REPORT OF THE AUDITOR GENERAL ON THE ACCOUNT OF

Betio Shipyard Ltd
For the year ended 31st August 2014 to 2017

Kiribati Audit Office
April 2021

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Audit for an impact for the public

INDEPENDENT AUDITOR'S REPORT
Betio Shipyard Ltd Financial Statements
For the years ended 31st August 2014 to 2017

I have audited the Financial Statements of **Betio Shipyard Ltd** (BSL) for the years ended 31st August 2014 to 31st August 2017 in accordance with sec 114 (2) of the Constitution, Part VII, Sec 42(4) of the Public Finances (Control and Audit) 1981, 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 BSL. 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:

- There were significant variances found when matching of the General Ledger balances to the Financial Statements for the years 2014 to 2017, thus raised doubts as to the accuracy of the Financial Statements for those years.

- In addition, we were also unable to substantiate Financial Statement balances due to the following missing records:

    - Stock records for 2014-2017
    - Bank Reconciliations for 2014-2017
    - Payment Vouchers for 2014
    - Debtors listing for 2014

- Payment Vouchers for Sept 2015 to May 2016
- Cheque butts from 1/1/2014 to 01/04/2014
- Cheque butts from 01/01/2015 to 29/05/2016
- Deposit books for the years 2014 to 2017
- Most of the Board minutes for 2014 to 2017 were missing.
- Fixed Asset register for the years 2014-2017

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.

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 Company's financial reporting process.

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

My responsibility is to conduct an audit of the BSL's financial statements in accordance with International Standards of Supreme Audit Institutions (ISSAI) and 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. 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.

I am independent of the Company 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.

Reports on Legal and other regulatory requirements.

BSL Financial Reports for the years ended 31st August, 2014 to 2017 were submitted 2nd September, 2020. This had therefore indicated failure of Management and Board to submit Financial Statements on time and in accordance with requirements specified under Sec.20 of the SOE Act, 2013.

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 BSL.

....

Eriati Taumwa Manaima
Auditor General

Date: 15/4/21

BETIO SHIPYARD LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

Contents

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BETIO SHIPYARD LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2014

In accordance with a resolution of the board of directors, the directors herewith submit the statement of Financial position of the company as at 31 August 2014, statement of changes in equity, statement of Cash Flow and related income statement for the year then ended on that date and report as follows:

Directors

The names of the directors in office at the date of this report are:-

Mitateti Mote	Vice Chairman
Faitele Mika	Director
Betem Ueri	Director

Results

The operating loss for the year was $100,077 (2013 Loss $16,268) after taking into account an income tax expense of $Nil (2013 income tax expense $Nil)

Dividends

No dividend has been paid or recommended to be paid by the directors for the year.

Reserves

The directors recommend that there will no transfer in Capital Reserve for the year

Principal Activity

The principal activity of the company is to repair steel ships and fabrication of wooden and steel boats in Kiribati and there has been no significant changes in these activities during the year.

Significant Changes in the State of Affairs

There has been no significant changes in the state of affairs of Betio Shipyard Limited for the year ended 31 August 2014 (2013: Nil)

Events subsquent to the Balance Sheet

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the company, the results of those operations or the state of affairs of the company in the subsequent financial period.

Rounding

The Amount contained in the financial report have been rounded off to the nearest dollars.

General

At the date of this report the directors are not aware of any circumstances not otherwise dealt with, which would render the account misleading.

Signed for and on behalf of the board of directors in accordance with a resolution of the directors.

Dated at Tarawa this 31st day of August 2020

Director: ....   Director: ....

BETIO SHIPYARD LIMITED

STATEMENT BY DIRECTORS

FOR THE YEAR ENDED 31 AUGUST 2014

In accordance with a resolution of the board of directors for Betio Shipyard Limited, we state that in the opinion of the directors:

[i] the accompanying statement comprehensive income, changes in equity, statement of financial position, statement of cash flow together with the note thereto are drawn up so as to give a true and fair view of the results of the company for the year ended 31 August 2014

[ii] at the date of this statement there are reasonable grounds to believe the company will be able to pay its debts as and when they fall due; and

[iii] all related party transactions have been adequately recorded in the books of the company.

Signed for and on behalf of the board of directors in accordance with a resolution of the directors.

Dated at Tarawa this 31st day of August 2020

....
Director

....
Director

(This is the section for Kiribati National Audit Report)

FOR THE YEAR ENDED 31 AUGUST 2014

INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

Scope
We have audited the Financial Statements of Betio Shipyard Limited for the year ended 31 December 2015 as set out on pages 5 to 13. The company's directors are responsible for the preparation and presentation of the Financial Statements and the information they contain. We have conducted an independent audit of these Financial Statements in order to express an opinion on them to the members of the company.

Our audit has been conducted in accordance with Generally Accepted Accounting Standards in Kiribati to provide reasonable assurance as to whether the Financial Statements are free of material misstatement. Our procedures included examination on a test basis of evidence supporting the amounts and other disclosures in the Financial Statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether in all material respects, the Financial Statements are presented fairly in accordance with Generally Accepted Accounting Standards and statutory requirements in Kiribati so as to present a view which is consistent with our understanding of the company's financial position, the results of its operations, changes in equity and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion
In our opinion,

a) proper books of account have been kept by the company, so far as it appears from our examination of those books, and

b) the accompanying Financial Statements which have been prepared in accordance with Generally Accepted Accounting Standards in Kiribati:

   i) are in agreement with the books of account;

   ii) to the best of our information and according to the explanations given to us:

      a) give a true and fair view of the state of affairs of the company as at 31 December 2015 and of the results, cash flows and changes in equity of the company for the year ended on that date;

      b) give the information required by the Companies Ordinance 1979 in the manner so required.

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

BETIO SHIPYARD LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	2014 $	2013 $
INCOME from continuing operations			
Revenue		162,565	935,810
Total Revenue		**162,565**	**935,810**
Cost of Sales	2	(109,144)	(755,776)
Gross Profit		**53,421**	**180,034**
Administration expenses	3	(28,302)	(53,785)
Depreciation	12	(31,534)	(31,534)
Marketing & Promotion	4	(137)	(878)
Personel Costs	5	(122,341)	(142,713)
Operating profit/(loss)		(128,893)	(48,876)
Finance Costs	6	(609)	(1,017)
Profit/(Loss) *from continuing operations*		**(129,502)**	**(49,893)**
Other Comprehensive Income			
Miscellaneous		29,425	33,625
Operating Loss before Tax		(100,077)	(16,268)
Income tax expenses	7	-	-
Operating loss for the year		**(100,077)**	**(16,268)**
LESS: Prior Period Adjustments		-	(20,800)
TOTAL COMPREHENSIVE LOSS for the year, net of Tax		**$ (100,077)**	**$ (37,068)**

The Income Statement is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 10 to 15.

BETIO SHIPYARD LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	SHARE CAPITAL	GOVERMT GRANT	RESERVE	RETAINED EARNINGS	TOTAL EQUITY
YEAR 2014		$		$	$	$
Balance at the beginning of the period		500	578,200	1,097,157	(1,026,401)	**649,456**
Profit for the year		-		-	(100,077)	**(100,077)**
Transfer from Reserves		-		-	-	-
Government Grant		-	295848	-	-	**295,848**
Issue of share capital		-		-	-	-
Prior Period Adjustments					(359,585)	**(359,585)**
Increase in Valuation of Assets				-		-
Balance at the end of the period		**500**	**874,048**	**1,097,157**	**(1,486,063)**	**485,642**
YEAR 2013		$		$	$	$
Balance at the beginning of the period		500	578200	1,097,157	(989,333)	**686,524**
Profit for the year		-		-	(37,068)	**(37,068)**
Transfer from Reserves		-		-	-	-
Government Grant		-			-	-
Issue of share capital		-		-	-	-
Balance at the end of the period		**$ 500**	**$ 578,200**	**$ 1,097,157**	**$ (1,026,401)**	**$ 649,456**

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 10 to 15.

BETIO SHIPYARD LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2014

	Notes	2014 $	2013 $
CURRENT ASSETS			
Cash and Other Cash Equivalents	8	1,407	67,090
Trade and Other receivables	9	766,331	993,677
Inventory	10	25,427	25,257
Prepayments and other assets	11	14,747	13,964
		807,912	**1,099,988**
NON-CURRENT ASSETS			
Property, Plant & Equipments	12	899,556	931,090
		899,556	**931,090**
TOTAL ASSETS		**1,707,468**	**2,031,078**
CURRENT LIABILITIES			
Trade & Other Payables	13	506,650	666,446
		506,650	**666,446**
NON-CURRENT LIABILITIES			
ADB Loan	14	715,176	715,176
		715,176	**715,176**
TOTAL LIABILITIES		**1,221,826**	**1,381,622**
NET ASSETS		**485,642**	**$ 649,456**
Represented by:			
SHAREHOLDERS' EQUITY			
Share capital	15	500	500
Reserve		1,097,157	1,097,157
Government Grant		874,048	578,200
Retained earnings		(1,486,063)	(1,026,401)
TOTAL SHAREHOLDERS' EQUITY		**$ 485,642**	**$ 649,456**

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 10 to 15.

Signed on behalf of the board of directors in accordance with a resolution of the directors

Director: ....

Director: ....

BETIO SHIPYARD LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from Customer		419,336	
Payments to suppliers		(298,332)	
Payment to Employees		(122,341)	
Finance costs		(609)	
Net Cash Flows (used in) Operating Activities	16	(1,946)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Property,Plant & Equipment purchased		-	
Net Cash Flows (used in) Investing Activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Procceeds from Government Subsidy		295,848	-
Changes in Equity		(359,585)	
Net Cash Flows from Financing Activities		(63,737)	-
Net increase/(decrease) in cash held		(65,683)	
Cash at the beginning of the financial period		67,090	
Cash at the end of the year	8	**$ 1,407**	**$ -**

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 10 to 15.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the company is set out in this note. The policies adopted are in accordance with accounting principles generally accepted in Kiribati, and unless stated otherwise are consistent with those applied in the prior year.

1.1) General

The Betio Shipyard Limited was incorporated under the Companies Ordinance in 1950. The company is fully owned by Government of Kiribati . As stated in the articles in its articles of association, the function of the company are to repair steel ships and fabrication of wooden and steel boats.

