OFFICE OF THE OMBUDSMAN

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2026

OFFICE OF THE OMBUDSMAN

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

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OFFICE OF THE OMBUDSMAN

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

DIRECTORY

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

Head of Ministry
Mrs Niki Rattle << Head of Ministry name
Ombudsman << Head of Ministry title

Business Address
Pokoinu Road, Harley Street
Nikao
Rarotonga

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Phone: 682 20605
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<< Agency business address and contact details

Postal Address << Agency postal address
PO Box 748
Avarua
Cook Islands

Auditor
Cook Islands Audit Office
Level 2
Government Administration Building
Avarua
Rarotonga

Banker
Bank of the South Pacific
Avarua
Rarotonga

Solicitor
Crown Law Office
Avarua
Rarotonga

OFFICE OF THE OMBUDSMAN
FOR THE YEAR ENDED 30 JUNE 2026

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 2026.

Mrs Niki Rattle	Honourable Mr Vaine (Mac) Mokoroa
Ombudsman	**Minister of the Office of the Ombudsman**
Date	**Date**

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OFFICE OF THE OMBUDSMAN

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2026

In New Zealand Dollars	Note	Actual 2026 $	Budget 2026 $	Actual 2025 $
Revenue				
Funding from the Crown - Operating Appropriation	2	329,927	329,927	310,987
Funding from the Crown - Administered Payments	2	-	-	-
Trading Revenue	2	-	-	-
Other Revenue	2	-	-	-
Aid Revenue	11	-	-	25,274
Total Revenue		**329,927**	**329,927**	**336,261**
Expenditure				
Personnel Expenses	3	247,437	258,926	216,204
Other Expenses	4	65,001	65,001	65,111
Depreciation Expenses	12	185	6,000	515
Administered Payment Expense	5	-	-	-
Aid Expenses	11	-	-	25,274
Total Expenditure		**312,624**	**329,927**	**307,104**
Operating Balance before Gains and Losses (OBEGAL)		17,303	-	29,157
Net Surplus / (Deficit)		**17,303**	**-**	**29,157**
Other Gains/(Losses)		-	-	-
Total Other Gains/(Losses)		**-**	**-**	-
Net Surplus / (Deficit)		**17,303**	**-**	**29,157**

Explanations of major variances against the budget are provided in Note 18.

OFFICE OF THE OMBUDSMAN

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2026

In New Zealand Dollars	**Note**	**Actual 2026 $**	**Actual 2025 $**
Assets			
Current Assets			
Cash and Equivalents	6	(5,112)	(11,426)
Trust Accounts		-	-
Prepayments		11,182	12,768
Debtors and Other Receivables	8	162,981	160,931
Aid Receivables	8	-	-
Inventory	7	-	-
Total Current Assets		**169,051**	**162,273**
Balance Check to Balance Sheet Report		-	-
Non-Current Assets			
Property, Plant and Equipment	12	130	315
Infrastructure	12	-	-
Work in Progress	12	-	-
Total Non-Current Assets		**130**	**315**
Total Assets		**169,180**	**162,588**
Liabilities			
Current Liabilities			
Creditors and Other Payables	9	155,327	130,404
Aid Liabilities	9	11,182	12,768
Employee Entitlements	10	8,542	14,441
Total Current Liabilities		175,051	157,614
Total Liabilities		**175,051**	**157,614**
Net Assets		**(5,870)**	**4,974**
Equity			
Contributed Capital		4,974	21,166
Accumulated surplus / (deficit)		(10,844)	(16,192)
Total Equity	13	**(5,870)**	**4,974**

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 2026

In New Zealand Dollars	Note	Actual 2026 $	Actual 2025 $	
Balance at 1 July		4,974	5,488	
Net surplus (deficit) for the year		17,303	5,486	
Capital Funding from Crown		-	-	
Net Surplus Repayable to Crown		(18,198)	-	
Depreciation payable to the Crown		(6,000)	(6,000)	
Excess Trading Revenue Repayable		-	-	
Asset Transfer In		-	-	
Asset Transfer Out		-	-	
Other Equity Adjustments		-	-	
Prior Period Adjustments		(3,950)	-	
Balance as at 30 June	**13**	**(5,870)**	**4,974**	-
Balance Check to Balance Sheet Calc		-	-	

