



GOVERNMENT OF THE KINGDOM OF TONGA
(PULE'ANGA 'O TONGA)

Financial Statements

(Fakamatala Pa'anga)

for the year ended 30 June 2007

(ki he ta'u 'oku ngata ki he 'aho 30 Sune 2007)

Ministry of Finance & National Planning
(Potungaue Pa'anga mo e Palani Fakafonua)
Nuku'alofa
September (Sepitema), 2009.

GOVERNMENT OF THE KINGDOM OF TONGA
(PULE'ANGA 'O TONGA)

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GOVERNMENT OF THE KINGDOM OF TONGA (PULE'ANGA 'O TONGA)

Statement of Responsibility (Fakamatala Fatongia)

This is the third Financial Statements of Government report under the new legal framework: Public Finance Management Act 2002. I do accept the responsibility for the integrity of these Financial Statements, their contents and their compliance with the Public Finance Management Act 2002.

As in the previous financial years, I have modified the traditional cash basis of accounting used in the old mandate in order to recognise investments, public debts and physical assets in the body of the statement of assets and liabilities and thus disclose a more realistic and more complete picture of the financial position of government at balance date. Receivables and payables have yet to be included, simply because of the enormity of that exercise, but I am intending to bring them into the body of the accounts as soon as I possibly can. Also, the amount disclosed for physical assets is an estimated value based only on those assets acquired through loan funds which in fact is lower and very conservative to reflect the complete value of total government physical assets at balance date. However, the Ministry of Finance is currently undertaking a major exercise to determine the complete value of physical assets for disclosures in future financial statements.

Although the works toward full disclosures of assets and liabilities have yet to be completed, the disclosures that I have made in the current year financial statements present a much more realistic picture of the financial position of government than if I would have still prepared the financial statements under the cash basis with all its limitations.

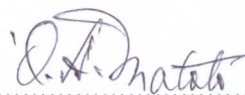
Therefore, in my opinion, these Financial Statements, except for the limitations on disclosures of assets and liabilities referred to in the paragraphs above, present a true and more complete picture of the financial position of the Government of Tonga as at 30 June 2007, and its financial performance for the year ended on that date, then if I would have still reported the financial position and performance of government under the cash basis of accounting without modification.

(Ko e Fakamatala Pa'anga 'eni 'a e Pule'anga hono tolu kuo u fakahoko 'i he Lao fo'ou: Lao ki hono Pule'i 'a e Pa'anga 'a e Pule'anga 2002. Koia 'oku ou tali 'a e fatongia ki he totonu 'o e Ngaahi Fakamatala Pa'anga, 'a hono kakano, mo'ene fenāpasi mo e Lao ki hono Pule'i 'a e Pa'anga 'a e Pule'anga 2002.

Hangē pe koia 'i he ongo ta'u fakapa'anga kuo 'osi, kuo u fakahoko ha fakalelei ki he makatu'unga faka-tauhitohi 'aia na'e ngaue'aki he kuohili, 'aia na'e tefito 'i hono lekooti 'a e fehū'aki pa'anga pē (ko e totongi atu pe totongi mai), koe'uhi ke fakakau ki he sino 'o e fakamatala 'o e Ngaahi Koloa mo e Mo'ua 'a e ngaahi 'inivesi, ngaahi mo'ua faka-pule'anga mo e ngaahi koloa taimi loloa ke lava 'o ma'u ha 'ata 'oku mo'oniange mo kakatoange 'o e tu'unga fakapa'anga 'a e pule'anga 'i he 'aho faka'osi 'o e ta'u fakapa'anga. Ko e ngaahi mo'ua mai mo mo'ua atu 'oku te'eki fakakau ia ki he sino 'i fakamatala koe'uhi ko e ngāue lahi 'oku fiema'u ke fakahoko ki ai, ka 'oku ou taumu'a ke lava 'i he faingamalie vave taha. 'Ikai koia pē, ko e fika 'oku hā atu 'i he ngaahi koloa taimi loloa ko e mahu'inga fakafuofua pē 'o fakatefito he ngaahi koloa na'e fakatau'aki 'a e ngaahi pa'anga nō 'a ia 'oku ma'ulalo pea kei 'si'isi' ke ne fakahaa'i kakato 'a e mahu'inga 'o e ngaahi koloa taimi loloa 'a e pule'anga 'i he 'aho faka'osi 'o e ta'u fakapa'anga. Kaneongoia, 'oku lolotonga fakahoko 'e he Potungaue Pa'anga 'a e ngaue lahi ke ma'u 'a e mahu'inga kakato 'o e ngaahi koloa taimi loloa ke fakahaa' 'i he ngaahi fakamatala pa'anga 'o e ngaahi ta'u ka hoko mai.

Neongo 'oku te'eki 'osi 'a e ngaue ke lava 'o fakahaa'i kakato 'a e mahu'inga 'o e ngaahi koloa mo e mo'ua, ka ko e ngaahi fika kuo fakahā atu 'i he fakamatala pa'anga lolotonga 'oku ne 'omai ha 'ata mo'oniange 'o e tu'unga fakapa'anga 'a e pule'anga, 'i hono fakahoa atu kapau na'e kei teuteu pe 'a e fakamatala pa'anga he makatu'unga fakatauhitohi na'e angamaheni mai mei mu'a mo hono ngaahi fakangatangata.

Koia ai, 'i he'eku fakakaukau, tukukeheange 'a e ngaahi fakangatangata 'o e 'ikai kakato 'a e ngaue ki hono fakahaa' 'i 'o e ngaahi koloa mo e mo'ua 'o hange koia 'oku fakahaa' 'i he ngaahi palakalafi 'i 'olunga, ko e Ngaahi Fakamatala Pa'anga 'oku ne fakahaa' 'i leleiange 'a e tu'unga fakapa'anga 'a e Pule'anga Tonga 'i he 'aho 30 Sune, 2007, pea mo e ola 'o e ngaue fakapa'anga ki he ta'u 'oku ngata 'i he 'aho ko ia, 'i hono fakahoa atu kapau na'e kei lipooti pe 'a e tu'unga fakapa'anga mo e ngaue fakapa'anga 'i he founga motu'a ta'etoe fai kiai ha fakalelei.)


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Hon. 'Otenifi Afu'alo Matoto
Minister of Finance & National Planning
(*'Eiki Minisita Pa'anga mo e Palani Fakafonua*)


11 September, 2009 (11 Sepitema, 2009)

Statement of Responsibility (*Fakamatala Fatongia*)

cont'd (hoko atu)

These Financial Statements have been prepared by the Ministry of Finance in accordance with the provisions of the Public Finance Management Act 2002. The Financial Statements comply with generally accepted accounting practice.

The Ministry of Finance is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions recorded are within the statutory authority and properly record the use of all public financial resources by the Government. To the best of my knowledge, this system of internal control has operated adequately throughout the reporting period.

(Ko e Ngaahi Fakamatala Pa'anga kuo teuteu 'e he Potungaue Pa'anga 'o fakatatau mo e ngaahi fiema'u 'a e Lao ki hono Pule'i 'a e Pa'anga 'a e Pule'anga 2002. Ko e Ngaahi Fakamatala Pa'anga 'oku fakatatau ia ki he founga fakatauhitohi 'oku tali ke ngaue'aki fakalukufua.

Ko e fatongia 'o e Potungaue Pa'anga ke fokotu'u mo tauhi 'a e ngaahi founga ngaue ke pule'i'aki 'i loto e ngaue 'a ia 'oku fa'u ke ne malava 'o fakapapau'i ko e ngaahi fehu'aki 'oku lekooti 'oku fakatatau ki he mafai fakalao mo lekooti fakalelei 'a hono ngaue'aki 'a e ngaahi koloa faka-pule'anga 'e he Pule'anga. Ki he lelei taha 'a 'eku 'ilo, ko e ngaahi founga ngaue ke pule'i'aki 'i loto 'a e ngaue na'e ngaue lelei mo fe'unga 'i he lolotonga 'a e vaha'a taimi 'oku fakahoko ai 'a e fakamatala ni)



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Aisake Valu Eke
Secretary for Finance & National Planning
(*Sekelitali Pa'anga mo e Palani Fakafonua*)



11 September, 2009 (*11 Sepitema, 2009*)



**AUDITOR GENERAL'S INDEPENDENT REPORT
TO THE HONOURABLE MEMBERS OF THE LEGISLATIVE ASSEMBLY ON THE
FINANCIAL STATEMENTS OF GOVERNMENT OF THE KINGDOM OF TONGA**

Audit duty

I have audited the accompanying Financial Statements of the Government of Tonga as set out on pages 5 to 37 for the financial period ended 30th June 2007. The Financial Statements have been audit in terms of section 35 of the Public Finance Management Act 2002. These annual financial statements and the maintenance of effective control measures are the responsibilities of the Minister of Finance. My responsibility is to express an opinion on the financial statements based on my audit.

Nature and Scope

I have conducted my audit in accordance with the Audit Office Auditing Standards. These standards follow the INTOSAI Auditing Standards which require that I plan and perform the audit to obtain reasonable assurance as to whether the Financial Statements are free of material misstatements. An audit includes an examination on a test basis, of evidence supporting amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and the significant provisions made by the Minister of Finance as well as evaluating the overall presentation of the Financial Statements. I believe that my audit provides a reasonable assurance basis for the audit opinion.

Modifications to the cash basis of accounting

As reported by the Hon. Minister of Finance in his statement of responsibility (page 1) that as in previous years, and in trying to comply with the terms of the Public Finance Management Act 2002 he had modified the cash basis of accounting that had been used in the old mandate, in order to bring into the body of the statement of assets and liabilities the investments, public debts, and physical assets. He also asserted that although that this exercise is yet to be completed, the position of assets and liabilities disclosed in the financial statements as at 30th June, 2007 is a more realistic disclosure of assets and liabilities than if he still prepares the financial statements under the cash basis of accounting.

As auditor, I fully agree with the assertion made by the Hon. Minister of Finance, and fully support the continuation of this exercise until we reach a situation where the financial statements of governments are reported on a full accrual basis of accounting.

Qualified Audit Opinion

In my opinion, except for the limitation caused by non completion part of the exercise referred to in the preceding paragraphs, the financial statements present fairly in all material respects the financial position of the Government of Tonga as at 30 June 2007, its financial performance ended on that date, and in conformity with the stated accounting policies.



Dr Pohiva Tu'ionetoa FCA
AUDITOR-GENERAL



Nuku'alofa
TONGA
15th September, 2009



**LIPOOTI TAU'ATAINA 'A E 'ATITA SENIALE
KI HE HOU'EIKI MEMIPA 'O E FALEALEA 'I HE FAKAMATALA PA'ANGA 'A E
PULE'ANGA FAKATU'I 'O TONGA**

Fotonga Sivi-Faka'atita

Ko e ngaahi fakamatala pa'anga 'o e Pule'anga 'o Tonga ki he ta'u fakapa'anga 'oku ngata 'i he 'aho 30 'o Sune, 2007 'a ia 'oku fokotu'u atu 'i he peesi 5 ki he 37, kuo'u 'osi fai 'a hono sivi-faka'atita. Na'e fai 'a hono sivi-faka'atita 'o e ngaahi fakamatala pa'anga 'o fakatatau ki he tu'utu'uni 'a e Lao ki hono Pule'i 'o e Pa'anga 'a e Pule'anga 2002 kupu 35. Ko hono teuteu'i 'o e fakamatala pa'anga mo hono tokanga'i ke malu 'o e founa pule'i ko e ngaahi fatongia ia 'o e Minisita Pa'anga. Ko hoku fatongia ke fakahā 'eku fakakaukau felāve'i mo e ngaahi fakamatala pa'anga 'o makatu'unga 'i he sivi-faka'atita kuo'u fakahoko.

Natula mo e 'Atakai 'o e Sivi-Faka'atita

Na'a ku fakahoko e sivi-faka'atita 'o fakatatau ki he founa kuo tu'utu'uni ke ngaue'aki 'e he 'Ofisi 'Atita. Ko e ngaahi founa ngaue faka'atita ko ia 'oku muimui ki he ngaahi founa ngāue faka'atita 'a e Kautaha 'Atita Faka-Pule'anga Faka-Vaha'apule'anga (INTOSAI), 'a ia 'oku fiema'u 'e he tu'utu'uni ko 'eni ke fatu pea fakahoko 'a e sivi-faka'atita ke malava 'o fakapapau'i 'oku hao 'a e fakamatala pa'anga mei ha hala 'oku fakatu'utāmaki. Na'e kau 'i he sivi-faka'atita 'a hono vakai'i 'o 'ikai ko e sivi-faka'aufuli, 'o e ngaahi fakamo'oni poupu ki he ngaahi fika pea mo honau fokotu'utu'u 'i he fakamatala pa'anga. Pea na'e kau 'i he sivi-faka'atita 'a hono vakai'i 'a e ngaahi founa tauhitohi 'oku ngaue'aki pehe ki he ngaahi 'esitimeti mahu'inga kuo fatu 'e he Minisita Pa'anga, pea mo e tonu mo fe'unga 'o e fotunga 'o e ngaahi fakamatala pa'anga. 'Oku ou falala ko e sivi-faka'atita na'aku fakahoko 'oku fe'unga ke makatu'unga ai 'eku tala fakakaukau faka'atita.

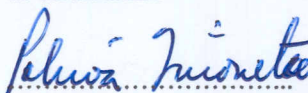
Fakalelei ki he founa tauhitohi 'oku tefito 'i hono lekooti 'o e fetongi pa'anga pe (totongi atu mo e totongi mai)

Hange ko e me'a na'e me'a ki ai 'a e 'Eiki Minisita Pa'anga 'i he'ene fakamatala fatongia (*peesii 1*) hange ko e ngaahi ta'u kimu'a, pea 'i he'ene feinga ke muimui ki he taumu'a 'o e Lao ki hono Pule'i 'o e Pa'anga 'a e Pule'anga 2002, na'a ne hoko atu 'a e liliu ki he founa tauhitohi motu'a koe'uhi ke lava 'o 'omi ki loto ki he sino 'o e Fakamatala Koloa mo e Mo'ua 'a e ngaahi 'inivesi, ngaahi mo'ua fakapule'anga, mo e ngaahi koloa taimi loloa. Na'a ne toe me'a foki 'o pehe neongo 'oku te'ekiai kakato 'a e ngaue 'oku lolotonga fai ki he me'a ko 'eni, ka ko e tu'unga 'o e ngaahi Koloa mo e ngaahi Mo'ua 'a ia kuo ne fakaha 'i he fakamatala pa'anga, 'oku ofi ange ia ki he kakato 'i ha'ane kei teuteu pe 'a e fakamatala pa'anga 'o ngaue'aki 'a e founa motu'a 'a ē 'oku tefito 'i he lipooti 'a e fetongi pa'anga pe (totongi mai pe totongi atu)

'I he 'eku lau faka'atita, 'oku ou tali kakato 'a e me'a ko ia na'e fakaha 'e he 'Eiki Minisita Pa'anga, pea 'oku ou poupu kakato ki he hokohoko atu e ngaue ke a'u ki ha tu'unga kuo tau lava 'o teuteu pea lipooti 'a e fakamatala pa'anga 'a e pule'anga 'o fakaha kakato 'a e ngaahi Koloa mo e ngaahi Mo'ua.

Fakakaukau faka'atita 'oku 'ikai haohaoa

'I he'eku fakakaukau, tukukehe 'a e fakangatangata na'e tupu mei he te'ekiai kakato 'a e ngāue ko ia 'oku fakahā'i he ngaahi palakalafi 'i 'olunga, ko e ngaahi fakamatala pa'anga ni 'oku nau fakahā totonu 'i he tapa mahu'inga kotoa 'a e tu'unga fakapa'anga 'i he 'aho 30 'o Sune 2007, ola 'o e ngaahi ngāue mo e ngaahi fehū'aki pa'anga 'o ngata 'i he 'aho faka'osi 'o e ta'u fakapa'anga, pea muimui ki he ngaahi tu'utu'uni fakatauhitohi kuo fokotu'u mai 'i he fakamatala.