1.2) Basis of preparation of the financial statements

The financial statements have been prepared in accordance International Financial Reporting Standards (IFRS) as issued by the Interntional Accounting Standards Board (IASB). with the historical cost accounting and do not take into account changing money values or current valuations of non-current assets unless otherwise stated.

The financial statements have been prepared on a historical cost basis except for properties and certain office properties (classified as property, plants and equipment) that have been measured at fair value. The financial statement are presented in Australian Dollars and all values are rounded to the nearest dollar, except when otherwise indicated.

The financial statements provide comparative information in respect of the previous period and where ncecessar, comparative figures have been re-grouped to conform with changes in presentation in the current year.

1.3) Property, plant and equipment

Property, plant and equipment are depreciated on a straight line basis at rates calculated to write off each asset over its estimated useful life. The rates in use are as follows:-

Building	1%
Plant and Equipment	20%
Office equipment	25%
Furniture & Fittings	20%
Slipway	2%
Motor Vehicles	20%

1.4) Income tax

The company does not follow the principals of tax effect accounting. Income tax is calculated on the basis of reported incomes only.

1.5) Foreign Currency

Foreign currency transactions during the year are recorded using the rate of exchange prevailing at the date of the transactions. At balance sheet date amounts receivable and payable in foreign currencies are translated at the exchange rates prevailing on that date. Exchange differences are taken directly to the profit and loss statement.

1.6) Borrowing Costs

The borrowing costs that are directly attributable to the acquisition or construction of the capital assets are capitalised. Other borrowing costs are recognised as an expense in the year in which they are incurred.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued***

1.7) **Inventories**

Stock on hand has been valued on the basis of lower of cost and net realizable value

1.8) **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and that the revenue can be reliably measured, regardless of when the payment is received and when specific criteria have been met for each of thecompany's activities as described below. Revenue is shown net of Value Added Tax (VAT), returns, rebates and discounts.

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities.

i) ***Sale of Goods and Services***

.Revenue from Direct sales is recognised when the significant risks and rewards of ownership are ransferred to the buyer, there is no continuing managerial involvement, costs can be measured reliably, and receipt of the future economic benefits is probable.

ii) ***Government Subsidy***

Government subsidy is recognised where there is reasonable assurance that the subsidy will be received and all attached conditions will be complied with. When the subsidy relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset

iii) ***Miscellaneous Income***

Miscellaneous income is a group is small income derived from small works from the workshop and is it recognised where there is reasonable assurance that the income will be received

1.19) **Cash and cash equivalents**

Cash and cash equivalents comprises cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include Bank Overdrafts that form an intergral part of the business's cash management.

1.20) **Allowance for Doubtful Debts**

The company establishes an allowance for any doubtful debts based on a review of all outstanding amounts, either individually or collectively, at year end or based on government policy. Bad debts are written off during the period when they are identified.

The company periodically assesses whether there is any objective evidence of impairment. Trade and other receivables are presented net of allowances for doubtful debts.

All other trade and other receivables that do not have an individually assessed allowance are assessed collectively for impairment. Collectively assessed allowances are maintained to reduce the carrying amount of portfolios of similar trade and other receivables to their estimated recoverable amounts at balance date.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued***

1.21) Foreign Currency Translation

i) ***Transaction and balances***

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Exchange differences are recognised in the statements of profit or loss in the period in which they arise.

2. COST OF SALES	2014 $	2013 $
Opening Stock	25,257	29,732
Purcahses, KPA Charges, freight, etc	109,314	751,301
Cost of sales available for sale	134,571	781,033
Closing Stock	(25,427)	(25,257)
	109,144	**755,776**

3. ADMINISTRATIVE EXPENSES		
Accounting fee	950	-
Audit fees	2,500	-
Directors fees	260	4,530
Electricityand water	5,091	9,745
General expenses	306	3,293
Housing rent subsidy	3,444	3,666
Late fees paid	985	909
Motor vehicle running	330	790
Office and petty expenses	4,336	9,881
Registration fees	4,966	8,270
Repairs and maintenance	2,222	4,158
Telephone, fax, mobile and Internet	528	590
Travelling and allowances - local	2,384	7,953
	28,302	**53,785**

4. MARKETING & PROMOTION	$	$
Advertising and promotion	49	189
Entertainments	88	689
	137	**878**

	2014 $	2013 $

5. PERSONNEL COSTS

	$	$
Staff allowances	7,194	2,466
KPF Contribution	12,805	17,097
Leave Grant	2,150	8,425
Overtime	618	6,028
Salary and wages	99,574	108,652
Staff Training	-	45
	122,341	**142,713**

6. FINANCE COSTS

	$	$
Bank Charges	609	1,017
	609	**1,017**

7. INCOME TAX EXPENSE

The amount of income tax attributable to the final year differed from the prima facie amount payable on the operating profit. The difference is reconciled as follows:

		$	$
Operating profit before income tax		(129,502)	(49,893)
Prima facie income tax thereon at the rate of 30%		(38,851)	(14,968)
Future tax benefit not yet recognised		-	-
Tax loss recouped	7.1	38,851	14,968
INCOME TAX EXPENSES		-	-

7.1 Tax loss from previous years(Section 37 Income Tax Ordinance)

Year	LOSS	Recouped	Balance
Year 2011	184,729		184,729
Year 2013	37,068	-	37,068
Year 2013	100,077	-	100,077
	321,874	-	**321,874**

Future benefit from tax losses not yet recognised is $ **96,562**

8. CASH AND CASH EQUIVALENTS

	$	$
Cheque Current Account	1,307	66,990
Petty Cash	100	100
	1,407	**67,090**

BETIO SHIPYARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2014

	2014 $	2013 $
9. INVENTORIES	**$**	**$**
Headquarter	24,913	24,913
Bairiki Branch	-	-
Christmas Branch	21,592	21,592
Boat Building	2,792	
General Engineering Stock	4,147	-
WIP Boat Building	12,956	20,267
WIP General Engineering	15,274	24,732
	81,674	91,504
Less Prov. For Obselescence	(41,247)	(41,247)
Job deposits	(15,000)	(25,000)
	25,427	**25,257**
10. TRADE AND OTHER RECEIVABLES		
KSSL	334,167	384,167
Ministries and etc	628,795	806,116
Freight		-
LESS: Provision for Doubtful Debts	(199,343)	(199,343)
Staff Loans	561	586
Tax Arrears	2,151	2,151
	766,331	**993,677**

Trade and sundry debtors are non-interest bearing and the terms of payments is 30 - 90 days. Staff Loans are non-interest bearing and paid by a direct deduction from the payroll

11. PREPAYMENTS AND OTHER ASSETS	**$**	**$**
Freight levy	7,555	6,859
Handling Charges	6,345	6,258
Handling Charges Christmas Is.	-	-
Imprest Account	847	847
	14,747	**13,964**

Imprest Account are non-bearing interest but should be retired once the trip is completed

	2014 $	2013 $

12. PROPERTY, PLANT AND EQUIPMENT

	Building	Plant & Equipment	Furniture & Fittings	Motor Vehicle	Total
Year 2014	**$**	**$**	**$**	**$**	**$**
Balance at beginning of the year, net of accumulated Depreciation	872,811	57,221	1,058	-	**931,090**
Additions	-	-	-	-	-
Valuation	-	-			-
Depreciations	(19,691)	(11,843)	-	-	**(31,534)**
Balance at the of the period, net of accumulated depreciation	853,120	45,378	1,058	-	**899,556**
Reconciliation as at 31 December 2014					
Cost	3,157,481	59,215	32,497	242,560	**3,491,753**
Accumulated Depreciation	(2,304,361)	(13,837)	(31,439)	(242,560)	**(2,592,197)**
Net Carrying Amount	**853,120**	**45,378**	**1,058**	-	**899,556**
	-	-	-	-	-

	Building	Plant & Equipment	Furniture & Fittings	Motor Vehicle	Total
Year 2013	**$**	**$**	**$**	**$**	**$**
Balance at beginning of the year, net of accumulated Depreciation	892,502	69,064	1,058	-	**962,624**
Additions		-		-	-
Depreciations	(19,691)	(11,843)	-	-	**(31,534)**
Balance at the end of the year, net of accumulated depreciation	872,811	57,221	1,058	-	**931,090**
Reconciliation as at 31 December 2013					
Cost	3,157,481	59,215	32,497	242,560	**3,491,753**
Accumulated Depreciation	(2,284,670)	(1,994)	(31,439)	(242,560)	**(2,560,663)**
Net Carrying Amount	**872,811**	**57,221**	**1,058**	-	**931,090**
	-	-	-	-	-

	2014	2013
Net Book Value	**899,556**	**931,090**

13. TRADE AND OTHER PAYABLES

	$	**$**
Trade Creditors	237,325	276,152
Payroll Liabilities	263,875	388,294
Income Tax Payable	-	-
Security Deposits (Bond from Moel)	2,000	2,000
Audit fees payable	2,500	
Accounting fees Eterika & Associates	950	
	506,650	**666,446**

BETIO SHIPYARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2014

	2014 $	2013 $
14. ADB LOAN	**$**	**$**
Balance at beginning of the year	715,176	715,176
Revaluation adjustments SOE Committee Advice	-	-
Balance at the end of the year	**715,176**	**715,176**
15. SHARE CAPITAL	**$**	**$**
Authorised Capital		
500 ordinary shares of $1 each	**500**	**500**
Issued and Paid Up Capital		
500 ordinary shares of $1 each	**500**	**500**
16. NOTES TO STATEMENT OF CASH FLOWS	**$**	**$**
Reconciliation of operating profit/(loss) after income tax to the net cash flows from Operating Activities.		
Operating profit after income tax	(100,077)	-
Add non-cash items:		
Depreciation	31,534	-
Prior period items	-	
Net cash provided by operating activities before	(68,543)	-
Change in assets and liabilities:		
(Increase) / decrease in Receivables	227,346	-
(Increase) / decrease in inventories	(170)	-
(Increase) / decrease in deposits and prepayments	(783)	-
Increase / (decrease) in Govt subsidy for operations	-	-
Increase / (decrease) in accounts payable and accruals	(159,796)	-
Net cash flows from / (used in) Operating Activities	**$ (1,946)**	**$ -**
17. CAPITAL COMMITMENTS at balance date	$NIL	$NIL
18. CONTINGENT LIABILITIES at balance date	$NIL	$NIL