OFFICE OF THE OMBUDSMAN

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2026

In New Zealand Dollars	Actual 2026 $	Actual 2025 $
Cash Flows From Operating Activities		
Cash was provided from:		
Funding from the Crown - Operating Appropriation	329,927	304,987
Funding from the Crown - Administered Payments	-	
Trading Revenue	(5,271)	
Interest Received	-	
Aid Revenue	1,586	25,274
Cash was applied to:		
Payments to Employees	(253,337)	(249,742)
VAT Paid	-	
Interest Paid	-	
Aid Expenses	-	(25,274)
Administered Payments	-	
Payments to Suppliers	(62,690)	(68,273)
Net Cash Flows from / (used in) Operating Activities	10,215	(13,028)
Cash Flows from Investing Activities		
Sale of Property, Plant and Equipments	-	
Purchase of Property, Plant and Equipment	(0)	
Net Cash Flows from / (used in) Investing Activities	(0)	-
Cash Flows From Financing Activities		
Excess Trading Revenue	18,198	
Cash Recall from Crown	-	
Crown repayable - Gain on sale	-	
Cash was applied to:		
Excess Trading Revenue	-	(29,157)
Crown repayable - Gain on sale	-	-
Depreciation Return Payment	-	-
Net Cash Flows from / (used in) Financing Activities	18,198	(29,157)
Net Increase/(Decrease) in Cash and cash equivalents	**28,413**	**(42,185)**
Opening Cash Balances	(11,426)	-
Closing Cash Balance	**16,987**	**(42,185)**

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

OFFICE OF THE OMBUDSMAN

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2026

In New Zealand Dollars	Actual 2026 $	Actual 2025 $
Reconciliation of net surplus / (deficit) to net cash flows from operating activities		
Reported Surplus	17,303	(29,157)
Add / (less) Non-cash items		
Depreciation expense	(185)	515
Change in employee entitlements	1,038	1,789
Change in Provision for Doubtful Debts	-	
Change in Cash Recall	-	
Prior Year Adjustments	3,950	
(Gain) / Loss on Sale of Assets	-	
Total Non cash items	22,106	(26,853)
Add / (less) movements in statement of financial position items		
(Increase) / decrease in Accounts Receivable	729	
(Increase) / decrease in Inter Ministry	(6,000)	(6,000)
(Increase) / decrease in Crown Receivables	-	
(Increase) / decrease in Sundry Debtors	-	
(Increase) / decrease in Prepayments	1,586	
(Increase) / decrease in Cash Recall	-	
(Increase) / decrease in VAT Receivable	3,221	(6,442)
(Increase) / decrease in Aid Receivable	-	
Increase / (decrease) in Accounts Payable	725	(3,162)
Increase / (decrease) in Aid Liabilities	(1,586)	
Increase / (decrease) in VAT Payable	-	
Increase / (decrease) in Payroll Accruals	(6,938)	1,789
Increase / (decrease) in Sundry Creditors	-	
Increase / (decrease) in Accrued Expenses	-	
Net movements in working capital items	(8,263)	(13,815)
Net Cash Flows from Operating activities	**13,843**	**(40,668)**

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

OFFICE OF THE OMBUDSMAN

STATEMENT OF APPROPRIATION
FOR THE YEAR ENDED 30 JUNE 2026

Schedule 1: Agency Budget Appropriations - Summary

for the year ended 30 June 2026	**Budget**	**Budget**	**Actual**	**Surplus /**
In New Zealand Dollars	**Original**	**Final**	**Spend**	**(Deficit)**
Personnel	258,926	258,926	247,437	11,489
Operating	65,001	65,001	65,001	-
Depreciation	6,000	6,000	185	5,815
Administered Payments	-	-	-	-
Gross Current Appropriation	**329,927**	**329,927**	**312,624**	**17,303**
Included in the Appropriation Vote:				
Trading Revenue				-
Other Revenue				-
Net Aid Revenue				-
Net Current Appropriation	**329,927**	**329,927**	**312,624**	**17,303**