Dr Pohiva Tu'i onetoa FCA
'ATITA SENIALE



Nuku'alofa
TONGA
15 'o Sepitema, 2009

GOVERNMENT OF THE KINGDOM OF TONGA (PULE'ANGA 'O TONGA)

Statement of Receipts and Payments for the year ended 30 June 2007

(Fakamatala ki he Pa'anga Hu mai mo e Hu atu ki he ta'u 'oku ngata ki he 'aho 30 Sune 2007)

		2006-07	2005-06
		Receipts/Payments by :	Receipts/Payments by :
		Government Third Parties	Government Third Parties
		(Hu mai / Hu atu 'e he : (Pule'anga Sino kehe)	(Hu mai / Hu atu 'e he (Pule'anga Sino kehe)
Notes (Nouti)		\$	\$
OPERATING RECEIPTS (PA'ANGA HU MAI ANGAMAHENI)			
	2		
Income Tax (Tukuhau Vahenga)		26,430,442	27,003,559
Trade Taxes (Tukuhau Fefakatau'aki)		47,535,367	41,828,931
Domestic fees and Licensing (Totongi Laiseni)		429,783	476,110
Taxes on Goods and Services (Tukuhau Koloa mo e Ngaue)		49,232,786	50,886,494
Excise Tax (Tukuhau 'Ekisia)		1,183,419	1,176,624
Entrepreneurial and Property Income (Pa'anga Hu Mai 'i he Ngaahi Pisinisi mo e Koloa 'a e Pule'anga)		7,760,761	6,632,282
Administrative Fees & Charges (Totongi ki he ngaahi Ngaue)		11,016,843	9,815,618
Miscellaneous Revenue (Pa'anga Hu mai kehe)		1,918,203	4,011,976
Transfers and Bond Receipts (Pa'anga Hu Mai mei he Ponite)		6,000,000	6,365,000
Total Operating Receipts (Katoa Pa'anga hu mai angamaheni)		151,507,602	148,196,595
OPERATING PAYMENTS (PA'ANGA HU ATU ANGAMAHENI)			
	3		
Established Staff (Kau Ngaue Tu'uma'u)		81,144,555	91,893,805
Unestablished Staff (Kau Ngaue Lau'aho)		2,882,363	1,999,154
Travel and Communication (Fefononga'aki mo Fetu'utaki)		6,636,861	6,364,971
Maintenance and Operations (Tauhi mo Fakalele Ngaue)		6,873,333	6,063,923
Purchase of Goods and Services (Totongi Hu Koloa mo Ngaahi Ngaue)		16,522,754	21,428,799
Operational Grants and Transfers (Me'a'ofa Fakangaue mo e 'Inasi)		17,571,866	12,250,940
Public Debt (Ngaahi No Fakapule'anga)		16,204,370	16,661,205
Defence (Malu'i)		121,495	313,444
Capital Expenditure (Fakamole ki he Ngaahi Ngaue Lalahi)		4,897,408	3,232,959
Equity Payment (Totongi 'Inasi)		190,780	17,516
Privy Purse (Totongi Vahenga Faka-Tu'i)		306,770	307,389
Total Operating Payments (Katoa Pa'anga hu atu angamaheni)		153,352,555	160,534,106
OPERATING SURPLUS/(DEFICIT)		(1,844,952)	(12,337,511)
(HULU/(FE'AMOKAKI) NGAUE ANGAMAHENI)			
DEVELOPMENT FUND (Pa'anga Fakalakalaka)			
Grants & External Concessional Loans Receipts (Ngaahi Pa'anga Tokoni mo e No mei Tu'a Hu Mai)	4	26,379,451	19,512,611
Expenditure from Grants & External Concessional Loans (Ngaahi Pa'anga Tokoni mo e No mei Tu'a Hu atu)	5	24,861,884	25,278,831
Net Receipts/(Deficit) from Grants and External Concessional Loans (Toenga Hulu/(Nounou) mei he Pa'anga Tokoni mo e No mei Tu'a)		1,517,568	(5,766,220)
INCREASE/(DECREASE) IN CASH FROM OPERATIONS (TUPU/(HOLO) 'I HE PA'ANGA FAKALUKUFUA)		(327,385)	(18,103,731)
CHANGES IN CASH BALANCES : (NGAAHI FELILIU'AKI 'I HE TOENGA PA'ANGA FAKALUKUFUA) :			
Cash at Bank and on Hand - 1 July (Pa'anga 'i he Pangike mo e Seifi 'i he 'aho 1 Siulai)		29,950,831	44,229,158
Cash at Bank and on Hand - 30 June (Pa'anga 'i he Pangike mo e Seifi 'i he 30 'o Sune)	6	29,229,061	29,950,831
Net Increase /(Decrease) in Cash (Faka-katoa 'o e Tupu/(Holo) 'i he Pa'anga)		(721,770)	(14,278,327)
Plus (Less): Net changes in Advances, Trust Money Accounts and Investments (Tanaki (To'o) : Faka-katoa feliliu'aki 'i he Fe'ave'aki Pa'anga, Ngaahi 'Akauni Talasiti mo e Ngaahi 'Inivesi)	7	394,385	(3,825,404)
INCREASE/(DECREASE) IN CASH FROM OPERATIONS (TUPU/(HOLO) 'I HE PA'ANGA NGAUE FAKALUKUFUA)		(327,385)	(18,103,731)

The accompanying Notes form an integral part of these Statements
(Ko e ngaahi Nouti 'oku ha atu 'oku nau kau ko e kong'a 'o e Ngaahi Fakamatala)

GOVERNMENT OF THE KINGDOM OF TONGA (PULE'ANGA 'O TONGA)

Statement of Assets and Liabilities as at 30 June, 2007

(Fakamatala ki he Ngaahi Koloa mo Mo'ua 'i he 'aho 30 Sune, 2007)

	Notes (Nouti)	2006-07 \$	2005-06 \$
ASSETS (NGAAHI KOLOA)			
Cash at Bank and in Hand (Pa'anga 'i he Pangike mo e Seifi)	6	29,229,061	29,950,831
Charges to Individuals (Ngaahi mo'ua fakafo'ituitui)	8	100,984	112,639
Investments (Ngaahi 'Inivesi)	9, 20-23(a)	72,670,188	73,679,310
Physical Assets (Ngaahi Koloa Ngaue'aki Taimi Loloa)	10	134,594,268	129,696,860
TOTAL ASSETS (KATO A NGAAHI KOLOA)		236,594,500	233,439,640
Less (To'o): LIABILITIES (NGAAHI MO'UA)			
Bank Agency Accounts (Ongo 'Akauni Fakafofonga Faka-Pangike)	11	564,772	285,334
Trust Money Accounts (Ngaahi 'Akauni Talasiti)	12	2,435,020	480,406
Public Debts (Ngaahi Mo'ua No Faka-Pule'anga)	13, 26, 27	187,126,896	192,889,337
TOTAL LIABILITIES (KATO A NGAAHI MO'UA)		190,126,688	193,655,077
NET ASSETS (TOENGA KOLOA)		46,467,812	39,784,562
Made up from: (Ma'u mei he:)			
Development Fund Balance (Toenga Pa'anga Fakalakalaka)	4, 5, 14	26,626,758	25,109,190
Revenue Fund Balance: (Toenga Pa'anga Angamaheni):			
Balance 1 July (Palanisi 1 Siulai)		14,675,372	30,790,657
plus: Adjustments (tanaki : Fakatonutonu)	15	7,010,635	(3,777,774)
Operating Surplus/(Deficit) (Pa'anga Hulu/(Fe'amokaki) Ngaahi Ngaue Angamaheni)	16	(1,844,952)	(12,337,511)
Balance 30 June (Palanisi 30 Sune)		19,841,055	14,675,372
FUND BALANCE (KATO A TOENGA PA'ANGA 'INASI)		46,467,812	39,784,562

The accompanying Notes form an integral part of these Statements
(Ko e ngaahi Nouti 'oku ha atu 'oku nau kau ko e kong'a 'o e Ngaahi Fakamatala)

GOVERNMENT OF THE KINGDOM OF TONGA (PULE'ANGA 'O TONGA)

Statement of Development Funds for the year ended 30 June 2007

(Fakamatala 'o e Ngaahi Pa'anga Fakalakalaka ki he ta'u 'oku ngata ki he 'aho 30 Sune 2007)

	Notes (Nauti)	2006-07 \$	2005-06 \$
Development Fund Balance at 1 July <i>(Toenga Pa'anga Fakalakalaka 'i he 1 Siulai)</i>		25,109,190	30,875,410
Add : Development Fund Receipts <i>(Tanaki: Pa'anga Fakalakalaka Hu Mai)</i>			
Grants & Loans Received <i>(Pa'anga Tokoni mo e No Hu Mai)</i>	4	22,858,317	14,585,364
Receipts from Revolving Fund <i>(Pa'anga Ngaue Hu Mai)</i>	4	3,521,134	4,927,247
Total Development Fund Receipts <i>(Katoa Pa'anga Fakalakalaka Ma'u Mai)</i>		26,379,451	19,512,611
Total Development Funds Available <i>(Katoa Pa'anga Fakalakalaka ke Ngaue'aki)</i>		51,488,641	50,388,021
Less : Development Fund Payments <i>(To'o : Pa'anga Fakalakalaka Hu Atu)</i>			
Payments from Grants & Loans <i>(Pa'anga Tokoni mo e No Hu Atu)</i>	5	21,240,347	21,365,030
Payments from Revolving Fund <i>(Pa'anga Ngaue Hu Atu)</i>	5	3,621,537	3,913,801
Total Development Fund Payments <i>(Katoa Pa'anga Fakalakalaka Hu Atu)</i>		24,861,884	25,278,831
Development Fund Balance at 30 June <i>(Toenga Pa'anga Fakalakalaka 'i he 30 Sune)</i>	14	26,626,758	25,109,190

*The accompanying Notes form an integral part of these Statements
(Ko e ngaahi Nouti 'oku ha atu ko e konga 'o e Ngaahi Fakamatala)*

GOVERNMENT OF THE KINGDOM OF TONGA (PULE'ANGA 'O TONGA)

Statement of Government Investments as at 30 June 2007

(Fakamatala ki he Ngaahi 'Inivesi 'a e Pule'anga 'i he 'aho 30 Sune 2007)

	Notes (Nouti)	2006-07 \$	2005-06 \$
Treasury Investments <i>(Ngaahi Pa'anga 'Inivesi Faka-falepa'anga)</i>	20	4,469,336	4,444,000
Shares - minority holdings (at cost) <i>(Ngaahi 'Inasi - ma'u 'inasi iiki (mahu'inga na'e fakatau'aki))</i>	21, 24	2,350,270	2,348,465
Investment in other companies <i>('Inivesi 'i he ngaahi kautaha kehe)</i>	22	1,948,900	2,046,245
Public enterprises : <i>(Ngaahi Kautaha Fakapule'anga)</i>			
Shares (at cost) <i>(Ngaahi 'Inasi (mahu'inga na'e fakatau'aki))</i>	23(a), 24	37,878,876	37,878,973
Loans Receivable <i>(Ngaahi No ke totongi mai)</i>	23(a), 25	26,022,806	26,961,627
Total Investments <i>(Katoa Ngaahi 'Inivesi)</i>		72,670,188	73,679,310

The accompanying Notes form an integral part of these Statements

(Ko e ngaahi Nouti 'oku ha atu 'oku nau kau ko e konga 'o e Ngaahi Fakamatala)

GOVERNMENT OF THE KINGDOM OF TONGA (PULE'ANGA 'O TONGA)

Statement of Public Debts for the year ended 30 June 2007

(Fakamatala ki he Ngaahi Mo'ua No Faka-Pule'anga ki he ta'u 'oku ngata ki he 'aho 30 Sune 2007)

	Notes (Nouti)	2006-07 \$	2006-07 \$	2005-06 \$
Loans Owing at 1 July				
(Ngaahi Mo'ua 'i he 'aho 1 Siulai)				
Foreign (Fonua Muli)		165,568,854		149,561,318
Domestic (Fakaloto fonua)		27,320,483		28,833,472
			192,889,337	178,394,790
Add: New Borrowing				
(Tanaki: Ngaahi No Fo'ou)				
Foreign (Fonua Muli)		5,616,928		7,057,156
Domestic (Fakaloto fonua)		6,000,000		6,365,000
			11,616,928	13,422,156
Total Loan Payable (Katoa No ke Totongi)			204,506,265	191,816,946
Less: Repayments				
(To'o: Ngaahi Totongi Fakafoki)				
Foreign (Fonua Muli)	26	4,973,996		4,723,959
Domestic (Fakaloto fonua)	27	7,618,109		7,793,011
			12,592,105	12,516,970
			191,914,161	179,299,976
Revaluation of Debt in Foreign Currency			(4,787,265)	13,589,361
(Toe fakamahu'inga 'o e totongi fakafoki mo'ua no 'i he pa'anga muli)				
BALANCE PUBLIC DEBT 30 JUNE			187,126,896	192,889,337
(TOENGA MO'UA NO FAKA-PULE'ANGA 'I HE 'AHO 30 SUNE)				
Balance Details (Fakaikiiki Palanisi):				
Loans Owing at 30 June				
(Ngaahi Mo'ua No 'i he 'aho 30 Sune)				
Foreign (Fonua Muli)	26		161,422,724	165,568,854
Domestic (Fakaloto fonua)	27		25,704,172	27,320,483
			187,126,896	192,889,337

The accompanying Notes form an integral part of these Statements

(Koe ngaahi nouti 'oku ha atu 'oku nau kau ko e konga 'o e ngaahi fakamatala)

GOVERNMENT OF THE KINGDOM OF TONGA (PULE'ANGA 'O TONGA)

Statement of Contingent Liabilities as at 30 June, 2007.

(Fakamatala ki he Ngaahi Mo'ua 'e ala hoko 'i he kaha'u 'i he 'aho 30 Sune, 2007)

	Notes (Nouti)	2006-07 \$	2005-06 \$
Guarantees and Indemnities (Ngaahi Malu'i mo Fakapapau ke Malu'i)			
Foreign Loans Debt Guarantee (Ngaahi Malu'i Mo'ua No Muli)	18, 28	1,480,373	2,700,220
Domestic Loans Debt Guarantee (Ngaahi Mo'ua No Fakaloto fonua ne Malu'i)	18, 28	10,056,096	10,872,232
Legal Proceedings and Disputes (Ngaahi 'Eke mo e Hopo Fakalao)			0
Total Contingent Liabilities (Katoa Ngaahi Mo'ua 'e ala hoko 'i he kaha'u)		11,536,469	13,572,452

Foreign Loans Debt Guarantee (Ngaahi Malu'i Mo'ua No mei Tu'apule'anga)

Tonga Development Bank (Pangike Langa Fakalakalaka 'a Tonga)

In 1995, the Government provided guarantee needed in order for the Tonga Development Bank to borrow fund from Caisse Francaise De Development for Bilateral Credit Line Facility available to TDB at the time. The borrowed fund was then made available through a loan scheme to enhance development in the agricultural and business sectors. It was \$401,675 at 30 June, 2007 (\$578,329 at 30 June, 2006). ('I he 1995, na'e fakahoko 'e he Pule'anga 'a e malu'i 'o e no 'a e Pangike Langa Fakalakalaka a Tonga mei he Pangike Fakalakalaka Falanise 'i he Polokalama No Pa'anga ne faingamalie ke kau ai 'a e Pangike. Ko e pa'anga no koia na'e malava ke tukuatu ke tokoni ki he langa fakalakalaka 'i he ke fakapa'anga 'a engaahi polokalama ngaue fakalakalaka tautautefito ki he sekiota ngoue mo e pisinisi. Na'e \$401,675 'i he 30 Sune, 2007 (\$578,329 'i he 30 Sune, 2006).

Tonga Communication Corporation (Kautaha Fetu'utaki 'a Tonga)

The Government provided guarantee over a loan of the former Tonga Telecommunication Commissions from European Investment Bank for the expansion and modernisation of the national communication networking Tonga, and the installation and upgrading of the telephone exchange for Nuku'alofa, Mu'a, Masilamea and 'Eua).

It was \$1,078,698 at 30 June, 2007 (\$2,121,891 at 30 June, 2006) ('Oku malu'i 'e he Pule'anga 'a e no 'a e Komisoni Fetu'utaki 'a Tonga mei he Pangike Fakatupu Pa'anga 'a 'Iulope mo e Kautaha Malu'i, Fakapa'anga ke fakalahi'aki mo fakafou'ouange 'a e ngaahi naunau fetu'utaki fakafonua 'i Tonga.

Pea mo hono fokotu'u mo fakalahake 'a e ngaahi fetu'utaki telefoni 'i Nuku'alofa, Mu'a, Masilamea, mo 'Eua. Na'e \$1,078,698 'i he 30 Sune, 2007 (\$2,121,891 'i he 30 Sune, 2006)

Domestic Loans Debt Guarantee (Ngaahi Mo'ua No Fakaloto fonua ne Malu'i)

Tonga Development Bank (Ngaahi No mei he Kakai)

The Government has provided guarantee to various public bond issues of the Tonga Development Bank for financing its working capital and other development schemes in the agricultural and business sectors. It was \$1,342,809 at 30 June, 2007 (\$2,773,701 at 30 June, 2006). ('Oku foaki 'e he Pule'anga 'a e malu'i 'o e ngaahi ponite fakatau ki he kakai 'e he Pangike Langa Fakalakalaka 'a Tonga ke fakapa'anga 'a e pa'anga ngaue mo e ngaahi polokalama ngaue fakalakalaka ki he ongo sekiota ngoue mo e pisinisi. Na'e \$1,342,809 'i he 30 Sune, 2007 (\$2,773,701 'i he 30 Sune, 2006)

(The accompanying Notes form an integral part of these Statements)

(Ko e Ngaahi Nouti 'oku nau hoko ko e konga 'o e Ngaahi Fakamatala)

Statement of Contingent Liabilities as at 30 June, 2007 (continued)
(Fakamatala ki he Ngaahi Mo'ua 'e ala Totongi 'i he 'aho 30 Sune, 2007) (hoko atu)

International Dateline Hotel (Hotele Teitilaine)

The capital restructure of the International Dateline Hotel involved the Asset transfer to the new entity. Government has provided guarantee over the Hotel loan in 2001 with Tonga Development Bank to facilitate the transfer which was part of the restructure, to improve the tourist facilities. It was \$622,635 at 30 June, 2007 (\$993,306 at 30 June, 2006).

(Ko hono toe fokotu'utu'u fa'unga fakapa'anga fo'ou 'a e Hotele Teitilaine na'e kau ai 'a e fe'ave'aki koloa ki he kautaha fo'ou. Na'e malu'i 'e he Pule'anga 'a e no 'a e Hotele 'i he 2001 mei he Pangike Langa Fakalakalaka 'a Tonga ke tokoni ki hono fakahoko 'a e fe'ave'aki ko'eni 'a ia ko e kongā 'o e fokotu'utu'u fo'ou ke toe fakalakalakaange 'a e ngaahi naunau faka-takimamata. Na'e \$622,635 'i he 30 Sune, 2007 (\$993,306 'i he 30 Sune, 2006).

Squash Export Council Loan Scheme (Polokalama No 'a e Kosilio Huatu 'oe Hina)

The Government has provided a guarantee over the Squash Export Council Loan Scheme of 2003 as squash export subsidy support. It was \$8,090,652 at 30 June, 2007 (\$7,107,991 at 30 June, 2006). ('Oku foaki 'a e malu'i 'e he Pule'anga 'a e Polokalama No 'a e Kosilio 'o e kau Fefakatau'aki Hina ta'u 2003 ke tokoni ki hono fakatau atu mo hono uta 'o e ngoue hina. Na'e \$8,090,652 'i he 30 Sune, 2007 (\$7,107,991 'i he 30 Sune, 2006).

(The accompanying Notes form an integral part of these Statements)
(Ko e Ngaahi Nouti 'oku nau hoko ko e kongā 'o e Ngaahi Fakamatala)

GOVERNMENT OF THE KINGDOM OF TONGA (PULE'ANGA 'O TONGA)

Statement of Contingency Fund for the year ended 30 June 2007.

(Fakamatala 'o e Sino'i Pa'anga Talifaki ki he ta'u 'oku ngata ki he 'aho 30 Sune 2007).

