits of the Company's Financial Statements.

Audit fees are recognised in the periods that the audits cover, and income from donated services that relates to these audit fees are recognised as revenue in the same periods. This arrangement came into effect in the year ended 30 June 2025, but also covers the audit fees for the year ended 30 June 2024. Therefore, the income recognised in the current year also covers the derecognition of the liability that had originally been recognised for the audit fees for the year ended 30 June 2024.

5 OPERATING EXPENDITURE

	2025 Actual \$	2024 Actual \$
Depreciation of property, plant & equipment Depreciation (see Notes 10)	0 0	1,473 1,473
External freight Travel & Transport	10,663 10,663	8,999 8,999
Audit fees	31,194	39,670
Interest paid on Kiwibank settlement account	17,987	14,128
Kiwibank annual operating license fee	93,750	0
Miscellaneous Expenses Other Expenses	25,322 168,253	64,123 117,921
TOTAL OPERATING EXPENDITURE	178,916	128,393

6 AUDIT FEES

Other Expenses include the proposed audit fees for the current year amounting to \$31,194 (2024: \$39,670).

7 CASH AND CASH EQUIVALENTS

	2025 Actual \$	2024 Actual \$
Company's operating account	4,262	2,579
Other customer related accounts	122,336	117,448
Cash float for Kiwibank's customers	350,000	350,000
Excess cash deposited by Kiwibank's customers (held on their behalf)	25,258	(7,138)
TOTAL CASH AND CASH EQUIVALENTS	501,856	462,889

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.

8 DEBTORS

The Debtors balance is net of a provision for doubtful debts of \$15,924 (2024: \$12,271).

Niue Commercial Enterprises Limited
NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2025

9 TRADE AND OTHER CREDITORS

	2025 Actual \$	2024 Actual \$
Trade creditors payable to other suppliers	46,415	46,556
Trade creditors	<u>46,415</u>	<u>46,556</u>
 To settle with Kiwibank	 25,258	 (7,138)
To settle with Western Union	0	(321)
To settle with Niue Power	200	10,170
Required settlements (see Note 6, above)	<u>25,458</u>	<u>2,711</u>
 TOTAL TRADE AND OTHER CREDITORS	 <u><u>71,873</u></u>	 <u><u>49,267</u></u>

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.

10 PROPERTY, PLANT AND EQUIPMENT

10.1 Movements in Property, Plant and Equipment

	2025 Actual \$	2024 Actual \$
Gross carrying amount as at 1 July	45,350	63,442
Disposals	0	(18,092)
Gross carrying amount as at 30 June	<u>45,350</u>	<u>45,350</u>
 Accumulated depreciation as at 1 July	 45,350	 61,969
Depreciation charge for the period	0	1,473
Disposals	0	(18,092)
Accumulated depreciation as at 30 June	<u>45,350</u>	<u>45,350</u>
 NET BOOK VALUE - PROPERTY, PLANT AND EQUIPMENT	 <u><u>0</u></u>	 <u><u>0</u></u>

10.2 Asset Classes

	2025 Actual \$	2024 Actual \$
Machinery	0	0
Electronic equipment	0	0
Furniture and fittings	0	0
NET BOOK VALUE - PROPERTY, PLANT AND EQUIPMENT	<u><u>0</u></u>	<u><u>0</u></u>

Niue Commercial Enterprises Limited
NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2025

10.3 Movements per Asset Class

	2025 Actual \$	2024 Actual \$
Machinery		
Gross carrying amount as at 1 July	30,000	34,883
Disposals	0	(4,883)
Gross carrying amount as at 30 June	30,000	30,000
Accumulated depreciation as at 1 July	30,000	34,066
Depreciation charge for the year	0	817
Disposals	0	(4,883)
Impairments	0	0
Accumulated depreciation as at 30 June	30,000	30,000
Net Book Value - Machinery	0	0
Electronic Equipment		
Gross carrying amount as at 1 July	11,883	16,791
Disposals	0	(4,908)
Gross carrying amount as at 30 June	11,883	11,883
Accumulated depreciation as at 1 July	11,883	16,791
Disposals	0	(4,908)
Accumulated depreciation as at 30 June	11,883	11,883
Net Book Value - Electronic Equipment	0	0
Furniture and Fittings		
Gross carrying amount as at 1 July	3,467	11,768
Disposals	0	(8,301)
Gross carrying amount as at 30 June	3,467	3,467
Accumulated depreciation as at 1 July	3,467	11,112
Depreciation charge for the year	0	656
Disposals	0	(8,301)
Accumulated depreciation as at 30 June	3,467	3,467
Net Book Value - Furniture and Fittings	0	0
NET BOOK VALUE - PROPERTY, PLANT AND EQUIPMENT	0	0

11 FINANCIAL INSTRUMENTS

11.1 Credit Risk

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

11.2 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

11.3 Interest Rate Risk

The Company is not exposed to interest rate risk.

Niue Commercial Enterprises Limited
NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2025

11.4 Fair Value

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

12 TAX LOSSES TO CARRY FORWARD

	2025 Actual \$	2024 Actual \$
Net surplus/(deficit)	29,104	12,451
Less: non taxable income	(133,810)	(60,612)
Taxable (Deficit)	(104,706)	(48,161)
Income tax rate	30%	30%
TAX/(TAX REFUND) THEREON	(31,412)	(14,448)
Tax on taxable loss for the year ended 30 June 2019	0	1,291
Tax on taxable loss for the year ended 30 June 2020	3,489	3,489
Tax on taxable loss for the year ended 30 June 2022	7,801	7,801
Tax on taxable loss for the year ended 30 June 2023	8,888	8,888
Tax on taxable loss for the year ended 30 June 2024	14,448	14,448
Tax on taxable loss for the year ended 30 June 2025	31,412	0
TOTAL TAX LOSSES TO CARRY FORWARD AS AT 30 JUNE	66,038	35,917

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.

13 COMMITMENTS

There were no commitments as at 30 June 2025 (2024: nil).

14 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities as at 30 June 2025 (2024: nil).

15 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.

16 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 \$62,946 to the operating expenses of the Company (2024: \$60,612).

Niue Commercial Enterprises Limited
NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2025

17 DIRECTORS

The following Directors were in office during the year.

Ian Fitzgerald (Chair)

Ida Hekesi

Kevin Murphy

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.

