



OFFICE OF THE OMBUDSMAN

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

OFFICE OF THE OMBUDSMAN

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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OFFICE OF THE OMBUDSMAN

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

DIRECTORY

Minister

Honourable Mr Vaine (Mac) Mokoroa
Minister of the Office of the Ombudsman

Head of Office / Title

Niki Rattle
Ombudsman

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Auditor

Cook Islands Audit Office
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Avarua
Rarotonga

Solicitor

Crown Law Office
Avarua
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OFFICE OF THE OMBUDSMAN

STATEMENT OF RESPONSIBILITY

In terms of Section 30 of the Ministry of Finance and Economic Management Act 1995-96, We are responsible for the preparation of the Office of the Ombudsman 's financial statements and the judgements made in the process of producing those statements.

We have the responsibility of establishing and maintaining internal controls. We have established and maintained a system of internal control procedures that provide reasonable assurance as to the integrity and reliability of financial reporting.

In our opinion, these financial statements fairly reflect the financial position and operations of the Office of the Ombudsman for the year ended 30 June 2025.



Niki Rattle
Ombudsman

07 April 2026
Date



Honourable Mr Vaine (Mac) Mokoroa
Minister of the Office of the Ombudsman

07 April 2026
Date



Cook Islands Audit Office

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Cook Islands

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Independent Auditor's Report

To the readers of the financial statements of the Office of the Ombudsman for the year ended 30 June 2025.

Report on the audit of the financial statements

Unmodified Opinion

In my opinion, the accompanying financial statements of the Office of the Ombudsman ("Office") on pages 7 to 25:

- i. present fairly in all material respects the Office's financial position as at 30 June 2025 and its financial performance and cash flows for the year ended on that date; and
- ii. comply with generally accepted accounting practices as defined by the Ministry of Finance and Economic Management Act 1995-96 and International Public Sector Accounting Standards (IPSAS) issued by the International Public Sector Accounting Standards Board.

I have audited the accompanying financial statements which comprise:

- the statement of financial position as at 30 June 2025;
- the statement of financial performance, the statement of changes in equity, the statement of appropriations and cash flow statement for the year then ended; and
- notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

My audit was completed on 7 April 2026. This is the date on which my opinion is expressed.

The basis for my opinion is explained below. I outline the responsibilities of the Ombudsman and my responsibilities for the financial statements and audit of the Office. I also comment on other information.

Basis for opinion

I carried out my audit in accordance with International Standards of Supreme Audit Institutions (ISSAI), which incorporate ISSAI 130 Code of Ethics issued by the International Organization of Supreme Audit Institutions (INTOSAI Code of Ethics). My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of this report.

I have fulfilled my responsibilities in accordance with ISSAI. Other than in my capacity as auditor I have no relationship with, or interests in, the Corporation. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Ombudsman for the financial statements

The Ombudsman, on behalf of the Office is responsible for:

- the preparation and fair presentation of the financial statements in accordance with IPSAS;
- implementing necessary internal control to enable the preparation of a set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.

The Ombudsman is responsible for overseeing the Office's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements of the Office as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAI will always detect a material misstatement. 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 readers make based on the financial statements of the Office.

As part of an audit in accordance with ISSAI, I exercise professional judgement and maintain professional skepticism throughout the audit. Also:

- I identify and assess the risks of material misstatement of the financial statements of the Office, 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, because fraud can involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I 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 internal control used by the Ombudsman to prepare the financial statements of the Office.
- I evaluate the appropriateness of accounting policies used, and the reasonableness of accounting estimates and related disclosures made by the Ombudsman.
- I conclude on the appropriateness of using the going concern basis of accounting that has been used by the Ombudsman to prepare the financial statements of the Office, up to the date of my auditor's report, based on the audit evidence I have obtained.
- I evaluate the overall presentation, structure, and content of the financial statements of the Office including the disclosures, and whether the financial statements of the Office represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Ombudsman, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that I identify during my audit.