Schedule 1: Agency Budget Appropriations - By Output

for the year ended 30 June 2026	**Budget**	**Budget**	**Actual**	**Surplus /**
In New Zealand Dollars	**Original**	**Final**	**Spend**	**(Deficit)**
Output 1: Investigation & Review	68,779	70,947	66,622	4,325
Output 2: Public Awareness and Training	50,477	52,645	48,320	4,325
Output 3: Corporate Services	105,499	107,667	103,342	4,325
Output 4: Ombudsman	96,500	98,668	94,340	4,328
Output 5:				-
Output 6:				-
Output 7:				-
Output 8:				-
Gross Current Appropriation	**321,255**	**329,927**	**312,624**	**17,303**
Included in the Appropriation Vote:				
Trading Revenue				-
Other Revenue				-
Net Aid Revenue				-
Net Current Appropriation	**321,255**	**329,927**	**312,624**	**17,303**

OFFICE OF THE OMBUDSMAN

STATEMENT OF APPROPRIATION
FOR THE YEAR ENDED 30 JUNE 2026

Schedule 1: Agency Budget Appropriations - Summary

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

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

Other Revenue				-
Net Aid Revenue				-
Net Current Appropriation	**310,987**	**287,315**	**281,830**	**5,485**

Schedule 1: Agency Budget Appropriations - By Output

Year Ended 30 June 2025	**Budget Original**	**Budget Final**	**Actual Spend**	**Surplus / (Deficit)**
Output 1: Investigation & Reviev	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
Output 4:				-
Output 5:				-
Output 6:				-
Output 7:				-
Output 8:				-
Gross Current Appropriation	**310,987**	**287,315**	**281,830**	**5,485**
Included in the Appropriation Vote:				
Trading Revenue				-
Other Revenue				-
Net Aid Revenue				-
Net Current Appropriation	**310,987**	**287,315**	**281,830**	**5,485**

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 2026

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)

Items in the financial statements are presented exclusive of VAT, except for receivables and payables which are presented on a VAT - inclusive basis. Where VAT is not recoverable as input tax, it is recognised as part of the related asset or expense. The net amount of VAT recoverable from or payable to Revenue Management Division (RMD) is included as part of receivables or payables in the statement of financial position.

The net VAT paid or received from RMD, including the VAT relating to investing and financing activities is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of VAT. All statements of account are exclusive of VAT as the Agency is VAT registered due to the annual trading income being above the threshold.

Budget figures

The budget figures are derived from the Cook Islands Government Budget Estimates **2025/2026 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 Agency 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 9**

Changes in Accounting Policies

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

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 - Operating Appropriation

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

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.

Funding from the Crown - Administered Payments

The Agency is further supported from Administered Payment funding appropriated for a specific purpose and accounted for separately from crown funded operating expenditure. The purpose of Administered Payments is to make payments, grants, subsidies, benefits, transfers, or other financial assistance to third parties on behalf of the Crown. This funding supports Government policy objectives and are administered by the Agency but not available for the Agency's operating activities.

Revenue under exchange transactions

Trading revenue:

Revenue from the provision of services are recognised as revenue in proportion to the stage of completion at balance date. The stage of completion is assessed by reviewing the amount of actual work performed. Revenue from the provision of services is measured at the fair value of the consideration received or receivable, net of trade discounts.

Breakdown of Revenue

	Actual 2026 $	Actual 2025 $
Revenue		
Revenue under non-exchange transactions		
Funding from the Crown - Operating Appropriation	**329,927**	310,987
Total Funding from the Crown - Operating Appropriation	**329,927**	**310,987**

OFFICE OF THE OMBUDSMAN

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

Note 2: Revenue continued

Breakdown of Revenue

	Actual 2026 $	Actual 2025 $
Funding from the Crown - Administered Payments		
Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-
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Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-
Total Funding from the Crown - Administered Payments	**-**	**-**
Revenue under exchange transactions		
Trading revenue	-	-
Other Revenue	-	-
Total Trading Revenue	**-**	**-**

OFFICE OF THE OMBUDSMAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2026

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

Note 3: Personnel Expenses

Accounting Policy

Superannuation schemes

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

Breakdown of Personnel Expenses

	Actual 2026 $	Actual 2025 $
Salaries and wages	245,711	222,489
Defined contribution plan - employer contributions	7,626	6,640
Increase / (decrease) in employee entitlements	(5,900)	(12,925)
Total Personnel Expenses	**247,437**	**216,204**