BETIO SHIPYARD LIMITED

SCHEDULE OF FIXED ASSETS AND DEPRECIATION

FOR THE YEAR ENDED 31 AUGUST 2014

PARTICULARS	DATE	INITIAL 01.09.13 ($)	COST ADD ($)	SOLD	TOTAL 31.08.14 ($)	DEPRECIATION TOTAL 01.09.13 ($)	RATES	ANNUAL ($)	ADJUSTMT	RECOUP	TOTAL 31.08.14 ($)	WDV 31.08.14 ($)	WDV 01.09.13 ($)
BUILDING													
Building		2,201,073	-		2,201,073	1,399,783	1%SL	19,691		-	1,419,474	781,599	801,290
Slipway		884,887			884,887	884,887	2%SL	-			884,887	-	-
Seawall		71,521			71,521	-	2%SL	-			-	71,521	71,521
		3,157,481	**-**	**-**	**3,157,481**	**2,284,670**		**19,691**		**-**	**2,304,361**	**853,120**	**872,811**
PLANT AND EQUIPMENT													
Equipment & Tools		59,215	-	-	59,215	1,994	20%SL	11,843	-	-	13,837	45,378	57,221
		59,215	**-**	**-**	**59,215**	**1,994**		**11,843**		**-**	**13,837**	**45,378**	**57,221**
FURNITURE & FITTINGS													
Furniture & Fittings		32,497			32,497	31,439	20%SL	-			31,439	1,058	1,058
		32,497	**-**	**-**	**32,497**	**31,439**		**-**		**-**	**31,439**	**1,058**	**1,058**
MOTOR VEHICLES													
Vehicles		242,560			242,560	242,560	20%SL	-			242,560	-	-
		242,560	**-**	**-**	**242,560**	**242,560**		**-**		**-**	**242,560**	**-**	**-**
GRAND TOTAL		**3,491,753**	**-**	**-**	**3,491,753**	**2,560,663**		**31,534**		**-**	**2,592,197**	**899,556**	**931,090**

BETIO SHIPYARD LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

[redacted]

Contents

BETIO SHIPYARD LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

In accordance with a resolution of the board of directors, the directors herewith submit the statement of Financial position of the company as at 31 August 2015, statement of changes in equity, statement of Cash Flow and related income statement for the year then ended on that date and report as follows:

Directors

The names of the directors in office at the date of this report are:-

Mitateti Mote	Vice Chairman
Faitele Mika	Director
Betem Ueri	Director

Results

The operating loss for the year was $92,184 (2014 Loss $100,077) after taking into account an income tax expense of $Nil (2014 income tax expense $Nil)

Dividends

No dividend has been paid or recommended to be paid by the directors for the year.

Reserves

The directors recommend that there will no transfer in Capital Reserve for the year

Principal Activity

The principal activity of the company is to repair steel ships and fabrication of wooden and steel boats in Kiribati and there has been no significant changes in these activities during the year.

Significant Changes in the State of Affairs

There has been no significant changes in the state of affairs of Betio Shipyard Limited for the year ended 31 August 2015 (2014: Nil)

Events subsquent to the Balance Sheet

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the company, the results of those operations or the state of affairs of the company in the subsequent financial period.

Rounding

The Amount contained in the financial report have been rounded off to the nearest dollars.

General

At the date of this report the directors are not aware of any circumstances not otherwise dealt with, which would render the account misleading.

Signed for and on behalf of the board of directors in accordance with a resolution of the directors.

Dated at Tarawa this 31st day of August 2020

Director: ....

Director: ....

BETIO SHIPYARD LIMITED

STATEMENT BY DIRECTORS

FOR THE YEAR ENDED 31 AUGUST 2015

In accordance with a resolution of the board of directors for Betio Shipyard Limited, we state that in the opinion of the directors:

[i] the accompanying statement comprehensive income, changes in equity, statement of financial position, statement of cash flow together with the note thereto are drawn up so as to give a true and fair view of the results of the company for the year ended 31 August 2015

[ii] at the date of this statement there are reasonable grounds to believe the company will be able to pay its debts as and when they fall due; and

[iii] all related party transactions have been adequately recorded in the books of the company.

Signed for and on behalf of the board of directors in accordance with a resolution of the directors.

Dated at Tarawa this 31st day of August 2020

.... Director

.... Director

(This is the section for Kiribati National Audit Report)

FOR THE YEAR ENDED 31 AUGUST 2015

INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

Scope
We have audited the Financial Statements of Betio Shipyard Limited for the year ended 31 August 2015 as set out on pages 5 to 13. The company's directors are responsible for the preparation and presentation of the Financial Statements and the information they contain. We have conducted an independent audit of these Financial Statements in order to express an opinion on them to the members of the company.

Our audit has been conducted in accordance with Generally Accepted Accounting Standards in Kiribati to provide reasonable assurance as to whether the Financial Statements are free of material misstatement. Our procedures included examination on a test basis of evidence supporting the amounts and other disclosures in the Financial Statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether in all material respects, the Financial Statements are presented fairly in accordance with Generally Accepted Accounting Standards and statutory requirements in Kiribati so as to present a view which is consistent with our understanding of the company's financial position, the results of its operations, changes in equity and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion
In our opinion,

a) proper books of account have been kept by the company, so far as it appears from our examination of those books, and

b) the accompanying Financial Statements which have been prepared in accordance with Generally Accepted Accounting Standards in Kiribati:

   i) are in agreement with the books of account;

   ii) to the best of our information and according to the explanations given to us:

      a) give a true and fair view of the state of affairs of the company as at 31 December 2015 and of the results, cash flows and changes in equity of the company for the year ended on that date;

      b) give the information required by the Companies Ordinance 1979 in the manner so required.

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

BETIO SHIPYARD LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 $	2014 $
INCOME from continuing operations			
Revenue		72,015	162,565
Total Revenue		**72,015**	**162,565**
Cost of Sales	2	(60,254)	(109,144)
Gross Profit		**11,761**	**53,421**
Administration expenses	3	(10,056)	(28,302)
Depreciation	12	(31,534)	(31,534)
Marketing & Promotion	4	(40)	(137)
Personel Costs	5	(55,096)	(122,341)
Operating profit/(loss)		(84,965)	(128,893)
Finance Costs	6	(7,219)	(609)
Profit/(Loss) *from continuing operations*		**(92,184)**	**(129,502)**
Other Comprehensive Income			
Miscellaneous		-	29,425
Operating Loss before tax		(92,184)	(100,077)
Income tax expenses	7	-	-
		(92,184)	**(100,077)**
LESS: Prior Period Adjustments		-	-
TOTAL COMPREHENSIVE LOSS for the year, net of Tax		**$ (92,184)**	**$ (100,077)**

The Income Statement is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 10 to 15.

BETIO SHIPYARD LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	SHARE CAPITAL	GOVERMT GRANT	RESERVE	RETAINED EARNINGS	TOTAL EQUITY
YEAR 2015		$	$	$	$	$
Balance at the beginning of the period		500	874,048	1,097,157	(1,486,063)	**485,642**
Profit for the year		-		-	(92,184)	**(92,184)**
Transfer from Reserves		-		-	-	-
Government Grant		-	240,175	-	-	**240,175**
Adjustments					215,455	**215,455**
Issue of share capital		-		-	-	-
Balance at the end of the period		**500**	**1,114,223**	**1,097,157**	**(1,362,792)**	**849,088**
YEAR 2014		$	$	$	$	$
Balance at the beginning of the period		500	578,200	1,097,157	(1,026,401)	**649,456**
Profit for the year		-	-	-	(100,077)	**(100,077)**
Transfer from Reserves		-	-	-	-	-
Government Grant		-	295,848	-	-	**295,848**
Prior period adjustments		-	-	-	(359,585)	**(359,585)**
Issue of share capital		-	-	-	-	-
Balance at the end of the period		**$ 500**	**$ 874,048**	**$ 1,097,157**	**$ (1,486,063)**	**$ 485,642**

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 10 to 15.

BETIO SHIPYARD LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2015

	Notes	2015 $	2014 $
CURRENT ASSETS			
Cash and Other Cash Equivalents	8	316	1,407
Trade and Other receivables	9	1,025,035	766,331
Inventory	10	175,530	25,427
Prepayments and other assets	11	14,051	14,747
		1,214,932	**807,912**
NON-CURRENT ASSETS			
Property, Plant & Equipments	12	940,028	899,556
		940,028	**899,556**
TOTAL ASSETS		**2,154,960**	**1,707,468**
CURRENT LIABILITIES			
Trade & Other Payables	13	590,696	506,650
		590,696	**506,650**
NON-CURRENT LIABILITIES			
ADB Loan	14	715,176	715,176
		715,176	**715,176**
TOTAL LIABILITIES		**1,305,872**	**1,221,826**
NET ASSETS		**849,088**	**$ 485,642**
Represented by:			
SHAREHOLDERS' EQUITY			
Share capital	15	500	500
Reserve		1,097,157	1,097,157
Government Grant		1,114,223	874,048
Retained earnings		(1,362,792)	(1,486,063)
TOTAL SHAREHOLDERS' EQUITY		**$ 849,088**	**$ 485,642**

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 10 to 15.

Signed on behalf of the board of directors in accordance with a resolution of the directors

Director: .... Director: ....

BETIO SHIPYARD LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from Customer		72,015	419,336
Payments to suppliers		(178,960)	(298,332)
Payment to Employees		(55,096)	(122,341)
Finance costs		(7,219)	(609)
Net Cash Flows (used in) Operating Activities	16	(169,260)	(1,946)
CASH FLOWS FROM INVESTING ACTIVITIES			
Property,Plant & Equipment purchased		(72,006)	-
Net Cash Flows (used in) Investing Activities		(72,006)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Procceeds from Government Subsidy		240,175	295,848
Changes in Equity			(359,585)
Net Cash Flows from Financing Activities		240,175	(63,737)
Net increase/(decrease) in cash held		(1,091)	(65,683)
Cash at the beginning of the financial period		1,407	67,090
Cash at the end of the year	8	$ 316	$ 1,407

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 10 to 15.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the company is set out in this note. The policies adopted are in accordance with accounting principles generally accepted in Kiribati, and unless stated otherwise are consistent with those applied in the prior year.

1.1) General

The Betio Shipyard Limited was incorporated under the Companies Ordinance in 1950. The company is fully owned by Government of Kiribati . As stated in the articles in its articles of association, the function of the company are to repair steel ships and fabrication of wooden and steel boats.

