Annual financial statements

Telecom Niue Limited
For the year ended 30 June 2025

Contents

Directors' statement

Telecom Niue Limited
For the year ended 30 June 2025

The Board of Directors of Telecom Niue Limited (the 'Company') is pleased to present the Company's financial statements for the year ended 30 June 2025.

The Board of Directors hereby declare that:

- They have been responsible for the preparation of these financial statements and the judgments made in them.
- They 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.
- They confirm that all statutory requirements in relation to the financial statements have been complied with, unless stated otherwise in these financial statements.
- In their 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 25th June 2026

For and on behalf of the Board:

Avraham Rubin

Chair, Board of Directors

Dessyo Sioneholo

Director

The following directors were in office during the reporting period and as of 30 June 2025:

- Avraham Rubin
- Charles Ioane
- Dessyo Sioneholo
- Doreen Siataga
- Elizabeth Bestgen
- Julie Funaki
- Taihia Hetutu

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Statement of financial performance

Telecom Niue Limited
For the year ended 30 June 2025

	NOTE	2025 $	RESTATED 2024 $
Income			
Sales of goods and services	4	2,759,536	2,547,588
Other revenue	5	341,384	303,410
Interest received		17,622	35,745
Total income		3,118,542	**2,886,743**
Cost of goods sold			
Cost of goods sold	11	813,205	668,552
Gross profit		**2,305,337**	**2,218,191**
Expenditure			
Personnel expenses	6	1,106,765	1,083,543
Depreciation and amortisation	6	170,248	161,098
Maintenance and materials	6	75,057	93,455
Travel and transport	6	104,639	129,378
Other expenses	6	505,561	410,274
Interest expense		30,173	31,981
Total expenditure		**1,992,443**	**1,909,729**
Net profit before tax		**312,894**	**308,462**
Income tax credit for the year			
Income tax credit	8	(185,394)	-
Net profit for the year		**498,288**	**308,462**

The accompanying notes form part of the financial statements. Certain comparative figures have been restated to enhance reliability and relevancy of the information disclosed - see note 3 for more details.

Statement of changes in equity

Telecom Niue Limited
For the year ended 30 June 2025

	2025 $	RESTATED 2024 $
Equity		
Share capital		
Opening balance at 1 July	2,168,044	2,168,044
Closing balance at 30 June	2,168,044	**2,168,044**
Retained earnings		
Opening balance at 1 July	(2,088,296)	(2,246,758)
Net profit for the year	498,288	308,462
Dividends paid	-	(150,000)
Closing balance at 30 June	(1,590,008)	(2,088,296)
Total equity at 30 June	**578,036**	**79,748**

The accompanying notes form part of the financial statements. Certain comparative figures have been restated to enhance reliability and relevancy of the information disclosed - see note 3 for more details.

Statement of financial position

Telecom Niue Limited
As at 30 June 2025

	NOTE	2025 $	RESTATED 2024 $
Assets			
Current assets			
Cash and cash equivalents	9	693,734	782,622
Receivables	10	315,449	632,240
Inventory	11	46,219	79,850
Prepayments		-	18,200
Total current assets		**1,055,402**	**1,512,912**
Non-current assets			
Property, plant and equipment	13	1,191,291	1,119,578
Intangible assets	14	95,565	120,938
Deferred tax asset	8	185,394	-
Total non-current assets		**1,472,250**	**1,240,516**
Total assets		**2,527,652**	**2,753,428**
Liabilities			
Current liabilities			
Creditors	12	1,381,169	2,000,509
Employee entitlements	15	82,090	88,852
Borrowings	16	78,033	43,116
Revenue in advance		30,129	46,692
Total current liabilities		**1,571,421**	**2,179,169**
Non-current liabilities			
Borrowings	16	358,343	476,182
Employee entitlements	15	19,852	18,329
Total non-current liabilities		**378,195**	**494,511**
Total liabilities		**1,949,616**	**2,673,680**
Net assets		**578,036**	**79,748**
Equity			
Share capital		2,168,044	2,168,044
Retained earnings		(1,590,008)	(2,088,296)
Total equity		**578,036**	**79,748**

The accompanying notes form part of the financial statements. Certain comparative figures have been restated to enhance reliability and relevancy of the information disclosed - see note 3 for more details.

