REPORT OF THE AUDITOR GENERAL ON THE ACCOUNT OF

Kiribati Provident Fund
For the year ended 31st March 2018

Kiribati Audit Office
April 2021

KIRIBATI AUDIT OFFICE

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INDEPENDENT AUDITOR'S REPORT

Kiribati Provident Fund's Financial Statements For the year ended 31st March 2018

I have audited the Financial Statements of Kiribati Provident Fund (KPF) for the year ended 31st March 2018 in accordance with sec 114 (2) of the Constitution, Part VII, Sec 42(4) of the Public Finances (Control and Audit) 1981, Part III, Sec 12 (1) of the Provident Fund 1977 and Part IV, Sec 22(1) of the Kiribati Audit Act, 2017. The Financial Statements comprise of the following:

- Statement of Financial Performance
- Statement of Financial Position
- Statement of Cash Flow
- Notes to the Accounts

Disclaimer of Opinion:

I do not express an opinion on the accompanying financial statements of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion:

The following issues formed the basis of our disclaimer opinion:

- Audit noted variances between Rent listing balance and General Ledger balance as detailed in the table below.

Listing (Rent)	GL (Rent)	Variance
$21,135.64	$1,368.06	$19,767.58

- We could not verify the balance of Returned cheque totalled to $29,364 since the listing is not available.

- Returned Cheques account was a clearing account that when the cheque re-issued, it will offset the outstanding balance of Returned cheques but KPF had failed to offset the Returned cheques account when re-issuing the cheque thus inflating/overstating the Returned cheques balance.

- Members Contribution account comprise of Member's contributions, withdrawals, unallocated funds and interests could not be verified since the data from the Systems cannot be retrieved thus Members Contribution balances of $157,427,666 could not be justified. This requires assistance from the company in Fiji installing KPF system.

- The listings for adjustments of $163,446 to the Member's Contribution Account was not available during the audit.

- Unallocated Contributions for 2014, 2015,2016 and 2017 were not added to the opening balance of Member's Contributions. As a result, significant variances were detected as shown in the table below (Note E-1)

Member's Contribution Account		**2017**	**2016**	**2015**	**2014**
Opening balance		148,046,676.00	144,100,666.00	136,034,695.00	134,350,524.00
Audit Calculation		150,468,261.00	144,045,668.00	141,221,111.00	134,379,391.00
		- **2,421,585.00**	**54,998.00**	- **5,186,416.00**	- **28,867.00**

- Variance of $29,596 was detected between Depreciation expense reported in the Cash Flow statement (Note F) and the Profit and Loss Statement (Note B-7).

- Additions as per Cash flow statement was less by $29,596 than the addition shown in the Fixed Asset Schedule.

- The amount as per Note E1 for Members Interest was $6,999,510 however the Cash flow statement note F showed a nil balance.
- Increase in member's loan balance shown on the Cash Flow Statement is $1,752,442 while in Financial Position note C-8 shows an increase of $1,859,706. Audit noted a variance of $107,264 between these balances

- Audit noted that Closing balance as at end of March 2017 and Opening Balance as at 1 of April 2017 we not matched. The table below shows these variances.

Account NAME	Account 31/03/2017	GL Opening balance 1/04/2017	Variance
Cash at Bank- a/c 831558	1,727,115.00	-	1,727,115.00
Returned Cheques	32,075.00	28,383.99	3,691.01
Prepayments Solar Energy Company	41,963.00	-	41,963.00
Bank Clearing unknown DR/CR	9,362.00	7,399.87	1,962.13
Loan Clearing account	322,586.00	-	322,586.00
Members Loan Control Account	14,075,557.00	-	14,075,557.00
Members Loan Holding	404,844.00	-	404,844.00
Members Loan Control account	14,075,557.00		14,075,557.00
Members loan holdings	404,844.00		404,844.00
Consolidation accumulated Surplus/D	9,673,163.00	$17,260,531.25	- 7,587,368.25

Emphasis of the Matter

I would like to draw the attention to the matters described below:

- Air Kiribati Loan No. 2
  - Loan No 2 balance remain unchanged since there were no payments made for this Loan. The Accrued Interest and Penalty for late payments were accumulated over the years amounting to $1,988,901 thus querying the possibility of full recovery.

I have conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAI). My responsibilities under those standards are described in the Auditor's Responsibilities paragraph of my report. I am independent of the **Fund** in accordance with the Ethical requirements that are relevant to my audit of the financial statements of the Company and I have fulfilled my other responsibilities in accordance with these requirements.

Board of Directors and Management's responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor General's responsibilities for the audit of the financial statements of the Fund

Our responsibility is to conduct an audit of the Fund's financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Kiribati and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Communication with those charged with governance

I communicate with the Board of Directors and Managements regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Independence

Section 114 (4) of the Kiribati Constitution stipulates that the Auditor General shall not be subject to the direction or control of any other person or authority.

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

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Eriati Taumwa Manaima
Auditor General

Date..20/4/21..........

KIRIBATI PROVIDENT FUND
Consolidated Statement of Financial Position
as at 31 March 2018

