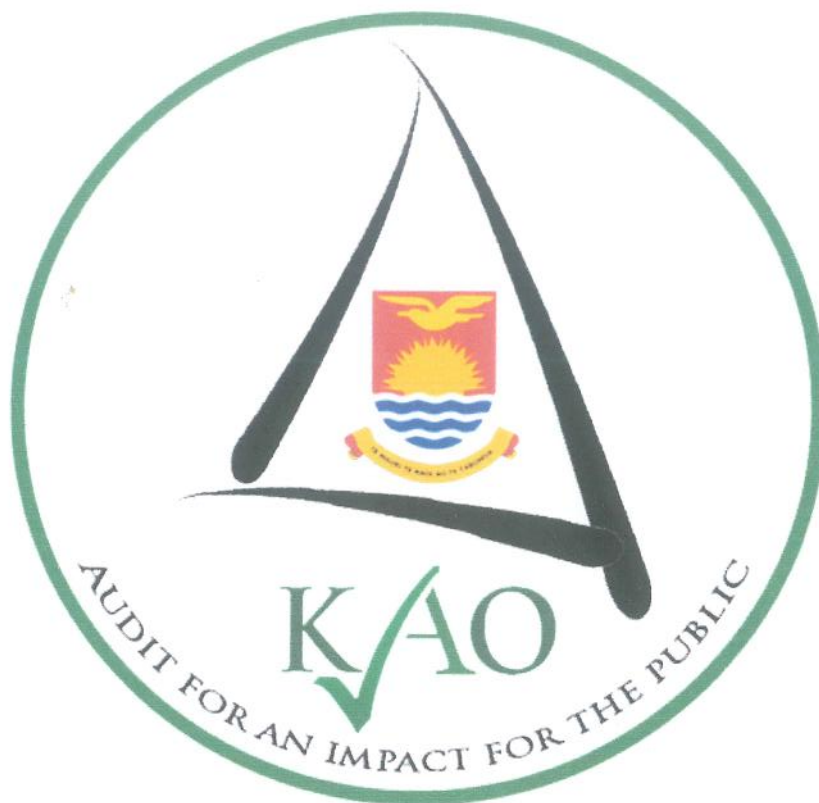


REPORT OF THE AUDITOR GENERAL ON THE ACCOUNT OF



**Kiribati Ports Authority Financial Statements
For the year ended 31st December 2018**

**Kiribati Audit Office
September 2019**

KIRIBATI AUDIT OFFICE



P.O BOX 63
Bairiki, Tarawa
Kiribati

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Audit for an impact for the public

INDEPENDENT AUDITOR'S REPORT

**To The Readers Of
Kiribati Ports Authority Financial Statements
For The Year Ended 31 December 2018**

The Auditor-General, Mr Eriati Tauma Manaima is the auditor of Kiribati Ports Authority.

The audit covered the Company's compliance with the requirements of Part VII of the Public Finance (Control and Audit) Ordinance 1976, KPA Act 1990 and the SOE Act, 2013 that apply to the Financial Statements of the KPA for the year ended 31 December 2018.

KPA Board of Directors and Management Responsibility.

The Board of Directors and Management are responsible for the preparation and fair presentation of the Financial Statements in accordance with Generally Accepted Accounting Practice in Kiribati, and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

It is my responsibility to express an independent opinion on these Financial Statements and reporting that opinion to you as required under the Public Finance (Control and Audit) Ordinance 1976 and Kiribati Audit Act, 2017. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAI).

Unqualified Audit Opinion

In my opinion, the Financial Statements present fairly, in all material respects, the financial position of KPA as at 31st December, 2018, and the results of its operations and cash flows for the year then ended in accordance with Generally Accepted Accounting Practice in Kiribati.

The audit was completed on 26/06/2019, and was the date at which my opinion was expressed.

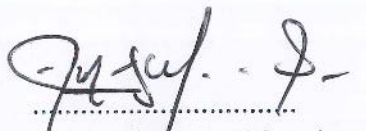
Report on other Legal and Regulatory Requirements

KPA lodged its Financial Statement on 01/02/2019 therefore indicated KPA's compliance with Sec. 20 of SOE Act, 2013.

Independence

We confirm that, for the audit of the Financial Statements of the KPA for the year ended 31st Dec, 2018, we have maintained our independence in accordance with the requirements of the International Standard of Supreme Audit Institutions (ISSAI).

Other than the audit, we have no relationship with or interest in KPA.


.....
Mr Eriati Tauma Manaima
Auditor General

Date: 26/6/2019



Kiribati Ports Authority

Annual Statutory Accounts

Year to December 2018



**KIRIBATI PORTS AUTHORITY
ANNUAL ACCOUNTS
FOR THE YEAR 2018**

Policies

1) The Kiribati Ports Authority referred to as the Authority was established under the the Kiribati Port Authority Act 1990 and commenced its operations in January 2000. As stipulated in the Act, the Authority is legally discharged with the responsibility of providing port and navigational services within the waters and land contiguous thereto in Kiribati declared by the Minister to be a port.

Its financial year is from January to December. KPA uses the Australian dollar which is the official currency of Kiribati.

2) Accounting Policy

The annual accounts were prepared under the historical cost convention in accordance with generally accepted accounting principles, standards and statutory requirements in Kiribati. The principle accounting policies adopted by the Authority are as follows:

- a) Prepared on the accruals basis
- b) Depreciation is charged over the useful life of the fixed assets on a straight-line basis
- c) Amortisation of the Aid Reserve is done annually at a rate equivalent to the depreciation rates for the fixed assets that were purchased

3) Prior Year adjustments

The accounts for 2018 reflect adjustments made for all revenues and costs incurred in prior years as analysed in

Note 1 and form a significant net cost in the profit and loss account.