Statement of cash flows

Telecom Niue Limited
For the year ended 30 June 2025

	2025 $	RESTATED 2024 $
Statement of cash flows		
Cash flows from operating activities		
Receipts from customers	3,250,734	2,736,459
Receipts from donors	-	(6,990)
Receipts of interest	17,622	35,745
Payments to suppliers and employees	(3,023,643)	(2,423,880)
Payments of dividends	-	(150,000)
Payments of interest	(30,173)	-
Net cash generated by operating activities	**214,540**	**191,334**
Cash flows from investing activities		
Purchase of intangible assets	-	(63,850)
Purchase of property, plant and equipment	(220,508)	(354,682)
Net cash used in investing activities	**(220,508)**	**(418,532)**
Cash flows from financing activities		
Loans received from related parties	28,750	112,180
Loan repayments made to related parties	(111,670)	(77,198)
Net cash from financing activities	**(82,920)**	**34,982**
Net increase in cash and cash equivalents	(88,888)	(192,216)
Cash and cash equivalents at the beginning of the year	782,622	974.838
Cash and cash equivalents at the end of the year	693,734	782.622

The accompanying notes form part of the financial statements. Certain comparative figures have been restated to enhance reliability and relevancy of the information disclosed - see note 3 for more details.

Reconciliation of net profit to net cash flows from operating activities

	2025 $	RESTATED 2024 $
Net profit for the year	498,288	308,462
Adjustments for non-cash items		
Depreciation and amortisation	170,248	161,097
Loss on property, plant and equipment and intangible assets	3,919	11,759
Movement in NCT payable	(3,845)	16,199
Recognition of deferred tax asset	(185,394)	-
Net effect of donated services*	-	-
Total adjustments for non-cash items	(15,072)	**189,055**
Movement in working capital		
(Increase) / decrease in receivables	316,790	(125,463)
(Increase) / decrease in prepayments	18,200	(11,173)
(Increase) / decrease in inventories	33,631	(7,588)
Decrease in creditors (excl. movement in NCT payable)*	(615,495)	(13,765)
(Decrease) / increase in revenue and donor revenue in advance	(16,563)	2,617
Decrease in employee entitlements	(5,239)	(811)
Decrease in dividends payable	-	(150,000)
Total movement in working capital	**(268,676)**	**(306,183)**
Net cash flows from operating activities	**214,540**	**191,334**

*The Company's audit fees for the current and previous year were paid for by a different entity - see note 5. The payment was made directly to the Company's auditors. Revenue, expense and movements in the Company's balances in relation to the audit fees and the donation net off resulting in no impact to the Company's cashflows.

The accompanying notes form part of the financial statements. Certain comparative figures have been restated to enhance reliability and relevancy of the information disclosed - see note 3 for more details.

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Notes to the financial statements

Telecom Niue Limited
For the year ended 30 June 2025

1. Reporting entity

Telecom Niue Limited (the 'Company') was established on 24 February 2016 to assume the business and operations of the Department of Post and Telecommunications that was under the Government of Niue. The Company began operations on 1 July 2016 with the assets being transferred from the Government on this date. The Company operates under the Niue Communications Act 1989. The Government of Niue wholly owns the Company. The primary function of the Company is to provide mobile and fixed telephone services in Niue. The Company is the main provider of internet services in Niue.

These financial statements for the Company are for the year ended 30 June 2025, which were approved by the Company's Board of Directors (the 'Board') on 25 June 2026

2. Statement of accounting policies

Basis of preparation

These financial statements have been prepared on a historical cost and deemed cost basis, and the functional and presentation currency is New Zealand Dollars ('NZD').

These financial statements have been prepared on a going concern basis. This is on the basis that the Government of Niue will continue to financially support the Company in the foreseeable future. The Board, after making enquiries, has a reasonable expectation that the Company has adequate resources to continue to operate for the foreseeable future, based on current trading terms and legislative requirements.