Account Name	Note	3/31/2018	1/1/16-31/3/17	2015	2014	2013	2012	2011
Current Assets								
Cash on Hand & at Bank	C-1	1,531,022	2,089,795	1,450,399	503,220	348,506	1,566,911	515,258
Accounts Receivable	C-2	1,189,079	904,993	309,832	2,364,865	2,017,551	1,785,504	1,475,467
Accruals and Prepayments	C-3	2,262,281	2,018,308	279,912	299,314	426,299	278,295	957,670
Sundry Accounts Receivable	C-4	622,477	627,231	312,843	721,330	636,780	651,321	687,428
Members' loan balances	C-8	15,423,155	13,670,713	12,813,563	12,620,647	11,336,762	10,084,700	2,578,198
		21,028,014	19,311,040	15,166,549	16,509,376	14,765,898	14,366,731	6,214,021
Less Current Liabilities								
Payroll Liabilities	D-1	2,257	4,645	1,751	45,578	(113)	(722)	(11,846)
Sundry Accounts Payable	D-2	72,898	63,237	59,524	170,783	52,133	82,956	79,711
Accruals & Advances	D-3	10,707	-	5,550	(849)	(35,946)	(32,922)	(27,072)
		81,347	67,882	66,825	215,512	16,074	49,312	40,793
Working Capital		20,946,666	19,243,158	15,099,724	16,293,864	14,749,824	14,317,419	6,173,228
Non-Current Assets								
Fixed Asset	C-5	1,426,400	1,281,030	1,452,708	1,326,315	1,229,487	1,274,441	1,294,064
Investments								
Overseas - BT/ANZ Trustee	C-6	120,580,550	116,576,920	108,789,367	104,933,367	96,749,695	87,812,435	86,454,434
Local	C-7	9,774,758	7,955,706	9,030,706	8,529,332	8,620,354	5,882,449	6,413,449
		130,355,308	124,532,626	117,820,073	113,462,699	105,370,049	93,694,884	92,866,883
Total Net Asset		152,728,374	145,056,814	134,372,505	131,082,878	121,349,360	109,286,744	100,334,175
Member's Accumulated Funds								
Members Contributions	E-1	157,427,666	150,468,261	144,045,668	141,221,110	134,379,391	129,701,066	124,517,194
Reserves	E-2	646,859						
Accumulated surplus/(deficit)	E-3	(5,346,151)	(5,411,445)	(9,673,163)	(10,138,231)	(13,030,031)	(20,414,324)	(24,183,018)
Net Worth		152,728,374	145,056,816	134,372,505	131,082,879	121,349,360	109,286,742	100,334,176

Signature..
Chairman (KPF Board of Directors)

Signature..
Chief Executive Officer (KPF)

Kiribati Provident Fund

Consolidated Statement of Financial Performance

For the year ended 31 March 2018

	Notes	3/31/2018	1/1/16-31/3/17	2015	2014	2013	2012	2011
Overseas Income								
Income on Investments								
Gain/(Loss) on Sale of Investment	A-1	2,374,853	4,232,523	3,302,929	3,117,572	2,745,076	3,448,155	4,294,642
Gain/(Loss) on Investments Revaluation	A-2	2,413,045	6,057,190	3,655,529	1,474,919	646,415	(550,147)	(940,501)
Income on Investments - ANZ Trustees Ltd	A-3	222,412	3,989,186	(1,994,770)	3,441,538	7,586,760	5,250,257	(2,087,258)
Interest received - Maitland Mutual Building	A-4	2,014,335	2,348,543	1,020,160	1,707,341	3,929,428	3,124,085	44,905
	A-5	-	13,276	20,389	18,836	6,350	94,163	125,573
Total Overseas Income		6,579,821	8,662,346	6,004,237	9,760,206	14,914,029	11,366,513	637,361
Local Income								
BOK Interest				-	-	12,923	172,446	8,698
Interest/Est/Admin/Application/Penalty - Small Loan Scheme		1,900,871	3,179,018	1,713,803	1,581,099	1,438,114	1,096,032	562,472
Interest - DBK educational scheme investment		-	4,508	6,280	-	5,494	8,388	12,209
Interest - Air Kiribati Loan		377,112	890,603	451,208	582,113	337,809		
Staff Loan Interest				-	-			-
Staff Quarters Rent		476	1,036	521	-	837	978	1,092
Commercial Building Rent		100,263	146,315	182,023	183,477	142,907	142,906	137,520
Electricity from Tenants				-	-	-	28,696	32,995
Surcharges		297,943	656,189	976,103	681,025	306,533	357,103	258,410
Esanda Interest				-	-			-
Membership Card		10,898	20,107	17,678	18,470	17,000	15,161	17,431
sale of pledge		21,953						
Gain on sale of fixed asset		17,680	21,129	-	-	30	7,332	-
Other Income		-	645,970	5,035,560				
Sundries		36,121	240,493	115,514	232,953	35,746	49,323	42,599
Total Local Income		2,763,317	5,757,910	6,498,698	3,279,136	2,297,401	1,878,168	1,073,434
Total Income		9,543,138	14,420,256	14,502,935	13,039,342	17,211,430	13,244,678	1,710,795
Less Operating Expenses								
Staff payroll	B-1	595,397	744,989	563,762	526,980	490,877	564,360	585,379
Office expenses	B-2	193,252	261,963	171,023	123,481	121,086	195,064	247,614
Travelling - Local & Overseas	B-3	310,146	392,575	610,099	114,666	191,621	112,713	153,633
Fees & Other Charges	B-4	631,153	690,959	466,523	532,208	515,450	471,397	657,256
Repairs and Maintenance	B-5	27,884	42,962	36,069	24,688	28,241	29,522	36,598
Miscellaneous	B-6	161,304	708,483	281,920	95,077	103,829	108,612	112,863
Financial	B-7	184,811	321,494	2,161,680	113,974	119,199	130,855	112,546
Total Expenditure		2,103,948	3,171,425	4,291,076	1,531,074	1,570,223	1,612,523	[illegible]

Operating Profit/(Loss) before Members interest on full withdrawal	7,239,190	11,248,831	10,211,859	11,508,268	15,641,207	11,632,155	(195,094)
Less: members' interest on full withdrawal	174,386	144,926					
Operating profit/(loss) before members interest	**7,064,804**	**11,103,905**	**10,211,859**	**11,508,268**	**15,641,207**	**11,632,155** -	**195,094**
Less Members Expenditure							
Interests on Members Accounts	6,999,510	6,842,188	9,667,855	8,580,771	8,192,459	7,858,169	7,351,863
Total Members Expenditure	**6,999,510**	**6,842,188**	**9,667,855**	**8,580,771**	**8,192,459**	**7,858,169**	**7,351,863**
Profit/(Loss) after Members Expenditure	**65,294**	**4,261,717**	**544,004**	**2,927,497**	**7,448,748**	**3,773,986**	**(7,546,957)**
Add/(less) Prior Period Items	-		-	110	64,454	5,292	(59,032)
Net Surplus/(Loss) B-8	**65,294**	**4,261,717**	**544,004**	**2,927,387**	**7,384,294**	**3,768,694**	**(7,487,925)**
Accumulated Surplus/(Deficit) at 1/4/17	(5,411,449)	(9,673,166)	(10,138,233)	(13,036,030)	(20,414,324)	(24,183,018)	(22,138,564)
Consolidated MYOB adjustment		-	78,937	(35,590)			
Transfer of general reserves							5,443,471
Accumulated Surplus/(Deficit) at 31/03/18	**(5,346,155)**	**(5,411,449)**	**(9,673,166)**	**(10,138,233)**	**(13,030,030)**	**(20,414,324)**	**(24,183,018)**