I am responsible for expressing an independent opinion on the financial statements of the Office and reporting that opinion to you based on my audit. My responsibility arises from the Public Expenditure Review Committee and Audit Act 1995-96.

Other Information

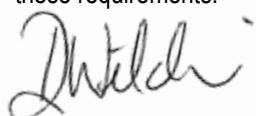
The Ombudsman is responsible for the other information. The other information comprises the information included on pages 1 to 25 but does not include the annual financial statements of the Office and my auditor's report thereon.

My opinion on the financial statements of the Office does not cover the other information and I do not express any form of audit opinion or assurance conclusion on that information.

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

Independence

While carrying out this audit, my staff and I have complied with ISSAI 130 Code of Ethics issued by the International Organization of Supreme Audit Institutions (INTOSAI Code of Ethics), and I have fulfilled my other ethical responsibilities in accordance with these requirements.



Desmond Wildin
Director of Audit
Rarotonga, Cook Islands



OFFICE OF THE OMBUDSMAN

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2025

In New Zealand Dollars	Note	Actual 2025 \$	Budget 2025 \$	Actual 2024 \$
Revenue				
Funding from the Crown	2	287,315	287,315	300,359
Aid Revenue	9	12,505	-	14,555
Total Revenue		299,820	287,315	314,914
Expenditure				
Personnel Expenses	3	216,204	216,204	232,467
Depreciation Expenses	10	515	6,000	3,920
Other Expenses	4	65,111	65,111	61,891
Aid Expenses	9	12,505	-	14,555
Total Expenditure		294,335	287,315	312,834
Operating Balance before Gains and Losses (OBEGAL)		5,485	-	2,080
Other Gains and Losses				
Total other Gains and Losses		-	-	-
Net Surplus / (Deficit)		5,485	-	2,080

Explanations of major variances against the budget are provided in Note 16.

The accompanying notes should be read in conjunction with these Financial Statements

OFFICE OF THE OMBUDSMAN

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2025

In New Zealand Dollars	Note	Actual 2025 \$	Actual 2024 \$
Assets			
Current Assets			
Cash and Equivalents	5	-	-
Prepayments		12,768	-
Debtors and Other Receivables	6	149,504	154,931
<i>Total Current Assets</i>		162,273	154,931
Non-Current Assets			
Property, Plant and Equipment	10	315	830
<i>Total Non-Current Assets</i>		315	830
Total Assets		162,588	155,760
Liabilities			
Current Liabilities			
Creditors and Other Payables	7	130,404	127,565
Aid Liabilities		12,768	-
Employee Entitlements	8	14,441	22,706
<i>Total Current Liabilities</i>		157,614	150,271
Total Liabilities		157,614	150,271
Net Assets		4,974	5,489
Equity			
Contributed Capital		21,166	21,166
Accumulated surplus / (deficit)		(16,192)	(15,677)
Total Equity	11	4,974	5,489

The accompanying notes should be read in conjunction with these Financial Statements

OFFICE OF THE OMBUDSMAN

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

In New Zealand Dollars	Note	Actual 2025 \$	Actual 2024 \$
Balance at 1 July		5,489	9,409
Net surplus/(deficit) for the year		5,485	2,080
Return of surplus to the Crown		-	-
Depreciation payable to the Crown		(6,000)	(6,000)
Balance as at 30 June	11	4,974	5,489

The accompanying notes should be read in conjunction with these Financial Statements

OFFICE OF THE OMBUDSMAN
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2025

	Actual 2025 \$	Actual 2024 \$
In New Zealand Dollars		
Cash Flows From Operating Activities		
Funding from the Crown	292,741	296,197
Receipt from Clients	-	900
Payments to Employees	(211,701)	(237,892)
Aid Revenue/Expense	-	(900)
Payments to Suppliers	(81,041)	(58,306)
<i>Net Cash Flows from / (used in) Operating Activities</i>	-	-
Cash Flows from Investing Activities		
<i>Net Cash Flows from / (used in) Investing Activities</i>	-	-
Cash Flows From Financing Activities		
<i>Net Cash Flows from / (used in) Financing Activities</i>	-	-
Net Increase/(Decrease) in Cash and cash equivalents	-	-
Opening Cash Balances	-	-
Closing Cash Balance	-	-