The Board has reached this conclusion having regard to circumstances that it considers likely to affect the Company during the period of one year from the date these financial statements were approved, and to circumstances that it knows will occur after that date that could affect the validity of the going concern assumption. The key considerations included the Board receiving a letter of comfort, dated 1 December 2025 from the Minister of Finance and the Financial Secretary which states that the Government of Niue will continue to provide support to the Company to ensure that it remains a going concern.

Statement of compliance

These financial statements have been prepared using the accounting policies described on the notes to the financial statements and comply with Government of Niue Accounting Policies.

Summary of significant accounting policies

Significant accounting policies are included in the notes that they relate to. Significant accounting policies that do not relate to a specific note are outlined below.

Equity and share capital
Equity is measured as the difference between total assets and total liabilities. Equity components are retained earnings and share capital. Share capital represents contributed capital from the Government of Niue in its capacity as the Company's owner. Share capital includes the initial transferred assets and liabilities from the previous Telecom Niue department within the Government of Niue. The assets and liabilities were transferred on 1 July 2016 at their then carrying values.

Niue Consumption Tax ('NCT')
All income and expenditure items are recognised net of NCT. Assets and liabilities are recognised net of NCT, except for trade receivables and trade payables.

Agent vs. principal in funding arrangements
The Company considers the following in determining whether it is the principal or acting as an agent in transactions, particularly for funding arrangements:

- whether it has the right to arrange for the provision of services by other parties;
- whether it controls the services; and
- whether it has the primary responsibility for fulfilling the contracted services.

In cases where the Company has the right to arrange for the provision of services by other parties, but it does not control nor has the primary responsibility for contracted funding or services it is considered acting as an agent.

Significant accounting estimates and judgements

In preparing these financial statements, the Company has made estimates and assumptions about the future. These estimates and assumptions might differ from the subsequent actual results. The Company continually evaluates its estimates and assumptions, which are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a material risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are the estimates useful lives of property, plant and equipment and intangible assets - see corresponding notes.

Changes in accounting policies and estimates

There have been no changes to accounting policies or estimates during the financial year. No changes have been made to accounting policies and significant accounting estimates to those applied in the Company's last audited financial statements.

Non-compliance with other applicable laws and regulations

Timely preparation of income tax returns

Income tax returns must be filed with the Niue Tax office no later than five months after the end of the tax year (30 June for the Company). The Company has not yet filed its tax return for the years ending 30 June 2013 to 30 June 2024 and no requests for filing extensions have been sought.

3. Restatement of comparatives and presentation changes

Restatement of comparatives for prepaid power token sales

As part of the preparation of these financial statements, the Company identified that prepaid power token sales made on behalf of the Government of Niue were recorded as the Company's own revenue, while corresponding payments to the Government of Niue were recorded as its own expenditure. The Company acts as an agent in respect of this arrangement and receives commission for providing this service. Only the commission should have been recorded in the Company's statement of financial performance in respect of this arrangement.

As such, the Company has restated its comparatives by reducing revenue and expenditure by $863,997, the total amount of prepaid power tokens sold less commission earned.

Revenue collected by Symbio on behalf of the Company

Symbio Networks NZ Ltd ('Symbio') collects certain revenue amounts (e.g. premium numbers, international calls) on behalf of the Company. These are paid to the Company on a monthly basis. During the preparation of these financial statements, the Company identified that receivables from Symbio were understated by $68,004, for revenue in relation to the financial year ended 30 June 2023 recorded during the 30 June 2024 financial year. Consequently, the Company has restated its comparatives and adjusted opening equity to correct receivables and retained earnings.

Other presentation changes for revenue

Following the Company's restatement for the above matter, it then reviewed its revenue presentation. Several items previously included in other revenue relate to the sale of goods and services. The Company has reclassified those items between those two revenue lines in the statement of financial performance.