The accompanying notes form part of these financial statements

Kiribati Provident Fund
Statement of Movements in equity
For the year ended 31 March 2018

	Notes	3/31/2018	1/1/16-31/3/17	2015	2014	2013	2012	2011	2010
Balance 1 January		145,056,814	134,372,504	131,082,880	121,349,361	109,286,742	100,334,175	101,347,660	98,720,086
Add/(less) net surplus deficit for the year		65,294	4,261,717	465,067	2,891,800	7,384,294	3,768,694	(7,487,925)	(2,256,800)
Total recognised revenue and expenses for the year		65,294	4,261,717	465,067	2,891,800	7,384,294	3,768,694	(7,487,925)	(2,256,800)
Adjustment to accumulated deficit									
Transfer of unidentified members account		646,859							
Movement in Capital contributions by members		6,959,404	6,422,593	2,824,557	6,841,719	4,678,325	5,183,872	6,474,440	4,884,374
Consolidated net worth		152,728,372	145,056,814	134,372,504	131,082,880	121,349,361	109,286,741	100,334,175	101,347,660
Balance at 31 December		**152,728,372**	**145,056,814**	**134,372,504**	**131,082,880**	**121,349,361**	**109,286,741**	**100,334,175**	**101,347,660**
Represented as follows:									
Members' accounts	E-1	157,427,666	150,468,261	144,045,668	141,221,110	134,379,391	129,701,066	124,517,194	118,042,754
Reserves	E-2	646,859						-	5,443,472
Retained earning	E-3	(5,346,151)	(5,411,449)	(9,673,163)	(10,138,230)	(13,030,031)	(20,414,324)	(24,183,018)	(22,138,564)
Total equity		**152,728,374**	**145,056,812**	**134,372,505**	**131,082,880**	**121,349,360**	**109,286,742**	**100,334,176**	**101,347,662**

Kiribati Provident Fund

Statement of Movements in equity

For the year ended 31 March 2018

	Notes	3/31/2018	1/1/16-31/3/17	2015	2014	2013	2012	2011	2010
Balance 1 January		145,056,814	134,372,504	131,082,880	121,349,361	109,286,742	100,334,175	101,347,660	98,720,086
Add/(less) net surplus deficit for the year		65,294	4,261,717	465,067	2,891,800	7,384,294	3,768,694	(7,487,925)	(2,256,800)
Total recognised revenue and expenses for the year		65,294	4,261,717	465,067	2,891,800	7,384,294	3,768,694	(7,487,925)	(2,256,800)
Adjustment to accumulated deficit									
Transfer of unidentified members account		646,859							
Movement in Capital contributions by members		6,959,404	6,422,593	2,824,557	6,841,719	4,678,325	5,183,872	6,474,440	4,884,374
Consolidated net worth		152,728,372	145,056,814	134,372,504	131,082,880	121,349,361	109,286,741	100,334,175	101,347,660
Balance at 31 December		**152,728,372**	**145,056,814**	**134,372,504**	**131,082,880**	**121,349,361**	**109,286,741**	**100,334,175**	**101,347,660**
Represented as follows:									
Members' accounts	B-1	157,427,666	150,468,261	144,045,668	141,221,110	134,379,391	129,701,066	124,517,194	118,042,754
Reserves	B-2	646,859						-	5,443,472
Retained earning	B-3	(5,346,151)	(5,411,449)	(9,673,163)	(10,138,230)	(13,030,031)	(20,414,324)	(24,183,018)	(22,138,564)
Total equity		**152,728,374**	**145,056,812**	**134,372,505**	**131,082,880**	**121,349,360**	**109,286,742**	**100,334,176**	**101,347,662**

Kiribati Provident Fund

Consolidated Statement of Cashflows

For the year ended 31 March 2018

	Notes	3/31/2018	1/1/16-31/3/17	2015	2014	2013	2012	2011
Cashflows from operating activities								
Receipts from customers & employees		232,057	$4,058,758	2,169,202	7,279,693	493,186	239,663	1,328,803
Payments to suppliers and employees		(2,287,404)	($4,932,352)	(2,560,255)	(4,369,393)	(1,603,048)	(2,064,247)	(1,773,441)
Net cash from operating activities	F	**(2,055,347) $**	**(873,594) $**	**(391,053)**	**2,910,300**	**(1,109,862)**	**(1,824,584)**	**(444,638)**
Cashflows from investing activities								
Receipts/(outflow) from local investments		(1,819,052)	$1,847,445	3,067,170	(996,564)	10,302,784	7,978,112	2,019,523
Purchase of property, plant and equipment		(286,999)	($114,790)	(127,054)	(110,908)	(68,276)	(99,322)	(35,625)
Receipts/(outflow) from overseas investments		(4,003,630)		-	(335,185)	(6,800,000)	(2,000,000)	(279,931)
Net cash from investing activities		*(6,109,681)*	*1,732,655*	*2,940,116*	*(1,442,657)*	*3,434,508*	*5,878,790*	*1,703,967*
Cashflows from financing activities								
Net cash from financing activities		7,606,254	$17,071,960	12,790,320	12,957,411	10,998,886	10,063,918	10,377,804
			($17,291,625)	(14,392,204)	(14,270,389)	(14,541,887)	(13,066,471)	(11,374,178)
Net cash from financing activities		*7,606,254*	*(219,665)*	*(1,601,884)*	*(1,312,978)*	*(3,543,001)*	*(3,002,553)*	*($996,374)*
Net increase/(decrease) in cash		(558,774)	639,396	947,179	154,664	(1,218,355)	1,051,653	262,955
Add opening cash		2,089,795	1,450,399	503,220	348,556	1,566,911	515,258	252,303
Closing cash		*1,531,021*	*2,089,795*	*1,450,399*	*503,220*	*348,556*	*1,566,911*	*515,258*
Made up as follows:								
Cash at Bank - 254079		637,664	$362,167	531,025	398,944	86,316	1,573,952	391,484
Petty cash		400	$513			1,852	1,652	1,652
Cash at Bank - 831558		892,958	$1,727,115	919,374	104,276	260,388 -	8,693	119,491
loan cash float								2,631
Loan current a/c - initial injection								
Total		**1,531,022**	**2,089,795**	**1,450,399**	**503,220**	**348,556**	**1,566,911**	**515,258**