KIRIBATI PORTS AUTHORITY
CONSOLIDATED INCOME STATEMENT
For the year ended 31st December 2018

		2018	2017	2016
Operating revenue for the year		7,596,676	8,016,456	8,485,321
Less:				
Operating expenses for the year		7,348,275	7,996,387	8,067,781
Operating profit(loss) for the year		248,401	20,069	417,540
Add:				
Amortisation of Aid Reserve		2,380,629	2,351,098	2,351,098
Add:				
Other Items		(478,424)	(3,248,861)	0
				0
Net profit for the year		2,150,606	(877,694)	2,768,638
Add:				
Retained Earnings - The beginning of the year		12,307,663	13,192,338	14,746,224
Retained Earnings - Adjustments for the year		49	(6,981)	(4,322,524)
Retained Earnings - The end of the year		14,458,318	12,307,663	13,192,338



Chairman, KPA Board of Directors



General Manager KPA

KIRIBATI PORTS AUTHORITY
CONSOLIDATED INCOME STATEMENT
For the year ended 31st December 2018

	Note	2018	2017	2016
INCOME				
Income - Tarawa		6,509,901	6,973,085	7,949,828
Income Kiritimati		1,086,775	1,043,371	535,493
TOTAL INCOME		7,596,676	8,016,456	8,485,321
EXPENSES				
Employment Costs - Tarawa		2,507,654	2,706,261	2,965,707
Employment Costs - Kiritimati		389,305	393,179	303,572
Total Employment Costs		2,896,959	3,099,439	3,269,279
Other Costs - Tarawa		1,216,206	1,599,674	1,649,149
Other Costs - Kiritimati		193,758	171,265	148,476
Total Other Costs		1,409,964	1,770,939	1,797,624
Depreciation - Tarawa	6	2,902,505	3,025,178	2,899,801
Depreciation - Kiritimati	6	138,847	100,830	101,076
Total Depreciation		3,041,352	3,126,009	3,000,878
TOTAL EXPENSES		7,348,275	7,996,387	8,067,781
OPERATING PROFIT		248,401	20,069	417,540
OTHER INCOME				
Amortisation of aid reserve - Tarawa	6	2,261,098	2,261,098	2,261,098
Amortisation of aid reserve - Kiritimati	6	90,000	90,000	90,000
Gain from Prior Period Items	1	29,531		
TOTAL OTHER INCOME		2,380,629	2,351,098	2,351,098
OTHER EXPENSES				
Unrealised Loss on Investment		6,729		
Loss from Prior Period Items - Tarawa	1	54,031	2,223,705	0
Loss from Prior Period Items - Kiritimati	1	417,664	1,025,156	0
TOTAL OTHER EXPENSES		478,424	3,248,861	0
NET PROFIT		2,150,606	(877,694)	2,768,638

KIRIBATI PORTS AUTHORITY
INCOME STATEMENT - TARAWA MAIN OFFICE
For the year ended 31st December 2018

	Note	2018	2017	2016
INCOME				
O/Vessel - FCL Discharge		920,094	899,358	1,380,318
O/Vessel - MT Discharge		23,000	14,620	8,929
O/Vessel - B/B Discharge		19,828	75,840	173,236
O/Vessel - FCL Loaded		139,913	221,600	108,600
O/Vessel - MT Loaded		388,363	290,400	482,909
O/Vessel - B/B Loaded		489	30,681	7,727
O/Vessel - FCL Shifted		10,000	400	
O/Vessel - MT Shifted		775	4,360	7,735
L/Vessel - FCL Loaded		5,100	2,026	857
L/Vessel - B/B Loaded		9,374	70	
Lighterage - Import/Export			2,681	
Hatch Lifting				172
Container Lashings		39,518	35,920	57,880
Hire - Teraoi				150
Hire - Tabuariki				600
Hire - Tauraoi				
Hire - Tug with Barge				1,070
Hire - Barge				
Hire - Water Pump				40
Hire - Labour				
Hire - Tarawa Pilot		25,119	60,206	34,994
Ration				
Ports Security Services		106,950	162,067	115,903
Environmental Levy Fee		57,665	74,982	55,475
Miscellaneous Revenue		110,707	374,711	320,676
Casual Labour				
Overtime Charged		236,365	331,721	473,831
Food Ration		89,513	123,839	151,759
Overseas Bonus		92,571	129,024	176,778
Port Dues		419,760	487,351	205,532
Inner Anchorage			18,895	15,191
Dockage		75,596	113,073	116,783
Loading/Unloading				
Mooring		123,264	2,908	
Port Handling Charge		2,807,055	2,647,810	3,010,801
Wharfage - L/Vessel: Carrier		4,557	4,752	30,259
Wharfage - L/Vessel: KPA		445	1,559	678
Container Delivery - Betio				

KIRIBATI PORTS AUTHORITY
INCOME STATEMENT - TARAWA MAIN OFFICE
For the year ended 31st December 2018

	Note	2018	2017	2016
INCOME (continued)				
Pilotage & Survey Fee		0	29,724	71,663
Agency Fee		0	0	1,141
Other Agency Revenues		0	0	398
Hire - Tower Crane		0	(2,588)	0
Hire - Crane		28,925	17,500	5,360
Hire - Tadano Crane		500	11,240	38,920
Hire - Crane Truck		6,900	12,210	23,171
Hire - Truck 2t		200	480	180
Hire - Tractor		0	0	0
Hire - Tractor with Trailer		0	1,125	0
Hire - Forklift 35t		33,660	21,450	9,590
Hire - Forklift 25t		250	10,250	15,700
Hire - Forklift 7t		15,684	9,970	16,501
Hire - Forklift 1t/2t		2,840	2,020	656
Hire - Prime Mover		43,600	37,695	48,052
Hire - Container Trailer		4,500	11,430	17,647
Hire - Tyre Repair		200	0	0
Hire - Sidelifter		199,730	253,287	350,570
Jetty Toll Fare		0	746	15,006
Hire - Reach Stacker		4,150	450	0
Tyre inflating		10	15	0
Tyre repair		3,208	2,008	1,200
Engine troubleshooting		0	0	0
Gas Welding		0	20	0
Battery charging		0	10	0
Photocopy		4	8	180
Internet		0	5	20
Printing		17	25	15
IBD Interest		0	7,718	30,968
Salaries Bank Charge		131	2,449	2,099
Administration Fees		(6)	6,229	8,900
New KPA Tariff		0	40	30
Agency Revenues		0	0	0
Storage - Reefer Cargoes		4,294	118,755	6,073
Storage - Perishables			0	4,928
Storage - Transshipment Reefer			0	16,240
Storage - Imports/Exports		302,480	146,479	228,996
Warehouse Sales		145,376	158,381	48,741
Demurrage		0	0	48,000
Penalty Fee - Urgent Release		7,227	3,100	0
TOTAL INCOME		6,509,901	6,973,085	7,949,828

KIRIBATI PORTS AUTHORITY
INCOME STATEMENT - TARAWA MAIN OFFICE
For the year ended 31st December 2018