	Notes (Nouti)	2006-07 \$	2005-06 \$
Receipts (Hu Mai):			
Funds Received (Pa'anga Hu Mai)	29	5,755,867	18,877,927
Payments (Hu Atu):			
Funds Transferred (Pa'anga Fe'ave'aki)	29	8,453,923	20,435,681
Net Receipts (Payments) for the year (Toenga Hu Mai (Hu Atu) ki he ta'u)		(2,698,056)	(1,557,754)
Add: Balance at 1 July (Tanaki: Palanisi 1 Siulai)		2,719,319	2,919,319
Balance at 30 June (Palanisi 30 Sune)		21,263	1,361,565

The accompanying Notes form an integral part of these Statements

(Ko e ngaahi Nouti 'oku ha atu 'oku nau kau ko e konga 'o e Ngaahi Fakamatala)

GOVERNMENT OF THE KINGDOM OF TONGA (PULE'ANGA 'O TONGA)

Statement of Appropriations for the year ended 30 June 2007

(Fakamatala ki he Pa'anga Fakaangaanga ke Hu atu ki he ta'u 'oku ngata ki he 'aho 30 Sune 2007)

Ministry (Potungaue)	Revised Estimate (<i>'Esitimeti Totonu</i>) \$	Actual Expenditures (<i>Hu atu mo'oni</i>) \$	Less than Estimates (<i>Si'i he 'Esitimeti</i>) \$	More than Estimates (<i>Lahi he 'Esitimeti</i>) \$
1 Palace Office (<i>'Ofisi Palasi</i>)	2,711,666	2,537,130	174,536	
2 Legislative Assembly (<i>Fale Alea</i>)	2,941,091	2,884,976	56,115	
3 Prime Minister's Office (<i>'Ofisi Palemia</i>)	4,983,949	4,898,922	85,027	
4 Commissioner of Public Relations (<i>Komisona ki he Va mo e Kakai</i>)	173,743	113,787	59,956	
5 Audit Department (<i>Potungaue 'Atita</i>)	638,866	629,004	9,862	
6 Ministry of Finance & National Planning (<i>Potungaue Pa'anga mo e Palani Fakafonua</i>)	56,530,161	54,063,478	2,466,683	
7 Ministry of Foreign Affairs (<i>Potungaue Ngaahi Ngaue ki Muli</i>)	6,620,023	6,674,593		54,570
8 Tonga Defence Services (<i>Tau Malu'i Fonua 'a Tonga</i>)	7,463,624	7,102,982	360,642	
9 Ministry of Lands, Survey, Natural Resources and Environment (<i>Potungaue Fonua, Savea, Ngaahi Koloa Fakanatula & 'Atakai</i>)	2,153,146	2,005,759	147,387	
10 Ministry of Justice & Attorney General (<i>Potungaue Lao mo e Fakamaau'anga</i>)	2,008,818	1,904,623	104,194	
11 Ministry of Police, Prisons & Fire Services (<i>Potungaue Polisi, Pilisone mo e Va'a Tamate Afi</i>)	8,290,083	8,113,004	177,079	
12 Ministry of Education, Women Affairs & Culture (<i>Potungaue Ako, Kakai Fefine mo e Tukufakaholo</i>)	22,739,708	22,662,184	77,524	
13 Ministry of Health (<i>Potungaue Mo'ui</i>)	20,310,094	20,002,773	307,322	
14 Ministry of Agriculture, Food, Forests & Fisheries (<i>Potungaue Ngoue, Me'atokoni, Ngaahi Vao'akau mo e Toutai</i>)	5,683,385	5,320,153	363,232	
15 Ministry of Labour, Commerce and Industries (<i>Potungaue Ngaue 'a e Kakai, Fefakatau'aki mo e Ngaahi Ngaue'anga</i>)	1,943,289	1,891,867	51,422	
16 Tonga Visitors Bureau (<i>Potungaue Takimamata</i>)	1,273,641	1,125,230	148,412	
17 Ministry of Works (<i>Potungaue Ngaue</i>)	3,376,670	3,245,433	131,237	
18 Ministry of Transport (<i>Potungaue 'o e Fefononga'aki</i>)	4,982,959	4,916,917	66,042	
19 Ministry of Training, Employment, Youth & Sports (<i>Potungaue Ako Ngaue, Ngaue'anga, To'utupu & Sipoti</i>)	1,884,494	1,860,924	23,570	
20 Crown Law Department (<i>Potungaue Lao</i>)	1,156,332	1,019,326	137,006	
21 Public Enterprises (<i>Potungaue ki he Ngaahi Pisinisi 'a e Pule'anga</i>)	420,198	379,489	40,709	
Total (Fakakatoa)	158,285,940	153,352,555	4,987,955	54,570

The accompanying Notes form an integral part of these Statements

(Ko e ngaahi Nouti 'oku ha atu 'oku nau kau ko e konga 'o e Ngaahi Fakamatala)

1. Accounting Policies

(Ngaahi Makatu'unga Faka-Tauhitohi)

i. Basis of Preparation (Makatu'unga 'o hono Teuteu)

These financial statements have been prepared in accordance with the Public Finance Management Act 2002, and any applicable regulations. And also in accordance with the Cash Basis International Public Sector Accounting Standard (IPSAS) Financial Reporting Under The Cash Basis of Accounting. This means that transactions are recognised when cash is received or payments are made. Except specifically stated, no allowance has been made for amounts owing to government but not yet received nor for amounts owed by government but not yet paid. (Na'e teuteu'i 'a e ngaahi fakamatala pa'anga 'o fakatatau ki he Lao ki hono Pule'i 'o e Pa'anga 'a e Pule'anga 2002 pea mo ha toe ngaahi lao fekau'aki kehe. Pea mo fakatatau ki he Tu'unga Fakavaha'apule'anga 'o e Tauhitohi ki he Sekitoa Fakapule'anga - 'Fakamatala Pa'anga 'o Fakatefito Founa Tauhitohi Fehu'aki Pa'anga'. 'Oku 'uhinga ia ko e ngaahi fehu'aki fakapa'anga 'oku toki lau pe 'i he taimi 'oku ma'u mai ai, pe totongi atu, 'a e pa'anga. Tukukehe ka toki fakahaa'i atu, 'oku 'ikai ke fakakau heni 'a e lahi 'o e ngaahi mo'ua ki he Pule'anga ka 'oku te'eki ke totongi mai, pe ko ha mo'ua 'a e Pule'anga 'oku te'eki totongi atu)

The accounting policies have been applied consistently throughout the period.

(Na'e ngaue'aki tatau pe 'a e Ngaahi Makatu'unga Faka-Tauhitohi 'i he lolotonga 'a e ta'u)

ii. Reporting Entity (Sino 'oku Fakamatala'i)

The financial statements are for the Government of the Kingdom of Tonga. This comprises the central government ministries but excludes the public enterprises under the control of the government.

(Ko e ngaahi fakamatala pa'anga 'oku 'a e Pule'anga 'o Tonga. 'Oku kau heni 'a e kotoa 'o e ngaahi potungaue 'a e pule'anga ka 'oku 'ikai kau ai 'a e ngaahi pisinisi 'a e pule'anga 'a ia 'oku pule'i 'e he pule'anga).

At this stage, it has not been possible to prepare consolidated financial statements incorporating the public enterprises. Instead, information on the public enterprises and their financial results are included in notes. Transactions with public enterprises for subsidies and loans (advances, interest and repayments) are reported in the Statement of Receipt and Payments.

(I he tu'unga lolotonga, 'oku te'eki malava ke teuteu'i ha fakamatala pa'anga fakakatoa ke fakakau ki ai mo e ngaahi pisinisi 'a e pule'anga. Kaekehe, ko e ngaahi fakamatala ki he ngaahi pisinisi 'a e pule'anga pea mo'enau ngaahi ola fakapa'anga 'oku fakakau atu ia 'i he ngaahi nouti. Ko e ngaahi fehu'aki mo e ngaahi pisinisi 'a e pule'anga ki he ngaahi tokoni mo e ngaahi no ('ave pa'anga, tupu mo e totongi fakafoki) 'oku lipooti ia 'i he Fakamatala ki he Ngaahi Pa'anga Hu Mai mo e Hu Atu).

iii. Payments by external third parties (Ngaahi totongi mei he ngaahi feitu'u kehe)

The government has benefited from goods and services or investments paid for on its behalf by third parties by way of loans or contributions. These payments do not constitute cash receipts or payments by the government, but do benefit the government. These were supposed to be separately identified in the Statements of Receipts and Payments, however, the Treasury, during the reporting period, has not been formally advised by a third party or the recipient whether any payment has been made or has otherwise verified any payment. These payments will be incorporated into the government financial statements of the subsequent years upon formal advised or verified. (Na'e ta'imalie 'a e pule'anga mei he ngaahi koloa mo e ngaue pe fakahu pa'anga na'e totongi ma'ana mei he ngaahi feitu'u kehe 'i ha ngaahi no pe ngaahi tokoni. Ko e ngaahi totongi atu ko'eni 'oku 'ikai ha ia 'i he fakamatala pa'anga hu mai pe hu atu 'a e pule'anga, ka na'e ma'u 'e he pule'anga 'a e monu'ia koia. Na'e totonu ke fakahaa'i makehe atu 'eni 'i he Fakamatala ki he Ngaahi Pa'anga Hu Mai mo Hu Atu, kaneongo ia, kuo te'eki ma'u 'e he Falepa'anga, 'i he lolotonga 'a e ta'u, ha fakaha fakapatonu mei ha feitu'u kehe pe ko ha taha na'a ne ma'u ha totongi, pe na'e fakahoko ha totongi pehe, mo fakamo'oni'i. Ko e ngaahi totongi toki fakakau mai 'i he fakamatala pa'anga 'o e ngaahi ta'u ka hoko mai 'i hano fakaha mai mo fakamo'oni'i)

iv. Reporting currency (Pa'anga 'oku fai'aki e Fakamatala)

The reporting currency is the Tongan Pa'anga. (Ko e fakamatala pa'anga ni 'oku fakahoko 'i he Pa'anga Tonga).

v. Accounting for Exchange Rates (Founa Faka-Tauhitohi 'o e Fakafetongi Mahu'inga Pa'anga Muli)

Transactions in foreign exchange are reported at the rate of exchange used to purchase the currency. Balances held in foreign currency bank accounts are converted at the rate of exchange prevailing at 30 June. Gains/losses on foreign bank balances are accounted for in the Revenue Balance. (Ko e ngaahi fehu'aki 'i he fakafetongi pa'anga muli 'oku fakamatala ia 'i he mahu'inga 'o e fetongi pa'anga muli na'e fai'aki 'a e fefakatau'aki. Ko e ngaahi palanisi 'o e ngaahi 'akauni pangike pa'anga muli 'oku liliu ia 'aki 'a e mahu'inga fetongi pa'anga 'o e aho 30 'o Sune. Ko e ngaahi tupu/mole 'i hono liliu 'a e ngaahi 'akauni pangike pa'anga muli 'oku 'ave ia 'o lau ki he Toenga Pa'anga Angamaheni).

vi. Physical Assets (Ngaahi Koloa Ngaue'aki Taimi Loloa)

Physical Assets are disclosed at an estimated value. As in previous year's accounts, depreciation charges had not yet been recognised because of the uncertainties and estimated value of assets. Once the value of assets is accurately determined, appropriate depreciation charges will be recognised in the accounts. (Ko e Ngaahi Koloa Ngaue'aki Taimi Loloa 'oku fakahaa'i 'i he mahu'inga fakafuofua pe. Hange pe koia na'e ha 'i he ngaahi 'akauni 'o e ta'u kuo hili, 'oku te'eki ke lau ki loto ki he ngaahi 'akauni 'a e holo 'i he mahu'inga 'o e ngaahi koloa koe'uhi ko e te'eki pau mo e kei fakafuofua'i 'a e mahu'inga 'o e ngaahi koloa. Ko'ene fakapapau'i pe 'a e tonu 'o e mahu'inga 'o e ngaahi koloa, 'e fakakau mai leva 'a e holo 'i he mahu'inga 'o e ngaahi koloa ki he ngaahi 'akauni.)

vii. Investments (Ngaahi Pa'anga 'Inivesi)

Treasury Investments are shown at principal amount with banks and other organisations. (Ko e Ngaahi Pa'anga 'Inivesi Faka-Falepa'anga 'oku fakaha 'i he mahu'inga ko ia na'e fakahu'aki ki he ngaahi pangike pe ngaahi kautaha kehe.)

Investment in other Companies are valued at cost or net current value. (Ko e Ngaahi 'Inivesi 'i he ngaahi Kautaha 'oku fakamahu'inga'i ia 'aki ma'ulalo ange 'i he mahu'inga ne totongi pe mahu'inga lolotonga)

Shares held by government in other organisations are still valued at cost as they had been previously treated as expended on acquisition. However, as a change in accounting policy, they are now included as part of investment in the Statement of Assets and Liabilities. (Ko e Ngaahi 'Inasi koia 'o e Pule'anga 'i he ngaahi Kautaha kehe 'oku kei fakahaa'i atu 'i hono mahu'inga ne fakatau 'aki he na'e kei lau pe ia ko e fakamole 'i he taimi ko ia ne fakatau ai. Kaekehe, 'oku liliu 'a e founa tauhitohi, pea 'oku fakakau 'a e ngaahi 'inasi 'i he fakamatala ki he Ngaahi Koloa mo e Mo'ua)

Loan Receivables are recognised after the funds have been disbursed, and are shown at the current outstanding principal amount. (Ko e Ngaahi No ke Totongi Mai 'oku fakatokanga'i 'i he hili pe hono totongi atu 'a e pa'anga, pea 'oku fakahaa'i 'i he mahu'inga 'o e Toenga No ke totongi.)

viii. Public Debts (Ngaahi Mo'ua No Pa'anga Faka-Pule'anga)

Loans are credited to the Development Fund only to the extent that they are received in cash; where loans are paid directly to third parties for capital expenditure, no accounting entry has yet to be taken up in the books of accounts. However, the amount for public debts are shown at the outstanding principal amount as part of Statement of Assets and Liabilities. This is a change in accounting policy. (Ko e Ngaahi No Pa'anga 'oku fakahu atu ia ko e pa'anga hu mai ki he Pa'anga Ngaue Fakalalakala 'o kapau 'oku ma'u mo'oni mai 'a e pa'anga koia 'e he Pule'anga; ko e Ngaahi No Pa'anga 'oku totongi hangatonu atu ki he ngaahi kautaha makehe mei he Pule'anga ke totongi'aki ha fakamole ki ha koloa tu'uma'u 'oku 'ikai fokotu'u hono mahu'inga 'ona 'i he ngaahi Tohi ki he Ngaahi 'Akauni. Kaneongoia, ko e lahi fakakatoa 'o e mo'ua no pa'anga 'a e pule'anga 'oku fakahaa'i atu ia 'i he mahu'inga 'o e toenga no pa'anga ke totongi.)

ix. Contingent Liabilities (Ngaahi Mo'ua 'e ala totongi he kaha'u)

Contingent liabilities are disclosed at the point at which the contingency is evident. Contingent assets are not disclosed. (Ko e Ngaahi Mo'ua 'e ala totongi 'i he kaha'u 'oku fakahaa'i atu ia 'o fakatatau ki he taimi 'oku pau 'e ala fai ha totongi kapau 'e 'i ai ha mo'ua. 'Oku 'ikai fakahaa'i atu 'a e ngaahi koloa 'e ala ma'u mai 'i he kaha'u)

x. Format of the Public Accounts (Fotunga 'o e Ngaahi 'Akauni 'a e Pule'anga)

The Government financial statements 2006-07 is presented in the same format used in the past three (3) years. The new format ensure compliance with the requirements of the Public Finance Management Act 2002 and in accordance with the generally accepted accounting practice. The major impacts of this change are shown once again in the Statement of Assets and Liabilities in particular, Investments, Physical Assets and Public Debts .

(Ko e Ngaahi Fakamatala Pa'anga 'a e Pule'anga 2006-07 'oku toe teuteu 'i he fotunga tatau na'e ngaue'aki 'i he ongo ta'u 'e tolu (3) kimu'a. Ko e fotunga fo'ou ko'eni 'oku fenapasi ia mo e ngaahi fiema'u 'a e Lao ki hono Pule'i 'o e Pa'anga a e Pule'anga 2002 pea fakatatau mo e ngaahi ngaue faka'akauni 'oku tali ke ngaue'aki fakalukufua. Ko e ngaahi ola lalahi 'o e liliu ko'eni 'oku fakahaa'i atu ia 'i he Fakamatala ki he Ngaahi Koloa mo e Mo'ua, felave'i mo e 'Inivesi, Ngaahi Koloa Ngaue'aki Taimi Loloa, mo e Ngaahi Mo'ua No Faka-Pule'anga.)

xi. Comparative Figures (Ngaahi Fika Fakafehoanaki 'o e Ta'u Kimu'a)

The comparative figures in all Statements were constructed to provide information on the existing balances of the previous year. The comparative figures for the Statement of Assets and Liabilities are still disclosed at the balances in the previous year's signed accounts.