C-1

The accompanying notes form part of these financial statements

Notes to the accounts

For the year ended 31 March 2018

Note H: Fixed Asset Depreciation Schedule - 2018

Cost	**Land**	**Buildings**	**F/Fittings**	**Vehicles**	**Equipment & Machineries**	**System Enhancement**	**Total**
Balance 1/4/17	9,000	1,750,444	106,765	347,220	170,592	432,191	2,816,212
Additions	-	245,512	2,988	49,900	18,195	-	316,595
Disposal	-	(14,900)	-	(14,696)			(29,596)
Balance 31/03/2018	**9,000**	**1,981,056**	**109,753**	**382,424**	**188,787**	**432,191**	**3,103,211**
Accumulated Depreciation							
Balance 1/4/17	-	793,382	106,765	347,220	157,659	130,155	1,535,181
reversal acc depn of disposal		(14,900)		(14,696)			(29,596)
Depreciation charged	-	99,798	747	9,980	17,482	43,219	171,226
Accumulated Depreciation 31/3/2018	-	**878,280**	107,512	342,504	175,141	173,374	**1,676,811**
NBV 31/03/18	**9,000**	**1,102,776**	**2,241**	**39,920**	**13,646**	**258,817**	**1,426,400**
NBV 31/03/2017	9,000	957,062	-	-	12,933	302,036	1,281,031

KIRIBATI PROVIDENT FUND
Notes to the accounts
For the year ended 31 March 2018

Note I: Unrealised Gain/Loss on Investment Valuation as at 31/03/2018

	Market Value	Cost	Difference
Australian Fixed Interest	14,809,717	15,374,230	(564,513)
International Fixed Interest	6,732,032	6,739,562	(7,530)
Australian Real Estate	4,523,391	4,597,555	(74,164)
International Real Estate	2,656,851	2,205,259	451,591
Australian shares	16,221,986	15,064,060	1,157,926
International Share	16,669,011	10,874,581	5,794,430
Other Investment	3,403,935	3,467,726	(63,791)
Total	65,016,922	58,322,973	6,693,949
Investment Revaluation Reserve 1/4/17			6,851,534
CURRENT ASSETS			
Cash on Hand & Cash equivalents			
Cash at Bank	338,121	338,121	
BT Instit liquidity manage	2,258,713	2,258,713	
BT managed cash	-	-	
Total cash on hand & cash equivalent	2,596,833	2,596,833	
Other current assets			
Future deposit	-	-	
Initial exposure value	-	-	
Initial options margin account	-	-	
Income due but not received	129,931	129,931	
Unsettled sales	38,643	38,643	
Total other current assets	168,574	168,574	
TOTAL CURRENT ASSETS	2,760,407	2,760,407	
OTHER CURRENT LIABILITIES			
Initial exposure value	-	-	
Initial Lepo Margin - Deposit	-	-	
Initials options Margin Account	-	-	
Total Future & Options exposure	-	-	
Fee payable to Manager	(79,312)	(79,312)	
Unsettled purchases	(118,301)	(118,301)	
Total other current liabilities	(197,613)	(197,613)	
Total other current liabilities	(197,613)	(197,613)	
NET ASSETS	67,579,716	60,895,767	6,693,949

KIRIBATI PROVIDENT FUND
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For the year ended 31 March 2018

Note I: Unrealised Gain/Loss on Investment Valuation as at 31/03/2018 (Page 2)

Opening value as at 01/04/17	68,191,557	59,699,211	
Contributions	-	-	
Funds withdrawn	-	-	
Movement in valuation	(611,841)		
Net investment income		206,943	
Net capital gains/(loss)		979,713	
Investment revaluation reserve		6,693,949	
Closing value as at 31/03/2018	67,579,716	67,579,716	0
Unrealized Gains/(Losses)			
Closing investment valuation reserve			6,693,949
Less opening investment valuation reserve			6,851,534
Backdated price adjustment			64,827
Unrealised capital movement over period			(222,411)