	Note	2018	2017	2016
EXPENSES:				
EMPLOYMENT COSTS:				
Salaries		1,334,737	1,274,138	1,239,898
Casual Labour		29,940	68,043	125,454
Overtime		345,442	493,441	644,995
Allowances		122,192	109,516	120,245
Temporary Assistance		14,133	51,023	65,166
Overseas Bonus		106,653	138,697	166,238
KPF Contribution		97,401	102,475	107,268
Rent Subsidy		115,242	111,936	104,088
Food Ration		101,354	126,429	165,338
Leave Grant/Pasage		240,560	230,562	227,017
TOTAL EMPLOYMENT COSTS		2,507,654	2,706,261	2,965,707
OTHER COSTS				
Hire - Vessel Operations			0	12,220
R & M - Land & Buildings		26648	34,179	1,617
Wreck & Salvage			0	0
Pilotage & Survey			10,485	30,205
Fuel - Machinery		178122	150,355	194,851
Engine Oil & Others		11669	29,889	0
Repairs & Maintenance		313,295	437,415	529,116
Office Supplies & Stationeries		13249	35,314	42,223
Computer Supplies			504	1,454
Telecom Charges		22587	37,652	39,197
Public Utilities Charges		240598	265,565	250,430
Advertising & Announcements		6497	12,565	6,784
Council Service Charges			0	465
IT Computer Supplies		16326	11,468	35,770
IT Network & Licence Costs		30924	55,805	74,930
IT Equipment		15418	12,357	0
Travelling - Overseas		165191	201,943	121,498
Travelling - Local		3564	3,433	3,033
Staff Transport		3794	11,813	29,635
Staff Training		27927	111,542	3,762
Board Sitting Allowances		23685	24,696	22,285
Board Expenses		6682	5,231	3,370
Entertainment		5887	4,374	772
Subscription Fee		1527	150	0

KIRIBATI PORTS AUTHORITY
INCOME STATEMENT - TARAWA MAIN OFFICE
For the year ended 31st December 2018

	Note	2018	2017	2016
OTHER COSTS (continued)				
Interview Expenses		495	465	5,770
Sundry Expenses		13384	34,762	34,028
Hire - Security Services		2,693	11,316	0
Repairs and Maintenance			0	0
Warehouse Expenses		9,416	18,554	17,048
Bank Charges		5,823	8,643	75,195
Audit & Accountancy Fees		3,000	3,000	0
Doubtful/Bad Debts				36,997
TOTAL OTHER COSTS		1,216,206	1,599,674	1,649,149
Depreciation Expense		2,902,505	3,025,178	2,899,801
TOTAL EXPENSES		6,626,365	7,331,113	7,514,657
OPERATING PROFIT/(LOSS)		(116,464)	(358,028)	435,171
OTHER INCOME				
Amortisation of Aid Reserve	6	2,261,098	2,261,098	2,261,098
TOTAL OTHER INCOME		2,261,098	2,261,098	2,261,098
OTHER EXPENSES				
Unrealised Loss on Investment		6,729		
Loss from Prior Period Items	1	54,031	2,223,705	0
TOTAL OTHER EXPENSES		60,760	2,223,705	0
NET PROFIT/(LOSS) TARAWA		2,083,874	(320,635)	2,696,269

KIRIBATI PORTS AUTHORITY
INCOME STATEMENT - KIRITIMATI BRANCH
For the year ended 31st December 2018

	Note	2018	2017	2016
INCOME				
Anchorage		84,287	50,189	14,798
Berthing		21,395	7,610	8,181
Pilotage & Survey		82,581	52,042	54,625
Stev O/V - FCL Discharge		104,975	92,400	56,200
Stev O/V - B/B Discharge		19,751	55,021	45,074
Stev O/V - FCL Loaded		49,200	31,200	21,800
Stev O/V - MT Loaded		33,462	26,100	8,700
Stev O/V - B/B Loaded		1,183	5,264	8,614
Stev O/V - Hatch Lifting			100	
Stev O/V - FCL Shifted		400	0	2,000
Stev O/V - BB Shifted			0	500
Stev O/V - Container Lashing			0	0
Stev L/V - FCL Discharge			555	0
Stev L/V - B/B Discharge		32,301	13,000	0
Stev L/V - FCL Loaded			0	0
Stev L/V - MT Loaded			0	35
Stev L/V - B/B Loaded		19,334	2,219	0
Stev L/V - Hatch Lifting			0	400
Mooring		11,688	14,812	8,175
Overtime		55,114	38,228	24,034
Mooring			14,204	7,277
Environment Fee		11,695	6,313	5,707
Port Security Services Fee		19,150	7,500	1,450
Administration Fee			713	3,216
Overseas Bonus		14,879	17,298	10,845
Port Security Fees			0	400
Wharfage (L/ Vessels)		90,588	75,897	21,359
Handling (L/ Vessels)		4,170	(25)	31,995
Wharfage (O/ Vessels)		223,285	265,298	110,018
Loading/Unloading (O/Vessel)			0	0
Storage - Iron Rod			0	0
Storage - General Cargoes etc		12,157	7,807	1,312
Hire - Barge/Boat		3,650	3,900	3,950
Hire - Truck		4,582	4,430	1,293
Hire - Crane		10,390	12,608	11,025
Hire - Forklift		3,875	3,010	200
Hire - Prime Mover		8,875	16,834	1,980
Hire - Louder			0	0
Hire - Welding Machine			300	0

	Note	2018	2017	2016
INCOME (continued)				
Hire - Side lifter		108,840	102,831	50,693
Rental Revenues		250		
Jetty Revenue		1,641	1,535	1,129
Gasoline sales			1,532	
Used container sales			2,000	
Work shop revenue			3,020	
House rent revenue		1,832	2,098	1,832
Internet cafe revenue		94	3,099	5,855
Auction		2,351	2,251	1,801
Miscellaneous Revenues		48,800	100,178	9,022
TOTAL INCOME		1,086,775	1,043,371	535,493
EXPENSES				
EMPLOYMENT COSTS				
Basic Salaries		185,672	184,979	167,369
Casual Wages		44,498	27,529	20,912
Overtime		60,039	71,117	38,838
Allowances		28,741	39,611	25,500
NPF Contribution		16,602	15,731	13,967
Temporary Assistance		7,297	1,884	957
Leave Passage/Grant		29,973	28,216	26,242
Staff Housing		1,000	511	831
Leave Commutation				
Food Ration		15,483	23,600	8,956
TOTAL EMPLOYMENT COSTS		389,305	393,179	303,572
OTHER COSTS				
Fuel Expenses				
Fuel - Machinery		39,730	37,202	26,282
Fuel - Vehicles		434	998	50
Telephone		1,960	342	
Electricity		11,575	8,289	4,000
Water				
Advertising & Public Notices		162	694	625
Bad & Doubtful Debts				
Postage & Shipping				2,126
Dues & Subscriptions		1,156	1,100	
Insurance				
Legal Fees		20	32	520
Pilotage & Survey Fees		30,012	35,604	18,098
Repairs & Maintenance		51,889	31,131	38,798
Office Supplies & Stationery		7,951	4,253	6,648
Computer Supplies				167
Hire		10,512	16,048	12,712
Local Travel		9,318	7,278	90
Staff Transport		488	2,167	1,083