(Ko e Ngaahi Fika Fakafehoanaki 'o e Ta'u Kimu'a 'i he Ngaahi Fakamatala na'e fokotu'u ke ne fakahaa'i atu 'a e ngaahi palanisi 'i he ta'u kuo 'osi. Ko e fika fakafehoanaki 'o e Fakamatala 'o e Ngaahi Koloa mo Mo'ua 'oku kei fakahaa'i pe ia 'i he ngaahi palanisi 'o e 'akauni na'e fakamo'oni 'i 'o e ta'u kimu'a)

2. Operating Revenue for the year ended 30 June 2007

(Fakatupu Pa'anga Angamaheni ki he ta'u 'oku ngata ki he 'aho 30 Sune 2007)

	Estimate (<i>'Esitimet</i> i)	Actual (<i>Hu mai mo'oni</i>)	More than Estimate (<i>Lahi he 'Esitimet</i> i)	Less than Estimate (<i>Si'isi'i he 'Esitimet</i> i)
	\$	\$	\$	\$
OPERATING REVENUE (FAKATUPU PA'ANGA ANGAMAHENI)				
00 Income Tax (<i>Tukuhau Vahenga</i>)				
PAYE & Corporate Tax (<i>Tukuhau mei he Vahenga & Kautaha</i>)	26,898,039	26,430,442		467,597
01 Trade Taxes (<i>Tukuhau Fefakatau'aki</i>)				
Import Duties (<i>Tute Koloa Humai</i>)	25,455,432	47,535,367	22,079,935	
02 Domestic fees and Licensing (<i>Totongi Ngaue mo e Laiseni</i>)				
Trading & Export Licenses & Fees (<i>Ngaahi Laiseni Fefakatau'aki mo e Hu Koloa</i>)	505,028	429,783		75,245
03 Taxes on Goods and Services (<i>Tukuhau Koloa mo e Ngaue</i>)				
Consumption Tax - Import (<i>Tukuhau Ngaue'aki Koloa Humai</i>)	42,221,968	42,973,307	751,339	
Consumption Tax - Domestic (<i>Tukuhau Ngaue'aki Fakaloto fonua</i>)	12,853,582	5,618,898		7,234,684
Government Consumption Tax (<i>Tukuhau Ngaue'aki Pule'anga</i>)	4,000,000	640,581		3,359,419
Total Taxes on Goods and Services (<i>Tukuhau Koloa mo e Ngaue</i>)	59,075,550	49,232,786	751,339	10,594,103
04 Excise Tax (<i>Tukuhau 'Ekisia</i>)	23,815,152	1,183,419		22,631,733
06 Entrepreneurial and Property Income (<i>Pa'anga Hu Mai 'i he Ngaahi Pisinisi mo e Koloa 'a e Pule'anga</i>)				
Interests (<i>Tupu</i>)	574,236	980,040	405,804	
Loan Repayments (<i>Totongi Fakafoki e no</i>)	1,400,687	1,060,767		339,921
Dividends (<i>Ngaahi 'Inasi</i>)	1,832,370	5,317,477	3,485,107	
Other Income (<i>Ngaahi humai kehe</i>)	305,143	402,477	97,334	
Total Entrepreneurial and Property Income (<i>Pa'anga Hu Mai 'i he Ngaahi Pisinisi mo e Koloa 'a e Pule'anga</i>)	4,112,437	7,760,761	3,988,245	339,921
07 Administrative Fees & Charges (<i>Totongi ki he ngaahi Ngaue</i>)	8,242,594	11,016,843	2,774,249	
08 Miscellaneous Revenue (<i>Pa'anga Hu mai kehe</i>)	569,048	1,918,203	1,349,155	
09 Transfer and Bond Receipts (<i>Pa'anga Hu Mai mei he Totongi mo e Ponite</i>)				
Receipt from Bond (<i>Ma'u mai mei he Ponite</i>)	6,183,000	6,000,000		183,000
Transfer from NRBT (<i>Totongi mai mei he Pangike Pule Fakafonua 'a Tonga</i>)	2	-		2
Total Transfer and Bond Receipts (<i>Katoa Pa'anga Hu Mai mei he Totongi mo e Ponite</i>)	6,183,002	6,000,000		183,002
TOTAL OPERATING REVENUE (KATOA FAKATUPU PA'ANGA ANGAMAHENI)	154,856,281	151,507,602	30,942,922	34,291,601

3. **Operating Expenditure by Standard Group for the year ended 30 June 2007**
(Fakamole Angamaheni 'i hono fa'ahinga ki he ta'u 'oku ngata ki he 'aho 30 Sune 2007)

	Original Estimate (<i>'Esitimeti 'Uluaki</i>)	Net Transfer of Funds (<i>Fe'ave'aki Pa'anga</i>)	Revised Estimate (<i>'Esitimeti Totonu</i>)	Actual (<i>Hu atu totonu</i>)	Less (More) than Estimate (<i>Si'isi'i (Lahi) he 'Esitimeti</i>)
	\$	\$	\$	\$	\$
OPERATING EXPENDITURE (FAKAMOLE ANGAMAHENI)					
10 Established Staff (<i>Kau Ngaue Tu'uma'u</i>)	85,707,747	(3,225,701)	82,482,046	81,144,555	1,337,490
11 Unestablished Staff (<i>Kau Ngaue Lau'aho</i>)	1,621,389	1,381,065	3,002,454	2,882,363	120,091
12 Travel and Communication (<i>Fefononga'aki mo Fetu'utaki</i>)	4,735,912	2,170,870	6,878,788	6,636,861	241,926
13 Maintenance and Operations (<i>Tauhi mo Fakalele Ngaue</i>)	5,635,765	1,747,850	7,383,614	6,873,333	510,281
14 Purchase of Goods and Services (<i>Totongi Koloa mo Ngaue</i>)	18,579,790	202,477	18,810,261	16,522,754	2,287,507
15 Operational Grants and Transfers (<i>Me'a'ofa Fakangaue mo e 'Inasi</i>)	13,497,022	4,183,965	17,680,987	17,571,866	109,121
17 Public Debt (<i>Ngaahi No Fakapule'anga</i>)	18,890,510	(2,589,481)	16,301,029	16,204,370	96,659
18 Capital Transfer (<i>'Inasi Pa'anga Tokoni</i>)	2,559,122	(2,537,858)	21,264	-	21,264
19 Defence (<i>Malu'i</i>)	81,711	43,167	124,878	121,495	3,383
20 Capital Expenditure (<i>Fakamole ki he Ngaahi NgaueLalahi</i>)	6,020,798	(918,258)	5,102,540	4,897,408	205,132
21 Equity Payment (<i>Totongi 'Inasi</i>)	693,929	(502,780)	191,149	190,780	369
77 Privy Purse (<i>Vahenga Faka-Tu'i</i>)	262,245	44,685	306,930	306,770	160
Total Operating Expenditure (<i>Katoa Pa'anga Totongi atu</i>)	158,285,940	(0)	158,285,940	153,352,555	4,933,385

Transfer of funds within and between programmes (*Fehikitaki pa'anga 'i he ngaahi polokalama*)

The table above shows the transfer of funds by expenditure function within and between programmes of Ministries, and also from Contingency Fund during the reporting period. Thus it also shows the budget variations in respective expenditure functions as a result of the transfer. All transfer of funds during the reporting period were made in accordance with the requirements of sections 10(1) & 12(2) & (3) of the Public Finance Management Act 2002. (*Ko e tepile 'i 'olunga 'oku ne fakahaa'i 'a e ngaahi pa'anga na'e fehikitaki 'i he ngaahi polokalama 'o e ngaahi Potungaue 'i he lolotonga 'a e ta'u, pea mei he Sino'i Pa'anga Talifaki. 'A ia 'oku toe ha ai mo e ngaahi feliliuaki fakapatiseti tupu mei he fehikitaki pa'anga 'i he ngaahi polokalama. Ko e katoa 'o e ngaahi fehikitaki fakapa'anga 'i he ngaahi polokalama he lolotonga 'a e ta'u na'e fakahoko fakatatau ia mo e ngaahi fiema'u 'oku tu'utu'uni 'e he kupu 10(1) & 12(2) & (3) 'o e Lao ki hono Pule'i 'a e Pa'anga 'a e Pule'anga 2002.*)

4. Development Fund Receipts for the year ended 30 June 2007
(Pa'anga Humai Ngaue Fakalakalaka ki he ta'u 'oku ngata ki he 'aho 30 Sune 2007)

Donor Country/Organisation (Pule'anga/Kautaha Tokoni)	Estimate ('Esitimeti) \$	Actual (Humai Mo'oni) \$	More than Estimate (Lahi he 'Esitimeti) \$	Less than Estimate (Si'i he 'Esitimeti) \$
1 Australian Bilateral (Tokoni Fakapule'anga 'Aositelelia)	267,101	1,007,124	740,023	
2 Australian Defence Co-operation (Tokoni Malu'i 'Aositelelia)	-	358,861	358,861	
3 Australia - Other Government (Tokoni kehe Pule'anga 'Aositelelia)	2	-		2
6 France (Falanise)	3	-		3
7 Japanese International Cooperation Agency (Pule'anga Siapani)	18	8,052	8,034	
8 Netherlands (Holani)	1	-		1
9 New Zealand Bilateral (Tokoni Fakapule'anga 'a Nu'usila)	7,863,318	5,910,049		1,953,269
10 USA Bilateral (Tokoni Fakapule'anga 'a 'Amelika)	3,482,574	-		3,482,574
11 USA Non-Government (Tokoni kehe mei he Pule'anga 'Amelika)	1	-		1
12 People's Republic of China (Lepapulika 'o e kakai 'o Siaina)	2	-		2
13 United Kingdom (Pilitania)	3,078,013	7,505,664	4,427,651	
14 Taiwan (Taiuani)	4	-		4
15 PRIDE (Polokalama Tokoni ki he Ako)	395,770	366,635		29,135
15 Asian Development Bank (Pangike Fakalakalaka 'a 'Esia)	2,003,024	417,103		1,585,921
16 World Bank International Development Agency (Pangike Pule 'a Mamani Va'a ki he Fakalakalaka)	13,203,250	813,626		12,389,624
17 Commonwealth Fund for Technical Co-operation (Tokoni Fakatekinikale Ngaahi fonua Kominiueli)	111,701	47,785		63,916
18 European Union (Kautaha Fakatahataha 'o 'Iulope)	11,392,029	3,493,674		7,898,355
19 Forum Secretariat (Sekelitali 'a e Folomu)	1	-		1
20 South Pacific Commision (Komisoni 'a e Pasifiki Saute)	10,002	-		10,002
21 South Pacific Regional Environment Programme (Ngaahi Polokalama Fakafeitu'u 'a e Pasifiki ki he 'Atakai)	283,011	76,212		206,799
22 United Nations Development Programme (Polokalama Langa Fakalakalaka 'a e Pule'anga Fakatahataha)	1,372,615	361,294		1,011,321
23 United Nations Family Planning Association (Polokalama 'a e Pule'anga Fakatahataha ki he Fakakaukau'i 'o e Famili)	237,601	57,272		180,329
24 United Nations International Children's Fund (Polokalama Fakavaha'apule'anga 'a e Pule'anga Fakatahataha ki he Fanau)	15,000	-		15,000
25 International Labour Organisation (Kautaha Leipa 'a Mamani)	1	-		1
26 World Health Organisation (Kautaha Mo'ui 'a Mamani)	-	246,359	44,997	
27 South Pacific Applied Geoscience Commision (Komisoni Siosaienisi 'a e Pasifiki Saute)	804	-		804
28 United Nation Environment Program (Polokalama Tokoni ki he 'Atakai 'a e Pule'anga Fakatahataha)	485,900	175,390		310,510
29 Forum Fishing Agencies (Kautaha Toutai 'a e Pasifiki)	143,629	33,013		110,616
29 Tonga Trust Fund (Pa'anga Talasiti 'a Tonga)	10	-		10
30 Revolving Fund (Pa'anga Ngaue)	7,431,049	3,521,134		3,909,915
31 Local Community Contribution (Tokoni Fakakolo)	11,001	28,000	16,999	
32 IDA/NZAID Trust Fund (Pa'anga Talasiti 'a e IDA/NZAID)	6	1,723,800	1,723,794	
32 Other Donors (Ngaahi Tokoni kehe)	301,260	228,405		72,855
Total Development Receipt (Katoa Pa'anga Fakalakalaka Humai)	52,088,701	26,379,451	7,320,359	33,230,970

5. Development Fund Expenditure for the year ended 30 June 2007

(Fakamole ki he Ngaue Fakalakalaka ki he ta'u 'oku ngata ki he 'aho 30 Sune 2007)

Ministry (Potungaue)	Estimate ('Esitimeti)	Actual (Hu atu mo'oni)	More than Estimate (Lahi he 'Esitimeti)	Less than Estimate (Si'i he 'Esitimeti)
	\$	\$	\$	\$
1 Palace Office ('Ofisi Palasi)	2	-		2
2 Legislative Assembly (Fale Alea)	400,001	-		400,001
3 Prime Minister's Office ('Ofisi Palemia)	79,021	462,630	383,609	
4 Commissioner of Public Relations (Komisona ki he Va mo e Kakai)	-	-		-
5 Audit Department (Potungaue 'Atita)	2	-		2
6 Ministry of Finance & National Planning (Potungaue Pa'anga mo e Palani Fakafonua)	7,094,219	10,305,547	3,211,328	
7 Ministry of Foreign Affairs (Potungaue Ngaahi Ngaue ki Muli)	12,119,141	4,054,313		8,064,828
8 Tonga Defence Services (Tau Malu'i Fonua 'a Tonga)	3	358,861	358,858	
9 Ministry of Lands, Survey, Natural Resources and Environment (Potungaue Fonua, Savea, Ngaahi Koloa Fakanatula & 'Atakai)	2,487,980	1,173,697		1,314,283
10 Ministry of Justice & Attorney General (Potungaue Lao mo e Fakamaau'anga)	-	66,587	66,587	
11 Ministry of Police, Prisons & Fire Services (Potungaue Polisi, Pilisone mo e Va'a Tamate Afi)	291,219	176,563		114,656
12 Ministry of Education, Women Affairs & Culture (Potungaue Ako, Kakai Fefine mo e Tukufakaholo)	15,180,229	2,554,664		12,625,565
13 Ministry of Health (Potungaue Mo'ui)	7,959,254	603,896		7,355,358
Ministry of Agriculture, Food, Forests & Fisheries (Potungaue				
14 Ngoue, Me'atokoni, Ngaahi Vao'akau mo e Toutai)	1,885,509	865,406		1,020,103
15 Ministry of Labour, Commerce and Industries (Potungaue Ngaue 'a e Kakai, Fefakatau'aki mo e Ngaahi Ngaue'anga)	160,019	182,511	22,492	
16 Tonga Visitors Bureau (Potungaue Takimamata)	429,696	232,527		197,169
17 Ministry of Works (Potungaue Ngaue)	2,285,166	1,763,363		521,803
18 Ministry of Transport (Potungaue 'o e Fefononga'aki)	225,020	284,981	59,961	
19 Ministry of Training, Employment, Youth & Sports (Potungaue Ako Ngaue, Ngaue'anga, To'utupu & Sipoti)	1,492,220	215,203		1,277,017
20 Crown Law Department (Potungaue Lao)	-	306,919	306,919	
21 Other Donors (Ngaahi Tokoni Kehe)	-	1,254,217	1,254,217	
Total Expenditure (Katoa Fakamole)	52,088,701	24,861,884	5,663,970	32,890,787

6. Cash (Pa'anga)

Cash comprises cash on hand, demand deposits and cash equivalents. Demand deposits and cash equivalents consist of balances with banks and investments in short-term money market instruments.

(Ko e Pa'anga 'oku kau ki ai 'a e pa'anga 'i he ngaahi Falepa'anga, ngaahi tipositi fiema'u vave, mo e ngaahi pa'anga tatau pehee. Ko e ngaahi tipositi fiema'u vave mo e ngaahi pa'anga tatau pehee 'oku kau ai 'a e ngaahi toenga pa'anga 'i he ngaahi pangike mo e ngaahi pa'anga 'inivesi 'i he maketi pa'anga taimi nounou).

Cash included in the Statement of Receipts and Payments comprise the following amounts: (Ko e Pa'anga 'oku ha 'i he Fakamatala ki he Ngaahi Pa'anga Hu Mai mo e Hu Atu 'oku kau ki ai 'a e ngaahi mahu'inga ko'eni:)

	2006-07	2005-06
Cash on hand and balances with banks (Pa'anga 'i he Falepa'anga mo e ngaahi palanisi 'i he pangike)	\$29,229,061	\$29,950,831
Short-term investments (Ngaahi 'inivesi taimi nounou)	0	0
	\$29,229,061	\$29,950,831

Included in the amount stated above for 2006-07 is an amount of more than \$7 million pa'anga provided by the Peoples' Republic of China as budget support for operation of government. Also included is the amount of around \$15.8 million which comprises of different amounts that are earmarked for various projects as specified by the respective Donor Agencies.

('Oku fakakau 'i he pa'anga 'oku ha atu 'i 'olunga ki he ta'u 2006-07 'a e pa'anga laka hake ki he \$7 miliona ko e pa'anga tokoni mei he Lepapulika Kakai 'o Siaina ko e tokoni faka-patiseti ki he ngaahi ngaue 'a e pule'anga. Tanaki atu, 'oku toe fakakau 'i he pa'anga 'i 'olunga mo e pa'anga fakakatoa 'oku laka hake he \$15.8 miliona ko e ngaahi pa'anga kehekehe pe ka 'oku fakataumu'a hono ngaue'aki ki he ngaahi poloseki kehekehe 'o fakatatau ki he fiema'u 'a e ngaahi Fonua/Kautaha Tokoni na'a nau 'omai 'a e pa'anga takitaha koia).

The total undrawn borrowing facilities as at 30 June, 2007 amounted to \$14,000,579 Tongan Pa'anga (SDR 4,740,014). Such undrawn amount relates to three (3) different loans from IDA (no. 3647, 3814 & 4081) with respective amounts of : \$1,829,454 that provided for funding of Waka Disaster Relief Projects; and \$10,215,776 committed to the funding of the new Vaiola Hospital Project - Ministry of Health; and \$1,955,349 for the Education Support Project - Ministry of Education. (Ko e ngaahi no te'eki toho 'i he 'aho 30 Sune 2007 na'e fe'unga fakakatoa mo e pa'anga 'e \$14,000,579 (SDR4,740,014). Ko e pa'anga te'eki toho ko'eni 'oku fekau'aki ia mo e ngaahi no kehekehe 'e 3 mei he IDA (fika 3647, 3814 & 4081), 'a ia ko e: pa'anga \$1,829,454 'oku fakataumu'a pe hono ngaue'aki ki he ngaahi poloseki Tokoni Langa Afa Waka; ko e pa'anga \$10,215,776 'e fakahangatonu pe hono ngaue'aki ki he langa 'o e Falemahaki Vaiola Fo'ou - Potungaue Mo'ui, pea moe pa'anga \$1,955,349 ki he poloseki Tokoni ki he Ako - Potungaue Ako.)