KIRIBATI PROVIDENT FUND

Consolidated Notes to the accounts

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Notes

Notes		1/4/17 - 31/3/2018	1/1/16-31/3/17	2015	2014	2013	2012	2011
A-1	**Income on Overseas Investments - BTIM**							
	Dividends - Australian Shares	771,852	1,091,864	862,928	902,809	732,784	639,530	606,139
	Dividends - Overseas Shares	350,261	586,031	12,637	335,406	838,114	145,140	1,537,069
	Distribution - Real Estate	165,958	318,440	404,366	312,163	292,425	280,858	773,772
	Distribution - International real estate	336,707	174,962					
	Distribution - Australian Bond	454,827	1,249,238	1,221,896	1,197,026	567,432	1,456,688	840,442
	Distribution - Overseas Bond	33,482	590,880	684,632	277,244	236,241	758,849	271,002
	Australian Cash	37,347	58,522	60,468	57,287	67,178	61,055	100,558
	Other	224,419	162,586	56,002	35,637	10,901	106,035	165,660
	Total Income	2,374,853	4,232,523	3,302,929	3,117,572	2,745,076	3,448,155	4,294,642
	Total	**2,374,853**	**4,232,523**	**3,302,929**	**3,117,572**	**2,745,076**	**3,448,155**	**4,294,642**
A-2	**Realized Gain/(Loss) on Sale of Investments**							
	Australian Fixed Interest Securities	-	(150,778)	(380)	10,063	(245,958)	118,236	39,164
	Overseas Fixed Interest Securities	-	(154,797)	-	10,632		14,525	10,596
	Real Estate	216,690	2,018,354	1,087,554	288,827	54,544	120,825	(415,165)
	Australian Shares	727,998	1,043,210	1,909,575	1,125,264	811,474	(606,734)	161,322
	International Shares	1,457,929	3,181,713	642,887	35,394	452,600	(193,452)	(751,436)
	Other investment	10,429	119,488	15,893	4,739	(425,569)	(3,547)	17,591
	Cash equivalent			-	-			-
	Future contracts			-	-	(675)		(2,573)
	Options contract			-	-			
	Total	**2,413,045**	**6,057,190**	**3,655,529**	**1,474,919**	**646,415**	**(550,147)**	**(940,501)**
A-3	**Unrealised Gains/(Losses) on investment valuation**							
	International Fixed Interest	(7,530)	(186,998)	(99,914)	459,830	(95,643)	66,454	369,147
	Overseas Equities	5,794,430	5,215,946	7,238,267	6,113,976	4,023,898	(682,234)	(2,996,473)
	Australian Fixed Interest	(564,513)	(648,120)	(302,982)	508,609	108,737	141,251	530,038
	Australian shares	1,157,926	1,327,242	1,209,883	2,381,776	3,529,193	1,170,653	(1,151,708)
	Australian real estate	(74,164)	264,360	1,250,835	1,533,247	756,363	701,517	(269,964)
	International real estate	451,591	739,243	1,291,503	1,582,960	961,791	885,266	[illegible]

	other investment							
	Real Estate	(63,791)	139,861	253,128	255,092	109,495	(439,328)	(382,995)
		6,693,949	6,851,534	10,840,720	12,835,490	9,393,834	1,843,579	(3,398,923)
	Forward exchange contract							
	Investment revaluation 31/3/2018	6,693,949	6,851,534	10,840,720	12,835,490	9,393,834	1,843,579	(3,398,923)
	Backdated price adjustment	64,827			57	($36,505)	(7,755)	
	Less Opening investment revaluation	6,851,534	10,840,720	12,835,490	9,393,834	1,843,579	(3,398,923)	(511,665)
	Gain/(loss) on investment revaluation	**(222,412)**	**(3,989,186)**	**(1,994,770)**	**3,441,538**	**7,586,760**	**5,250,257**	**(2,887,258)**
A-4	**ANZ Trustees Ltd Investment**							
	Unrealized Gain/(Loss)	462,309	912,773	-	819,273	2,840,641	1,933,418	(1,654,464)
	Gross income	-	65,776			1,088,787	1,190,667	1,560,089
	Accrued income	1,021,628	881,306	550,891	463,926	-	-	139,280
	Dividend - Australian equity	172,786	109,072	131,279	99,716			
	Income - International equity	92,882	319,671	304,012	289,509			
	Fixed interest	264,730	65,945	33,978	34,917			
	Bank interest							
	Total Income from ANZ Trustee investment	**2,014,335**	**2,348,543**	**1,020,160**	**1,707,341**	**3,929,428**	**3,124,085**	**44,905**
A-5	**GILT - overseas s/term investment**							
	Interest received	-	13,276	20,389	18,836	6,350	94,163	125,573
	Total Maitland income		**13,276**	**20,389**	**18,836**	**6,350**	**94,163**	**125,573**
B-1	**Staff Payroll**							
	Salaries - Established Staff	497,417	617,844	426,298	389,189	378,949	367,285	403,526
	Salaries - Temporary Staff	15,907	30,638	21,392	11,956	10,536	52,290	58,951
	Overtime	20,707	29,104	17,164	19,386	12,259	40,698	47,154
	Allowances	14,019	17,489	65,346	75,324	59,973	45,587	42,054
	Retirement benefit	8,961					25,000	
	KPF Contributions	38,386	49,914	33,562	31,125	29,160	33,500	33,694
	Total	**595,397**	**744,989**	**563,762**	**526,980**	**490,877**	**564,360**	**585,379**
B-2	**Office Expenses**							
	Electricity	62,352	67,625	42,123	53,326	52,381	107,185	126,087
	Insurance Fire	5,842	5,578	5,578	5,709	5,836	5,578	16,511
	Office Supplies	31,711	72,888	36,176	26,890	18,345	18,599	34,416
	Telecom	83,159	101,267	70,095	26,217	36,302	46,211	58,314
	Recruitment	2,950	10,410	9,465	4,712	4,130	10,257	5,500
	Postage	1,243	1,496	1,105	1,178	209	201	734

Printing	1,509	-	3,002	3,320	3,058	3,947	3,686
Entertainment	4,496	2,699	3,479	2,128	749	3,086	2,366
Total	**193,252**	**261,969**	**171,023**	**123,481**	**121,006**	**195,064**	**247,614**

B-3 Travelling - Local & Overseas

Annual Leave	98,137	116,187	88,477	55,280	47,814	30,782	31,166
Transport	28,863	23,255	20,314	16,111	18,057	18,086	13,806
Agent expenses	4,417	6,947					
Xmas Island visit	37,633	24,119	101,153	2,343	1,839	4,236	11,336
Xmas staff return transport		-	-				-
Conference/ Workshop	88,201	183,992	253,262	19,139	83,076	48,870	43,643
Internal travel	10,500	4,886	139,844	13,640	2,815	3,756	21,089
Overseas training	38,229	33,189	-		11,342		
Local training	4,165	-	7,049	8,153	26,678	6,983	32,593
Total	310,146	392,575	610,099	114,666	191,621	112,713	153,633

KIRIBATI PROVIDENT FUND
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B-4 Fees & Other Charges