	Note	2018	2017	2016
OTHER COSTS (continued)				
Bank Charges		1,710	1,437	1,781
Agency Expenses			0	0
Internet			0	0
Director's sitting allowance		3,985	2,470	
Miscellaneous Expenses		20,974	16,623	29,038
Inhouse training Xmas			165	0
Safety Gear			0	640
Entertainment		1,882	5,432	5,818
TOTAL OTHER COSTS		193,758	171,265	148,476
Depreciation Expense		138,847	100,830	101,076
OPERATING PROFIT		364,865	378,097	(17,631)
OTHER INCOME				
Amortisation of aid reserve		90,000	90,000	90,000
Gain from Prior Period Items		29,531		
TOTAL OTHER INCOME		119,531	90,000	90,000
OTHER EXPENSES				
Loss from Prior Period Items	1	417,664	1,025,156	0
TOTAL OTHER EXPENSES		417,664	1,025,156	0
NET PROFIT/(LOSS)		66,732	(557,059)	72,369

KIRIBATI PORTS AUTHORITY
BALANCE SHEET - CONSOLIDATED
For the year ended 31st December 2018

	Note	2018	2017	2016
Current Assets				
Cash and Bank Balances		9,187,118	5,984,673	7,193,722
Debtors		5,271,372	5,371,059	5,954,384
Investment		2,993,271	3,000,000	
Provision for Bad Debts		(2,684,895)	(2,684,517)	
		14,766,866	11,671,215	13,148,106
Current Liabilities				
Creditors		756,744	548,699	749,862
		756,744	548,699	749,862
Working Capital		14,010,122	11,122,516	12,398,244
Long Term Assets				
Fixed Assets		47,979,907	51,067,957	53,028,002
		47,979,907	51,067,957	53,028,002
Long Term Liabilities				
Loan - BANK ANZ				
Net Worth		61,990,029	62,190,473	65,426,246
Equity				
Capital		655,255	655,255	655,255
Aid Reserve - Govt of Japan		46,876,457	49,227,555	51,578,653
Retained Earnings		12,307,712	13,185,357	10,423,700
Current Earnings		2,150,605	(877,694)	2,768,638
		61,990,029	62,190,473	65,426,246

KIRIBATI PORTS AUTHORITY
BALANCE SHEET - TARAWA MAIN OFFICE
For the year ended 31st December 2018

	Note	2018	2017	2016
Current Assets				
Cash and Bank Balances	7	8,735,944	5,342,979	6,982,930
Debtors	2 & 9	3,335,372	3,563,298	4,259,056
Investment	13	2,993,271	3,000,000	
Provision for Bad Debts	4	(1,650,756)	(1,650,756)	
Due from Xmas		826,610	588,472	517,901
		14,240,441	10,843,993	11,759,887
Current Liabilities				
Creditors	3	246,921	98,225	362,419
Due to Xmas		1,885,709	1,269,619	1,215,408
		2,132,630	1,367,844	1,577,827
Working Capital		12,107,811	9,476,149	10,182,060
Long Term Assets				
Fixed Assets	6	44,480,025	47,288,911	49,164,733
		44,480,025	47,288,911	49,164,733
Long Term Liabilities				
Loan - Bank ANZ				0
				0
Net Worth		56,587,836	56,765,060	59,346,793
Equity				
Capital		655,255	655,255	655,255
Aid Reserve - Govt of Japan	6	43,782,171	46,043,269	48,304,367
Retained Earnings		10,066,536	10,387,171	7,690,903
Current Earnings		2,083,874	(320,635)	2,696,269
		56,587,836	56,765,060	59,346,793

KIRIBATI PORTS AUTHORITY
BALANCE SHEET - KIRITIMATI BRANCH
For the year ended 31st December 2018

	Note	2018	2017	2016
Current Assets				
Cash and Bank Balances	8	451,174	641,694	210,792
Debtors	2 & 10	1,936,000	1,807,761	1,695,328
Provision for Bad Debts	5	(1,034,139)	(1,033,761)	
Due from HQ		1,885,709	1,269,619	1,215,408
		3,238,744	2,685,313	3,121,528
Current Liabilities				
Creditors	3	509,823	450,474	387,443
Due to HQ		826,610	588,472	517,901
		1,336,433	1,038,946	905,344
Working Capital		1,902,311	1,646,367	2,216,184
Long Term Assets				
Fixed Assets	6	3,499,882	3,779,046	3,863,268
		3,499,882	3,779,046	3,863,268
Net Worth		5,402,193	5,425,413	6,079,452
Equity				
Aid Reserve - Govt of Japan	6	3,094,286	3,184,286	3,274,286
Retained Earnings		2,241,176	2,798,186	2,732,797
Current Earnings		66,731	(557,059)	72,370
Equity		5,402,193	5,425,413	6,079,452

KIRIBATI PORTS AUTHORITY
CONSOLIDATED CASH FLOW
For the year ended 31st December 2018

	Note	2018	2017	2016
Cash flow from operating activities				
Receipts from customers & debtors		7,736,459	7,904,189	7,645,418
Payments to suppliers & employees		(4,203,824)	(4,920,785)	(9,269,650)
		3,532,635	2,983,404	(1,624,232)
Cash flow from financing activities				
Investment			(3,000,000)	
			(3,000,000)	
Cash flow from investing activities				
Purchase of fixed assets		(330,190)	(1,192,453)	2,157,657
		(330,190)	(1,192,453)	2,157,657
Net Cash Flow		3,202,445	(1,209,049)	533,425
Cash and Bank Balances - Beginning		5,984,673	7,193,722	6,660,297
Cash and Bank Balances - Ending		9,187,118	5,984,673	7,193,722
Note A - Details of Cash and Bank Balances				
Cash Float - Tarawa		500	500	500
Undeposited Cash - Tarawa		(600)	67,639	30,748
Bank Account No.1 - Tarawa		8,736,044	5,274,840	4,166,170
Interest Bearing Deposit (IBD No.1) - Tarawa				915,451
Interest Bearing Deposit (IBD No.2) - Tarawa				321,223
Interest Bearing Deposit (IBD No.3) - Tarawa				1,548,837
Undeposited Cash - Kiritimati		4,701	25,156	34,408
Bank Account - Kiritimati		445,876	616,338	176,184
Cash Float - Kiritimati		597	200	200
		9,187,118	5,984,673	7,193,722
Note B - Reconciliation of cash flow from operations				
Net Profit / loss for the period		2,150,606	(877,694)	2,768,638
Depreciation charge for the period		3,041,352	3,126,008	3,000,878
Amortisation of aid reserve for the period		(2,351,098)	(2,351,098)	(2,351,098)
Decrease/(Increase) in Debtors		106,794	583,325	(839,904)
Increase/(Decrease) in Creditors		208,045	(174,674)	119,778
Changes/Adjustment to Fixed Assets		330,382		
Changes/Adjustment to Debtors			2,684,517	(4,322,524)
Changes/Adjustment to Creditors		46,554	(6,980)	
		3,532,635	2,983,404	(1,624,232)