1.2) Basis of preparation of the financial statements

The financial statements have been prepared in accordance International Financial Reporting Standards (IFRS) as issued by the Interntional Accounting Standards Board (IASB). with the historical cost accounting and do not take into account changing money values or current valuations of non-current assets unless otherwise stated.

The financial statements have been prepared on a historical cost basis except for properties and certain office properties (classified as property, plants and equipment) that have been measured at fair value. The financial statement are presented in Australian Dollars and all values are rounded to the nearest dollar, except when otherwise indicated.

The financial statements provide comparative information in respect of the previous period and where ncecessar, comparative figures have been re-grouped to conform with changes in presentation in the current year.

1.3) Property, plant and equipment

Property, plant and equipment are depreciated on a straight line basis at rates calculated to write off each asset over its estimated useful life. The rates in use are as follows:-

Building	1%
Plant and Equipment	20%
Office equipment	25%
Furniture & Fittings	20%
Slipway	2%
Motor Vehicles	.20%

1.4) Income tax

The company does not follow the principals of tax effect accounting. Income tax is calculated on the basis of reported incomes only.

1.5) Foreign Currency

Foreign currency transactions during the year are recorded using the rate of exchange prevailing at the date of the transactions. At balance sheet date amounts receivable and payable in foreign currencies are translated at the exchange rates prevailing on that date. Exchange differences are taken directly to the profit and loss statement.

1.6) Borrowing Costs

The borrowing costs that are directly attributable to the acquisition or construction of the capital assets are capitalised. Other borrowing costs are recognised as an expense in the year in which they are incurred.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued***

1.7) **Inventories**

Stock on hand has been valued on the basis of lower of cost and net realizable value

1.8) **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and that the revenue can be reliably measured, regardless of when the payment is received and when specific criteria have been met for each of thecompany's activities as described below. Revenue is shown net of Value Added Tax (VAT), returns, rebates and discounts.

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities.

i) ***Sale of Goods and Services***

Revenue from Direct sales is recognised when the significant risks and rewards of ownership are ransferred to the buyer, there is no continuing managerial involvement, costs can be measured reliably, and receipt of the future economic benefits is probable.

ii) ***Government Subsidy***

Government subsidy is recognised where there is reasonable assurance that the subsidy will be received and all attached conditions will be complied with. When the subsidy relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

iii) ***Miscellaneous Income***

Miscellaneous income is a group is small income derived from small works from the workshop and is it recognised where there is reasonable assurance that the income will be received

1.19) **Cash and cash equivalents**

Cash and cash equivalents comprises cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include Bank Overdrafts that form an intergral part of the business's cash management.

1.20) **Allowance for Doubtful Debts**

The company establishes an allowance for any doubtful debts based on a review of all outstanding amounts, either individually or collectively, at year end or based on government policy. Bad debts are written off during the period when they are identified.

The company periodically assesses whether there is any objective evidence of impairment. Trade and other receivables are presented net of allowances for doubtful debts.

All other trade and other receivables that do not have an individually assessed allowance are assessed collectively for impairment. Collectively assessed allowances are maintained to reduce the carrying amount of portfolios of similar trade and other receivables to their estimated recoverable amounts at balance date.

BETIO SHIPYARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

1.21) Foreign Currency Translation

i) ***Transaction and balances***

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Exchange differences are recognised in the statements of profit or loss in the period in which they arise.

	2015 $	2014 $
2. COST OF SALES		
Opening Stock	25,427	25,257
Purcahses, KPA Charges, Cartage Inward, etc	210,357	109,314
Cost of sales available for sale	235,784	134,571
Closing Stock	(175,530)	(25,427)
	60,254	**109,144**

3. ADMINISTRATIVE EXPENSES		
Accounting fee	950	950
Audit fees	2,500	2,500
Directors fees	665	260
Electricityand water	1,514	5,091
General expenses	74	306
Housing rent subsidy	1,425	3,444
Late fees paid	-	985
Legal fees	54	-
Motor vehicle running	448	330
Office and petty expenses	1,176	4,336
Registration fees	-	4,966
Repairs and maintenance	-	2,222
Telephone, fax, mobile and Internet	794	528
Travelling and allowances - local	456	2,384
	10,056	**28,302**

	$	$
4. MARKETING & PROMOTION		
Advertising and promotion	40	49
Entertainments	-	88
	40	**137**

	2015 $	2014 $
5. PERSONNEL COSTS	**$**	**$**
Staff allowances	2,332	7,194
KPF Contribution	6,680	12,805
Leave Grant	3,465	2,150
Overtime	2,319	618
Salary and wages	40,300	99,574
	55,096	**122,341**

6. FINANCE COSTS	**$**	**$**
Bank Charges	391	609
Interest and penalty	6,828	
	7,219	**609**

7. INCOME TAX EXPENSE

The amount of income tax attributable to the final year differed from the prima facie amount payable on the operating profit. The difference is reconciled as follows:

		$	$
Operating profit before income tax		(92,184)	(129,502)
Prima facie income tax thereon at the rate of 30%		(27,655)	(38,851)
Future tax benefit not yet recognised		-	-
Tax loss recouped	7.1	27,655	38,851
INCOME TAX EXPENSES		-	-

7.1 Tax loss from previous years(Section 37 Income Tax Act.)

Year	LOSS	Recouped	Balance
Year 2013	37,068	-	37,068
Year 2014	100,077	-	100,077
Year 2015	92,184		92,184
	229,329	-	**229,329**

Future benefit from tax losses not yet recognised is **$ 68,799**

8. CASH AND CASH EQUIVALENTS	**$**	**$**
Cheque Current Account	256	1,307
Petty Cash	60	100
	316	**1,407**

BETIO SHIPYARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2015

	2015 $	2014 $
9. INVENTORIES	**$**	**$**
Headquarter	18,337	24,913
Bairiki Branch	-	-
Christmas Branch	6,883	21,592
Boat Building	45,140	2,792
General Engineering Stock	127,099	4,147
WIP Boat Building	12,868	12,956
WIP General Engineering	6,449	15,274
	216,776	81,674
Less Prov. For Obselescence	(41,246)	(41,247)
Job deposits	-	(15,000)
	175,530	**25,427**

10. TRADE AND OTHER RECEIVABLES		
KSSL	390,703	334,167
Ministries and etc	830,963	628,795
LESS: Provision for Doubtful Debts	(199,343)	(199,343)
Staff Loans	561	561
Tax Arrears	2,151	2,151
	1,025,035	**766,331**

Trade and sundry debtors are non-interest bearing and the terms of payments is 30 - 90 days. Staff Loans are non-interest bearing and paid by a direct deduction from the payroll

11. PREPAYMENTS AND OTHER ASSETS	**$**	**$**
Freight levy	6,859	7,555
Handling Charges	6,345	6,345
Handling Charges Christmas Is.	-	-
Imprest Account	847	847
	14,051	**14,747**

Imprest Account are non-bearing interest but should be retired once the trip is completed

	2015	2014
	$	$

12. PROPERTY, PLANT AND EQUIPMENT

	Building	Plant & Equipment	Furniture & Fittings	Motor Vehicle	Total
Year 2015	$	$	$	$	$
Balance at beginning of the year, net of accumulated Depreciation	853,120	45,378	1,058	-	899,556
Additions	-	-	-	-	-
Depreciations	(3,408)	(28,126)	-	-	(31,534)
Adjustments	72,006	-			72,006
Balance at the of the period. net of accumulated depreciation	921,718	17,252	1,058	-	940,028
Reconciliation as at 31 December 2014					
Cost	3,157,481	59,215	32,497	242,560	3,491,753
Accumulated Depreciation	(2,235,763)	(41,963)	(31,439)	(242,560)	(2,551,725)
Net Carrying Amount	**921,718**	**17,252**	**1,058**	-	**940,028**

	Building	Plant & Equipment	Furniture & Fittings	Motor Vehicle	Total
Year 2014	$	$	$	$	$
Balance at beginning of the year, net of accumulated Depreciation	872,811	57,221	1,058	-	931,090
Additions	-	-	-	-	-
Depreciations	(19,691)	(11,843)	-	-	(31,534)
Balance at the end of the year, net of accumulated depreciation	853,120	45,378	1,058	-	899,556
Reconciliation as at 31 December 2014					
Cost	3,157,481	59,215	32,497	242,560	3,491,753
Accumulated Depreciation	(2,304,361)	(13,837)	(31,439)	(242,560)	(2,592,197)
Net Carrying Amount	**853,120**	**45,378**	**1,058**	-	**899,556**

	2015	2014
Net Book Value	940,028	899,556

13. TRADE AND OTHER PAYABLES

	$	$
Trade Creditors	264,778	237,325
Sundry Creditors	61,208	-
Deposits fromCustomers	20,685	-
Payroll Liabilities	221,918	263,875
Income Tax Payable	3,085	-
Security Deposits (Bond from Moel)	2,000	2,000
Audit fees payable	5,000	2,500
Accounting fees Eterika & Associates	1,900	950
VAT Liabilities	10,122	-
	590,696	**506,650**

BETIO SHIPYARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2015

	2015 $	2014 $
14. ADB LOAN	**$**	**$**
Balance at beginning of the year	715,176	715,176
Revaluation adjustments SOE Committee Advice	-	-
Balance at the end of the year	**715,176**	**715,176**
15. SHARE CAPITAL	**$**	**$**
Authorised Capital		
500 ordinary shares of $1 each	**500**	**500**
Issued and Paid Up Capital		
500 ordinary shares of $1 each	**500**	**500**
16. NOTES TO STATEMENT OF CASH FLOWS	**$**	**$**
Reconciliation of operating profit/(loss) after income tax to the net cash flows from Operating Activities.		
Operating profit after income tax	(92,184)	(100,077)
Add non-cash items:		
Depreciation	31,534	31,534
Prior period items	-	(359,585)
Adjustments in Capital	215,455	-
Net cash provided by operating activities before	154,805	(428,128)
Change in assets and liabilities:		
(Increase) / decrease in Receivables	(258,704)	227,346
(Increase) / decrease in inventories	(150,103)	(170)
(Increase) / decrease in deposits and prepayments	696	(783)
Increase / (decrease) in Govt subsidy for operations	-	-
Increase / (decrease) in accounts payable and accruals	84,046	(159,796)
Net cash flows from / (used in) Operating Activities	**$ (169,260)**	**$ (361,531)**
	-	(359,585)
17. CAPITAL COMMITMENTS at balance date	$NIL	$NIL
18. CONTINGENT LIABILITIES at balance date	$NIL	$NIL