	3/31/2018	1/1/16-31/3/17	2015	2014	2013	2012	2011
BT Management & other fees	234,095	445,303	273,524	340,370	299,551	256,708	265,641
ANZ Trustees Ltd management fees & withhold tax	342,096	201,552	145,179	147,470	174,685	169,663	345,128
International Social Security Association	-	15,836	16,476	14,117	13,951	12,147	13,174
International membership fees	35,290						
Financial Synergy	-	-	-	-			-
SFL Fees	-	-	2,880	2,880		3,916	6,517
Audit Fees	3,000	6,000	-	3,000	3,000	3,000	3,000
Bank Charges	15,073	24,662	24,815	19,645	17,929	19,878	17,422
Legal fees	515	1,088	1,173	599	5,447	5,062	5,909
Other fees	1,084	4,518	2,386	3,512	632	858	
VMS agent fee	-	-	90	615	255	165	465
Total	631,153	698,959	466,523	532,208	515,450	471,397	657,256

B-5 Repairs & Maintenance

	Commercial Building							
	Staff House	6,832	16,253	15,387	13,161	15,575	19,264	25,879
	KPF Office & xmas (repair & rent)	-	920	1,308	1,224	2,316	1,370	3,032
	furniture & fittings	7,225	10,764	9,164	3,751	4,200	2,928	2,854
	Vehicle - Motorbike		-	-	-	-	-	-
	office equipment		-	-	-	-	-	-
	Vehicle - Double cab & minibus		-	-	-	-	-	-
	Generator	13,827	15,025	10,210	6,552	6,150	5,960	4,833
	Total		-	-	-			-
		27,884	42,962	36,069	24,688	28,241	29,522	36,598
B-6	Miscellaneous							
	Public Awareness							
	Board of Directors	25,428	12,299	9,045	5,963	2,566	5,521	347
	Rental Lease	46,213	70,574	45,104	36,681	38,092	49,162	55,279
	KPF Office Rent	1,158	2,327	47,169	828	866	650	650
	Computerisation	7,069	53,346	44,685	46,976	46,138	46,472	46,471
	Staff Uniform	-	-	-	-	-	-	-
	Community Obligation	-	6,184	1,965	339	10,688	91	-
	Donation	3,483	4,770	6,340	3,488	4,184	5,796	4,500
	Work experience	-	-	-	-		-	-
	Support Services	-		-		-	-	-
	Other expenses	71,093						
	Sundry Expenses	-	554,117					
	Total	6,860	4,866	127,612	802	1,295	920	5,616
B-7	Financial	161,304	708,483	281,920	95,077	103,829	108,612	112,863
	Depreciation							
	Asset write off expense	171,226	306,603	156,822	108,333	110,424	120,190	108,979
	Subsidised House Rent	-		-	-	-		-
	Bad debt	13,585	14,891	4,858	5,641	8,775	10,665	3,567
	Total			2,000,000	-	-		-
B-8	Prior Period Items	184,811	321,494	2,161,680	113,974	119,199	130,855	112,546
	Prior period expenses							
	Write off expense adjustment			-	110	64,454	5,292	184
	Write back of revenue adjustment				-			
	Total				-			
					110	64,454	5,292	184
	Current Assets							
C-1	Cash on hand & Bank							
	Cash at Bank - A/c 254079	637,664	362,167	530,425	398,544	80,316	1,573,952	391,484

	Petty Cash	400	513	600	400	1,982	1,652	1,652
	Total for current account	**638,064**	**362,680**	**531,025**	**398,944**	**88,168**	**1,575,604**	**393,136**
C-1a	Cash at Bank - A/c 831558	892,958	1,727,115	919,374	104,276	[illegible]	(8,693)	119,491
	Loan Cash Float				-		-	2,631
	Total for Loan Scheme	892,958	1,727,115	919,374	104,276	260,338	(8,693)	122,122
	Total	**1,531,022**	**2,089,795**	**1,450,399**	**503,220**	**348,506**	**1,566,911**	**515,258**
C-2	**Accounts Receivable**							
	Accounts Receivable - surcharges	3,180,640	2,897,646	2,302,497	[illegible]	[illegible]	1,553,521	1,235,071
	Provision for d/debt - surcharges	2,000,000 -	2,000,000 -	2,000,000	[illegible]	[illegible]		
	Accounts Receivable -Tarawa Hotel	7,071	-	-	29,987	[illegible]	41,617	49,420
	Cash transfer to loan a/c		-	-	-	47,188	-	-
	Rent Receivable - commercial building	1,368	7,347	2,476	1,430	180,575	143,994	141,717
	Electricity Receivable - commercial build		-	4,859	89,594	39,662	46,372	49,259
	Total Accounts Receivable	**1,189,079**	**904,993**	**309,832**	**2,364,865**	**2,017,551**	**1,785,504**	**1,475,467**
C-3	**Accruals & Prepayments**							
	Accrued interest - local IBDs	-		-				-
	Accrued members contributions	-		-				-
	Accrued income	-	-					
	Accrued interest - DBK educational investment	209,361	215,547	211,939	[illegible]	205,659	200,165	191,777
	Accrued interest - Air Kiribati Loan	1,988,901	1,728,723	-	-	150,651		
	Returned cheques	29,364	32,075	26,010	[illegible]	30,393	37,734	48,943
	Prepayment - Solar Energy Company	42,733	41,963	41,963	40,000.00	40,396	40,396	40,396
C-3a	sp1 JV clearing - loans & operations	(8,078)		-	-	-	-	676,554
	Total accruals & prepayments	2,262,281	2,018,308	279,912	299,314.00	426,299	278,295	957,670

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For the year ended 31 March 2018