Notes to the Accounts 2018

- 1 Loss on Prior Period Items
- 2 Debtors
- 3 Creditors
- 4 Bad Debt Provision - Tarawa
- 5 Bad Debt Provision - Kiritimati
- 6 Fixed assets
- 7 Bank reconciliation - Tarawa
- 8 Bank reconciliation - Kiritimati
- 9 Trade Debtors - Tarawa
- 10 Trade Debtors - Kiritimati
- 11 Staff Debtors
- 12 Accruals
- 13 Investment

Note 1**Gain / Loss from Prior Period Items**

Tarawa	Net
Staff Debtors - Refund tax penalty	4,045
Staff Debtors - School fees reimbursed	505
Staff Debtors - Leavers and Travel amt	4,083
Unidentified balances on BOK Rec Error 2016 and prior	28,779
Adjustments to Dishonoured Cheques from reconciliation	11,542
Write off Undeposited Cash 2017 and prior	5,077
Total Tarawa	(54,031)

Kiritimati**Adjustment to Fixed Assets Balances to reconcile to Register:**

Wharf & Structures Accum Dep'n	(7,500)
Lift Vehicles/Machinery - Cost	(1,708)
Lift Vehicles/Mach Accum Dep'n	(124,147)
Boats & Tugs Accum Cost	100
Boats & Tugs Accum Dep'n	134,969
Trans. Vehicle & Trailers - Cost	(51,966)
Trans. Veh/Trailer Accum Dep'n	36,311
Buildings - Cost	(57,952)
Buildings Accum Dep'n	(142,413)
Furniture & Equipment - Cost	(28,675)
Furniture & Equip Accum Dep'n	(2,202)
Other Fixed Assets - Cost	(86,088)
Other Fixed Assets Accum Dep'n	888
Total Cost	(226,289)
Total Depn	(104,093)
Total NBV	(330,382)

Sundry corrections to balance sheet - Kiritimati (57,751)

Total Kiritimati (388,133)

Note 2

Debtors

Debtors	Year 2018		
	Tarawa	Kiritimati	Total
Trade Debtors			
Receivables	3,243,480	1,892,651	5,136,131
Provision for doubtful debts	(1,650,756)	(1,034,139)	(2,684,895)
Staff Debtors			
Staff Imprests	23,563		23,563
Staff Debtors	50,006	42,872	92,878
Sundry Debtors			
Sundry Debtors			
Dishonoured Cheques	18,323		18,323
Deposit to Vendors			
Bank Rec Error		477	477
Agency Debtors			
Prepayments			
Total	1,684,616	901,861	2,586,477

Note 3**Creditors**

Creditors	Year 2018		
	Tarawa	Kiritimati	Total
Wages Clearing	33,897	20,753	54,650
Trade Creditors		13,045	13,045
Deposit from customers	6,788	258,044	264,832
Accrued Expenses	118,541	67,524	186,065
Payroll Accruals Payable			0
Unpresented Cheques	153,192		153,192
Agency Creditors			0
VAT Collected	37,746	129,043	166,789
VAT Paid	(85,633)	(384)	(86,017)
GST			0
Withholding Tax	(17,609)		(17,609)
Sundry Creditors		21,798	21,798
Total	246,922	509,823	756,745

Provision for Bad Debts and Bad Debts written off 2017

Customer	Total Provision	Bad Debts Provision	Provision for doubtful debts	Provision %
Assembly Of God	375	0	375	100
Betio Hardware	402	0	402	50
Betio Parish	491	0	491	50
Bikenibeu Parish	406	0	406	50
Blue Dog Shipping Services	0	0		
Bobotin Kiribati Limited	317	317		100
Central Pacific Producer Ltd	1,596	0	1,596	50
Commander WU YI & DI HUA	7,278	7,278		
Craig Construction	258	258		
Development Bank of Kiribati	110	0	110	100
Dojin Co Ltd TRW	58,163	0	58,163	50
Domino Shipping Line	566	0	566	50
European Union	9,726	9,726		
GOK - Environment, Lands & Agriculture (MELAD)	849	0	849	100
GOK - Finance (MFED)	678	(29)	707	100
GOK - Foreign Affairs	1,132	732	400	100
GOK - Internal & Social Affairs (MISA)	20	0	20	100
GOK - Maneaba ni Maungatabu	1,835	1,835		
GOK - MCIC (MCIT)	12,076	0	12,076	100
GOK - MCTTD (MICT)	1,427	581	847	100
GOK - MFMRD	3,253	0	3,253	100
GOK - Min. of Health	1,813	0	1,813	100
GOK - Ministry of Education	54	0	54	100
GOK - Office of Te Beretitenti	3,922	1,316	2,606	100
GOK - Police	276	0	276	100
GOK - Public Service Office	1,080	1,080		
GOK - Public Works & Utilities	17,559	17,046	512	100
IMPORTEX (TEK)	1,238	0	1,238	50
Iote Tebaio	32	0	32	50
Jacob Teem	(250)	0	(250)	50
Joe Corrie	55	0	55	100
Joyce Shippng Line	352,815	357,858	(5,042)	100
Keangnimakin Shipping	500	0	500	100
King Holdings	0	0		
Kiribati Business Services & Agency	2,097	2,097		
Kiribati Copra Mill	42,566	47,380	(4,814)	50
Kiribati Copra Society Ltd	2,162	1,130	1,032	50
Kiribati Fish Limited	8,276	0	8,276	50
Kiribati Housing Corporation	510	510		
Kiribati Oil Co Ltd	44,205	43,561	643	50
Kiribati Project Solutions	0	0		
Kiribati Recyling	350	350		
Kiribati Seas Company Ltd	125,451	0	125,451	100
Kiribati Shipping Services Limited	160,561	135,957	24,604	50
KNOC	135	0	135	50
Lagoon Motors	10	10		
Lawin Interisland Shipping Serv	2,606	2,606		
LC Tekimarawa	0	0		
Lightly Damp Shipping Line	4,590	4,590		