The following is a summary of the above changes:

	BEFORE $	CORRECTION $	AFTER $
2024 restated actuals			
Statement of financial performance			
Sales of goods and services	3,161,354	(613,766)	2,547,588
Other revenue	553,641	(250,231)	303,410
Cost of goods sold	1,532,549	(863,997)	668,552

	BEFORE $	CORRECTION $	AFTER $
Restated actuals			
Statement of financial position			
Receivables at 30 June 2024	564,236	68,004	632,240
Retained earnings at 1 July 2023	(2,314,762)	68,004	(2,246,758)
Retained earnings at 30 June 2024	(2,156,300)	68,004	(2,088,296)
2024 restated actuals			
Statement of cash flows			
Receipts from customers	3,599,140	(862,681)	2,736,459
Payments to suppliers and employees	(3,286,561)	862,681	(2,423,880)

4. Sales of goods and services

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

Sale of goods
Sales of physical goods such as mobile equipment, telephone equipment, accessories are recognised when the product is sold to the customer.

Sale of services
Sales of services performed such as international and local mobile and fixed telephone services and internet services are recognised when the service has been performed for the customer.

Power token sales commission
The Company acts as an agent on behalf of the Government of Niue in respect of the sale of prepaid power tokens to customers. The Company earns commission revenue for providing this service.

	2025 $	RESTATED 2024 $
Breakdown		
Shop and online sales	1,919,278	1,715,457
Power token sales commission	144,502	123,469
Leased circuits and line rental	381,336	379,111
International communication	176,040	195,000
Local communication	48,444	26,312
ICT sales and support fees	89,936	108,239
Total sales of goods and services	**2,759,536**	**2,547,588**

5. Other revenue

Donated services
During the reporting period, the New Zealand Ministry for Foreign Affairs and Trade ('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 the 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 recognise in the current year also covers the derecognition of the liability that had originally been recognise for the audit fees for the year ended 30 June 2024.

Other income
Other income primarily consists of CEO salary subsidies provided by the Government of Niue and the granting of a refund for historical NCT over payment by the Government.

	2025 $	RESTATED 2024 $
Breakdown		
Donated services	150,413	-
Other income	190,971	303,410
Total other revenue	341,384	303,410

6. Expenditure

In general, expenditure is recognised on an accrual basis, as and when goods or services are received.

	2025 $	2024 $
Breakdown		
Personnel expenses		
Salaries and wages	1,048,937	1,026,789
Contractor wages	20,782	22,734
Staff amenities	21,979	14,640
Superannuation subsidy	15,067	19,380
Total personnel expenses	**1,106,765**	**1,083,543**
Depreciation and amortisation		
Depreciation of property, plant and equipment	144,875	131,449
Amortisation of software	25,373	29,649
Total depreciation and amortisation	**170,248**	**161,098**
Maintenance and materials		
Repairs and maintenance	40,162	64,841
Other supplies	34,895	28,614
Total maintenance and materials	**75,057**	**93,455**
Travel and transport		
External freight	15,182	21,996
Fuel	54,534	56,940
Other travel and transport	34,923	50,442
Total travel and transport	**104,639**	**129,378**
Other expenses		
Communication	6,294	2,305
Electricity	118,066	128,514
Professional fees	148,016	129,053
Other expenses	219,689	129,238
Loss on disposal of fixed assets	3,919	11,759
Staff training and seminars	6,091	4,400
Subsidies and welfare	3,486	5,005
Total other expenses	**505,561**	**410,274**

7. Audit fees

Included in professional fees is the audit fee for the current financial year of $73,673 (2024: $76,740).

The Company's auditors performed no other non-audit services during the period (2024: nil).

8. Income tax

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

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

The Company's unrecognised tax losses are available for use against future taxable profits, subject to the Niuean Tax Legislation requirements being met.

	2025 $	RESTATED 2024 $
Income tax		
Net profit before tax	312,894	308,462
Permanent differences	(168,035)	(35,745)
Profit subject to tax	144,859	272,717
Niue income tax rate (%)	30	30
Income tax for the year	43,457	81,815
Utilisation of unrecognised tax losses	(43,457)	(81,815)
Recognition of deferred tax asset	(185,394)	-
Income tax (credit) for the year	(185,394)	-

Under section 58 of the Income Tax Act 1960, tax losses can be carried forward to offset future taxable profit for up to six years. As of 30 June 2025, available tax losses to carry forward were $2.19 million (2024: $2.33 million), taxable effect of $656,196 at the 30% income tax rate (2024: $699,653, 30%). No deferred tax asset was recognised in previous years due to uncertainty over future taxable profits, but based on recent financial results and forecasts, the Company has recognised a deferred tax asset of $185,394 being the tax effect of the losses it estimates it can utilise.