		3/31/2018	1/1/16-31/3/17	2015	2014	2013	2012	2011
C-4	**Sundry Accounts Receivable**							
	Staff imprest	5,384	9,154	-	[redacted]	[redacted]	216,338	207,828
	Staff loan	272,393	286,129	312,843			434,483	479,100
	Staff advance	-	-	-				
	Receivable loan settlement	-	-	-				
	Bank clearing - unknown Dr/Cr	23,504	9,362	-				
	Loan clearing account	321,195	322,586					
	Unsettled Sales of Investment	-	-	-	-	-	-	-
	Debtor - PVU	-	-	-	-	-	-	-
	House Rent Deposit	-	-	-	-	-	500	500
	Total sundry accounts receivable	622,477	627,231	312,843	721,330	636,780	651,321	687,428
C-5	Fixed assets							
	Land	9,000	9,000	9,000	[illegible]	[illegible]	9,000	9,000
	Buildings	1,102,777	957,062	1,066,465	[illegible]	[illegible]	1,126,215	1,154,989
	Furniture & Fittings	2,241	-	1,504	[illegible]	[illegible]	11,624	8,123
	Motor Vehicles	39,920	-	83,400	[illegible]	[illegible]	63,890	45,199
	System enhancement	258,816	302,035	224,994	[illegible]	[illegible]	49,800	30,230
	Office Machineries	13,646	12,933	67,345	[illegible]	[illegible]	13,912	46,523
	Total fixed assets	1,426,400	1,281,030	1,452,708	1,326,315	1,229,487	1,274,441	1,294,064
	Refer to Note H for fixed asset breakdown							
	Investments							
C-6	Overseas							
	BTIM							
	Australian Fixed Interest Securities	14,809,717	14,347,035	17,007,364	[illegible]	[illegible]	13,402,148	12,674,016
	Overseas Fixed Interest Securities	6,732,032	6,515,934	7,776,784	[illegible]	[illegible]	6,043,204	6,253,916
	Real Estate	7,180,242	7,305,762	8,881,052	[illegible]	[illegible]	6,977,432	6,035,125
	Australian Equities	16,221,986	15,541,086	19,195,399	[illegible]	[illegible]	14,646,931	14,171,600
	Overseas Equities	16,669,011	16,304,354	19,177,749	[illegible]	[illegible]	15,404,783	14,773,855
	Cash equivalent	2,562,793	3,228,822	2,500,803	[illegible]	[illegible]	2,386,193	1,060,156
	Other	3,403,935	2,084,792	3,883,369	[illegible]	[illegible]	3,125,649	3,133,870
	Total BTIM Investment	67,579,716	65,327,785	78,422,520	76,323,752	70,630,033	61,986,340	58,102,538
	Maitland/GIL? Pty Ltd Australia		-	715,847	[illegible]	-	1,057,340	2,380,437

ANZ Trustees Ltd Investment:-							
Australian equities	26,082,876	25,814,404	11,746,293	[redacted]	[redacted]	9,220,159	6,662,664
International equities	11,364,242	10,192,207	7,024,121			4,219,418	3,487,405
Fixed interest	9,150,548	9,072,098	8,997,694			9,555,839	9,111,273
Capital cash	5,904,328	5,626,992	1,437,899			1,401,647	5,202,303
Cash income	318,805	385,977	382,035			229,538	1,368,534
Income accruals	180,035	157,457	62,958			142,154	139,280
Total ANZ Trustees Ltd Investment	53,000,834	51,249,135	29,651,000	28,104,474	26,119,662	24,768,755	25,971,459
Total overseas investments	120,580,550	116,576,920	108,789,367	104,933,367	96,749,695	87,812,435	86,454,434
C-7 Local							
Interest Bearing Deposit							
DBK Education support investment		-	-	-	[redacted]		
Air Kiribati Loan No.1	1,476,538	1,529,352	1,529,352	[redacted]		4,353,097	4,883,097
Air Kiribati Loan No.2	1,684,129	1,786,354	7,501,354			1,529,352	1,529,352
Small Loan Scheme Investment	4,640,000	4,640,000					
KPF Complex building - Xmas	1,974,091	-	-	-	-	-	-
Total for local investments	9,774,758	7,955,706	9,030,706	8,529,332	8,620,354	5,882,449	6,412,449
TOTAL INVESTMENTS	130,355,308	124,532,626	117,820,073	113,462,699	105,370,049	93,694,884	92,866,883
C-8 Members' loan scheme account							
Membes loan control account							8,322,751
Members' loan holding	15,935,263	14,075,557	12,965,704				154,545
Loan repayment	512,107	404,844	152,141				(5,899,098)
Total Members' loan balances	15,423,155	13,670,713	12,813,563	[redacted]	11,336,762	10,084,700	2,578,198
Current Liabilities							
D-1 Payroll Liabilities							
PAYE Taxes							
Withholding Taxes			1,740	[redacted]	[redacted]		
Life Insurance Payable	(2,147)	4,699	11			18,262	16,841
KPF house rent payable			-			6,395	2,385
KHC House Rent Payable			-			409	409
Linnix House Rent Payable			-				
TSKL mobile			-			413	398
KPF contribution payable			-			(2,194)	(2,194)
KPF voluntary	-		-				
KPF loan repayment			-				
Private House Rent Payable	(100)		-				
BKL House Rent Payable			-		-	(381)	(469)

		3/31/2018	1/1/16-31/3/17	2015	2014	2013	2012	2011
	Loan scheme payable							
	DBK Loan Repayment			-	1,193			
	KHC Loan Repayment			-				
	Payroll charges payable	-	54	-		2,791	802	(585)
	Wages Payable			-		1,193	783	783
		(10)		-	[illegible]	[illegible]	(25,211)	(29,414)
	Total	**(2,257)**	**4,645**	**1,751**	**45,578**	**(113)**	**(722)**	**(11,846)**
D-2	**Sundry Accounts Payable**							
	Accounts Payable							
	Loan Scheme accounts payable	25,949	446	5,524	[illegible]	[illegible]	1,205	1,205
	Transfer to loan account			-	-	-	238	-
	Clearing account - unknown Dr/Cr			-	100,000	-	-	-
	Service Fees Payable			-				
	Westpac Fees Payable			-	-	-	-	-
	Audit Fees Payable			-	-	-	-	-
	GST Liabilities	63,000	60,000	54,000	[illegible]	[illegible]	48,000	45,000
	Rent received in advance	(16,051)	2,791	-	[illegible]			
	Members loan control account	-		-	[illegible]			
	KPF Social Fund				-	-	33,975	33,975
				-	[illegible]	[illegible]	(462)	(469)
	Total	72,898	63,237	59,524	170,783	52,133	82,956	79,711
D-3	Accruals & Advances							
	Unsettled Purchase of Investment							
	Accrued Expenses	10,707	-	5,550 $	(849)	(35,946)	(32,922)	(27,072)
	Total	10,707	-	5,550 $	(849)	(35,946)	(32,922)	(27,072)