Note 4: Other Expenses

Breakdown of Other Expenses

	Actual 2026 $	Actual 2025 $
Office Expenses	17,870	12,722
Audit Fees	-	-
Repairs and Maintenance	2,261	3,123
Fuel and Oil	1,720	1,976
Utilities	4,683	4,637
Freight and Postage	-	-
Entertainment	807	4,488
Event Expenses	-	-
Professional Services	4,000	-
Staff Expenses	-	470
Vehicle Rentals	-	-
Meetings & Conferences	-	1,562
Rental Leases	26,500	25,500
Advertising & Marketing	604	973
Security	-	-
Sponsorship/Donations/Gifts	-	745
Insurance	604	-
Training & Development	-	-
Consultancy Fees	-	-
Uniform	800	-
Stores & Consumables	-	-
Cleaning Materials	-	-
Kitchen Supplies	-	-
Printing & photocopying	-	-
Office Stationery	-	-
Legal Costs	-	-
Scholarship Allowances	-	-
Course Materials & Registration	-	-
Utilities: Electricity	-	-
Utilities: Communications	-	-
Education and Awareness	-	-
Suwarrow Office Expenses	-	-

Monitoring and Compliance	-	-
Machinery/Equipment Hirage	-	-
Safety Wear	-	-
Waste Disposal Costs	-	-

OFFICE OF THE OMBUDSMAN

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

Note 4: Other Expenses continued

Breakdown of Other Expenses

	Actual 2026 $	Actual 2025 $
Rates	-	-
Technical Advice	-	-
Laboratory Consumables	-	-
Laboratory Services	-	-
Dental Consumables	-	-
X-Ray Consumables	-	-
Medical Consumables	-	-
Medical Gas	-	-
Pharmaceutical Supplies	-	-
Pesticides & Chemicals	-	-
Health Specialists Visit Programme	-	-
Bank Fees	25	29
Travel Expenses	-	-
Board Expenses	-	-
Subscriptions / Memberships	1,954	1,404
Domestic Travel: Air fares	-	-
Domestic Travel: Accommodation	-	-
Domestic Travel: Per Diems	-	-
Domestic Travel: Other	-	-
International Travel: Air fares	-	-
International Travel: Accommodation	-	-
International Travel: Per Diems	-	-
International Travel: Other	-	-
Resources & Materials	-	-
Operation: Transportation	-	-
Utilities: Water	-	-
Postage Fees	-	-
Laundry Expenses	-	-
Tools & Equipment	-	-
Expensed Assets	2,821	7,444
Licences & Permits	-	-
Bad Debts	-	-
Doubtful Debts	-	-
Prior Year Expenses	352	40
Trading Costs	-	-
Parole Board	-	-
Write down of Inventory	-	-

Other Operating Expenses	-	-
Total Other Expenses	**65,001**	**65,111**

OFFICE OF THE OMBUDSMAN

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

Note 5: Administered Payment Expenses

The Agency is further supported from Administered Payment funding appropriated for a specific purpose and accounted for separately from crown funded operating expenditure. The purpose of Administered Payments is to make payments, grants, subsidies, benefits, transfers, or other financial assistance to third parties on behalf of the Crown. This funding supports Government policy objectives and are administered by the Agency but not available for the Agency's operating activities.

Breakdown of Administered Payment Expenses

	Actual 2026 $	Actual 2025 $
Domestic Hosting Entertainment	-	-
Head of State Rent	-	-
QR Social Responsibility Fund	-	-
Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-
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Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-
Nil	-	-

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

Nil	-	-
Nil	-	-
Nil	-	-
Total Administered Payment Expenses	**-**	**-**

Note 6: 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 Cash Equivalents

	Actual 2026 $	Actual 2025 $
Petty Cash	-	-
Inter-Ministry Bank	(5,112)	(11,426)
Inter-Ministry Bank Aid	-	-
Undeposited Funds	-	-
Other Bank Accounts	-	-
Total Cash and Cash Equivalents	**(5,112)**	**(11,426)**

Note 7: Inventory

Accounting Policy

Inventories are recorded at the lower of cost or current replacement value. Appropriate allowance has been made for obsolescence where it is deemed necessary.