9. Cash and cash equivalents

Cash and cash equivalents include cash on hand and funds on deposit with banks and are measured at their face value.

	2025 $	2024 $
Breakdown		
Current accounts	148,938	164,213
Call accounts	544,796	618,409
Total cash and cash equivalents	**693,734**	**782,622**

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10. Receivables

Short-term receivables are recorded at the amounts due, less provisions for doubtful debt. The doubtful debt provision is determined based on a review of individual debtor balances, historical loss experience and an assessment of current economic conditions. Bad debts are written off against the provision when identified as uncollectible and must be approved by the Board. Any subsequent recoveries of amounts previously written off are recognised as income.

	2025 $	RESTATED 2024 $
Breakdown		
Trade receivables	115,563	156,819
Provision for doubtful debts	(59,277)	(13,795)
Related party debtors - see note 19	192,359	489,216
NCT refund receivable - see note 19	66,804	-
Total trade and other debtors	**315,449**	**632,240**

11. Inventory and cost of goods sold

Cost of goods sold represents the cost of inventories recognised as an expense when the related revenue is recorded. Inventories are measured at the lower of cost and net realisable value. Cost includes all expenditures incurred in bringing inventory to their present location and condition, comprising purchase price, import duties, transport, handling. Any write-down to net realisable value and subsequent reversals are recognised in profit or loss in the period they occur.

	2025 $	RESTATED 2024 $
Breakdown		
Inventory	46,219	79,850
Cost of goods sold		
Cable license, data, broadband and satellite	404,435	382,929
Blue arcus mobile SLA	302,749	182,915
Mobile phone, handsets and related purchases	40,102	50,222
Telephone sales, equipment and accessories	32,190	7,641
Sim cards	16,982	23,535
Freight	4,486	10,580
Other	12,261	10,730
Total Cost of goods sold	**813,205**	**668,552**

12. Creditors

Short-term payables are recorded at the amount payable.

	2025 $	2024 $
Breakdown		
Creditors and accruals	213,726	306,137
Related party creditors - see note 19	330,796	853,880
NCT payable - see note 19	836,647	840,492
Total creditors	1,381,169	2,000,509

13. Property, plant and equipment

Property, plant, and equipment ('PP&E') consists of land, infrastructure assets, building and site improvements, motor vehicles, electronic equipment (including computer equipment), and furniture and fittings. PP&E 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.

The cost of an item of PP&E 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. 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. Work in progress is recognised at cost less impairment and is not depreciated.

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.

Estimated useful lives and depreciation
Depreciation is provided on a straight-line basis at rates that will write down the cost of the assets to their estimated residual values over their useful lives. The economic lives of assets and resulting depreciation rates are as follows:

- Infrastructure assets: 2–40 years (3–50%)
- Building and site improvements: 5–25 years (4–20%)
- Plant and equipment: 2.5–10 years (10–40%)
- Motor vehicles: 5–10 years (10–20%)
- Electronic equipment: 2–20 years (5–50%)
- Furniture and fittings: 5–20 years (5–20%)

Breakdown and movements

The following is a breakdown of the different classes of PP&E and movements during the reporting period.

Cost	INFRASTRUCTURE ASSETS	BUILDING AND SITE IMPROVEMENTS	PLANT AND EQUIPMENT	MOTOR VEHICLES	ELECTRONIC EQUIPMENT	FURNITURE AND FITTINGS	TOTAL
At 1 July 2023	2,150,215	55,898	485,965	214,920	133,257	27,200	3,067,455
At 30 June 2024	2,163,785	55,898	748,074	255,369	133,257	31,982	3,388,365
Additions	126,400	-	68,700	9,900	2,847	12,661	220,508
Disposals	(6,955)	(25,351)	(12,763)	-	(13,999)	(3,157)	(62,225)
At 30 June 2025	2,283,230	30,547	804,011	265,269	122,105	41,486	3,546,648