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Notes to the accounts

For the year ended 31 March 2018

		3/31/2018	1/1/16-31/3/17	2015	2014	2013	2012	2011
E-1	**Member's Contribution Account**							
	Opening balance	148,046,673	144,100,666	141,221,111	134,350,524	129,503,626	124,457,458	117,990,777
	Opening balance adjustment	3.04		(5,186,416)	-	197,440	59,736	51,977
		148,046,676	144,100,666	136,034,695	134,350,524	**129,701,066**	**124,517,194**	**118,042,754**
	Receipts - Direct & allocated contributions	13,244,491	14,250,518	12,790,320	12,957,411	10,998,886	10,194,735	10,437,020
	Interest on Withdrawals	174,386	144,926	-	114,674	132,870	150,482	
	Interest on Members Accounts	6,999,510	6,842,188	9,667,855	8,466,098	8,059,589	7,707,687	7,351,862
	Withdrawals	13,249,373 -	17,291,625	(14,392,204)	(14,270,389)	(14,541,887)	(13,066,472)	(11,374,178)

	3/31/2018	1/1/16-31/3/17	2015	2014	2013	2012	2011
transferred to unclaimed deposit account							
Adjustments as per listings	646,859						
Difference in members account to MYOB	163,446						
	154,732,277	**148,046,673**	**144,100,666**	**141,618,317**	**134,350,524**	**129,503,626**	**124,457,458**
				(1,026,138)			
Receipted employer unallocated contribution	2,695,388	2,421,588	(54,998)	628,932	28,867	197,440	59,736
Total Member's Account	**157,427,666**	**150,468,261**	**144,045,668**	**141,221,111**	**134,379,391**	**129,701,066**	**124,517,194**

	Reserves							
	Unclaimed Account Reserve							
E-2	Equalization Reserve	646,859						
	Interest Stabilisation			-	-	-	-	-
	Special Death Benefit			-	-	-	-	-
	General Reserve			-	-	-	-	-
	Total			-	-	-	-	-
		646,859	-	-	-	-	-	-
	Accumulated Surplus/(Deficit)							
E-3	Consolidation accumulated Surplus/(Deficit)							
	Adjustment to carry forward (deficit)	(5,411,445)	(9,673,163)	(10,138,231)	(13,030,031)	(20,414,325)	(24,183,019)	(22,138,566)
	Consolidated MYOB Adjustment			(78,937)	(35,590)			5,443,472
	Surplus/(Deficit) for the year	65,294	4,261,718	544,005	2,927,390	7,384,294	3,768,694	(7,487,925)
	Balance as at 31/03/2018	(5,346,151)	(5,411,445)	(9,673,163)	(10,138,231)	(13,030,031)	(20,414,325)	(24,183,019)

F **Reconciliation of net surplus/(deficit) to net cash flow from operating activities**

	3/31/2018	1/1/16-31/3/17	2015	2014	2013	2012	2011
			4,198,822	3,023,296	1,667,857	656,746	161,434
				(321,197)			
			1,762,381	1,496,723	1,355,439	1,011,111	495,312
			5,961,203	**4,198,822**	**3,023,296**	**1,667,857**	**656,746**

	3/31/2018	**1/1/16-31/3/17**	**2015**	**2014**	**2013**	**2012**	**2011**
Surplus/(deficit)	**65,294**	4,261,718	544,005	2,927,390	7,384,294.00	3,768,694.00	(7,487,925)
Add/(less) non-cash items:							
Depreciation							
Accrued expenses - loan	141,630	306,603	156,821	1,060	110,424.00	120,190.00	108,979
Accrued revenue - loan							
add adjustment to cash movement					-	-	58,124
Revaluation gain on Investments	281				-	-	(735,770)
		($3,124,351)	(2,058,576)	(6,760,239)	($6,230,272)	($11,695,088.00)	2,887,258
Add/(less) items classified as investing *or financing activities*	207,205	($2,817,748)	($1,901,755)	($5,222,785)	($6,119,848)	($11,574,898)	2,318,591

Gain on sale of investments		($6,057,192)	(1,797,423)	(1,474,919)	($9,393,834)	($1,843,579)	(3,398,923)
Cash loan initial injection				(3,117,572)		-	249,931
Interest from investments		($3,353,035)	(4,323,089)		($646,415)	550,147.00	940,501
Interest receivable from investments			(20,389)				
Accrued members' contributions							
Members' interest							
		$ 6,987,114	9,667,855	8,580,771	$8,059,859	7,707,687.00	7,351,863
		(2,423,113)	3,526,954	$3,988,280	($1,980,390)	6,414,255.00	5,143,372
Add/(less) movements in working capital items							
- increase in accounts receivable	(284,086) $	(1,126,524)	(2,037,642)	210,535	($365,510)	($405,445)	(510,801)
- increase in accruals	(243,973)	1,731,014	(19,402)	(146,721)		-	(15,159)
+ decrease in sundry accounts receivable	4,754			-			
- increase in members' loan balances	(1,752,442)						
- decrease in payroll liabilities	(6,902)						
+ increase in sundry accounts payable	9,661	(496,184)	(509,611)	1,241,234	($28,408)	($27,190)	107,316
+ increase in accruals	10,707	(2,759)	6,398	(87,633)			(32)
	(2,262,282)	105,547	(2,560,257)	$1,217,415	($393,918)	(432,635)	(418,676)
Net cash inflow/(outflow) from operating activities	*(2,055,077)*	*(873,596)*	*(391,053)*	*2,910,300*	*(1,109,862)*	*(1,824,584)*	*(444,638)*