Breakdown of Inventory

	Actual 2026 $	Actual 2025 $
Inventory Held for Use	-	-
Inventory Held for Sale	-	-
Provision for Stock	-	-
Total Inventory	**-**	**-**

Note 8: 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

Receivables under non-exchange transactions	Actual 2026 $	Actual 2025 $
Accounts Receivable (gross)	-	729

Less: Provision for doubtful debts	-	-
Accounts Receivables (net)	-	729
Cash Recall	4,659	4,659
VAT Receivable	-	3,221
Prepayments	11,182	12,768
Inter Ministry Receivable	20,284	14,284
Crown receivable	138,038	138,038
Aid Receivables	-	-
Sundry Debtors	-	-
Total Debtors and Other Receivables	**174,163**	**173,699**

Note 9: Creditors and Other Payables

Accounting Policy

Short-term payables are recorded at the amount payable.

Breakdown of payables and further information

	Actual 2026 $	Actual 2025 $
Payables under exchange transactions		
Accounts Payable	1,394	669
Accrued expense	-	-
Aid Payables	11,182	12,768
VAT Payable	-	-
Total payables under exchange transactions	12,576	13,437
Payables under non-exchange transactions		
Crown Payable		
Crown Revenue in Advance	-	-
Depreciation Payable	41,822	35,822
Surplus Payable	112,111	93,913
Excess Trading Revenue	-	-
Other Crown Payable	-	-
Total payables under non-exchange transactions	153,933	129,735
Total Creditors and Other Payables	**166,509**	**143,173**

Note 10: 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 2026 $	Actual 2025 $

Accrued salaries and wages	1,849	8,786
Annual leave	6,693	5,655
PAYE Payable	-	-
Performance Bonus Accrual Liability	-	-
Other Employee Entitlements	-	-
Total Employee Entitlements	**8,542**	**14,441**

OFFICE OF THE OMBUDSMAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2026

Note 11: Aid Revenue and Expenses

Accounting Policy

Aid monies received are recorded in the Statement of Comprehensive Revenue and Expenses 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 Expenses

	Actual 2026 $	Actual 2025 $
New Zealand Aid	-	-
UND-0071 UNPRPD Ombudsman Office Stronger Together Communication	-	9,383
APF-0100 Ombudsman Office Protect & Promote Human Rights	-	3,122
Other Aid		
Total Aid Revenue Received from Crown	-	12,505
Aid Revenue Received from Donors:		
New Zealand Aid	-	-
United Nations Aid	-	-
European Union Aid	-	-
Other Aid	-	
Total Aid Revenue Received from Donors	-	-
Total Aid Revenue Received	**-**	**12,505**
Aid Expenses Incurred:		
Other Aid	-	
UND-0071 UNPRPD Ombudsman Office Stronger Together Communication	-	9,383
APF-0100 Ombudsman Office Protect & Promote Human Rights	-	3,122
Other Aid		
Total Aid Expenses Incurred	**-**	**12,505**
Capital Expenditure Funded by Aid		
New Zealand Aid	-	-
United Nations Aid	-	-
European Union Aid	-	-
Other Aid	-	-
Net Surplus	**-**	**-**

Note 12: 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 Agency 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 when 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	0
Furniture and Fittings	4 - 10 years	10 - 25%
Office Equipment	5 years	0
Buildings	10 years	0

Impairment of property, plant and equipment

The Agency 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.

OFFICE OF THE OMBUDSMAN

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

Note 12: Plant, Property, and Equipment (continued)

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.

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 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
Cost							
Balance as at 1 July 2025	15,772	6,329	20,435	-	-	-	42,536
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance as at 30 June 2026	15,772	6,329	20,435	-	-	-	42,536
Accumulated depreciation and impairment losses							
Balance as at 1 July 2025	15,772	6,329	20,435	-	-	-	42,536
Depreciation	30	155	-	-	-	-	185
Accumulated depreciation on disposals	-	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-	-
Balance as at 30 June 2026	15,802	6,485	20,435	-	-	-	42,721
Carrying Amount							
As at 30 June 2026	(30)	(155)	-	-	-	-	(185)

Certain amounts in prior period have been reclassified between classes to correct this disclosure.

Capital commitments

There were no property, plant and equipment commitments at year end (2025:nil).

OFFICE OF THE OMBUDSMAN

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

Note 12: Infrastructure Assets

Accounting Policy

Infrastructure Assets is measured at cost less accumulated depreciation and impairment losses.