Accumulated depreciation	INFRASTRUCTURE ASSETS	BUILDING AND SITE IMPROVEMENTS	PLANT AND EQUIPMENT	MOTOR VEHICLES	ELECTRONIC EQUIPMENT	FURNITURE AND FITTINGS	TOTAL
At 1 July 2023	1,712,861	46,106	109,032	155,708	122,853	12,792	2,159,351
At 30 June 2024	1,731,750	49,158	158,519	179,858	133,041	16,462	2,268,788
Depreciation	32,773	2,038	77,036	26,809	569	5,650	144,875
Eliminated on disposals	(6,955)	(23,323)	(11,511)	-	(13,784)	(2,733)	(58,306)
At 30 June 2025	1,757,568	27,873	224,044	206,667	119,826	19,379	2,355,357

Net book value	INFRASTRUCTURE ASSETS	BUILDING AND SITE IMPROVEMENTS	PLANT AND EQUIPMENT	MOTOR VEHICLES	ELECTRONIC EQUIPMENT	FURNITURE AND FITTINGS	TOTAL
At 1 July 2023	437,354	9,792	376,933	59,212	10,404	14,408	908,104
At 30 June 2024	432,035	6,740	589,555	75,511	216	15,520	1,119,578
At 30 June 2025	525,662	2,674	579,967	58,602	2,279	22,107	1,191,291

Impairment of property, plant and equipment

Property, plant and equipment that has a finite useful life is tested 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 profit or loss.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets i.e. cash generating units (CGUs). Non-financial assets other than goodwill that were previously impaired are reviewed for possible reversal of impairment at the end of each reporting period.

During the reporting period, the Company has not identified any events or changes in circumstances that may indicate the carrying amounts of CGUs may not be recoverable. As such, the Company does not believe any of its fixed assets are impaired and has not recognised any impairment loss during the reporting period.

14. Intangible assets

The Company's only class of intangible assets is software which consists of separately purchased and installed software. It is measured at cost less accumulated amortisation and impairment losses. The cost of an item of software 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. 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.

Estimated useful lives and amortisation
Amortisation is provided on a straight-line basis at rates that will write down the cost of the assets to their estimated residual values over their useful lives. The economic lives of intangible assets is between 5-14 years (7-20%).

Breakdown and movements
The following is a breakdown and movements in intangible assets during the reporting period.

	SOFTWARE $
Cost	
At 1 July 2023	145,974
At 30 June 2024	209,824
Additions	-
Disposals	-
At 30 June 2025	209,824

	SOFTWARE $
Accumulated amortisation	
At 1 July 2023	59,237
At 30 June 2024	88,886
Amortisation	25,373
Eliminated on disposals	-
At 30 June 2025	114,259

	SOFTWARE $
Net book value	
At 1 July 2023	86,737
At 30 June 2024	120,938
At 30 June 2025	95,565

15. Employee entitlements

Accrued salaries and wages

Employee benefits expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and annual leave earned but not yet taken at balance date and expected to be settled within 12 months.

Long service leave

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. The future values of these entitlements are 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.

Benefits that have been earned and are due to be settled within one year from balance date are recognised as current liabilities.

Breakdown of employee entitlements

The following is a breakdown of employee entitlement balances at reporting date. The table after is a breakdown of the movement in total leave entitlements.

	2025 $	2024 $
Breakdown		
Current employee entitlements		
Accrued salaries and wages	20,393	20.664
Annual leave entitlements	61,697	68,188
Total current employee entitlements	**82,090**	**88,852**
Non-current leave entitlements		
Long-service leave entitlements	19,852	18,329
Total non-current leave entitlements	**19,852**	**18,329**
Total employee entitlements	**101,942**	**107,181**

	2025 $	RESTATED 2024 $
Movements in employee leave entitlements		
Opening balance 1 July	86,517	89,852
Effect of salary increases	782	9.253
Effect of discounting	(2,661)	(2,297)
Effect of expected resignations	(1,596)	(1,378)
Net effect of additional and utilised entitlements	(1,493)	(8,913)
Total leave entitlements	**81,549**	**86,517**

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16. Borrowings

Borrowings are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are carried at amortised cost using the effective interest rate method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after reporting date.