The accompanying notes should be read in conjunction with these Financial Statements

OFFICE OF THE OMBUDSMAN
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2025

	Actual 2025 \$	Actual 2024 \$
In New Zealand Dollars		
Reconciliation of net surplus / (deficit) to net cash flows from operating activities		
Reported Surplus	5,485	2,080
Add / (less) Non-cash items		
Depreciation expense	515	3,920
Change in employee entitlements	(10,054)	7,243
<i>Total Non cash items</i>	(4,054)	13,243
Add / (less) movements in statement of financial position items		
(Increase) / decrease in Crown Receivables	5,426	(4,162)
(Increase) / decrease in Prepayments	(12,768)	-
(Increase) / decrease in Aid Payables	12,768	-
Increase / (decrease) in Accounts Payable	(3,162)	-
Increase / (decrease) in Payroll Accruals	1,789	(12,667)
Increase / (decrease) in Sundry Creditors	-	3,585
<i>Net movements in working capital items</i>	4,054	(13,243)
Net Cash Flows from Operating activities	-	-

The accompanying notes should be read in conjunction with these Financial Statements

**OFFICE OF THE OMBUDSMAN
STATEMENT OF APPROPRIATION
FOR THE YEAR ENDED 30 JUNE 2025**

In New Zealand Dollars

Schedule 1: Agency Budget Appropriations - Summary

Year Ended 30 June 2025	Budget - Original	Budget - Final	Actual Spend	Surplus/(Deficit)
Personnel	239,876	216,204	216,204	-
Operating	65,111	65,111	65,111	-
Administered Payments	-	-	-	-
Depreciation	6,000	6,000	515	5,485
Gross Current Appropriation	310,987	287,315	281,830	5,485
Trading Revenue	-	-	-	-
Net Current Appropriation	310,987	287,315	281,830	5,485

Schedule 1: Agency Budget Appropriations - By Output

Year Ended 30 June 2025	Note	Budget - Original	Budget - Final	Actual Spend	Surplus/(Deficit)
Output 1: Investigation & Review		98,360	77,733	75,904	1,829
Output 2: Public Awareness and Training		148,644	149,616	147,787	1,829
Output 3: Corporate Services		63,983	59,966	58,139	1,827
2		310,987	287,315	281,830	5,485
Included in the Appropriation Vote:					
Other Revenue			-	-	-
Net Aid Revenue			-	-	-
Net Surplus					5,485

Schedule 1: Agency Budget Appropriations - Summary

Year Ended 30 June 2024	Budget - Original	Budget - Final	Actual Spend	Surplus/(Deficit)
Personnel	239,344	232,467	232,467	-
Operating	62,001	61,891	61,891	-
Administered Payments	-	-	-	-
Depreciation	6,000	6,000	3,920	2,080
Gross Current Appropriation	307,345	300,358	298,278	2,080
Trading Revenue	-	-	-	-
Net Current Appropriation	307,345	300,358	298,278	2,080

Schedule 1: Agency Budget Appropriations - By Output

Year Ended 30 June 2024	Budget - Original	Budget - Final	Actual Spend	Surplus/(Deficit)
Output 1: Investigation & Review	176,465	172,454	169,589	2,865
Output 2: Public Awareness and Training	70,047	68,455	69,937	(1,482)
Output 3: Corporate Services	60,833	59,450	58,753	697
2	307,345	300,359	298,279	2,080
Included in the Appropriation Vote:				
Trading Revenue		-	-	-
Other Revenue		-	-	-
Net Surplus				2,080

For further details of movements in appropriation refer to note 2.

The accompanying notes should be read in conjunction with these Financial Statements

**OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

Note 1: Statement of Accounting Policies

Reporting Entity

These financial statements are for the Office of the Ombudsman which is considered to be an agency of the Crown. It has therefore designated itself a public entity for financial reporting purposes.