The government has benefited from goods and services paid for on its behalf by third parties by way of contributions. These payments do not constitute cash receipts or payments by the government as they operate outside the government accounting system with a separate bank account, but however do benefit the government. Details are as follow:

(Na'e ta'imalie 'a e pule'anga mei he ngaahi koloa mo e ngaue na'e totongi ma'ana mei he ngaahi feitu'u kehe 'i ha ngaahi tokoni. Ko e ngaahi totongi atu ko'eni 'oku 'ikai ha ia 'i he fakamatala pa'anga hu mai pe hu atu 'a e pule'anga, koe'uhi pe he 'oku ikai fakafou mai ia he founga fakapa'anga angamaheni 'a e Pule'anga ka 'i he 'akauni pangike mavahe pe, kaneongo ia na'e ma'u e he pule'anga 'a e monu'ia koia. Ko e ngaahi fakaiiki eni:)

Name of Account (Hingoa 'o e 'Akauni)	Balance 30 June 2007 (Palanisi 30 'o Sune 2007)
	\$
1. Australia Tonga Development Scheme (Polokalama Tokoni Fakalalakala 'a 'Aositelelia ki Tonga)	871,979.45
2. Customs Reform Programme (Polokalama Fakafo'ou 'a e Kasitomu)	424,812.38

7. Changes in Advances, Trust Money and Investments

(Ngaahi Kehekehe 'i he Fe'ave'aki pa'anga, Ngaahi 'Akauni Talasiti, mo e Ngaahi Pa'anga 'Inivesi)

	Receipts (Hu Mai)	Payments (Hu Atu)	Net Change (Kehekehe)
	2006-07		
	\$	\$	\$
Charges to Individuals (<i>Ngaahi Mo'ua Fakafo'ituitui</i>)	4,210	15,865	(11,655)
Treasury Investments (<i>Ngaahi Pa'anga 'Inivesi Faka-Falepa'anga</i>)	25,336	-	25,336
Bank Agency Accounts (<i>Ongo 'Akauni Fakafofonga Pangike</i>)	1,734,082	2,013,519	(279,437)
Trust Money Accounts (<i>Ngaahi 'Akauni Talasiti</i>)	2,861,417	4,816,031	(1,954,614)
Adjustments (<i>Ngaahi Fakatonutonu</i>)	2,614,756	-	2,614,756
	7,239,801	6,845,415	394,385

	Receipts (Hu Mai)	Payments (Hu Atu)	Net Change (Kehekehe)
	2005-06		
	\$	\$	\$
Charges to Individuals (<i>Ngaahi Mo'ua Fakafo'ituitui</i>)	272	26,444	(26,172)
Treasury Investments (<i>Ngaahi Pa'anga 'Inivesi Faka-Falepa'anga</i>)	13,082,517	15,082,517	(2,000,000)
Bank Agency Accounts (<i>Ongo 'Akauni Fakafofonga Pangike</i>)	1,622,627	1,492,147	130,480
Trust Money Accounts (<i>Ngaahi 'Akauni Talasiti</i>)	1,091,821	1,022,982	68,839
Adjustments (<i>Ngaahi Fakatonutonu</i>)	-	1,998,551	(1,998,551)
	15,797,237	19,622,641	(3,825,404)

8. Charges to Individuals (*Ngaahi Mo'ua Fakafo'ituitui*)

This amount represents the total charges by Government to Individuals for expenses incurred but not yet paid. The amount is repayable. (*Ko e mahu'inga ko'eni 'oku ne fakafofonga'i 'a e ngaahi totongi na'e hilifaki 'e he Pule'anga fekau'aki mo e ngaahi fakamole/mo'ua na'e te'eki ke totongi. 'Oku kei malava pe ke totongi mai 'a e ngaahi mo'ua ni.*)

9. Government Investments (*Ngaahi 'Inivesi 'a e Pule'anga*)

The amount of \$72,670,188 represents the total Government Investments as at 30 June, 2007, as detailed in the Statement of Government Investments and shown in Notes 20 - 23(a). (*Ko e \$72,670,188 'oku ne fakafofonga'i 'a e mahu'inga 'o e ngaahi 'inivesi 'a e Pule'anga 'i he 'aho 30 Sune, 2007, 'o hange ko e fakaikiiki 'i he Fakamatata ki he Ngaahi 'Inivesi 'a e Pule'anga pea ha atu 'i he Nouti 20 - 23(a)*)

10. Physical Assets (*Ngaahi Koloa Ngaue'aki Taimi Loloe*)

The balance of \$134,594,268 is again an estimated value of physical assets at balance date. The change in physical assets balance of \$4,897,408 was just for the additional capital expenditure during the year. Any assets disposed during the year were not considered significant and therefore not reflected in the final balance. No depreciation charged against the value of assets at balance date due to the fact that such balance is just an estimated amount.

However, this is a very conservative value of the government assets, which mostly related to assets acquired through loan and other related funds. The Treasury is still working with line Ministries so that that by 30 June 2009 the value of government physical assets are determined to be more complete and accurate and therefore fairly disclosed in future financial statements. (*Ko e Palanisi \$134,594,268 ko e toe fakafuofua pe ia 'o e mahu'inga 'o e ngaahi koloa ngaue'aki taimi loloe 'i he 'aho faka'osi. Ko e liliu fe'unga mo e \$4,897,408 'i he palanisi 'o e ngaahi koloa ngaue'aki taimi loloe ki he ta'u, ko e ngaahi fakamole pe ia ki hono fakatau 'o e ngaahi koloa ngaue'aki taimi loloe 'i he lolotonga 'a e ta'u. Ko e ngaahi koloa ngaue'aki ne fakatau atu he lolotonga 'a e ta'u na'e 'ikai fu'u lahi fe'unga ke fakakau mo fakahaa'i atu heni. 'Oku 'ikai to'o foki 'a e holo he mahu'inga 'o engaaahi koloa ngaue'aki 'i he 'aho faka'osi koe'uhi pe ko e kei fakafuofua'i pe 'a e mahu'inga. Kaneongoia, 'oku fu'u ma'ulalo*)

pe 'a e mahu'inga ia 'oku ha atu ki he ngaahi koloa 'a e Pule'anga, 'a ia 'oku meimei fekau'aki pe ia ki he ngaahi koloa na'e fakatau'aki 'a e pa'anga no mo e ngaahi pa'anga kehe pe. 'Oku kei ngaue pe 'a e Falepa'anga mo e ngaahi Potungaue koe'uhi ke a'u ki he 'aho 30 Sune 2009 'Oku kei ngaue pe 'a e Falepa'anga mo e ngaahi Potungaue ko e mahu'inga 'a e ngaahi koloa tu'uma'u 'a e pule'anga kuo fakapapau'i ange 'a 'ene kakato mo e tonu koe'uhi ke fakahaa'i 'i he ngaahi fakamatala pa'anga he kaha'u)

11. Bank Agency Accounts (Ongo 'Akauni Fakafongong Pangike)

This is the amount owed to the Westpac Bank of Tonga for Sub-Treasury Bank Agents in Niuatoputapu and Niuafo'ou. (Ko e mahu'inga 'eni 'o e mo'ua ki he Westpac Pangike Tonga fekau'aki mo e fakafongong pangike 'a e ongo Falepa'anga 'i Niuatoputapu mo Niuafo'ou)

12. Trust Money Accounts (Ngaahi 'Akauni Talasiti)

This is the total of money held by Government: pending the completion of a transaction or dispute; in trust for any purpose approved by the Minister; unclaimed money due to or belongs to any person ; or collected by Government on behalf of any person under any agreement. (Ko e fakakatoa 'eni 'o e pa'anga 'oku tauhi 'e he Pule'anga: 'o fakatatali ki hono fakakakato 'o ha fehu'aki pa'anga pe ha fakatonutonu; talasiti ki ha fa'ahinga taumu'a ne fakangofua 'e he Minisita; pa'anga te'eki ke 'eke'i ka kuo taimi ke totongi ki ha taha; pa'anga 'oku ma'u mai 'e he Pule'anga ka 'oku te'eki ke totongi fakatatau ki ha aleapau)

Details of Trust Money Accounts are as follow (Ko e fakakiiki 'eni 'o e Ngaahi 'Akauni Talasiti):

	2006-07	2005-06
Distraints - Legal Settlements (Totongi Mo'ua he Fakamaau'anga)	66,895	\$61,108
Unclaimed Salaries, Wages and Expenses (Ngaahi vahe mo e fakamole te'eki ke 'ave)	193,709	108,791
Held in Trust Accounts (Ongo 'Akauni Tauhi Talasiti)	90,274	56,274
Deposits Accounts (Ngaahi 'Akauni Tipositi)	2,086,371	256,461
Suspense Sundry (Ngaahi 'Akauni kei fakapapau'i)	(2,229)	(2,229)
TOTAL (FAKAKATOA)	\$2,435,020	\$480,406

13. Public Debts (Ngaahi Mo'ua No Faka-Pule'anga)

The total amount owed by the government as loans from individuals and other organisations both domestic and overseas. Foreign Debts are detailed in Note 26, while Domestic Debts are detailed in Note 27. (Ko e fakakatoa eni o e ngaahi mo'ua no faka-pule'anga mei he kakai taautaha mo e ngaahi kautaha, faka-loto fonua mo tu'apule'anga. 'Oku fakakiiki atu 'a e Ngaahi No mei Tu'apule'anga 'i he Nouti 26, kae fakakiiki atu 'a e Ngaahi No Faka-loto fonua 'i he Nouti 27.)

	Foreign Debt (Ngaahi No mei Tu'apule'anga)	Domestic Debt (Ngaahi No Faka-loto fonua)	Total Public Debt (Katoa Mo'ua No Faka- Pule'anga)
Current portion (Konga ke totongi 'i loto mahina 12)	\$4,973,996	\$7,618,109	\$12,592,105
Non-current portion (Konga ke totongi hili mahina 12)	156,448,728	18,086,063	174,534,791
Total (Faka-katoa)	\$161,422,724	\$25,704,172	\$187,126,896

14. Development Funds (Ngaahi Pa'anga Fakalakalaka)

Funds held in the Development Fund represents unspent grants and external concessional loans and can only be used to meet expenditure within the terms and conditions of each particular grant and concession loans. (Ko e ngaahi pa'anga 'oku tauhi ko e Pa'anga Fakalakalaka 'oku ne fakafofonga'i 'a e ngaahi tokoni mo e noo ma'ama'a mei he Pangike Fakavaha'a Pule'anga te'eki ke fai hano fakamole, pea 'e toki ngaue'aki pe ke totongi'aki ha ngaahi fakamole 'o fakatatau ki he ngaahi tu'utu'uni mo e fiema'u 'a e tokoni mo e noo takitaha).

15. Adjustments (Ngaahi Fakatonutonu)

The Net Adjustments amount of \$7,010,635 to Revenue Balance comprised of various adjustments to assets and liabilities accounts that were initially accounted for as expenses and revenue and thus decrease or increase the Revenue Balance. These adjustments were mainly on physical assets, investments, and public debts. These adjustments had the effect on the Revenue Balance due to the modification of the accounting treatment for Debts, Investments and Assets in this year's financial statements. (Ko e mahu'inga \$7,010,635 'o e Fakakatoa 'o e Ngaahi Fakatonutonu ki he Toenga Pa'anga Angamaheni 'oku kau ai 'a e ngaahi fakatonutonu ki he ngaahi koloa ngaue'aki taimi loloa mo e ngaahi mo'ua 'a ia ne mu'aki lau ko e ngaahi huatu mo e humai 'a ia 'oku ne holoki pe tukuhake 'a e Toenga Pa'anga Anagamaheni. Ko e ngaahi fakatonutonu na'e lahi taha pe ki he ngaahi koloa tu'uma'u taimi loloa, ngaahi 'inivesi, mo e ngaahi mo'ua no fakapule'anga. 'Oku kau ki ai mo e ngaahi fakatonutonu koe'uhi ko e fe'unu'aki 'i he mahu'inga 'o e ngaahi 'inivesi na'e 'osi fakahaa'i 'i he ta'u kuo hili. Ko e fakatonutonu tanakiatu ki he Toenga Pa'anga ko e ola totonu ia 'o e liliu ki he founa tauhitohi 'o fakakau mai 'a e Ngaahi Mo'ua, Ngaahi 'Inivesi mo e Ngaahi Koloa 'a e Pule'anga ki he fakamatala pa'anga 'o e ta'u ko'eni.)

16. Operating Surplus (Deficit) (Pa'anga Hulu (Nounou) Ngaahi Ngaue Angamaheni)

The 2006-07 operation of government resulted in a deficit of \$1,844,952. The main reason for the deficit is due to more unforeseen events during the year that need immediate payments. This include various expenses for the funeral of the late King Taufa'ahau Tupou IV, and also the civil unrest in Nuku'alofa in November 2006.

(Ko e Ngaahi Ngaue angamaheni 'a e Pule'anga ki he ta'u fakapa'anga 2006-07 na'e 'i ai 'a e Nounou fe'unga mo e \$1,844,952. Ko e 'uhinga tefito 'a e nounou ko'eni ko e pau ke totongi e ngaahi fakamole na'e fakatu'upakee ene hoko he lolotonga 'a e ta'u fakapa'anga kae pau ke fai hano totongi 'a e ngaue ki ai. 'Oku kau heni 'a e me'afaka'eiki ki he hala 'a e La'a kuo ungafonua ko Taufa'ahau Tupou IV. Pehe foki ki he fakamoveuveu sivile na'e hoko 'i Novema 2006.)

17. Transfer Preserved Accounts (Ngaahi 'Akauni Liliu Tauhi)

	2006-07	2005-06
Transfer Preserved Accounts (Ngaahi 'Akauni Liliu Tauhi)	\$13,322,873	\$14,414,267
Interest on Transfer Preserved Accounts (Totongi Tupu 'i he Ngaahi 'Akauni Liliu Tauhi)	7,911,763	7,159,059
Total (Fakakatoa)	\$21,234,636	\$21,573,326

The Government is required under regulation 23 of the Pensions (Amendment) Regulations 1999 to transfer to the Retirement Fund Board the Transfer Preserved Accounts of those staff in the civil service at 30 June 1999 who become members of the new retirement fund scheme. At 30 June 2007, the Ministry of Finance still maintained the Transfer Preserved Accounts and accumulated interests of 6 percent (%) per annum of majority of the Ministries/Departments, with the total value of \$13,322,873 (2005-06 - \$14,414,267) and Interests of \$7,911,763 (2005-06 - \$7,159,059). The Treasury has commenced the payments of these Accounts plus Interests of these Ministries/Departments including those staff who had been ceased from the service. ('Oku fiema'u 'a e Pule'anga, 'i he tu'utu'uni 23 'o e Ngaahi Tu'utu'uni (Fakatonutonu) ki he Lao Penisoni 1999, ke totongi ki he Poate Pa'anga Malolo 'a e mahu'inga fakakatoa 'o e Ngaahi 'Akauni Liliu Tauhi 'a e kaungaue faka-pule'anga na'a nau lolotonga ngaue 'i he 'aho 30 Sune, 1999, pea nau hoko ko e memipa 'i he polokalama vahenga malolo fo'ou. 'I he 'aho 30 Sune 2007, na'e kei tauhi 'e he Potungaue Pa'anga 'a e Ngaahi 'Akauni Liliu Tauhi fakataha mo e Totongi Tupu peseti (%) 'e 6 ki he ta'u, 'a e konga lahi 'o e Ngaahi Potungaue, 'a ia na'e fe'unga hono mahu'inga fakakatoa mo e pa'anga 'e \$13,322,873 (2005-06 - \$14,414,267) mo e Totongi Tupu pa'anga 'e \$7,911,763 (2005-06 - \$7,159,059). Kuo kamata totongi atu e he Falepa'anga 'a e mahu'inga 'o e Ngaahi 'Akauni pea mo e Totongi Tupu 'o e ngaahi Potungaue 'e ni'ihii kau ai mo e ni'ihii kuo ngata 'enau fakahoko fatongia.)

18. Contingent Liabilities (Ngaahi Mo'ua 'e ala Totongi 'i he Kaha'u)

The Minister of Finance under the authority of the Privy Council (*Public Management Act 2002, section 31*) provides guarantees for the financial liability of entities in respect of loans. A contingent liability is a fiscal obligation contingent on the occurrence of a particular event or events. The guarantees given are in respect of Foreign and Domestic Loans which comprise of commitments of the Government to the overseas financial institutions and in respect of loans taken by the domestic institutions.

These loans are mainly for public enterprises and institutions such as the Tonga Development Bank, Tonga Communication Commission, International Dateline Hotel, and Squash and Agriculture Farmer Councils. These public enterprises and institutions form an integral part of the Tonga's infrastructure and financial services and the guarantees are a commitment on the part of the Government to ensure the delivery of their services. The amounts for contingent liabilities are not recognised in the financial statements.

('Oku hanga 'e he Minisita Pa'anga 'i hono fakamafai'i 'e he Fakataha Tokoni (Lao ki hono Pule'i 'a e Pa'anga a e Pule'anga 2002, kupu 31) 'o foaki ha malu'i ki ha mo'ua fakapa'anga 'o ha kautaha 'i ha no. Ko e Mo'ua Te'eki Fakapapau'i ko ha mo'ua fakapa'anga 'oku toki fakapapau'i pe 'i ha hoko ha fa'ahinga me'a. Ko e ngaahi malu'i na'e foaki na'e fekau'aki mo e ngaahi No mei Tu'apule'anga mo Fakaloto fonua 'a ia 'oku kau ai 'a e ngaahi mo'ua no 'a e Pule'anga ki he ngaahi kautaha 'i Tu'apule'anga pea pehe mo e ngaahi no 'a e ngaahi kautaha fakaloto fonua.

Ko e ngaahi no na'e fakahoko pe ki he ngaahi kautaha faka-pule'anga mo e ngaahi kautaha kehe, hange ko e Pangike Langa Fakalakalaka 'a Tonga, Komisoni Fetu'utaki 'a Tonga, Hotele Teitilaine, pea mo e ongo Kosilio 'a e Kau Ngoue Hina mo e kau Fa'a. Ko e ngaahi kautaha ko'eni 'oku nau hoko ko e kongā mahu'inga o e ngaahi makatu'unga 'o e langa fakalakalaka mo e ngaahi ngaue fakapa'anga pea ko e foaki 'o e malu'i ko e tukupa ia 'i he tafa'aki 'a e Pule'anga ke fakapapau'i 'oku fakahoko 'a e ngaahi fatongia mahu'inga koia. Ko e mahu'inga 'o e ngaahi mo'ua te'eki totongi 'oku 'ikai fakahaa'i ia 'i he ngaahi fakamatala pa'anga.)