BETIO SHIPYARD LIMITED
SCHEDULE OF FIXED ASSETS AND DEPRECIATION

FOR THE YEAR ENDED 31 AUGUST 2015

PARTICULARS	DATE	COST INITIAL 01.09.14 ($)	ADD ($)	SOLD	TOTAL 31.08.15 ($)	DEPRECIATION TOTAL 01.09.14 ($)	RATES	ANNUAL ($)	ADJUSTMT	RECOUP	TOTAL 31.08.15 ($)	WDV 31.08.15 ($)	WDV 01.09.14 ($)
BUILDING													
Building		2,201,073	-		2,201,073	1,419,474	1%SL	3,408	(72,006)	-	1,350,876	850,197	781,599
Slipway		884,887			884,887	884,887	2%SL	-			884,887	-	-
Seawall		71,521			71,521	-	2%SL	-			-	71,521	71,521
		3,157,481	-	-	3,157,481	2,304,361		3,408	(72,006)	-	2,235,763	921,718	853,120
PLANT AND EQUIPMENT													
Equipment & Tools		59,215	-	-	59,215	13,837	20%SL	28,126		-	41,963	17,252	45,378
		59,215	-	-	59,215	13,837		28,126	-	-	41,963	17,252	45,378
FURNITURE & FITTINGS													
Furniture & Fittings		32,497			32,497	31,439	20%SL	-			31,439	1,058	1,058
		32,497	-	-	32,497	31,439		-	-	-	31,439	1,058	1,058
MOTOR VEHICLES													
Vehicles		242,560			242,560	242,560	20%SL	-			242,560	-	-
		242,560	-	-	242,560	242,560		-	-	-	242,560	-	-
GRAND TOTAL		3,491,753	-	-	3,491,753	2,592,197		31,534	(72,006)	-	2,551,725	940,028	899,556

BETIO SHIPYARD LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

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BETIO SHIPYARD LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

In accordance with a resolution of the board of directors, the directors herewith submit the statement of Financial position of the company as at 31 August 2016, statement of changes in equity, statement of Cash Flow and related income statement for the year then ended on that date and report as follows:

Directors

The names of the directors in office at the date of this report are:-

Mitateti Mote	Vice Chairman
Faitele Mika	Director
Betem Ueri	Director

Results

The operating loss for the year was $16,208 (2015 Loss $92,184) after taking into account an income tax expense of $Nil (2015 income tax expense $Nil)

Dividends

No dividend has been paid or recommended to be paid by the directors for the year.

Reserves

The directors recommend that there will no transfer in Capital Reserve for the year

Principal Activity

The principal activity of the company is to repair steel ships and fabrication of wooden and steel boats in Kiribati and there has been no significant changes in these activities during the year.

Significant Changes in the State of Affairs

There has been no significant changes in the state of affairs of Betio Shipyard Limited for the year ended 31 August 2016 (2015: Nil)

Events subsquent to the Balance Sheet

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the company, the results of those operations or the state of affairs of the company in the subsequent financial period.

Rounding

The Amount contained in the financial report have been rounded off to the nearest dollars.

General

At the date of this report the directors are not aware of any circumstances not otherwise dealt with, which would render the account misleading.

Signed for and on behalf of the board of directors in accordance with a resolution of the directors.

Dated at Tarawa this 31st day of August 2020

Director: .... Director: ....

BETIO SHIPYARD LIMITED

STATEMENT BY DIRECTORS

FOR THE YEAR ENDED 31 AUGUST 2016

In accordance with a resolution of the board of directors for Betio Shipyard Limited, we state that in the opinion of the directors:

[i] the accompanying statement comprehensive income, changes in equity, statement of financial position, statement of cash flow together with the note thereto are drawn up so as to give a true and fair view of the results of the company for the year ended 31 August 2016

[ii] at the date of this statement there are reasonable grounds to believe the company will be able to pay its debts as and when they fall due; and

[iii] all related party transactions have been adequately recorded in the books of the company.

Signed for and on behalf of the board of directors in accordance with a resolution of the directors.

Dated at Tarawa this 31st day of August 2020

....
Director   Director

(This is the section for Kiribati National Audit Report)

FOR THE YEAR ENDED 31 AUGUST 2016

INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

Scope
We have audited the Financial Statements of Betio Shipyard Limited for the year ended 31 August 2016 as set out on pages 5 to 13. The company's directors are responsible for the preparation and presentation of the Financial Statements and the information they contain. We have conducted an independent audit of these Financial Statements in order to express an opinion on them to the members of the company.

Our audit has been conducted in accordance with Generally Accepted Accounting Standards in Kiribati to provide reasonable assurance as to whether the Financial Statements are free of material misstatement. Our procedures included examination on a test basis of evidence supporting the amounts and other disclosures in the Financial Statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether in all material respects, the Financial Statements are presented fairly in accordance with Generally Accepted Accounting Standards and statutory requirements in Kiribati so as to present a view which is consistent with our understanding of the company's financial position, the results of its operations, changes in equity and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion
In our opinion,

a) proper books of account have been kept by the company, so far as it appears from our examination of those books, and

b) the accompanying Financial Statements which have been prepared in accordance with Generally Accepted Accounting Standards in Kiribati:

    i) are in agreement with the books of account;

    ii) to the best of our information and according to the explanations given to us:

        a) give a true and fair view of the state of affairs of the company as at 31 December 2015 and of the results, cash flows and changes in equity of the company for the year ended on that date;

        b) give the information required by the Companies Ordinance 1979 in the manner so required.

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

BETIO SHIPYARD LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 $	2015 $
INCOME from continuing operations			
Revenue		25,247	72,015
Total Revenue		**25,247**	**72,015**
Cost of Sales	2	-	(60,254)
Gross Profit		**25,247**	**11,761**
Administration expenses	3	(6,110)	(10,056)
Depreciation	12	(20,660)	(31,534)
Marketing & Promotion	4	-	(40)
Personel Costs	5	(14,350)	(55,096)
Operating profit/(loss)		(15,873)	(84,965)
Finance Costs	6	(335)	(7,219)
Profit/(Loss) *from continuing operations*		**(16,208)**	**(92,184)**
Other Comprehensive Income			
Miscellaneous		-	-
Operating Loss before tax		(16,208)	(92,184)
Income tax expenses	7	-	-
		(16,208)	**(92,184)**
LESS: Prior Period Adjustments		-	-
TOTAL COMPREHENSIVE LOSS for the year, net of Tax		**$ (16,208)**	**$ (92,184)**

The Income Statement is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 10 to 15.

BETIO SHIPYARD LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	SHARE CAPITAL	GOVERMT GRANT	RESERVE	RETAINED EARNINGS	TOTAL EQUITY
YEAR 2016		$	$	$	$	$
Balance at the beginning of the period		500	1,114,223	1,097,157	(1,362,792)	**849,088**
Profit for the year		-		-	(16,208)	**(16,208)**
Transfer from Reserves		-		-	-	-
Government Grant		-	344,592	-	-	**344,592**
Adjustments					(58,143)	**(58,143)**
Issue of share capital		-		-	-	-
Balance at the end of the period		**500**	**1,458,815**	**1,097,157**	**(1,437,143)**	**1,119,329**
YEAR 2015		$	$	$	$	$
Balance at the beginning of the period		500	874,048	1,097,157	(1,486,063)	**485,642**
Profit for the year		-		-	(92,184)	**(92,184)**
Transfer from Reserves		-		-	-	-
Government Grant		-	240,175	-	-	**240,175**
Issue of share capital					215,455	**215,455**
Balance at the end of the period	**$**	**500**	**$ 1,114,223**	**$ 1,097,157**	**$ (1,362,792)**	**$ 849,088**

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 10 to 15.

BETIO SHIPYARD LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2016

	Notes	2016 $	2015 $
CURRENT ASSETS			
Cash and Other Cash Equivalents	8	7,865	316
Trade and Other receivables	9	1,025,035	1,025,035
Inventory	10	125,530	175,530
Prepayments and other assets	11	14,145	14,051
		1,172,575	**1,214,932**
NON-CURRENT ASSETS			
Property, Plant & Equipments	12	919,368	940,028
		919,368	**940,028**
TOTAL ASSETS		**2,091,943**	**2,154,960**
CURRENT LIABILITIES			
Trade & Other Payables	13	257,438	590,696
		257,438	**590,696**
NON-CURRENT LIABILITIES			
ADB Loan	14	715,176	715,176
		715,176	**715,176**
TOTAL LIABILITIES		**972,614**	**1,305,872**
NET ASSETS		**1,119,329**	**$ 849,088**
Represented by:			
SHAREHOLDERS' EQUITY			
Share capital	15	500	500
Reserve		1,097,157	1,097,157
Government Grant		1,458,815	1,114,223
Retained earnings		(1,437,143)	(1,362,792)
TOTAL SHAREHOLDERS' EQUITY		**$ 1,119,329**	**$ 849,088**

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 10 to 15.

Signed on behalf of the board of directors in accordance with a resolution of the directors

Director: ....

Director: ....

BETIO SHIPYARD LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 $	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from Customer		25,247	72,015
Payments to suppliers		(347,605)	(178,960)
Payment to Employees		(14,350)	(55,096)
Finance costs		(335)	(7,219)
Net Cash Flows (used in) Operating Activities	16	(337,043)	(169,260)
CASH FLOWS FROM INVESTING ACTIVITIES			
Property,Plant & Equipment purchased		-	(72,006)
Net Cash Flows (used in) Investing Activities		-	(72,006)
CASH FLOWS FROM FINANCING ACTIVITIES			
Procceeds from Government Subsidy		344,592	240,175
Net Cash Flows from Financing Activities		344,592	240,175
Net increase/(decrease) in cash held		7,549	(1,091)
Cash at the beginning of the financial period		316	1,407
Cash at the end of the year	8	**$ 7,865**	**$ 316**

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 10 to 15.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the company is set out in this note. The policies adopted are in accordance with accounting principles generally accepted in Kiribati, and unless stated otherwise are consistent with those applied in the prior year.