Statement of Compliance

These financial statements have been prepared in accordance with the Ministry of Finance and Economic Management Act 1995-96 and the International Public Sector Accounting Standards issued by the International Public Sector Accounting Standards Board (IPSASB).

Measurement Base

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

These financial statements have been prepared using the historical cost method to report results, cashflows and the financial position of the Office of the Ombudsman. The financial statements have been prepared under the accrual basis of accounting and are presented in New Zealand dollars rounded to the nearest dollar.

Summary of Significant Accounting Policies

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

Income Tax

The Office of the Ombudsman, as an agency of the Crown, is exempt from the payment of income tax in terms of the Income Tax Act 1997. Accordingly, no charge for income tax has been provided for.

Foreign Currencies

Foreign currency transactions are recorded at the exchange rates in effect at the date of the transaction. Monetary assets and liabilities arising from trading transactions or overseas borrowings are translated at closing rates. Gains and losses due to currency fluctuations on these items are included in the Statement of Financial Performance.

**OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

Note 1: Statement of Accounting Policies (continued)

Commitments

Future expenses and liabilities to be incurred on contracts that have been entered into at balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

Statement of Cash Flows

Operating activities include cash received from all income sources of the Office of the Ombudsman and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition, holding and disposal of fixed assets and investments.

Financing activities comprise capital injections by, or repayment of capital to, the Crown.

Value Added Tax (VAT)

All statements of account are inclusive of VAT as the Office is not VAT registered due to no trading revenue generated by the Office.

Budget figures

The budget figures are derived from the Cook Islands Government Budget Estimates 2024/2025 Book 2: Ministry Budget Statements as approved by the Minister of Finance at the beginning of the financial year.

Critical accounting estimates and assumptions

In preparing these financial statements, the Office has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and 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 significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

> useful lives of property, plant and equipment - refer to Note 10

Changes in Accounting Policies

There have been no changes in accounting policies since the date of the last audited Financial Statements

**OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

Note 2: Revenue

Accounting policy

The specific accounting policies for significant revenue items are explained below.

Revenue under non-exchange transactions

Funding from the Crown

The Office is primarily funded by the Crown. This funding is restricted in its use for the purpose of the Office meeting the objectives specified in its founding legislation and the scope of the relevant appropriation of the Crown. The Office provides services to the Crown in the form of the production of certain outputs as disclosed in the Statement of Appropriations on page 12.

The funding is recognised as revenue at the point of entitlement. This is considered to be the start of the appropriation period to which the funding relates.

The fair value of revenue from the Crown has been determined to be equivalent to the amounts due from the funding arrangements.

Breakdown of Revenue

	Actual 2025 \$	Actual 2024 \$
Revenue under non-exchange transactions		
Funding from the Crown		
Appropriation Voted - Original	310,987	307,345
less: FS067-2425 Carry forward from FY2023/24 to FY2024/25-Personnel and Operating	-	(6,986)
add: Carry forward of Personnel Funds to 2026	(23,672)	-
Total Funding from the Crown - Final	287,315	300,359

These notes should be read in conjunction with the Financial Statements

OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Note 3: Personnel Expenses

Accounting Policy

Superannuation schemes

The Office contributes to the Cook Islands National Superannuation Fund and Government Fund which is accounted for as a defined contribution scheme and are expensed in the surplus or deficit as incurred.