19. Authorisation Date ('Aho Fakamafai'i)

The financial statements were authorised on 11 September, 2009, by Hon. 'Otenifi Afu'alo Matoto, Treasurer and Minister of Finance & National Planning. (*Ko e Fakamatala Pa'anga na'e fakamafai'i 'i he 'aho 11 'o Sepitema, 2009, 'e 'Otenifi Afu'alo Matoto, Tauhi Pa'anga mo e 'Eiki Minisita Pa'anga mo e Palani Fakafonua.*)

20. Treasury Investments (Ngaahi Pa'anga 'Inivesi 'a e Falepa'anga)

	Interest Rate (Totongi Tupu)	Maturity Date ('Aho 'Osi)	Amount (Mahu'inga) \$
Investments as at 30 June 2007 (Ngaahi 'Inivesi 'i he 'aho 30 'o Sune, 2007)			
Tonga Development Bank (Pangike Langa Fakalakalaka)			
15 months deposit promissory note (Tipositi palomesi nouti mahina 15)	7.75%	22.05.08	508,322
15 months deposit promissory note (Tipositi palomesi nouti mahina 15)	7.75%	23.05.08	508,507
15 months deposit promissory note (Tipositi palomesi nouti mahina 15)	7.75%	23.05.08	508,507
15 months deposit promissory note (Tipositi palomesi nouti mahina 15)	8.50%	24.08.08	1,500,000
18 months deposit promissory note (Tipositi palomesi nouti mahina 18)	7.50%	15.09.08	844,000
24 months deposit bond issue (Tipositi ponite mahina 24)	8.50%	24.10.08	600,000
Total Treasury Investments			4,469,336
(Katoa ngaahi 'Inivesi 'a e Falepa'anga)			

Investments as at 30 June 2006 (Ngaahi 'Inivesi 'i he 'aho 30 'o Sune, 2006)

Tonga Development Bank (Pangike Langa Fakalakalaka)			
15 months deposit promissory note (Tipositi palomesi nouti mahina 15)	6.75%	20.02.07	500,000
15 months deposit promissory note (Tipositi palomesi nouti mahina 15)	6.75%	23.02.07	500,000
15 months deposit promissory note (Tipositi palomesi nouti mahina 15)	6.75%	28.02.07	500,000
15 months deposit promissory note (Tipositi palomesi nouti mahina 15)	7.50%	24.05.07	1,500,000
18 months deposit promissory note (Tipositi palomesi nouti mahina 18)	6.25%	15.06.07	844,000
36 months deposit bond issue (Tipositi mahina 36)	7.25%	01.09.06	600,000
Total Treasury Investments			4,444,000
(Katoa ngaahi 'Inivesi 'a e Falepa'anga)			

21. Shares - Minority holdings
(Ngaahi 'Inasi - Ma'u 'Inasi iiki)

	Percentage Holdings (Peseti 'oku ma'u)	Value of shares at face value (Mahu'inga lolotonga 'o e 'inasi)	
		2006-07	2005-06
Air Pacific Limited	5.00%	\$90,196	\$89,431
(Kautaha 'Ea Pasifiki)			
Westpac Bank of Tonga	40%	1,200,000	1,200,000
(Westpac Pangike 'o Tonga)			
Hawaiian Airlines	nominal	1,297	1,362
(Kautaha Vakapuna Hawaii)			
Pacific Forum Line	6.10%	1,058,776	1,057,672
(Kautaha Vaka Pacific Forum)			
		\$2,350,270	\$2,348,465

22. Investment in other companies
('Inivesi 'i he Ngaahi Kautaha Kehe)

	2006-07	2005-06
Ocean Royal Shipping Company Limited	\$1,948,900	\$2,046,245
(Kautaha Vaka Ocean Royal)		
(Investment Amount : USD 1,000,000; Interest Rate : 6% pa)		
(Mahu'inga 'Inivesi : Pa'anga 'Amelika \$1,000,000; Totongi Tupu : 6% ki he ta'u)		

23(a) Public Enterprises - Government interest as at 30 June 2007
(Ngaahi Kautaha 'a e Pule'anga - 'Inasi 'o e Pule'anga 'i he 'aho 30 Sune 2007)

(in thousands of Pa'anga) (mahu'inga Pa'anga 'i he afe)	Percentage Holding (Peseti 'oku ma'u he 'inasi)	Shares (cost) (('Inasi (mahu'inga) (\$'000))	Share of Equity (('Inasi he Kautaha) (\$'000)	Government Loans (Ngaahi No mei he Pule'anga) (\$'000)	Estimated Value of Investment (Mahu'inga Fakafuofua 'Inivesi) (\$'000)	Government Guarantees (Ngaahi Malu'i no 'a e Pule'anga) (\$'000)
	1	2	3	4	5	
Government Companies (Ngaahi Kautaha'a e Pule'anga):						
International Dateline Hotel (31 March) (Hotele Teitilaini) (31 Ma'asi)	100%	\$6,000	\$0	\$9,724	\$9,724	\$623
Leiola Duty Free (31 December) (Falekoloa Leiola - 31 Tisema)	75%	600	2,842		2,842	
Royal Tongan Airlines (Kautaha Vakapuna 'a Tonga)	100%	0	0		0	0
Sea Star Fishing Co.Ltd (31 December) (Kautaha Toutai Fetu'u Tahii) (31 Tisema)	70%	2,100	0	3,646	3,646	
Shipping Corporation of Polynesia (31 December) (Kautaha Vaka Folautahi Polinisia) (31 Tisema)	100%	10	2,879		2,879	
Tonga Development Bank (31 December) (Pangike Langa Fakalakalaka 'o Tonga) (31 Tisema)	100%	10,530	23,978	6,226	30,204	1,744
Tonga Investment Limited (Group) (Kautaha 'Inivesi 'a Tonga)	100%	0.1	5,339	0	5,339	
Tonga Communications Corporation (Kautaha Fetu'utaki 'a Tonga)	100%	14,244	44,720	2,356	47,076	1,079
Tonga Timber Limited (Kautaha Papa 'a Tonga)	100%	3,593	5,791		5,791	
Tongan Corporation (31 December) (Kautaha Ngoue 'a Tonga) (31 Tisema)	100%	2	0		0	
Tongatapu Machinery Pool Ltd. (Kautaha Fakamisini 'a Tongatapu)	100%	800	493		493	
Statutory Bodies (Ngaahi Poate Faka-pule'anga):						
Ports Authority Tonga (Poate Ma'u Mafai ki he Ngaahi Taulanga)	100%		13,682	1,792	15,474	0
Tonga Broadcasting Commission (Komisoni Fakamafolalea Tonga)	100%		2,347		2,347	
Tonga Electric Power Board (Poate 'Uhila 'a Tonga)	100%		689	2,279	2,968	0
Tonga Water Board (Poate Vai 'a Tonga)	100%		19,936		19,936	
Totals (Faka-katoa)		\$37,879	\$122,696	\$26,023	\$148,719	\$3,446
Allowances for loss in value (Ngaahi tokonaki ki he mole 'o e mahu'inga)						
			(4,373)	(3,646)	(8,019)	
Estimated value of Investments (Mahu'inga fakafuofua 'o e Ngaahi 'Inivesimeni)						
			\$118,323	\$22,377	\$140,700	

Public Enterprises - Government interest as at 30 June 2006
(Ngaahi Kautaha 'a e Pule'anga - 'Inasi 'o e Pule'anga 'i he 'aho 30 Sune 2006)

(in thousands of Pa'anga) (mahu'inga Pa'anga 'i he afe)	Percentage Holding (Peseti 'oku ma'u he 'inasi)	Shares (cost) (Inasi (mahu'inga) (\$'000))	Share of Equity (Inasi he Kautaha) (\$'000)	Government Loans (Ngaahi No mei he Pule'anga) (\$'000)	Estimated Value of Investment (Mahu'inga Fakafuofua 'Inivesi) (\$'000)	Government Guarantees (Ngaahi Malu'i no 'a e Pule'anga) (\$'000)
	1	2	3	4	5	
Government Companies (Ngaahi Kautaha'a e Pule'anga) :						
International Dateline Hotel (31 March) (Hotele Teitilaini) (31 Ma'asi)	100%	\$6,000	\$5,387	\$9,872	\$15,259	\$993
Leiola Duty Free (31 December) (Falekolola Leiola - 31 Tisema)	75%	600	2,945		2,945	
Royal Tongan Airlines (Kautaha Vakapuna 'a Tonga)	100%	0	0		0	0
Sea Star Fishing Co.Ltd (31 December) (Kautaha Toutai Fetu'u Tahī) (31 Tisema)	70%	2,100	0	3,646	3,646	
Shipping Corporation of Polynesia (31 December) (Kautaha Vaka Folaautahi Polinisia) (31 Tisema)	100%	10	2,566		2,566	
Tonga Development Bank (31 December) (Pangike Langa Fakalakalaka 'o Tonga) (31 Tisema)	100%	10,530	19,989	6,695	26,684	3,349
Tonga Investment Limited (Group) (Kautaha 'Inivesi 'a Tonga)	100%	0.1	6,006	0	6,006	
Tonga Communications Corporation Ltd (Kautaha Fetu'utaki 'a Tonga)	100%	14,244	40,179	2,677	42,856	2,122
Tonga Timber Limited (Kautaha Papa 'a Tonga)	100%	3,593	4,359		4,359	
Tongan Corporation (31 December) (Kautaha Ngoue 'a Tonga) (31 Tisema)	100%	2	0		0	
Tongatapu Machinery Pool Ltd. (Kautaha Fakamisini 'a Tongatapu)	100%	800	554		554	
Statutory Bodies (Ngaahi Poate Faka-pule'anga) :						
Ports Authority Tonga (Poate Ma'u Mafai ki he Ngaahi Taulanga)	100%		12,939	1,792	14,731	0
Tonga Broadcasting Commission (Komisoni Fakamafolalea Tonga)	100%		2,537		2,537	
Tonga Electric Power Board (Poate 'Uhila 'a Tonga)	100%		685	2,279	2,964	0
Tonga Water Board (Poate Vai 'a Tonga)	100%		20,600		20,600	
Totals (Faka-katoa)		\$37,879	\$118,746	\$26,961	\$145,707	\$6,464
Allowances for loss in value (Ngaahi tokonaki ki he mole 'o e mahu'inga)			(4,373)	(3,646)	(8,019)	
Estimated value of Investments (Mahu'inga fakafuofua 'o e Ngaahi 'Inivesimeni)			\$114,373	\$23,315	\$137,688	

Notes on interpretation (Ngaahi nouti ke faka'uhinga'i'aki) :

- The percentage shareholding is the effective shareholding, including shares held in trust by others, which was required under former legislation for two shareholders to establish an entity. (Ko e peseti 'o e ma'u 'inasi ko e 'inasi totonu ia, kau ai mo e ngaahi 'inasi 'oku tauhi faka-talasiti ma'a ha taha kehe 'i he lao motu'a 'a ia na'e fiema'u ai ke toko 2 'a e kau ma'u 'inasi)
- Data is from the most recent statements for each public enterprise as at 30 June unless otherwise stated. Where audited financial statements were not available, management statements have been used to provide an estimate. (Ko e fakamatala mei he fakamatala pa'anga fakamuimui taha 'a e ngaahi kautaha 'a e pule'anga 'i he 30 Sune, tukukehe ka toe ha atu 'oku kehe. Kapau na'e 'ikai ma'u ha fakamatala pa'anga kuo 'osi sivi faka'atita, ko e fakamatala 'a e kau pule na'e ngaue'aki ke ma'u ai ha fakafuofua.)
- Share of equity (column 2):** This is the Government's proportion of Shareholder's Funds at the most recent financial statements. ('Inasi 'i he Ma'u'anga 'Inasi) (kolomu 2): Ko e konga ia 'o e 'inasi 'a e Pule'anga 'i he 'Inasi 'a e Kau Ma'u 'Inasi na'e ha 'i he fakamatala pa'anga fakamuimui taha.)

- d. **Government loans** (column 3) is the amount Government has lent to the public enterprises. Most of these are on lent loans. Details are shown in **NOTE 25 TO THE ACCOUNTS.** (*Ngaahi No 'a e Pule'anga* (kolomu 3) ko e lahi ia 'o e pa'anga na'e no atu 'e he Pule'anga ki he ngaahi kautaha 'a e pule'anga. Ko e lahi taha ko e ngaahi no pe na'e fakafou atu. 'Oku ha atu 'a e fakaikiiki 'i he **NOUTI 25 KI HE NGAAHI 'AKAUNI**)
- e. Estimated total investment (column 4) = column 2+column 3 (*Katoa Fakafuofua 'a e 'Inivesi* (kolomu 4) = kolomu 2 + kolomu 3)
- f. **Government Guarantees** (column 5) is the amount of borrowing by the public enterprise that is guaranteed by Government. The amount included is the loan balance as at 30 June 2007. Details are shown in **NOTE 28 TO THE ACCOUNTS.** (*Ngaahi Malu'i No 'a e Pule'anga* (kolomu 5) ko e lahi ia 'a e pa'anga no 'a e ngaahi kautaha 'a e pule'anga. Ko e palanisi no 'ia 'i he 'aho 30 Sune 2007. 'Oku ha atu 'a e fakaikiiki 'i he **NOUTI 28 KI HE NGAAHI 'AKAUNI**)
- g. Allowances for loss in value takes account of public enterprises that were technically insolvent. (*Ko e ngaahi tokonaki ki he mole 'o e mahu'inga 'oku ne fakakau 'a e ngaahi kautaha 'a e pule'anga kuo 'ikai ke toe ngaue*).
- h. Estimated value of investments is the net value of the government's portion of shareholder's funds plus loans that are expected to be recoverable. This is an estimate of the net value of investments. However, these figures are based upon the book values of assets and liabilities in each public enterprise which may either understate or overstate the current market value of the investments. (*Mahu'inga fakafuofua 'o e Ngaahi 'Inivesi ko e mahu'inga fakakatoa ia 'o e konga 'a e pule'anga 'i he 'Inasi 'a e kau Ma'u 'inasi tanaki mo e ngaahi no na'e pehe 'e tanaki mai. Ko e fakafuofua ia 'o e mahu'inga fakakatoa 'o e ngaahi 'inivesi. Ka neongoia, ko e ngaahi fika na'e fakatefito ia 'i he mahu'inga he tohi 'a e ngaahi koloa moe ngaahi mo'ua 'i he ngaahi kautaha 'a e pule'anga 'a ia 'e lava pe ke si'isi'i pe lahi ange 'i he mahu'inga lolotonga he maketi 'o e ngaahi 'inivesi*)

23(b) Financial Results for public enterprises

Government share of net profit/(loss) for most recent financial year

(*Ola fakapa'anga 'o e ngaahi kautaha 'a e pule'anga*

'Inasi 'o e Pule'anga 'i he tupu/(mole) haohaoa 'o e fakamatata pa'anga fakamuimitaha)

(in thousands of Pa'anga) (mahu'inga Pa'anga 'i he afe)	2006-07 \$ ('000)	2005-06 \$ ('000)
Government Companies (Ngaahi Kautaha'a e Pule'anga) :		
International Dateline Hotel (31 March) (Hotele Teitilaini) (31 Ma'asi)	0	(94)
Leiola Duty Free (31 December) (Falekolola Leiola - 31 Tisema))	463	792
Royal Tongan Airlines (Kautaha Vakapuna 'a Tonga)	0	0
Sea Star Fishing Co.Ltd (31 December) (Kautaha Toutai Fetu'u Tahiti) (31 Tisema)	0	0
Shipping Corporation of Polynesia (31 December) (Kautaha Vaka Folautehi Polinisia) (31 Tisema)	141	112
Tonga Development Bank (31 December) (Pangike Langa Fakalakalaka 'o Tonga) (31 Tisema)	1,690	2,105
Tonga Investment Limited (Group) (Kautaha 'Inivesi 'a Tonga)	19	(187)
Tonga Telecommunications International Ltd (Kautaha Fetu'utaki Fakapule'anga 'a Tonga)	5,680	5,691
Tonga Timber Limited (Kautaha Papa 'a Tonga)	19	18
Tongan Corporation (31 December) (Kautaha Ngoue 'a Tonga) (31 Tisema)	0	0
Tongatapu Machinery Pool Ltd. (Kautaha Fakamisini 'a Tongatapu)	(44)	(123)
Statutory Bodies (Ngaahi Poate Faka-pule'anga) :		
Ports Authority Tonga (Poate Ma'u Mafai ki he Ngaahi Taulanga)	579	598
Tonga Broadcasting Commission (Komisoni Fakamafolalea Tonga)	(134)	(131)
Tonga Electric Power Board (Poate 'Uhila 'a Tonga)	4	3
Tonga Water Board (Poate Vai 'a Tonga)	(594)	(140)
Totals (Fakakatoa)	\$7,823	\$8,644

24. Shares held by Government in Public Enterprises and Other Organisations as at 30 June 2007

Ngaahi ma'u 'inasi 'o e Pule'anga 'i he Ngaahi Kautaha 'a e Pule'anga mo e Ngaahi Kautaha Kehe 'i he 'aho 30 Sune 2007