1.1) General

The Betio Shipyard Limited was incorporated under the Companies Ordinance in 1950. The company is fully owned by Government of Kiribati . As stated in the articles in its articles of association, the function of the company are to repair steel ships and fabrication of wooden and steel boats.

1.2) Basis of preparation of the financial statements

The financial statements have been prepared in accordance International Financial Reporting Standards (IFRS) as issued by the Interntional Accounting Standards Board (IASB). with the historical cost accounting and do not take into account changing money values or current valuations of non-current assets unless otherwise stated.

The financial statements have been prepared on a historical cost basis except for properties and certain office properties (classified as property, plants and equipment) that have been measured at fair value. The financial statement are presented in Australian Dollars and all values are rounded to the nearest dollar, except when otherwise indicated.

The financial statements provide comparative information in respect of the previous period and where ncecessar, comparative figures have been re-grouped to conform with changes in presentation in the current year.

1.3) Property, plant and equipment

Property, plant and equipment are depreciated on a straight line basis at rates calculated to write off each asset over its estimated useful life. The rates in use are as follows:-

Building	1%
Plant and Equipment	20%
Office equipment	25%
Furniture & Fittings	20%
Slipway	2%
Motor Vehicles	20%

1.4) Income tax

The company does not follow the principals of tax effect accounting. Income tax is calculated on the basis of reported incomes only.

1.5) Foreign Currency

Foreign currency transactions during the year are recorded using the rate of exchange prevailing at the date of the transactions. At balance sheet date amounts receivable and payable in foreign currencies are translated at the exchange rates prevailing on that date. Exchange differences are taken directly to the profit and loss statement.

1.6) Borrowing Costs

The borrowing costs that are directly attributable to the acquisition or construction of the capital assets are capitalised. Other borrowing costs are recognised as an expense in the year in which they are incurred.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued***

1.7) Inventories

Stock on hand has been valued on the basis of lower of cost and net realizable value

1.8) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and that the revenue can be reliably measured, regardless of when the payment is received and when specific criteria have been met for each of thecompany's activities as described below. Revenue is shown net of Value Added Tax (VAT), returns, rebates and discounts.

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities.

i) ***Sale of Goods and Services***

Revenue from Direct sales is recognised when the significant risks and rewards of ownership are ransferred to the buyer, there is no continuing managerial involvement, costs can be measured reliably, and receipt of the future economic benefits is probable.

ii) ***Government Subsidy***

Government subsidy is recognised where there is reasonable assurance that the subsidy will be received and all attached conditions will be complied with. When the subsidy relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

iii) ***Miscellaneous Income***

Miscellaneous income is a group is small income derived from small works from the workshop and is it recognised where there is reasonable assurance that the income will be received

1.19) Cash and cash equivalents

Cash and cash equivalents comprises cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include Bank Overdrafts that form an intergral part of the business's cash management.

1.20) Allowance for Doubtful Debts

The company establishes an allowance for any doubtful debts based on a review of all outstanding amounts, either individually or collectively, at year end or based on government policy. Bad debts are written off during the period when they are identified.

The company periodically assesses whether there is any objective evidence of impairment. Trade and other receivables are presented net of allowances for doubtful debts.

All other trade and other receivables that do not have an individually assessed allowance are assessed collectively for impairment. Collectively assessed allowances are maintained to reduce the carrying amount of portfolios of similar trade and other receivables to their estimated recoverable amounts at balance date.

BETIO SHIPYARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** ***continued***

1.21) Foreign Currency Translation

i) ***Transaction and balances***

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Exchange differences are recognised in the statements of profit or loss in the period in which they arise.

	2016 $	2015 $
2. COST OF SALES		
Opening Stock	175,530	25,427
Purcahses, KPA Charges, Cartage Inward, etc	-	210,357
Obeselete in Stock	(50,000)	-
Cost of sales available for sale	125,530	235,784
Closing Stock	(125,530)	(175,530)
	-	**60,254**

3. ADMINISTRATIVE EXPENSES		
Accounting fee	950	950
Audit fees	2,500	2,500
Directors fees	1,492	665
Electricityand water	128	1,514
General expenses		74
Housing rent subsidy	180	1,425
Late fees paid	-	-
Legal fees	-	54
Motor vehicle running	1	448
Office and petty expenses	596	1,176
Registration fees		-
Repairs and maintenance		-
Telephone, fax, mobile and Internet	214	794
Travelling and allowances - local	49	456
	6,110	**10,056**

4. MARKETING & PROMOTION	$	$
Advertising and promotion	-	40
	-	**40**

BETIO SHIPYARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

	2016 $	2015 $

5. PERSONNEL COSTS

	$	$
Staff allowances	-	2,332
KPF Contribution	1,027	6,680
Leave Grant	700	3,465
Overtime	-	2,319
Salary and wages	12,623	40,300
	14,350	**55,096**

6. FINANCE COSTS

	$	$
Bank Charges	335	391
Interest and penalty	-	6,828
	335	**7,219**

7. INCOME TAX EXPENSE

The amount of income tax attributable to the final year differed from the prima facie amount payable on the operating profit. The difference is reconciled as follows:

		$	$
Operating profit before income tax		(16,208)	(92,184)
Prima facie income tax thereon at the rate of 30%		(4,862)	(27,655)
Future tax benefit not yet recognised		-	-
Tax loss recouped	7.1	4,862	27,655
INCOME TAX EXPENSES		-	-

7.1 Tax loss from previous years(Section 37 Income Tax Ordinance)

Year	LOSS	Recouped	Balance
Year 2013	16,268	-	16,268
Year 2014	100,077	-	100,077
Year 2015	92,184		92,184
Year 2016	16,208		16,208
	224,737	-	**224,737**

Future benefit from tax losses not yet recognised is $ **78,658**

8. CASH AND CASH EQUIVALENTS

	$	$
Cheque Current Account	7,815	256
Petty Cash	50	60
	7,865	**316**

BETIO SHIPYARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

	2016 $	2015 $
9. INVENTORIES	**$**	**$**
Headquarter	18,337	18,337
Bairiki Branch		-
Christmas Branch	6,883	6,883
Boat Building	45,141	45,140
General Engineering Stock	127,099	127,099
WIP Boat Building	12,868	12,868
WIP General Engineering	6,449	6,449
	216,777	216,776
Less Prov. For Obselescence	(91,246)	(41,246)
Job deposits	-	-
	125,531	**175,530**

10. TRADE AND OTHER RECEIVABLES

KSSL	390,703	390,703
Ministries and etc	830,963	830,963
LESS: Provision for Doubtful Debts	(199,343)	(199,343)
Staff Loans	561	561
Tax Arrears	2,151	2,151
	1,025,035	**1,025,035**

Trade and sundry debtors are non-interest bearing and the terms of payments is 30 - 90 days. Staff Loans are non-interest bearing and paid by a direct deduction from the payroll

11. PREPAYMENTS AND OTHER ASSETS	**$**	**$**
Freight levy	6,859	6,859
Handling Charges	6,345	6,345
Handling Charges Christmas Is.	-	-
Imprest Account	847	847
Prepayments	94	-
	14,145	**14,051**

Imprest Account are non-bearing interest but should be retired once the trip is completed

	2016	2015
	$	$

12. PROPERTY, PLANT AND EQUIPMENT

	Building	Plant & Equipment	Furniture & Fittings	Motor Vehicle	Total
Year 2016	**$**	**$**	**$**	**$**	**$**
Balance at beginning of the year, net of accumulated Depreciation	921,718	17,252	1,058	-	**940,028**
Additions	-	-	-	-	-
Depreciations	(3,408)	(17,252)	-	-	**(20,660)**
Adjustments	-	-			-
Balance at the of the period. net of accumulated depreciation	918,310	-	1,058	-	**919,368**
Reconciliation as at 31 December 2016					
Cost	3,157,481	59,215	32,497	242,560	**3,491,753**
Accumulated Depreciation	(2,239,171)	(59,215)	(31,439)	(242,560)	**(2,572,385)**
Net Carrying Amount	**918,310**	-	**1,058**	-	**919,368**
	-	-	-	-	-

	Building	Plant & Equipment	Furniture & Fittings	Motor Vehicle	Total
Year 2015	**$**	**$**	**$**	**$**	**$**
Balance at beginning of the year, net of accumulated Depreciation	853,120	45,378	1,058	-	**899,556**
Additions	-	-	-	-	-
Depreciations	(3,408)	(28,126)	-	-	**(31,534)**
Adjustments	72,006	-			**72,006**
Balance at the end of the year, net of accumulated depreciation	921,718	17,252	1,058	-	**940,028**
Reconciliation as at 31 December 2015					
Cost	3,157,481	59,215	32,497	242,560	**3,491,753**
Accumulated Depreciation	(2,235,763)	(41,963)	(31,439)	(242,560)	**(2,551,725)**
Net Carrying Amount	**921,718**	**17,252**	**1,058**	-	**940,028**
	-	-	-	-	-

	2016	2015
Net Book Value	**919,368**	**940,028**

13. TRADE AND OTHER PAYABLES

	$	$
Trade Creditors	63,858	264,778
Sundry Creditors	14,116	61,208
Deposits fromCustomers	21,185	20,685
Payroll Liabilities	132,493	221,918
Income Tax Payable	3,085	3,085
Security Deposits (Bond from Moel)	2,000	2,000
Audit fees payable	7,500	5,000
Accounting fees Eterika & Associates	2,850	1,900
VAT Liabilities	10,351	10,122
	257,438	**590,696**

BETIO SHIPYARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

	2016 $	2015 $
14. ADB LOAN	**$**	**$**
Balance at beginning of the year	715,176	715,176
Revaluation adjustments SOE Committee Advice	-	-
Balance at the end of the year	**715,176**	**715,176**
15. SHARE CAPITAL	**$**	**$**
Authorised Capital		
500 ordinary shares of $1 each	**500**	**500**
Issued and Paid Up Capital		
500 ordinary shares of $1 each	**500**	**500**
16. NOTES TO STATEMENT OF CASH FLOWS	**$**	**$**
Reconciliation of operating profit/(loss) after income tax to the net cash flows from Operating Activities.		
Operating profit after income tax	(16,208)	(92,184)
Add non-cash items:		
Depreciation	20,660	31,534
Prior period items	-	-
Adjustments in Capital	(58,143)	215,455
Net cash provided by operating activities before	(53,691)	154,805
Change in assets and liabilities:		
(Increase) / decrease in Receivables	-	(258,704)
(Increase) / decrease in inventories	50,000	(150,103)
(Increase) / decrease in deposits and prepayments	(94)	696
Increase / (decrease) in Govt subsidy for operations	-	-
Increase / (decrease) in accounts payable and accruals	(333,258)	84,046
Net cash flows from / (used in) Operating Activities	**$ (337,043)**	**$ (169,260)**
	-	-
17. CAPITAL COMMITMENTS at balance date	$NIL	$NIL
18. CONTINGENT LIABILITIES at balance date	$NIL	$NIL