Provision for Bad Debts and Bad Debts written off 2017

Customer	Total Provision	Bad Debts Provision	Provision for doubtful debts	Provision %
Lu-Marine	862	0	862	50
LYKEIT TRADING	2,295	0	2,295	50
Maiana Island Council	23,130	526	22,604	50
Mataraoi	88	88		
Matson South Pacific Ltd	4,378	0	4,378	100
Maurinteraoi Shipping Line	45	0	45	50
Mc Connell Dowell Construction	(69)	0	(69)	100
Moaniti Teuea Teitai	538	0	538	50
Mobil Oil Fiji	9,405	9,405		
MOEL Trading Co Ltd	3,221	3,210	12	50
MTC Project (CCL)	(18)		(18)	100
MV Aristo River	6,412	0	6,412	50
Mv Tekinati	0	0		
MYCON	6,161	0	6,161	100
NYK - HINODE	71,052	0	71,052	100
Oben Oben	177	0	177	100
Oceanic	843	0	843	50
One Stop Shipping Agency	0	0		
OTTA	(34)		(34)	100
Pacific Agencies Ltd	48	48		
Pacific Direct Line	3,993	0	3,993	100
Pacific Energy Kiribati Agent	0	0		
Pacific Marine & Civil Solutio	18,642	0	18,642	50
Pacific Partnership 2009	1,320	1,320		
Plant & Vehicle Unit	200		200	100
Public Utilities Board	209	209		
Reitinraoi	1,041	0	1,041	50
Robuti Tabuke	0			
Royal Crown	423		423	100
Santa Teretia	7,721	5,373	2,348	50
Santo Ioteba	1,201	831	370	100
SAOK	598,472	0	598,472	50
SDA Korobu	30	30		
Solar Energy Co	520	0	520	50
SPMS	37	0	37	50
SSS Agency	2,686	0	2,686	50
Swire Shipping Agencies Pty Ltd	1,922	1,922		
Swis Trading	514	0	514	50
Tabera Bonteman Tabera	266	0	266	50
Tarawa Motors	4,784	4,728	56	50
Target Store	181	0	181	50
Tateraka Enterprises	0	0		
Telecom Services Kiribati Ltd	1,375	0	1,375	50
Telecommunication Authority Kiribati	857	857		
Tetaake	164	164		
VANGUARD Logistic Services Aus	1,281	1,281		
Viking Star	562	0	562	100
WKK Trading	248	248		
Grand Total	1,650,756	666,428	984,327	

Note 5

Provision for Bad Debts - Kiritimati

Debts greater than \$4,000 pre 2017	Provision
Dojin Company Limited	331,557
Kiribati Shipping Services Limited	182,980
Shipping Agency of Kiribati	105,545
Reef shipping company	98,208
Kiribati Copra Cooperative Society	28,556
Downer Edi Works Ltd	50,150
Linnix-Kiribati Education & Improvement Programme	21,636
Holland America Line Inc	41,828
WKK	20,409
Southern Tiare	16,442
Linnix - Civil	13,013
Kiribati Oil Company Limited	11,816
Kiribati Seas company Ltd	5,990
Linnix - Admin	11,923
Master Hao Hang	12,293
Telecom Services Kiribati Limited	7,714
Master SV Kwai	7,295
Linnix - Headquarter	4,945
NRL	4,820
Betio Shipyard limited	4,170
Total Debts greater than \$4,000	981,290
Debts less than \$4,000	52,849
Total Provision	1,034,139

Fixed Assets and Depreciation

Year 2018

Cost/Valuation	Wharf & Structures	Buildings	Furniture & Equipment	Lifting Veh. & Machinery	Boats & Tugs	Barges	Transport Vehicles & Trailers	Other Fixed Assets	Capital Work In Progress	Total Fixed Assets - Tarawa	Kiritimati	Grand Total Fixed Assets
Start of the year	56,367,974	7,092,311	1,007,786	5,117,374	1,336,029	994,985	1,907,778	934,888	360,385	75,119,509	6,092,992	81,212,501
Adjustments											(226,289)	(226,289)
Additions 2018	7,135		24,409		30,000				78,579	140,123	190,065	330,188
Disposals 2018								(105,838)		(105,838)		(105,838)
End of the year	56,375,109	7,092,311	1,032,195	5,117,374	1,366,029	994,985	1,907,778	829,050	438,964	75,153,794	6,056,768	81,210,562
Depreciation												
Start of the year	(14,487,083)	(3,832,360)	(915,224)	(4,378,821)	(970,577)	(994,985)	(1,407,257)	(844,290)	0	(27,830,598)	(2,313,946)	(30,144,544)
Adjustments										0	(104,093)	(104,093)
Disposals								59,332		59,332		59,332
Charges for 2018	(2,149,465)	(192,685)	(32,066)	(229,558)	(165,451)		(112,048)	(21,231)		(2,902,504)	(138,847)	(3,041,351)
End of the year	(16,636,548)	(4,025,045)	(947,290)	(4,608,379)	(1,136,028)	(994,985)	(1,519,305)	(806,189)	0	(30,673,770)	(2,556,886)	(33,230,656)
Net Book Value												
NBV at year start	41,880,891	3,259,950	92,562	738,553	365,452	0	500,521	90,598	360,385	47,288,912	3,779,046	51,067,958
NBV at year end	39,738,561	3,067,265	84,905	508,995	230,001	0	388,473	22,861	438,964	44,480,025	3,499,882	47,979,907

Aid Reserve - Japan

	Year 2017		
	Kiritimati	Tarawa	Total
Balance at year start	3,184,286	46,043,269	49,227,555
Additions			
Adjustment			
Less: Amortisation for the year	(90,000)	(2,261,098)	(2,351,098)
Balance at year end	3,094,286	43,782,171	46,876,457