Organisation (Kautaha)	No. of Shares (Lahi 'o e 'Inasi) 2005-06	No. of Shares (Lahi 'o e 'Inasi) 2006-07	Value per Share (Mahu'inga 'o e 'Inasi) 2006-07 \$	Face Value (Mahu'inga Pa'anga) 2006-07 \$
1 Air Pacific Limited (Kautaha 'Ea Pasifiki)	70,400	70,400	FJD\$1.00	90,196
2 Westpac Bank of Tonga (Westpac Pangikē 'o Tonga)	120,000	120,000	TOP\$10.00	1,200,000
3 Hawaiian Airlines (Kautaha Vakapuna á Hawaii)	208	208	USD\$3.20	1297
4 International Dateline Hotel (Hotele Teitilaini)	5,999,999	5,999,999	TOP\$1.00	5,999,999
5 Leiola Duty Free Shop Ltd. (Falekoloa Leiola)	600,000	600,000	TOP\$1.00	600,000
6 Pacific Forum Line Ltd (Kautaha Vaka Fakafeitu'u Pasifiki)	1,271,956	1,271,956	WST\$1.00	1,058,776
7 Sea Star Fishing Co.Ltd (Kautaha Toutai Fetuútahi)	42,000	42,000	TOP\$50.00	2,100,000
8 Shipping Corporation of Polynesia Ltd (Kautaha Vakafolautahi á Polynesia)	10,000	10,000	TOP\$1.00	10,000
9 Tonga Development Bank (Pangike Langa Fakalakalaka á Tonga)	1,053,019	1,053,019	TOP\$10.00	10,530,190
10 Tonga Investment Limited (Kautaha Fakahu Paánga á Tonga)	100	100	TOP\$1.00	100
11 Tonga Communications Corporation Ltd (Kautaha Fetuútaki á Tonga)	14,243,639	14,243,639	TOP\$1.00	14,243,639
12 Tonga Timber Limited (Kautaha Fahipapa á Tonga)	3,592,999	3,592,999	TOP\$1.00	3,592,999
13 Tongan Corporation (Kautaha Ngaue á Tonga)	1,000	1,000	USD\$1.00	1,949
14 Tongatapu Machinery Pool Ltd. (Kautaha Fakamisini 'a Tongatapu)	800,000	800,000	TOP\$1.00	800,000
Total Investment in Shares (Faka-katoa 'Inivesi he 'Inasi)				40,229,146

(Ngaahi Mo'ua No Pa'anga mei he Pule'anga 'a e Ngaahi Kautaha 'a e Pule'anga moe Ngaahi Kautaha Kehe 'i he 'aho 30 Sune 2007)

	Lender (Pule'anga/Kautaha na'e fai mei ai 'a e No)	Year (Ta'u)	Purpose (Taumu'a No)	Principal (Lahi 'o e No)	Interest (Totongi Tupu)	Term (Years) (Taimi Totongi No (Ta'u))	Cumulative	
							Principal Repaid 30.06.07 (Lahi 'o e Totongi Fakafoki Sino'i No 30.06.07)	Outstanding Debt 30.06.07 (Mo'ua te'eki totongi 30.06.07)
				\$	%		\$	\$
1	Tonga Electric Power Board (Poate 'Uhila 'a Tonga)	1974	Development (Ngaue Fakalakalaka)	74,923	Free	25	71,926	2,997
2	Tonga Electric Power Board (Poate 'Uhila 'a Tonga)	1979	Development (Ngaue Fakalakalaka)	125,000	3.00	30	48,867	76,133
3	Tonga Electric Power Board (Poate 'Uhila 'a Tonga) - GOT Bond Series	1999	Development (Ngaue Fakalakalaka)	800,000	5.00	6	0	800,000
4	Tonga Electric Power Board (Poate 'Uhila 'a Tonga)	2002	Working Capital Project (Pa'anga Ngaue)	300,000	0.00	1m	0	300,000
5	Tonga Electric Power Board (Poate 'Uhila 'a Tonga)	2003	Working Capital Project (Pa'anga Ngaue)	500,000	6.00	3m	0	500,000
6	Tonga Electric Power Board (Poate 'Uhila 'a Tonga)	2004	Working Capital Project (Pa'anga Ngaue)	600,000	6.00	5m	0	600,000
7	Tonga Development Bank (Pangike Fakalakalaka) - ADB 624	1983	Development Lending (Nö Fakalakalaka)	1,108,197	3.00	40	361,622	746,575
8	Tonga Development Bank (Pangike Fakalakalaka) - IDA 1813	1987	Development Lending (Nö Fakalakalaka)	2,604,051	3.00	36	951,480	1,652,570
9	Tonga Development Bank (Pangike Fakalakalaka) - IFAD 220	1988	Development Lending (Nö Fakalakalaka)	2,636,109	3.00	25	1,845,182	790,927
10	Tonga Development Bank (Pangike Fakalakalaka) - IFAD 327	1993	Development Lending (Nö Fakalakalaka)	4,104,162	3.00	27	1,624,826	2,479,336
11	Tonga Development Bank (Pangike Fakalakalaka)	1990	Capital (Pa'anga Ngaue Tu'uma'u)	995,879	3.00	0	439,565	556,314
12	Tonga Telecommunication Commission (Komisoni Fetu'utaki) - ADB 1412	1997	Development (Ngaue Fakalakalaka)	2,826,891	6.79	12	471,149	2,355,742
13	Sea Star Fishing (Kautaha Toutai Fetu'utaki) - ADB 1030	1993	Capital (Pa'anga Ngaue Tu'uma'u)	3,645,900	6.36	15	0	3,645,900
14	Janfull International Dateline Hotel (Hotele Janfull International Dateline)	2001	Upgrading to and expansion of Dateline Hotel (Ngaue Fakalelei 'i 'oe Hotele Dateline)	9,724,200	2.50	12	0	9,724,200
15	Ports Authority Tonga (Ma'u Mafai ki he Ngaahi Taulanga) - ADB 1303	2002	Development Lending (Nö Fakalakalaka)	2,388,911	5.00	16	596,800	1,792,111
Total Loan to Public Enterprises & Others				\$32,434,222			\$6,411,416	\$26,022,806
(Ngaahi No ki he ngaahi Kautaha Pule'anga mo Kehe)								
Less : Repaid (To'o: Totongi Fakafoki)				\$6,411,416				
Total Outstanding Loans (Katoa No te'eki ke Totongi Mai)				\$26,022,806				

26 Loans Comprising the Government Foreign Debt as at 30 June 2007
(Ngaahi Mo'ua No mei Multi 'a e Pule'anga 'i he 'aho 30 Sune 2007)

Lender	Year	Purpose	Principal	Interest (%)	Term (Years)	Cumulative Principal Repaid 30.06.07	Outstanding Debt 30.06.07
(Pule'anga/Kautaha na'e fai mei ai 'a e No)	(Ta'u)	(Taumu'a No)	(Lahi 'o e No)	(Totongi Tupu (%))	(Taimi Totongi No (Ta'u))	(Lahi 'o e Totongi Fakafoki Sino i No 30.06.07)	(Mo'ua te'eki totongi 30.06.07)
1 ADB - 335 TON (SF) (Pangike Fakalalaka 'Esia Fika 335 - TON)	1977	Small Industries (Ngaahi Ngaue'anga liki)	721,093	1.00	40	418,234	302,859
2 ADB - 376 TON (SF) (Pangike Fakalalaka 'Esia Fika 376 - TON)	1978	Development (Fakalalaka)	2,818,109	1.00	40	1,522,676	1,295,434
3 ADB - 435 TON (SF) (Pangike Fakalalaka 'Esia Fika 435 - TON)	1979	Development (Fakalalaka)	2,338,680	1.00	40	1,169,340	1,169,340
4 ADB - 540 TON (SF) (Pangike Fakalalaka 'Esia Fika 540 - TON)	1981	Development (Fakalalaka)	2,116,484	1.00	40	890,063	1,226,421
5 ADB - 624 TON (SF) (Pangike Fakalalaka 'Esia Fika 624 - TON)	1983	Development (Fakalalaka)	5,310,729	1.00	40	1,913,998	3,396,731
6 ADB - 782 TON (SF) (Pangike Fakalalaka 'Esia Fika 782 - TON)	1986	Development (Fakalalaka)	7,785,953	1.00	40	2,026,534	5,759,420
7 ADB - 927 TON (SF) (Pangike Fakalalaka 'Esia Fika 927 - TON)	1988	Development (Fakalalaka)	6,510,714	1.00	40	1,169,665	5,341,049
8 ADB - 990 TON (SF) (Pangike Fakalalaka 'Esia Fika 990 - TON)	1990	Development (Fakalalaka)	9,286,072	1.00	40	1,391,193	7,894,880
9 ADB - 1030 TON (SF) (Pangike Fakalalaka 'Esia Fika 1030 - TON)	1990	Fisheries (Toutai)	5,390,503	1.00	40	702,685	4,687,817
10 ADB - 1079 TON (SF) (Pangike Fakalalaka 'Esia Fika 1079 - TON)	1991	Power Development ('Uhila)	15,010,703	1.00	40	1,954,463	13,056,240
10 ADB - 1303 TON (SF) (Pangike Fakalalaka 'Esia Fika 1303 - TON)	1995	Development (Fakalalaka)	20,113,574	1.00	40	1,206,882	18,906,692
11 ADB - 1412 TON (SF) (Pangike Fakalalaka 'Esia Fika 1412 - TON)	1996	Development (Fakalalaka)	7,184,004	1.00	40	215,325	6,968,679
12 ADB - 1904 TON (SF) (Pangike Fakalalaka 'Esia Fika 1904 - TON)	2002	Development (Fakalalaka)	23,688,674	1.00	40	0	23,688,674
13 EIB 8.0050 (Pangike Fakatupu Pa'anga 'a 'Iulope'Fika 8.0050)	1979	Telecoms Network (Naunau Fetu'utaki)	869,971	1.00	40	490,403	379,568
14 EIB 7.0426 (Pangike Fakatupu Pa'anga 'a 'Iulope'Fika 7.0426)	1984	Equity ('Inasi)	786,360	2.00	25	679,494	106,866
15 EIB 7.0645 (Pangike Fakatupu Pa'anga 'a 'Iulope'Fika 7.0645)	1987	Equity ('Inasi)	786,360	2.00	25	527,018	259,342
16 EIB 7.0792 (Pa'anga Fakatupu Pa'anga 'a 'Iulope'Fika 7.0792)	1989	Equity ('Inasi)	440,477	2.00	25	0	440,477
17 IDA 1813 WORLD BANK (Pangike 'a Mamani Fika 1813)	1987	Tonga Development Bank (Pangike Fakalalaka)	4,664,405	0.75	40	466,389	4,198,015
18 IDA 2084 WORLD BANK (Pangike 'a Mamani Fika 2084)	1990	Tonga Development Bank (Pangike Fakalalaka)	4,704,131	0.75	30	705,609	3,998,521
19 IDA 3647 WORLD BANK (Pangike 'a Mamani Fika 3647)	2002	Development (Fakalalaka)	12,052,936	0.75	40	0	12,052,936
20 IDA 38140 WORLD BANK (Pangike 'a Mamani Fika 38140)	2003	Development (Fakalalaka)	13,413,824	0.75	40	0	13,413,824
21 IFAD 129 WORLD BANK (Pangike 'a Mamani Fika 129)	1983	Development Projects (Ngaue Fakalalaka)	2,806,015	1.00	40	947,030	1,858,985
22 IFAD 220 WORLD BANK (Pangike 'a Mamani Fika 220)	1988	Agricultural Development (Fakalalaka 'o e Ngoue)	4,983,261	1.50	40	1,121,230	3,862,031
23 IFAD 327 WORLD BANK (Pangike 'a Mamani Fika 327)	1993	Agricultural Development (Fakalalaka 'o e Ngoue)	6,498,128	1.50	50	649,814	5,848,314
24 KFW I. WEST GERMAN (Pangike 'a Siamane Hihifo Fika I.)	1978	Regional Freighter - Part I (Fua Kavenga)	18,762,776	1.00	30	16,471,037	2,291,739
25 KFW IV. WEST GERMAN (Pangike 'a Siamane Hihifo Fika IV.)	1980	Ferry Boat - Part I ('Olovaha)	9,381,388	1.00	30	7,746,346	1,635,042
26 KFW V WEST GERMAN (Pangike 'a Siamane Hihifo Fika V.)	1981	Ferry Boat - Part II ('Olovaha)	335,050	1.00	30	257,318	77,732
27 KFW VI WEST GERMAN (Pangike 'a Siamane Hihifo Fika VI)	1983	Rehabilitation of Foreshore (Fakalelei'i Matatahi Nuku'alofo)	4,020,595	1.00	30	2,837,200	1,183,395
28 BANK OF CHINA (Pangike 'a Saina)	1998	Ha'apai High School Project (Ngaue Langa 'o e Ako Ma'olunga 'a Ha'apai)	6,397,500	0.00	20	0	6,397,500
29 EXPORT-IMPORT BANK OF CHINA (Pangike EXIM 'a Saina)	2001	Upgrading to and Expansion of Dateline Hotel (Ngaue Fakalelei'i 'oe Hotele Dateline)	9,724,200	2.50	12	0	9,724,200
TOTAL GOVERNMENT FOREIGN DEBT - (FAKA-KATOA NGAHI MO'UA NO KI MULI 'A E PULE'ANGA)			\$208,902,669			\$47,479,945	\$161,422,724

27. Loans comprising the Government Domestic Debt as at 30 June 2007
(Ngaahi Mo'ua No Fakalotofofua 'a e Pule'anga 'i he 'aho 30 Sune 2007)

Lender	Year	Purpose	Principal	Interest	Term (Years)	Cumulative Principal Repaid	Outstanding Debt
						30.06.07	30.06.07
(Pule'anga/Kautaha na'e fai mei ai 'a e No)	(Ta'u)	(Taumu'a No)	(Lahi 'o e No)	(Totongi Tupu (Ta'u)	(Taimi Totongi i No (Ta'u)	(Lahi 'o e Totongi Fakafoki Sino'i No 30.06.07)	(Mo'ua te'eki totongi 30.06.07)
			\$	%		\$	\$
Government Domestic Debt (Mo'ua No Fakalotofofua)							
1 Local Development Bonds 1969/1974 (No Fakalotofofua 1969/1974)	1969	Issue of Bonds (Fakatau Ponite)	277,780	20.00	5	276,160	1,620
2 Local Development Bonds 1974/1979 (No Fakalotofofua 1974/1979)	1974	Issue of Bonds (Fakatau Ponite)	241,200	6.50	5	240,530	670
3 Local Development Bonds 1979/1984 (No Fakalotofofua 1979/1984)	1979	Issue of Bonds (Fakatau Ponite)	658,660	7.50	5	657,610	1,050
4 Government of Tonga Bond Series No. 1. 2003/2008 (No Fakalotofofua 'ae Pule'anga Tonga 2003/2008)	2003	Issue of Bonds (Fakatau Ponite)	1,000,000	6.50	3	1,000,000	0
5 Government of Tonga Bond Series No. 2. 2003/2008 (No Fakalotofofua 'ae Pule'anga Tonga 2003/2008)	2003	Issue of Bonds (Fakatau Ponite)	1,000,000	6.50	3	1,000,000	0
6 Government of Tonga Bond Series No. 3. 2003/2006 (No Fakalotofofua 'ae Pule'anga Tonga 2003/2006)	2003	Issue of Bonds (Fakatau Ponite)	1,000,000	6.50	2	1,000,000	0
7 Government of Tonga Bond Series No. 4. 2003/2006 (No Fakalotofofua 'ae Pule'anga Tonga 2003/2006)	2003	Issue of Bonds (Fakatau Ponite)	1,000,000	6.50	2	1,000,000	0
8 Government of Tonga Bond Series No. 1. 2004/2009 (No Fakalotofofua 'ae Pule'anga Tonga 2004/2009)	2004	Issue of Bonds (Fakatau Ponite)	2,000,000	6.50	2	2,000,000	0
9 Government of Tonga Bond Series No. 2. 2004/2009 (No Fakalotofofua 'ae Pule'anga Tonga 2004/2009)	2004	Issue of Bonds (Fakatau Ponite)	183,000	6.25	2	183,000	0
10 Government of Tonga Bond Series No. 1. 2004/2006 (No Fakalotofofua 'ae Pule'anga Tonga 2004/2006)	2004	Issue of Bonds (Fakatau Ponite)	1,000,000	6.50	5	0	1,000,000
11 Government of Tonga Bond Series No. 2. 2004/2006 (No Fakalotofofua 'ae Pule'anga Tonga 2004/2006)	2004	Issue of Bonds (Fakatau Ponite)	5,335,832	6.70	5	0	5,335,832
12 Government of Tonga Bond Series No. 3. 2004/2006 (No Fakalotofofua 'ae Pule'anga Tonga 2004/2006)	2004	Issue of Bonds (Fakatau Ponite)	5,000,000	6.75	5	0	5,000,000
13 Government of Tonga Bond Series No. 1. 2005/2007 (No Fakalotofofua 'ae Pule'anga Tonga 2005/2007)	2005	Issue of Bonds (Fakatau Ponite)	1,000,000	6.75	5	0	1,000,000
14 Government of Tonga Bond Series No. 2. 2005/2009 (No Fakalotofofua 'ae Pule'anga Tonga 2005/2009)	2005	Issue of Bonds (Fakatau Ponite)	3,603,000	6.00	4	0	3,603,000
15 Government of Tonga Bond Series No. 1. 2006/2011 (No Fakalotofofua 'ae Pule'anga Tonga 2006/2011)	2006	Issue of Bonds (Fakatau Ponite)	2,762,000	6.75	5	0	2,762,000
16 Government of Tonga Bond Series No. 2. 2006/2009 (No Fakalotofofua 'ae Pule'anga Tonga 2006/2009)	2006	Issue of Bonds (Fakatau Ponite)	1,000,000	8.00	3	0	1,000,000
17 Government of Tonga Bond Series No. 3. 2006/2009 (No Fakalotofofua 'ae Pule'anga Tonga 2006/2009)	2006	Issue of Bonds (Fakatau Ponite)	2,000,000	8.00	3	0	2,000,000
18 Government of Tonga Bond Series No. 4. 2006/2008 (No Fakalotofofua 'ae Pule'anga Tonga 2006/2008)	2006	Issue of Bonds (Fakatau Ponite)	1,000,000	7.50	2	0	1,000,000
19 Government of Tonga Bond Series No. 4. 2006/2011 (No Fakalotofofua 'ae Pule'anga Tonga 2006/2011)	2006	Issue of Bonds (Fakatau Ponite)	1,000,000	10.00	5	0	1,000,000
20 Government of Tonga Bond Series No. 5. 2006/2011 (No Fakalotofofua 'ae Pule'anga Tonga 2006/2011)	2006	Issue of Bonds (Fakatau Ponite)	1,000,000	10.00	5	0	1,000,000
21 Westpac Bank of Tonga (Westpac Pangike o Tonga)	2002	Finance Royal Tongan Airlines Equity Injection (Fakatau Inasi 'i he Kautaha Vakapuna 'a Tonga)	5,000,000	6.00	n/a	5,000,000	0
22 Shipping Corporation of Polynesia Ltd. (Kautaha Vaka Folaupahi Polinisia)	2001	Fua Kavenga II Loan (No 'ae Fua Kavenga II)	1,000,000	1.00	8	0	1,000,000
TOTAL GOVERNMENT DOMESTIC DEBT - (FAKA-KATOA NGAHHI MO'UA NO FAKALOTOFOFUA 'A E PULE'ANGA)			\$38,061,472			\$12,357,300	\$25,704,172