Additions

The cost of purchased infrastructure assets 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 $3,000 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 Ministry and that the cost of the item can be measured reliably.

The cost of day to day servicing of infrastucture assets 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 infrastructure assets 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:

Water Networks	10 years	0
Harbours & Ports	10 years	0
Power Networks	10 years	0
Roading Networks	10 years	0
Heavy Plant & Equipment Machinery	5 - 10 years	7% - 20%

Impairment of Property, Plant and Equipment

The Ministry 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

Infrastructure Assets 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.

Note 12: Infrastructure Assets (continued)

Breakdown of Infrastructure Assets and Further Information

Movement for each class of Infrastructure assets are as follows:

	Water Networks $	Harbours & Ports $	Power Networks $	Roading Networks $	Heavy Plant & Equipment Machinery $	Work in Progress $	Total $

Cost							
Balance as at 1 July 2024	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Asset Transfers	-	-	-	-	-	-	-
Balance as at 30 June 2025	-	-	-	-	-	-	-
Accumulated Depreciation and Impairment Losses							
Balance as at 1 July 2024	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Accumulated Depreciation on Disposals	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-
Balance as at 30 June 2025	-	-	-	-	-	-	-
Carrying Amount							
As at 30 June 2026	-	-	-	-	-	-	-

Cost							
Balance as at 1 July 2025	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Asset Transfers	-	-	-	-	-	-	-
Balance as at 30 June 2026	-	-	-	-	-	-	-
Accumulated Depreciation and Impairment Losses							
Balance as at 1 July 2025	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Accumulated Depreciation on Disposals	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-
Balance as at 30 June 2026	-	-	-	-	-	-	-
Carrying Amount							
Balance as at 30 June 2026	-	-	-	-	-	-	-

Capital Commitments

There were no Infrastructure Asset commitments at year end (2025:nil).

Note 13: 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 2026 $	Actual 2025 $
Contributed capital		
Balance as at 1 July	4,974	21,166
Prior Year Restated Balance	-	-
Capital Funding from Crown	-	-
Capital Funding from Aid	-	-
	4,974	**21,166**
Accumulated surplus / (deficit)		
Balance as at 1 July	(16,192)	(15,677)
Surplus / (deficit) for the year	17,303	5,485
Return of surplus to the Crown	(18,198)	-
Depreciation payable to the Crown	(6,000)	(6,000)
Excess trading revenue to be repaid to Crown	-	-
Prior period adjustments	(3,950)	-
Other Equity Adjustments	-	-
Asset Transfer In	-	-
Asset Transfer Out	-	-
Revaluations of Assets	-	-

Balance as at 30 June	(10,844)	(16,192)
Total Equity	(5,870)	4,974

Note 14: 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 Agency in discharging its duties and obligations.

The Agency 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 2026 $	Actual 2025 $
Remuneration	130,951	126,079
Full-time equivalent members	2	2

Note 15: 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.

Note 15: 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 2026 $	Actual 2025 $
Loans and receivables		
Cash and Equivalents	(5,112)	(11,426)
Debtors and Other Receivables	162,981	160,931
Trust Accounts	-	-
Prepayments	11,182	12,768
Aid Receivables	-	-
Total loans and receivables	169,051	162,273
Other Liabilities		
Creditors and other Payables	155,327	130,404
Employee entitlements	8,542	14,441
Aid Liabilities	11,182	12,768
Total other liabilities	175,051	157,614

Financial Instrument risks

The Agency'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 Agency does not have any foreign currency transactions and therefore there is no currency risk.

Liquidity risk

Liquidity risk is the risk that the Agency will encounter difficulty raising liquid funds to meet commitments as they fall due. The Agency 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 Agency income or value of its financial instruments. The Agency has no financial assets or liabilities that are affected by changes in market prices and therefore there is no market risk.

Note 15: 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 Agency 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 16: Contingencies

Accounting Policy

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

Contingent Liabilities

The Agency has no contingent liabilities at balance date (2025: nil).

Contingent assets

The Agency has no contingent assets at balance date (2025: nil).

Note 17: Events after balance date

There is no significant events after the balance date.

Note 18: 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

Personnel expense

Operating Expense

Depreciation