BETIO SHIPYARD LIMITED
SCHEDULE OF FIXED ASSETS AND DEPRECIATION

FOR THE YEAR ENDED 31 AUGUST 2016

PARTICULARS	DATE	COST INITIAL 01.09.15 ($)	ADD ($)	SOLD	TOTAL 31.08.16 ($)	DEPRECIATION TOTAL 01.09.15 ($)	RATES	ANNUAL ($)	ADJUSTMT	RECOUP	TOTAL 31.08.16 ($)	WDV 31.08.16 ($)	WDV 01.09.15 ($)
BUILDING													
Building		2,201,073	-		2,201,073	1,350,876	1%SL	3,408		-	1,354,284	846,789	850,197
Slipway		884,887			884,887	884,887	2%SL	-			884,887	-	-
Seawall		71,521			71,521	-	2%SL	-			-	71,521	71,521
		3,157,481	-	-	3,157,481	2,235,763		3,408	-	-	2,239,171	918,310	921,718
PLANT AND EQUIPMENT													
Equipment & Tools		59,215	-	-	59,215	41,963	20%SL	17,252		-	59,215	-	17,252
		59,215	-	-	59,215	41,963		17,252	-	-	59,215	-	17,252
FURNITURE & FITTINGS													
Furniture & Fittings		32,497			32,497	31,439	20%SL	-			31,439	1,058	1,058
		32,497	-	-	32,497	31,439		-	-	-	31,439	1,058	1,058
MOTOR VEHICLES													
Vehicles		242,560			242,560	242,560	20%SL	-			242,560	-	-
		242,560	-	-	242,560	242,560		-	-	-	242,560	-	-
GRAND TOTAL		3,491,753	-	-	3,491,753	2,551,725		20,660	-	-	2,572,385	919,368	940,028

BETIO SHIPYARD LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

Contents

BETIO SHIPYARD LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

In accordance with a resolution of the board of directors, the directors herewith submit the statement of Financial position of the company as at 31 August 2017, statement of changes in equity, statement of Cash Flow and related income statement for the year then ended on that date and report as follows:

Directors

The names of the directors in office at the date of this report are:-

Mitateti Mote	Vice Chairman
Faitele Mika	Director
Betem Ueri	Director

Results

The operating loss for the year was $18,871 (2016 Loss $16,208) after taking into account an income tax expense of $Nil (2016 income tax expense $Nil)

Dividends

No dividend has been paid or recommended to be paid by the directors for the year.

Reserves

The directors recommend that there will no transfer in Capital Reserve for the year

Principal Activity

The principal activity of the company is to repair steel ships and fabrication of wooden and steel boats in Kiribati and there has been no significant changes in these activities during the year.

Significant Changes in the State of Affairs

There has been no significant changes in the state of affairs of Betio Shipyard Limited for the year ended 31 August 2017 (2016: Nil)

Events subsquent to the Balance Sheet

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the company, the results of those operations or the state of affairs of the company in the subsequent financial period.

Rounding

The Amount contained in the financial report have been rounded off to the nearest dollars.

General

At the date of this report the directors are not aware of any circumstances not otherwise dealt with, which would render the account misleading.

Signed for and on behalf of the board of directors in accordance with a resolution of the directors.

Dated at Tarawa this 31st day of August 2020

Director: ....

Director: ....

BETIO SHIPYARD LIMITED

STATEMENT BY DIRECTORS

FOR THE YEAR ENDED 31 AUGUST 2017

In accordance with a resolution of the board of directors for Betio Shipyard Limited, we state that in the opinion of the directors:

[i] the accompanying statement comprehensive income, changes in equity, statement of financial position, statement of cash flow together with the note thereto are drawn up so as to give a true and fair view of the results of the company for the year ended 31 August 2017

[ii] at the date of this statement there are reasonable grounds to believe the company will be able to pay its debts as and when they fall due; and

[iii] all related party transactions have been adequately recorded in the books of the company.

Signed for and on behalf of the board of directors in accordance with a resolution of the directors.

Dated at Tarawa this 31st day of August 2020

....
Director

....
Director

(This is the section for Kiribati National Audit Report)

FOR THE YEAR ENDED 31 AUGUST 2017

INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

Scope
We have audited the Financial Statements of Betio Shipyard Limited for the year ended 31 August 2017 as set out on pages 5 to 13. The company's directors are responsible for the preparation and presentation of the Financial Statements and the information they contain. We have conducted an independent audit of these Financial Statements in order to express an opinion on them to the members of the company.

Our audit has been conducted in accordance with Generally Accepted Accounting Standards in Kiribati to provide reasonable assurance as to whether the Financial Statements are free of material misstatement. Our procedures included examination on a test basis of evidence supporting the amounts and other disclosures in the Financial Statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether in all material respects, the Financial Statements are presented fairly in accordance with Generally Accepted Accounting Standards and statutory requirements in Kiribati so as to present a view which is consistent with our understanding of the company's financial position, the results of its operations, changes in equity and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion
In our opinion,

a) proper books of account have been kept by the company, so far as it appears from our examination of those books, and

b) the accompanying Financial Statements which have been prepared in accordance with Generally Accepted Accounting Standards in Kiribati:

    i) are in agreement with the books of account;

    ii) to the best of our information and according to the explanations given to us:

        a) give a true and fair view of the state of affairs of the company as at 31 December 2015 and of the results, cash flows and changes in equity of the company for the year ended on that date;

        b) give the information required by the Companies Ordinance 1979 in the manner so required.

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

BETIO SHIPYARD LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 $	2016 $
INCOME from continuing operations			
Revenue		26,855	25,247
Total Revenue		**26,855**	**25,247**
Cost of Sales	2	-	-
Gross Profit		**26,855**	**25,247**
Administration expenses	3	(30,195)	(6,110)
Depreciation	12	(852)	(20,660)
Marketing & Promotion	4	(457)	-
Personel Costs	5	(13,865)	(14,350)
Operating profit/(loss)		(18,514)	(15,873)
Finance Costs	6	(357)	(335)
Profit/(Loss) *from continuing operations*		**(18,871)**	**(16,208)**
Other Comprehensive Income			
Miscellaneous		-	-
Operating Loss before tax		(18,871)	(16,208)
Income tax expenses	7	-	-
		(18,871)	**(16,208)**
LESS: Prior Period Adjustments		-	-
TOTAL COMPREHENSIVE LOSS for the year, net of Tax		**$ (18,871)**	**$ (16,208)**

The Income Statement is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 10 to 15.

BETIO SHIPYARD LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	SHARE CAPITAL	GOVERMT GRANT	RESERVE	RETAINED EARNINGS	TOTAL EQUITY
YEAR 2017		**$**	**$**	**$**	**$**	**$**
Balance at the beginning of the period		500	1,458,815	1,097,157	(1,437,143)	**1,119,329**
Profit for the year		-		-	(18,871)	**(18,871)**
Transfer from Reserves		-		-	-	-
Government Grant		-	5,097	-	-	**5,097**
Adjustments					50,000	**50,000**
Prior Changes on ADBank Loan					415,527	**415,527**
Tax written off as per letter dated 03/09/2015					138,080	**138,080**
Issue of share capital		-		-	-	-
Balance at the end of the period		**500**	**1,463,912**	**1,097,157**	**(852,407)**	**1,709,162**
YEAR 2016		**$**	**$**	**$**	**$**	**$**
Balance at the beginning of the period		500	1,114,223	1,097,157	(1,362,792)	**849,088**
Profit for the year		-		-	(16,208)	**(16,208)**
Transfer from Reserves		-		-	-	-
Government Grant		-	344,592	-	-	**344,592**
Prior Changes on ADBank Loan					-	-
Issue of share capital					(58,143)	**(58,143)**
Balance at the end of the period		**$ 500**	**$ 1,458,815**	**$ 1,097,157**	**$ (1,437,143)**	**$ 1,119,329**

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 10 to 15.

BETIO SHIPYARD LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2017

	Notes	2017 $	2016 $
CURRENT ASSETS			
Cash and Other Cash Equivalents	8	5,379	7,865
Trade and Other receivables	9	1,023,009	1,025,035
Inventory	10	175,530	125,530
Prepayments and other assets	11	14,145	14,145
		1,218,063	**1,172,575**
NON-CURRENT ASSETS			
Property, Plant & Equipments	12	918,516	919,368
		918,516	**919,368**
TOTAL ASSETS		**2,136,579**	**2,091,943**
CURRENT LIABILITIES			
Trade & Other Payables	13	127,768	257,438
		127,768	**257,438**
NON-CURRENT LIABILITIES			
ADB Loan	14	299,649	715,176
		299,649	**715,176**
TOTAL LIABILITIES		**427,417**	**972,614**
NET ASSETS		**1,709,162**	**$ 1,119,329**
Represented by:			
SHAREHOLDERS' EQUITY			
Share capital	15	500	500
Reserve		1,097,157	1,097,157
Government Grant		1,463,912	1,458,815
Retained earnings		(852,407)	(1,437,143)
TOTAL SHAREHOLDERS' EQUITY		**$ 1,709,162**	**$ 1,119,329**

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 10 to 15.

Signed on behalf of the board of directors in accordance with a resolution of the directors

Director: .... Director: ....

BETIO SHIPYARD LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 $	2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from Customer		28,881	25,247
Payments to suppliers		(22,242)	(347,605)
Payment to Employees		(13,865)	(14,350)
Finance costs		(357)	(335)
Net Cash Flows (used in) Operating Activities	16	(7,583)	(337,043)
CASH FLOWS FROM INVESTING ACTIVITIES			
Property,Plant & Equipment purchased		-	-
Net Cash Flows (used in) Investing Activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Procceeds from Government Subsidy		5,097	344,592
Net Cash Flows from Financing Activities		5,097	344,592
Net increase/(decrease) in cash held		(2,486)	7,549
Cash at the beginning of the financial period		7,865	316
Cash at the end of the year	8	$ 5,379	$ 7,865

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 10 to 15.