Note 7

Bank Reconciliation Report as at 31/12/18 - Tarawa

ID No.	Date	Memo/Payee	Deposit	Withdrawal
Cheque Account:	1-1111	Cheque Account		
Date of Bank Statement:	31-12-18			
Outstanding Cheques				
1100483	07-12-17	Betio Port Stevedores Union		171.00
1126162	15-03-18	GOK - MCTTD (MICT)		500.00
1183533	18-05-18	Custom -GOK		1,329.38
1183610	07-06-18	Custom -GOK		450.90
1183639	20-06-18	Custom -GOK		1,024.15
1183640	20-06-18	Custom -GOK		574.10
1183702	10-07-18	ATHKL		928.20
1183886	07-09-18	Kiribati Housing Corporation		8,893.00
1186734	22-11-18	Kiribati Provident Fund		295.00
1186738	22-11-18	GOK-Misa		100.00
1186764	05-12-18	Custom -GOK		394.70
1186780	06-12-18	Betio Port Stevedores Union		183.00
1186804	19-12-18	Kiribati GOV'T NO.1		13,715.80
1186806	20-12-18	IOANE TENEBEBO		172.00
1186808	20-12-18	Betio Port Stevedores Union		183.00
1186811	20-12-18	Kiribati Housing Corporation		902.44
1186821	24-12-18	Moote Tiira		60.00
1186822	24-12-18	ABOY'S Restaurant		120.00
1186824	27-12-18	KPA Canteen		946.30
1186825	27-12-18	Teebwaki, Eeri		77.25
1186826	31-12-18	Kiribati Provident Fund		14,147.74
Total:			0.00	45,167.96
Outstanding Deposits				
GJ001776	20-11-14	Bank Deposit: RR 12640 - 12671	1,109.25	
GJ001910	27-02-15	Bank Deposit: RR14143 - 14172	500.00	
12631	14-05-18	Punjas Kiribati Ltd	600.00	
GJ003029	28-12-18	Split deposit in order to reconcile bank with bank statmt	26,968.44	
CR003527	31-12-18	Bank Deposit for Rr# 19294 to 19304	16,825.10	
Total:			46,002.79	0.00
Reconciliation				
MYOB Balance on 31-12-18:				8,736,044.37
Add: Outstanding Cheques:				45,167.96
Subtotal:				8,781,212.33
Deduct: Outstanding Deposits:				46,002.79
Expected Balance on Statement:				8,735,209.54
Balance on Bank Statement				8,735,209.54

Note 8

Bank Reconciliation Report as at 31/12/18 - Kiritimati

Reconciliation Report

31-01-19

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ID#

Date

Memo/Payee

Deposit

Withdrawal

Cheque Account:

1-1112

Cheque Account

Date of Bank Statement:

31-12-18

Outstanding Cheques

934369	10-02-17 KPA Service Enterprises	90.00
GJ000230	06-04-17 Dishonored chq 5/4/17 CHQ#: 629432	1,040.00
921228	12-05-17 Amatia TANUA	23.00
921230	12-05-17 Linnix - Housing	11.55
921257	26-05-17 KPF	111.90
921296	29-06-17 CANCELLED	0.00
921305	07-07-17 CANCELLED	0.00
921394	01-09-17 cancelled	0.00
632388	02-11-17 ATHKL	85.02
632401	14-11-17 Itimara Akamatang	130.80
1154816	21-11-17	0.00
1154875	06-12-17 Maritino IANANA	57.35
1154836	07-12-17	0.00
1154837	07-12-17	0.00
1154843	08-12-17 Tax Office	589.41
1154874	05-01-18	0.00
1154912	12-02-18 Tax Office	117.27
1154931	02-03-18 Triple Tee	142.50
1154934	03-03-18	0.00
1154935	05-03-18	0.00
1154936	05-03-18	0.00
1154981	04-04-18	0.00
1234807	16-05-18 Tax Office	73.50
STM07/06	07-06-18 charge for Chq# 1234834	10.00
STM07/06	07-06-18 Pay No. 12-18	2,113.64
STM07/06	07-06-18 Pay 12-18	880.26
1234849	22-06-18 DBK	710.19
1234839	01-07-18 Nabuaa Tearoua	49.90
1234864	03-07-18 KPA Service Enterprises	123.00
1234913	04-07-18 Ititaretu KARETE	141.00
1234869	06-07-18 JMB enterprices	0.00
1234949	04-09-18 Fair Price	69.60
1207124	09-11-18 pv no. 16981 cancel	0.00
1207149	03-12-18 Kwai	175.00
1207170	22-12-18 KPF loan scheme	1,150.30
1207176	24-12-18 Tax Office	218.00
1207179	31-12-18 Tax Office	1,305.51
1207180	31-12-18 KPF	19,813.66
1207181	31-12-18 Henry Murdoc	600.00
1207182	31-12-18 Henry Murdoc	600.00
1207183	31-12-18 KOIL	1,680.00
1207184	31-12-18 KPA Canteen	2,772.00
	Total:	0.00 34,884.36

Outstanding Deposits

GJ000231	31-12-16 Closing Balance: Adjustment	3,011.10
CR000445	09-11-17 Bank Deposit -Ref 69/17	960.50
CR000470	16-12-17 Bank Deposit-87/17	2,256.56
	Total:	6,228.16 0.00

Reconciliation

AccountRight Premier Balance on 31/12/18:	445,875.80
Add: Outstanding Cheques:	34,884.36
Subtotal:	480,760.16
Deduct: Outstanding Deposits:	6,228.16
Expected Balance on Statement:	474,532.00

Note 9

Trade Receivables as at 31/12/18 - Tarawa

Customer	Total Due
Akenraoi	(0.01)
Betio Parish	981.00
Bikenibeu Parish	811.00
Bobotin Kiribati Limited	317.27
Tabera Bonteman Tabera	531.87
Boomerang Shipping	(0.01)
CCB ENVICO	(1,830.00)
Central Pacific Producer Ltd	67,521.85
Commander WU YI & DI HUA	7,277.50
Craig Construction	257.80
Development Bank of Kiribati	110.00
Dojin Co Ltd TRW	190,730.53
Domino Shipping Line	1,132.77
European Union	9,726.00
GOK - Environment, Lands & Agriculture (MELAD)	2,549.40
GOK - Finance (MFED)	677.67
GOK - Foreign Affairs	1,131.52
GOK - Internal & Social Affairs (MISA)	19.75
GOK - Maneaba ni Maungatabu	1,834.66
GOK - MCIC (MCIT)	12,076.00
GOK - MCTTD (MICT)	5,173.50
GOK - MFMRD	3,252.53
GOK - Min. of Health	1,813.24
GOK - Ministry of Education	54.13
GOK - Office of Te Beretitenti	3,922.39
GOK - Police	276.36
GOK - Public Service Office	1,080.00
GOK - Public Works & Utilities	17,558.79
IMPORTEX (TEK)	2,475.00
Iote Tebaio	64.97
Joe Corrie	55.00
Joyce Shippng Line	352,815.30
Keangnimakin Shipping	500.00
KFL	(10.00)
King Holdings	5,322.05
Kiribati Business Services & Agency	2,097.38
Kiribati Copra Mill	43,710.08
Kiribati Copra Society Ltd	3,193.82
Kiribati Fish Limited	14,627.32
Kiribati Housing Corporation	510.00
Kiribati Oil Co Ltd	44,848.35
Kiribati Project Solutions	7,249.95
Kiribati Recyling	350.00
Kiribati Seas Company Ltd	183,065.70
Kiribati Shipping Services Limited	185,165.84
KNOC	270.00
Lagoon Motors	10.00
Lawin Interisland Shipping Serv	2,606.23
LC Tekimarawa	104.00
Lightly Damp Shipping Line	4,590.26
Lu-Marine	1,723.15
LYKEIT TRADING	15,491.72
Maiana Island Council	45,733.00
Mataraoi	87.50