Breakdown of Personnel Expense

	Actual 2025 \$	Actual 2024 \$
Salaries and wages	222,489	209,044
Defined contribution plan - employer contributions	6,640	3,415
Increase / (decrease) in employee entitlements	(12,925)	20,009
Total Personnel Expenses	216,204	232,467

Note 4: Other Expenses

Breakdown of Other Expense

	Actual 2025 \$	Actual 2024 \$
Expensed Assets	7,444	6,404
Repairs and Maintenance	3,123	2,264
Fuel and Oil	1,976	2,147
Meetings & Conferences	1,562	-
Office Supplies / Consumables	12,722	9,006
Utilities	4,637	7,306
Entertainment	4,488	1,312
Human Resources and Training	470	-
Bank Fees	29	-
Advertising, marketing and promotion	973	3,288
Uniform	-	876
Rental Leases	25,500	27,332
Subscriptions	1,404	-
Sponsorship/Donations/Gifts	745	-
Other	40	1,956
Total Other Expenses	65,111	61,891

These notes should be read in conjunction with the Financial Statements

**OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

Note 5: Cash and Equivalents

Accounting Policy

Cash is considered to be cash balances on hand and current accounts in banks, net of bank overdrafts and trust accounts with original maturities of three months or less.

Breakdown of Cash and Equivalents

	Actual 2025 \$	Actual 2024 \$
Total Cash and Equivalents	-	-

Note 6: Debtors and Other Receivables

Accounting Policy

Short-term receivables are recorded at the amount due, less any provisions for uncollectability.

A receivable is considered uncollectable when there is evidence the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

Breakdown of Receivables and further information

	Actual 2025 \$	Actual 2024 \$
Receivables under non-exchange transactions		
Accounts Receivable (gross)	-	-
Less: Provision for doubtful debts	-	-
Accounts Receivables (net)	-	-
Cash Recall	4,659	4,659
VAT Receivable	3,221	3,221
Sundry Debtors	729	729
Crown Receivables		
Inter Ministry Depreciation Receivable	14,284	8,284
Inter-Ministry Bank	(11,426)	-
Crown Receivable	138,038	138,038
Total Debtors and Other Receivables	149,504	154,931

These notes should be read in conjunction with the Financial Statements

OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Note 7: Creditors and Other Payables

Breakdown of payables and further information

	Actual 2025 \$	Actual 2024 \$
Payables under exchange transactions		
Accounts Payable	669	3,831
<i>Total payables under exchange transactions</i>	669	3,831
Payables under non-exchange transactions		
Crown Payable		
Depreciation Payable	35,822	29,822
Surplus Payable	93,913	93,913
<i>Total payables under non-exchange transactions</i>	129,735	123,735
Total Creditors and Other Payables	130,404	127,566

Note 8: Employee Entitlements

Accounting Policy

Employee benefits are due to be settled within 12 months after the end of the financial year in which the employee provides the related service and are based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, and time off in lieu. A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is past practice that has created constructive obligation and a reliable estimate of the obligation can be made.

Breakdown of Employee Entitlements

	Actual 2025 \$	Actual 2024 \$
Accrued salaries and wages	8,786	6,997
Annual leave	5,655	15,709
Total Employee Entitlements	14,441	22,706

These notes should be read in conjunction with the Financial Statements

OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Note 9: Aid Revenue and Expenses

Accounting Policy

Aid monies received are recorded in the Statement of Financial Performance as they are utilised. Revenue is recognised at the same time the equivalent expense is incurred. Any unused aid money is held as an Aid Liability until such time as it is used and/or any applicable conditions attached to the funding are satisfied.

Breakdown of Aid Revenue and Aid Expenses

	Actual 2025 \$	Actual 2024 \$
New Zealand Aid	-	-
UND-0071 UNPRPD Ombudsman Office Stronger Together Communication	9,383	15,000
APF-0100 Ombudsman Office Protect & Promote Human Rights	3,122	(445)
Total Aid Revenue Received from Crown	12,505	14,555
Total Aid Revenue Received	12,505	14,555
Aid Expenses Incurred:		
UND-0071 UNPRPD Ombudsman Office Stronger Together Communication	9,383	15,000
APF-0100 Ombudsman Office Protect & Promote Human Rights	3,122	(445)
Total Aid Expenses Incurred	12,505	14,555
Net Surplus	-	-

These notes should be read in conjunction with the Financial Statements

**OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

Note 10: Plant, Property, and Equipment

Accounting Policy

Property, plant and equipment is measured at cost less accumulated depreciation.

Additions

The cost of purchased plant, property, and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service.

Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at date of acquisition. An asset acquired below the \$5,000 threshold set by the Cook Islands Government Policy and Procedures Manual is assessed on a case by case basis, and if the asset provides economic benefit for more than one financial year, it will be recognised as an asset.

Cost incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the additional cost will flow to the Office and that the cost of the item can be measured reliably.

The cost of day to day servicing of property, plant and equipment are expensed in surplus or deficit as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the sales proceeds with the carrying amount of the asset.

Depreciation

Depreciation of plant, property, and equipment is provided on a straight line basis so as to allocate the cost of assets to their estimated residual value over their estimated useful lives. Typically, the estimated useful lives are:

Computer Equipment	3 - 4 years	25 - 33%
Motor Vehicles	5 years	20%
Furniture and Fittings	4 - 10 years	10 - 25%
Office Equipment	5 years	20%
Buildings	10 years	10%

Impairment of property, plant and equipment

The Office does not hold any cash generating assets. Assets are considered cash generating when their primary objective is to generate a commercial return.

Non-cash generating assets

Property, plant and equipment held at cost 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 may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less cost to sell and value in use.

Value in use is the present value of an asset's remaining service potential. It is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Note 10: Property, Plant and Equipment (continued)

Breakdown of Property, Plant and Equipment and further information

Movement for each class of Property, Plant and Equipment are as follows:

	Computer Equipment \$	Furniture & Fittings \$	Motor Vehicles \$	Plant & Equipment \$	Buildings \$	Work in Progress \$	Total \$
Cost							
Balance as at 1 July 2023	15,802	6,614	20,435	-	-	-	42,851
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance as at 30 June 2024	15,802	6,614	20,435	-	-	-	42,851
Accumulated depreciation and impairment losses							
Balance as at 1 July 2023	15,053	6,019	17,029	-	-	-	38,101
Depreciation	359	155	3,406	-	-	-	3,920
Accumulated depreciation on disposals	-	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-	-
Balance as at 30 June 2024	15,412	6,174	20,435	-	-	-	42,021
Carrying Amount							
As at 30 June 2024	390	440	-	-	-	-	830
Cost							
Balance as at 1 July 2024	15,802	6,614	20,435	-	-	-	42,851
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance as at 30 June 2025	15,802	6,614	20,435	-	-	-	42,851
Accumulated depreciation and impairment losses							
Balance as at 1 July 2024	15,412	6,174	20,435	-	-	-	42,021
Depreciation	359	155	-	-	-	-	515
Accumulated depreciation on disposals	-	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-	-
Balance as at 30 June 2025	15,772	6,329	20,435	-	-	-	42,536
Carrying Amount							
As at 30 June 2025	30	285	-	-	-	-	315

Capital commitments

There were no property, plant and equipment commitments at year end (2024:nil).

**OFFICE OF THE OMBUDSMAN
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Note 11: Equity

Accounting Policy

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- > contributed capital
- > accumulated surplus / (deficit)

Depreciation payable to the Crown

The higher of the actual depreciation or the budgeted depreciation for the year will be repaid to the Crown and is recognised directly in the statement of changes in equity.

Return of surplus to the Crown

The surplus of total liquid assets over total liabilities at the end of each financial year will be repaid back to the Crown if no approval for carry forward has been given and is recognised directly in the statement of changes in equity.

Crown Repayable

Any gains received from the sale of an asset is to be repaid to Crown, excess trading revenue earned and unused capital funds to be repaid to Crown.

Breakdown of Equity

	Actual 2025 \$	Actual 2024 \$
Contributed capital		
Balance as at 1 July	21,166	21,166
Capital contribution	-	-
Balance as at 30 June	21,166	21,166
Accumulated surplus / (deficit)		
Balance as at 1 July	(15,677)	(11,757)
Surplus / (deficit) for the year	5,485	2,080
Depreciation payable to the Crown	(6,000)	(6,000)
Balance as at 30 June	(16,192)	(15,677)
Total Equity	4,974	5,489

These notes should be read in conjunction with the Financial Statements

**OFFICE OF THE OMBUDSMAN
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Note 12: Related party transactions

The Office of the Ombudsman is a wholly owned entity of the Crown, however, the Government protects it through its legislation from undue influence and significant control.