Additional information on the loans
The Company has two facilities:

1. On 21 December 2017, a business loan agreement totalling $803,000 "and further advances" was agreed to between Niue Development Bank and the Company. This loan has been secured with a debenture over the Company and 8.2 hectares of Crown Land that is managed by the Company. The term of the business loan agreement was initially three years interest only to 21 December 2020 and then the business loan agreement is to be placed on a reducing basis over a term of up to 10 years to 21 December 2030, once the Manatua submarine cable is operational and cost saving benefits are flowing into the Company from this submarine cable. Interest is charged at 6% per annum.
2. On 29 November 2022, a business loan agreement totalling $250,000 "and further advances" was agreed to between Niue Development Bank and the Company. This loan has been secured with a debenture over the Company. The term of the business loan agreement is seven years. Interest is charged at 5.5% per annum.

Compliance with loan covenants
The business loan agreement and the debenture agreement over the Company contains various undertakings and requires compliance with several covenants. All undertakings and covenants were met during the financial year.

	2025 $	2024 $
Bank loans breakdown		
Current portion - amount due for settlement within 12 months	78,033	43,116
Non-current portion - amount due for settlement after 12 months	358,343	476,182
Total borrowings	**436,376**	**519,298**

17. 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.

	2025 $	2024 $
Summary		
Due within 1 year	269,758	290,826
Due within 1 to 2 years	163,265	246,290
Due within 2 to 5 years	-	162,956
Total commitments	**433,023**	**700,072**

The commitments include payments to Digicel (Samoa) Limited for Leased Capacity on the Network until 31 March 2027 as Telecom Niue Limited makes the monthly payments. The Capacity Lease agreement was signed between Digicel (Samoa) Limited and Government of Niue on 9 July 2021.

18. Contingencies

There were no contingent liabilities or contingent assets at 30 June 2025 (2024: none).

19. Related party transactions

The Company is an entity wholly owned by the Government of Niue. The Government of Niue significantly influences the role of the Company and is its major source of revenue. The Company enters into transactions with other government departments and other government owned entities on an arm's length basis.

Transactions entered into with related parties during the year, can be summarised as follows (net of NCT).

	2025 $	RESTATED 2024 $
Summary		
Sales and receipts		
Government of Niue	605,810	522,519
Broadcasting Corporation of Niue	11,407	5,065
Niue Development Bank	44,389	49,096
Niue Philatelic and Numismatic Corporation	3,239	6,953
Niue Bond Liquor Company Limited	367	580
Total sales and receipts	**665,212**	**584,213**
Purchases and payments		
Government of Niue	(127,991)	(542,485)
Niue Development Bank	(12,000)	(10,000)
Niue Bond Liquor Company Limited	(1,002)	(1,358)
Total purchases and payments	**(140,993)**	(553,843)
Total transactions	**524,219**	**30,370**

These and other events resulted in the following balances owing to and owed by the Company as at 30 June 2025:

	2025 $	RESTATED 2024 $
Summary		
Receivables		
Receivable from Government of Niue	252,437	483,344
Receivable from Broadcasting Corporation of Niue	6,481	5,837
Receivable from Niue Bond Liquor Company Limited	35	35
Receivable from Niue Philatelic and Numismatic Corporation	210	-
Total receivable	**259,163**	**489,216**
Payables		
Payable to Government of Niue	(1,167,443)	(853,880)
Payable to Niue Development Bank (borrowings)	(436,377)	(519,369)
Total payable	(1,603,820)	(1,373,249)

Power token sales

As part of the Company's power token sales arrangement with the Government of Niue (see note 4), it has collected $1,156,012 (2024: $1,111,222) of power token sales. The Company's commission for amounts collected this year is $144,502 (2024: $123,469). $1,011,510 (2024: $972,319) represents amounts collected on behalf of the Government of Niue and $295,067 is payable at 30 June 2025 (2024: $369,901).

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

20. Subsequent events

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