Customer	Total Due
Matson South Pacific Ltd	4,378.20
Maurinteraai Shipping Line	1,378.00
Mc Connell Dowell Construction	(69.28)
Miika Tabanga (Faidan Store)	(0.02)
MMB Agency Services	565.25
Moaniti Teuea Teitai	1,075.63
Mobil Oil Fiji	9,405.47
MOEL Trading Co Ltd	3,736.88
MTC Project (CCL)	(17.50)
MV Aristo River	12,824.83
Mv Tekinati	2,360.49
MYCON	6,161.30
NYK - HINODE	71,051.68
Oben Oben	176.97
Oceanic	1,686.88
One Stop Shipping Agency	115,091.21
OTTA	(33.58)
Pacific Agencies Ltd	48.00
Pacific Direct Line	3,993.44
Pacific Energy Kiribati Agent	16,590.00
Pacific Marine & Civil Solutio	37,284.54
Pacific Partnership 2009	1,320.00
Plant & Vehicle Unit	200.00
Public Utilities Board	51,837.10
Punjas Kiribati Ltd	0.01
Reitinraoi	2,081.13
Robuti Tabuke	(515.86)
Royal Crown	423.00
Santa Teretia	10,069.46
Santo Ioteba	1,201.02
SAOK	1,558,758.15
SDA Korobu	30.00
Solar Energy Co	1,039.99
SPMS	74.81
SSS Agency	5,372.95
Swire Shipping Agencies Pty Ltd	1,921.89
Swis Trading	1,027.80
Tarawa Motors	4,840.00
Target Store	5,404.14
Tateraka Enterprises	1,753.71
Jacob Teem	(500.00)
Telecom Services Kiribati Ltd	2,750.88
Telecommunication Authority Kiribati	857.30
Tetaake	164.10
The China Navigation Company Pte Ltd - Fiji Branch	103,175.61
VANGUARD Logistic Services Aus	1,281.15
Viking Star	561.58
WKK Trading	248.17
Total:	3,288,710.61

Receivables Account:	3,288,710.61
Out of Balance Amount:	0.00

Trade Receivables as at 31/12/18 - Kiritimati

Name	Total Due	Name	Total Due
Air Kiribati	7,900.00	Linnix Headquarter	3,493.09
ANZ Bank (Kiribati) LTD	495.00	Lu's Shipping Services	4,169.51
Betio Shipyard limited	4,169.62	Magistrate Court	253.88
Bitu Tekabu	50.00	Master Hao Hang	12,292.65
Captain Cook Hotel	612.00	Master Southern Tiare	1,318.17
Catholic Mission London	640.00	Master SV Kwai	7,294.77
Central Pacific Producer Ltd	59,772.80	MCIC	359.94
Commerce & Cooperative	582.33	MCTTD	1,569.00
Dojin Company Limited	747,761.05	Ministry - ELAD	300.00
Downer Edi Works Ltd	50,150.00	Ministry of Commerce & Cooperative	750.00
Fisheries	8.00	Ministry of Internal & Social Affairs	1,386.50
Holland America Line Inc	41,828.06	Ministry of Public Works & Uti	225.00
INFRATEC	6,140.25	MOEL	1,485.00
KCDL (Copra)	3,663.70	MT- Petro Discovere	(377.90)
Kiribati Copra Cooperative Society	56,674.50	MTSS	142.65
Kiribati Oil Company Limited	11,977.84	NRL	4,820.00
Kiribati Seas company Ltd	119,763.47	OTTA	877.20
Kiribati Shipping Services Limited	294,556.25	Parish	100.00
Kiritimati Island Council	863.70	Permanent Secretary - Health	999.65
Kiritimati Prish Catholic	100.00	Principal	92.53
Kiritimati Urban Council	64.25	PUNJAS	0.00
KPC Tabakea	375.00	PVU	1,980.15
LC Linnix	200.00	Reef shipping company	98,208.26
LC Tioti Kwong	2,210.75	Saint Francis High School	685.00
Linnix- N.R.D (Fisheries)	214.56	SAOK	589.44
Linnix-Kiribati Education & Improvement Programme	43,271.35	Sessi Marine Service	25,380.65
Linnix - Account	2,054.50	Shipping Agency of Kiribati	114,952.19
Linnix - Account	1,582.64	Solid Waste Project	53.13
Linnix - Admin	14,237.87	Southern Tiare	16,442.09
Linnix - Agriculture	167.51	Taunga Smith	122.95
Linnix - Airstrip	54.86	Te Atinimarawa	688.64
Linnix - Aviation	1,055.90	Tekinaiti	2,436.03
Linnix - Civil	13,041.45	Telecom Services Kiribati Limited	7,714.13
Linnix - Commerce	400.50	Teuataki Teuataki	57.93
Linnix - Contruction	42.31	Tiaotin Store	480.00
Linnix - Education	245.51	Timei	26.90
Linnix - Education Training Technology	3,594.11	Tinaai	40.00
Linnix - Electrical	36,425.00	Triple Tee	17.70
Linnix - Fisheries	0.20	TRW Junior Secondary School	341.65
Linnix - Headquarter	4,944.85	Uateaba	54.17
Linnix - Housing	768.60	Wildlife	7.50
Linnix - Lands Division	551.78	WKK	20,409.37
Linnix - Medical Division	1,920.53		
Linnix - Police	3,216.83	Total:	1,894,620.51
Linnix - Power House	17,600.47	Ageing Percent:	
Linnix - Prison	225.00		
Linnix - PWD	2,578.95		
Linnix - Solar Salt	3,182.24	Receivables Account:	1,892,650.51
Linnix - Water	444.90	Out of Balance Amount:	1,970.00

Note 11

Staff Debtors - Tarawa 31/12/18

Staff Advances	3,816
Tool Kit Advance	43,030
Uniforms	(205)
Vehicle damage	3,365
Total Staff Debtors	50,006

Note 12

Accrued Expenses - Tarawa

Taxes	22,002
Salaries	2,411
Audit fees 2017	3,000
Audit fees to Jul 2018	3,000
PUB	25,000
Staff Training	23,314
Overseas Travel Costs	38,879
Hose Damage	935
Total Accruals	118,541