28 Government Guaranteed Loans as at 30 June 2007

(Ko e Ngaahi No 'oku malu 'i 'e he Pule'anga 'i he 'aho 30 Sune 2007)

	Lender (Pule'anga/Kautaha na'e fai mei ai 'a e No)	Year (Ta'u)	Purpose (Taumu 'a No)	Principal (Lahi 'o e No)	Interest (Totongi Tupu)	Term (Years) (Taimi Totongi i No (Ta'u))	Cumulative Repaid 30.06.07 (Lahi 'o e Totongi Fakafoki 30.06.07)	Outstanding Debt 30.06.07 (Mo'ua te'eki totongi 30.06.07)
				\$	%		\$	\$
Foreign (Multi)								
1	Caisse Francaise De Development (Pangike Fakalakalaka Falanise)	1995	Tonga Development Bank (Pangikē Fakalakalaka 'o Tonga)	1,280,829	5.00	15	879,154	401,675
2	European Investment Bank (Pangike Fakatupu Pa'anga 'a 'Iulope)	1996	Tonga Communications Corporation (Kautaha Feu'utaki 'a Tonga)	9,453,879	3.00	12	8,375,181	1,078,698
Domestic (Fakaloto fonua)								
1	Tonga Development Bank (Pangikē Fakalakalaka 'o Tonga) - Loan (No)	2003	International Dateline Hotel (Hotele Dateline)	2,232,635	10.50	5	1,610,000	622,635
2	Public Bond Issue No. 4. - (Ponite Kakai 'o e Fonua)	2002	Tonga Development Bank (Pangikē Fakalakalaka 'o Tonga)	447,506	7.50	5	40,766	406,740
3	Public Bond Issue No. 5. - (Ponite Kakai 'o e Fonua)	2003	Tonga Development Bank (Pangikē Fakalakalaka 'o Tonga)	2,223,000	7.75	5	1,286,931	936,069
4	Tonga Development Bank (Pangikē Fakalakalaka 'o Tonga) - Loan (No)	2003	Squash Growers (Kau to hina)	8,960,111	12.50	7	869,459	8,090,652
TOTAL GUARANTEED DEBTS - (KATOA NGA AHI MO'UA NO MALU'I)				\$24,597,959			\$13,061,490	\$11,536,469

29. Fund Transferred to and from Contingency Fund for the year ended 30 June 2007

(Ngaahi Fe'ave'aki Pa'anga 'i he Sino'i Pa'anga Talifaki ki he ta'u 'oku ngata ki he 'aho 30 Sune 2007)

Ministry involved in the Transfer Fund (<i>Potungaue na'e kau he fe'ave'aki pa'anga</i>)	Total Original Estimate (' <i>Esitimeti Fakakatoa</i>)	Amount Transfer to Contingency Fund (<i>Hiki ki he Sino'i Pa'anga Talifaki</i>)	Amount Transfer from Contingency Fund (<i>Hiki mei he Sino'i Pa'anga Talifaki</i>)	Total Approved Revised Appropriation (<i>Fakakatoa Pa'anga Hu atu</i>)	Note (<i>Nouti</i>)
	\$	\$	\$	\$	
1 Palace Office (' <i>Ofisi Palasi</i>)	4,942,545	2,560,000	329,121	2,711,666	i
2 Legislative Assembly (<i>Fale Alea</i>)	2,941,091			2,941,091	
3 Prime Minister's Office (' <i>Ofisi Palemia</i>)	4,976,894	62,500	69,555	4,983,949	ii
4 Commissioner of Public Relations (<i>Komisona ki he Va mo e Kakai</i>)	243,743	70,000		173,743	
5 Audit Department (<i>Potungaue 'Atita</i>)	698,866	60,000		638,866	
6 Ministry of Finance & National Planning (<i>Potungaue Pa'anga mo e Palani Fakafonua</i>)	57,966,038	4,121,423	2,775,546	56,620,161	iii
7 Ministry of Foreign Affairs (<i>Potungaue Ngaahi Ngaue ki Muli</i>)	6,310,869	60,000	369,154	6,620,023	iv
8 Tonga Defence Services (<i>Tau Malu'i Fonua 'a Tonga</i>)	6,963,624		500,000	7,463,624	v
9 Ministry of Lands, Survey, Natural Resources and Environment (<i>Potungaue Fonua, Savea, Ngaahi Koloa Fakanatula & 'Atakai</i>)	2,213,146	60,000		2,153,146	
10 Ministry of Justice & Attorney General (<i>Potungaue Lao mo e Fakamaau'anga</i>)	2,036,818	110,000	82,000	2,008,818	ii
11 Ministry of Police, Prisons & Fire Services (<i>Potungaue Polisi, Pilisone mo e Va'a Tamate Afi</i>)	7,935,083	60,000	415,000	8,290,083	ii
12 Ministry of Education, Women Affairs & Culture (<i>Potungaue Ako, Kakai Fefine mo e Tukufakaholo</i>)	22,744,208	320,000	315,500	22,739,708	vi
13 Ministry of Health (<i>Potungaue Mo'ui</i>)	20,230,094	370,000	450,000	20,310,094	vii
14 Ministry of Agriculture, Food, Forests & Fisheries (<i>Potungaue Ngoue, Me'atokoni, Ngaahi Vao'akau mo e Toutai</i>)	5,763,385	80,000		5,683,385	
15 Ministry of Labour, Commerce and Industries (<i>Potungaue Ngaue 'a e Kakai, Fefakatau'aki mo e Ngaahi Ngaue'anga</i>)	1,930,809	80,000	92,480	1,943,289	ii
16 Tonga Visitors Bureau (<i>Potungaue Takimamata</i>)	1,210,097	80,000	143,544	1,273,641	viii
17 Ministry of Works (<i>Potungaue Ngaue</i>)	3,446,670	70,000		3,376,670	
18 Ministry of Transport (<i>Potungaue 'o e Fefononga'aki</i>)	2,908,346	60,000	2,134,613	4,982,959	ix
19 Ministry of Training, Employment, Youth & Sports (<i>Potungaue Ako Ngaue, Ngaue'anga, To'utupu & Sipoti</i>)	1,672,282	60,000	272,212	1,884,494	x
20 Crown Law Department (<i>Potungaue Lao</i>)	1,151,332	80,000	85,000	1,156,332	xi
21 Public Enterprises (<i>Potungaue ki he Ngaahi Pisinisi 'a e Pule'anga</i>)		90,000	420,198	330,198	xii
Total (Fakakatoa)	\$158,285,940	\$8,453,923	\$8,453,923	\$158,285,940	

Note: Reasons for Revised Appropriation (*Nouti: Ngaahi 'uhinga 'o e toe vakai'i 'o e Pa'anga Fakahu atu*)

A. Transfers to Contingency Funds: (*Ngaahi 'Ave Pa'anga ki he Pa'anga Talifaki*)

The transfers from ministries to contingency funds were mainly for some items approved in the budget but such activity was not performed nor eventuated during the year. Ministries were requested to transfer these related allocations from their respective budget and transfer to contingency fund to Finance to fund other unforeseen expenses incurred during the year. (*Ko e ngaahi 'ave pa'anga mei he ngaahi potungaue ki he pa'anga talifaki na'e lahi taha pe ko e ngaahi pa'anga ne 'osi tali pea vahe he Patiseti, ka na'e 'ikai fakahoko 'a e ngaue koia he lolotonga 'a e ta'u. Na'e kole ki he ngaahi potungaue takitaha ke nau 'ave ki he pa'anga talifaki ke fakapa'anga'aki 'a e ngaahi ngaue na'e 'ikai 'ilo kimu'a'e fai he lolotonga 'a e ta'u.*)

B. Transfers from Contingency Funds: (*Ngaahi 'Ave Pa'anga mei he Pa'anga Talifaki*)

- i To fund maintenance of the Royal Palace and Royal Residences in outer islands and other unforeseen operational expenses incurred during the year. (*Ke fakapa'anga 'a e ngaahi ngaue monomono ki he Palasi Faka Tu'I pea mo e ngaahi 'Afio'anga he ngaahi 'otu motu pea mo e ngaahi fakamole toki hoko pe he lolotonga 'a e ta'u*)
- ii To fund operational expenses needed during the year but were not foreseen in the budget preparation (*Ke fakapa'anga 'a e ngaahi fakamole ngaue na'e fiema'u he lolotonga 'a e ta'u ka na'e 'ikai fakakau 'i hono fa'u 'o e patiseti*)
- iii To fund some of additional government subsidies to certain activities and organisations during the year (*Ke fakapa'anga 'a e ngaahi tokoni fakapa'anga 'a e pule'anga ki he ngaahi ngaue mo e ngaahi kautaha he lolotonga 'a e ta'u*)
- iv To fund the recovery of remaining balance of EU fund programme EDF 9 fund (*Ke fakapa'anga 'a hono totongi fakafoki 'a e pa'anga tokoni mei he 'Iunioni 'a 'Iulope he polokalama tokoni EDF9*)

Note: Reasons for Revised Appropriation (Nouti: Ngaahi 'uhinga 'o e toe vakai'i 'o e Pa'anga Fakahu atu) (cont'd)

- v To fund additional operational expenses incurred and needed after the November 16 civil unrests event. *(Ke fakapa'anga 'a e ngaahi totongi tukuhau ki he ngaahi fakamole na'e hoko pea fiema'u ke totongi he hiliange 'a e fakamoveuveu ne hoko 'i Novema 16)*
- vi To fund the payments of scholarships and other operational expenses needed to be paid *(Ke fakapa'anga 'a e totongi 'o e ngaahi sikolasipi pea mo e ngaahi fakamole ngaue pe na'e fu'u fiema'u ke fakahoko)*
- vii To fund operational expenses as government contributions to the Health projects during the year. *(Ke fakapa'anga 'a e ngaahi fakamole ko e konga ia 'a e tokoni 'a e pule'anga ki he poloseki fakalakalaka ki he Mo'ui lolotonga 'a e ta'u)*
- viii To fund salaries arrears to staff plus other operational expenses that were needed during the year. *(Ke fakapa'anga 'a e ngaahi toenga vahe na'e te'eki totongi pea mo e ngaahi fakamole kehe pe he lolotonga 'a e ta'u)*
- ix To fund arrears on new fire truck and contribution arrears to international organisation plus other operational expenses *(Ke fakapa'anga 'a e ngaahi toenga mo'ua ki hono fakatau mai 'a e loli tamate afi fo'ou pea mo e ngaahi tokoni ki he ngaahi kautaha fakapule'anga mo e ngaahi fakamole kehe pe)*
- x To fund major renovations for new Office of the Ministry. *(Ke fakapa'anga 'a e ngaue ki hono fakalelei'I 'a e 'Ofisi ke ngaue ai 'a e Potungaue)*
- xi To fund the Law Reform Committee meeting fees during the year. *(Ke fakapa'anga 'a e totongi fakataha 'a e Komiti Lao)*
- xii To fund the establishment of the new Ministry during the year. *(Ke fakapa'anga 'a hono fokotu'u 'a e Potungaue he lolotonga 'a e ta'u)*

30. Operating Revenue for the preceding five (5) financial years : 2002/03 - 2006/07.

(Fakatupu Pa'anga Angamaheni ki he ngaahi ta'u fakapa'anga 'e nima (5) kuohili : 2002/03 - 2006/07.)

Ministry (Potungaue)	2006-07 \$	2005-06 \$	2004-05 \$	2003-04 \$	2002-03 \$
00 Income Tax (<i>Tukuhau Vahenga</i>)	26,430,442	27,003,559	20,583,175	16,348,144	15,523,989
01 Trade Taxes (<i>Tukuhau Fefakatau'aki</i>)	47,535,367	41,828,931	34,241,685	30,118,194	55,591,656
02 Domestic fees and Licensing (<i>Totongi Ngaue mo e Laiseni</i>)	429,783	476,110	21,767,871	27,451,310	
03 Taxes on Goods and Services (<i>Tukuhau Koloa mo e Ngaue</i>)	49,232,786	50,886,494	18,647,753	9,040,156	9,957,586
04 Excise Tax (<i>Tukuhau 'Ekisia</i>)	1,183,419	1,176,624	1,843,651	1,801,979	
06 Entrepreneurial and Property Income (<i>Pa'anga Hu Mai 'i he Ngaahi Pisinisi mo e Koloa 'a e Pule'anga</i>)	7,760,761	6,632,282	5,075,212	7,327,701	4,440,503
07 Administrative Fees & Charges (<i>Totongi ki he ngaahi Ngaue</i>)	11,016,843	9,815,618	10,382,964	11,092,843	10,284,860
08 Miscellaneous Revenue (<i>Pa'anga Hu mai kehe</i>)	1,918,203	4,011,976	640,717	399,155	540,494
09 Transfer and Bond Receipts (<i>Pa'anga Hu Mai mei he Totongi mo e Ponite</i>)	6,000,000	6,365,000	4,562,709	8,740,793	8,157,014
TOTAL OPERATING REVENUE (<i>KATO A FAKATUPU PA'ANGA ANGAMAHENI</i>)	151,507,602	148,196,595	117,745,737	112,320,275	104,496,102

31. **Operating Expenditure for the preceding five (5) financial years : 2002/03 - 2006/07.**
(Fakamole Angamaheni ki he ngaahi ta'u fakapa'anga 'e nima (5) kuohili : 2002/03 - 2006/07.)

Ministry (Potungaue)	2006-07 \$	2005-06 \$	2004-05 \$	2003-04 \$	2002-03 \$
1 Palace Office ('Ofisi Palasi)	2,537,130	2,642,374	2,069,959	1,672,237	1,981,391
2 Legislative Assembly (Fale Alea)	2,884,976	3,057,511	2,441,642	1,981,718	2,169,360
3 Prime Minister's Office ('Ofisi Palemia)	4,898,922	5,432,665	4,266,750	4,310,530	3,721,645
4 Commissioner of Public Relations (Komisona ki he	113,787	125,062	101,793	99,787	78,226
5 Audit Department (Potungaue 'Atita)	629,004	714,995	494,332	440,460	502,166
6 Ministry of Finance & National Planning (Potungaue Pa'anga mo e Palani Fakafonua)	54,063,478	65,650,733	35,472,008	37,367,354	31,366,270
7 Ministry of Foreign Affairs (Potungaue Ngaahi Ngaue ki Muli)	6,674,593	4,956,456	4,901,208	5,476,813	4,866,274
8 Tonga Defence Services (Tau Malu'i Fonua 'a Tonga)	7,102,982	7,077,663	4,663,237	4,447,680	4,312,569
9 Environment (Potungaue Fonua, Savea, Ngaahi Koloa Fakanatula & 'Atakai)	2,005,759	2,464,413	1,895,974	2,185,965	2,306,906
10 Ministry of Justice & Attorney General (Potungaue Lao mo e Fakamaau'anga)	1,904,623	1,815,999	1,652,559	2,372,863	1,414,714
11 Ministry of Police, Prisons & Fire Services (Potungaue Polisi, Pilisone mo e Va'a Tamate Afi)	8,113,004	7,284,202	5,420,020	5,136,664	4,821,178
12 Ministry of Education, Women Affairs & Culture (Potungaue Ako, Kakai Fefine mo e Tukufakaholo)	22,662,184	22,553,997	16,809,796	16,381,538	17,326,391
13 Ministry of Health (Potungaue Mo'ui)	20,002,773	17,076,431	13,520,930	11,765,173	10,919,797
14 Ministry of Agriculture, Food, Forests & Fisheries (Potungaue Ngoue, Me'atokoni, Ngaahi Vao'akau mo e Toutai)	5,320,153	5,963,342	4,791,446	4,509,587	4,349,013
15 Ministry of Labour, Commerce and Industries (Potungaue Ngaue 'a e Kakai, Fefakatau'aki mo e Ngaahi Ngaue'anga)	1,891,867	1,959,159	1,628,284	1,512,268	1,640,735
16 Tonga Visitors Bureau (Potungaue Takimamata)	1,125,230	1,258,717	956,592	969,173	1,018,913
17 Ministry of Works (Potungaue Ngaue)	3,245,433	4,533,964	4,609,193	4,513,064	4,641,268
18 Ministry of Transport (Potungaue 'o e Fefononga'aki)	4,916,917	5,003,456	4,245,609	3,528,352	3,805,038
19 Ministry of Training, Employment, Youth & Sports (Potungaue Ako Ngaue, Ngaue'anga, To'utupu & Sipoti)	1,860,924	-	-	-	-
20 Crown Law Department (Potungaue Lao)	1,019,326	962,969	964,105	896,630	650,330
21 Public Enterprises (Potungaue ki he Ngaahi Pisinis	379,489	-	-	-	-
Printing Department (Potungaue Pulusi)	-	-	320,578	1,243,519	895,702
Total (Fakakatoa)	153,352,555	160,534,106	111,226,017	110,811,375	102,787,886

Note: Printing Department was corporatized in July 2005. In 2006-07 ministries were reduced from 31 to 21 due to merging some ministries/departments into one (1) Ministry Other (Na'e liliu kautaha 'a e Falepaaki 'i Siulai 2005. 'I he ta'u 2006-07 na'e holo e lahi e ngaahi potungaue mei eh 31 ki he 21 koe'uhi ko hono fakataha'i mai e ngaahi potungaue ni'ihiki he potungaue pe 'e taha)