The Crown provides the Office of the Ombudsman with significant funding in the form of an annual appropriation to assist the Office of the Ombudsman in discharging its duties and obligations.

The Office also enters into transactions with other Government ministries, Crown agencies and State Owned Enterprises in an arms-length basis.

The key management personnel are members of the senior management group.

The aggregate remuneration of members of the senior management group and the number of individuals determined on a full time equivalent basis receiving remuneration within this category are:

Key management personnel compensation

	Actual 2025 \$	Actual 2024 \$
Remuneration	126,079	131,330
Full-time equivalent members	2	2

Note 13: Financial Instruments

Accounting Policy

Financial assets

All financial assets are classified as Loans and Receivables. Loans and receivables are measured at fair value plus transaction cost on initial measurement and subsequently at amortised cost. Interest income and interest expense is recognised in the surplus or deficit.

Financial liabilities

All financial liabilities are classified as Other Liabilities. Other liabilities are measured at fair values less transaction cost on initial measurement and subsequently at amortised cost. Interest income and interest expense is recognised in the surplus or deficit.

These notes should be read in conjunction with the Financial Statements

**OFFICE OF THE OMBUDSMAN
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Note 13: Financial Instruments (continued)

Financial instrument categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	Actual 2025 \$	Actual 2024 \$
Loans and receivables		
Cash and Equivalents	-	-
Debtors and Other Receivables	149,504	154,931
<i>Total loans and receivables</i>	149,504	154,931
Other Liabilities		
Creditors and other Payables	130,404	127,566
Employee entitlements	14,441	22,706
Aid Liabilities	12,768	-
<i>Total other liabilities</i>	157,614	150,271

Financial Instrument risks

The Office's activities exposes it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign currency rates. The Office does not have any foreign currency transactions and therefore there is no currency risk.

Liquidity risk

Liquidity risk is the risk that the Office will encounter difficulty raising liquid funds to meet commitments as they fall due. The Office manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

Market Risk

Market risk is the risk that changes in market prices (such as foreign exchange rates, interest rates and equity prices) will affect the Office income or value of its financial instruments. The Office has no financial assets or liabilities that are affected by changes in market prices and therefore there is no market risk.

These notes should be read in conjunction with the Financial Statements

**OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
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Note 13: Financial Instruments (continued)

Credit Risk

In the normal course of business, the Office of the Ombudsman incurs credit risk from trade debtors and transactions with financial institutions. The Office has a credit policy, which is used to manage this risk. As part of this policy, limits on exposure with counter parties had been set and are monitored on a regular basis.

The Office of the Ombudsman has no significant concentrations of credit risk. It does not require any collateral or security to support financial instruments due to the quality of financial institutions and trade debtors dealt with.

Fair Values

The estimated fair values of the Office of the Ombudsman financial assets and liabilities are their carrying values.

Note 14: Contingencies

Accounting Policy

Contingent assets and liabilities are disclosed at the point which the contingency is evident.

Contingent Liabilities

The Office has no contingent liabilities at balance date (2024: nil).

Contingent assets

The Office has no contingent assets at balance date (2024: nil).

Note 15: Events after balance date

There is no significant events after the balance date.

Note 16: Explanation of major variances against the budget

Explanations for major variances from Office of the Ombudsman budgeted figures are as follows:

Statement of Financial Performance

Aid Revenue/Expenses

Actual aid revenue and expense was higher than budgeted by \$12,505. During the year the office received funding to undergo a series of programmes relating to the National Human Rights Initiative in the outer islands. While \$12,505 has been expensed, the Office has prepaid \$12,768 of the funds for services not yet rendered in the current year. They are for advertising and live broadcasting services with various suppliers.

These notes should be read in conjunction with the Financial Statements