BETIO SHIPYARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the company is set out in this note. The policies adopted are in accordance with accounting principles generally accepted in Kiribati, and unless stated otherwise are consistent with those applied in the prior year.

1.1) General

The Betio Shipyard Limited was incorporated under the Companies Ordinance in 1950. The company is fully owned by Government of Kiribati . As stated in the articles in its articles of association, the function of the company are to repair steel ships and fabrication of wooden and steel boats.

1.2) Basis of preparation of the financial statements

The financial statements have been prepared in accordance International Financial Reporting Standards (IFRS) as issued by the Interntional Accounting Standards Board (IASB). with the historical cost accounting and do not take into account changing money values or current valuations of non-current assets unless otherwise stated.

The financial statements have been prepared on a historical cost basis except for properties and certain office properties (classified as property, plants and equipment) that have been measured at fair value. The financial statement are presented in Australian Dollars and all values are rounded to the nearest dollar, except when otherwise indicated.

The financial statements provide comparative information in respect of the previous period and where ncecessar, comparative figures have been re-grouped to conform with changes in presentation in the current year.

1.3) Property, plant and equipment

Property, plant and equipment are depreciated on a straight line basis at rates calculated to write off each asset over its estimated useful life. The rates in use are as follows:-

Building	1%
Plant and Equipment	20%
Office equipment	25%
Furniture & Fittings	20%
Slipway	2%
Motor Vehicles	20%

1.4) Income tax

The company does not follow the principals of tax effect accounting. Income tax is calculated on the basis of reported incomes only.

1.5) Foreign Currency

Foreign currency transactions during the year are recorded using the rate of exchange prevailing at the date of the transactions. At balance sheet date amounts receivable and payable in foreign currencies are translated at the exchange rates prevailing on that date. Exchange differences are taken directly to the profit and loss statement.

1.6) Borrowing Costs

The borrowing costs that are directly attributable to the acquisition or construction of the capital assets are capitalised. Other borrowing costs are recognised as an expense in the year in which they are incurred.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued***

1.7) Inventories

Stock on hand has been valued on the basis of lower of cost and net realizable value

1.8) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and that the revenue can be reliably measured, regardless of when the payment is received and when specific criteria have been met for each of thecompany's activities as described below. Revenue is shown net of Value Added Tax (VAT), returns, rebates and discounts.

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities.

i) ***Sale of Goods and Services***

Revenue from Direct sales is recognised when the significant risks and rewards of ownership are ransferred to the buyer, there is no continuing managerial involvement, costs can be measured reliably, and receipt of the future economic benefits is probable.

ii) ***Government Subsidy***

Government subsidy is recognised where there is reasonable assurance that the subsidy will be received and all attached conditions will be complied with. When the subsidy relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

iii) ***Miscellaneous Income***

Miscellaneous income is a group is small income derived from small works from the workshop and is it recognised where there is reasonable assurance that the income will be received

1.19) Cash and cash equivalents

Cash and cash equivalents comprises cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include Bank Overdrafts that form an intergral part of the business's cash management.

1.20) Allowance for Doubtful Debts

The company establishes an allowance for any doubtful debts based on a review of all outstanding amounts, either individually or collectively, at year end or based on government policy. Bad debts are written off during the period when they are identified.

The company periodically assesses whether there is any objective evidence of impairment. Trade and other receivables are presented net of allowances for doubtful debts.

All other trade and other receivables that do not have an individually assessed allowance are assessed collectively for impairment. Collectively assessed allowances are maintained to reduce the carrying amount of portfolios of similar trade and other receivables to their estimated recoverable amounts at balance date.

BETIO SHIPYARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2017

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued***

1.21) Foreign Currency Translation

i) ***Transaction and balances***

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Exchange differences are recognised in the statements of profit or loss in the period in which they arise.

2. COST OF SALES	2017 $	2016 $
Opening Stock	125,530	175,530
Purcahses, KPA Charges, Cartage Inward, etc	-	-
Obeselete in Stock/Reversal	50,000	(50,000)
Cost of sales available for sale	175,530	125,530
Closing Stock	(175,530)	(125,530)
	-	-

3. ADMINISTRATIVE EXPENSES		
Accounting fee	950	950
Audit fees	2,500	2,500
Directors fees	1,608	1,492
Electricityand water		128
General expenses	40	
Housing rent subsidy	180	180
Motor vehicle running		1
Office and petty expenses	502	596
Security Services	24,192	
Telephone, fax, mobile and Internet	142	214
Travelling and allowances - local	81	49
	30,195	**6,110**

4. MARKETING & PROMOTION	$	$
Advertising and promotion	457	-
	457	-

BETIO SHIPYARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2017

		2017 $	2016 $
5.	**PERSONNEL COSTS**	**$**	**$**
	Staff allowances		-
	KPF Contribution	919	1,027
	Leave Grant	700	700
	Overtime		-
	Salary and wages	12,246	12,623
		13,865	**14,350**
6.	**FINANCE COSTS**	**$**	**$**
	Bank Charges	357	335
	Interest and penalty	-	-
		357	**335**

7. **INCOME TAX EXPENSE**

The amount of income tax attributable to the final year differed from the prima facie amount payable on the operating profit. The difference is reconciled as follows:

		$	$
Operating profit before income tax		(18,871)	(16,208)
Prima facie income tax thereon at the rate of 30%		(5,661)	(4,862)
Future tax benefit not yet recognised		-	-
Tax loss recouped	7.1	5,661	4,862
INCOME TAX EXPENSES		-	-

7.1 Tax loss from previous years(Section 37 Income Tax Ordinance)

Year	LOSS	Recouped	Balance
Year 2014	100,077	-	100,077
Year 2015	92,184	-	92,184
Year 2016	16,208	-	16,208
Year 2017	18,871		18,871
	227,340	-	**227,340**

Future benefit from tax losses not yet recognised is **$ 79,569**

8.	**CASH AND CASH EQUIVALENTS**	**$**	**$**
	Cheque Current Account	5,329	7,815
	Petty Cash	50	50
		5,379	**7,865**

BETIO SHIPYARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2017

	2017 $	2016 $
9. INVENTORIES	**$**	**$**
Headquarter	18,337	18,337
Bairiki Branch		
Christmas Branch	6,882	6,883
Boat Building	45,141	45,141
General Engineering Stock	127,099	127,099
WIP Boat Building	12,868	12,868
WIP General Engineering	6,449	6,449
	216,776	216,777
Less Prov. For Obselescence	(41,246)	(91,246)
Job deposits	-	-
	175,530	**125,531**

10. TRADE AND OTHER RECEIVABLES

	2017	2016
KSSL	390,703	390,703
Ministries and etc	828,937	830,963
LESS: Provision for Doubtful Debts	(199,343)	(199,343)
Staff Loans	561	561
Tax Arrears	2,151	2,151
	1,023,009	**1,025,035**

Trade and sundry debtors are non-interest bearing and the terms of payments is 30 - 90 days. Staff Loans are non-interest bearing and paid by a direct deduction from the payroll

11. PREPAYMENTS AND OTHER ASSETS	**$**	**$**
Freight levy	6,859	6,859
Handling Charges	6,345	6,345
Imprest Account	847	847
Prepayments	94	94
	14,145	**14,145**

Imprest Account are non-bearing interest but should be retired once the trip is completed

	2017 $	2016 $

12. PROPERTY, PLANT AND EQUIPMENT

	Building	Plant & Equipment	Furniture & Fittings	Motor Vehicle	Total
Year 2017	$	$	$	$	$
Balance at beginning of the year, net of accumulated Depreciation	918,310	-	1,058	-	**919,368**
Additions	-	-	-	-	-
Depreciations	(852)	-	-	-	**(852)**
Adjustments	-	-			-
Balance at the of the period. net of accumulated depreciation	917,458	-	1,058	-	**918,516**
Reconciliation as at 31 December 2017					
Cost	3,157,481	59,215	32,497	242,560	**3,491,753**
Accumulated Depreciation	(2,240,023)	(59,215)	(31,439)	(242,560)	**(2,573,237)**
Net Carrying Amount	**917,458**	-	**1,058**	-	**918,516**
	-	-	-	-	-

	Building	Plant & Equipment	Furniture & Fittings	Motor Vehicle	Total
Year 2016	$	$	$	$	$
Balance at beginning of the year, net of accumulated Depreciation	921,718	17,252	1,058	-	**940,028**
Additions	-	-	-	-	-
Depreciations	(3,408)	(17,252)	-	-	**(20,660)**
Adjustments	-	-			-
Balance at the end of the year, net of accumulated depreciation	918,310	-	1,058	-	**919,368**
Reconciliation as at 31 December 2016					
Cost	3,157,481	59,215	32,497	242,560	**3,491,753**
Accumulated Depreciation	(2,239,171)	(59,215)	(31,439)	(242,560)	**(2,572,385)**
Net Carrying Amount	**918,310**	-	**1,058**	-	**919,368**
	-	-	-	-	-

	2017	2016
Net Book Value	**918,516**	**919,368**

13. TRADE AND OTHER PAYABLES

	$	$
Trade Creditors	74,224	63,858
Sundry Creditors	14,116	14,116
Deposits fromCustomers	15,803	21,185
Payroll Liabilities	7,808	132,493
Income Tax Payable	17	3,085
Security Deposits (Bond from Moel)	2,000	2,000
Audit fees payable	10,000	7,500
Accounting fees Eterika & Associates	3,800	2,850
VAT Liabilities	-	10,351
	127,768	**257,438**

BETIO SHIPYARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2017

	USD $	Exchange Rate	2017 $	2016 $
14. ADB LOAN			**$**	**$**
Balance at beginning of the year			715,176	715,176
Revaluation adjustments SOE Committee Advice			(415,527)	-
Balance at the end of the year	**226,834**	**0.7570**	**299,649**	**715,176**
15. SHARE CAPITAL			**$**	**$**
Authorised Capital				
500 ordinary shares of $1 each			**500**	**500**
Issued and Paid Up Capital				
500 ordinary shares of $1 each			**500**	**500**
16. NOTES TO STATEMENT OF CASH FLOWS			**$**	**$**
Reconciliation of operating profit/(loss) after income tax to the net cash flows from Operating Activities.				
Operating profit after income tax			(18,871)	(16,208)
Add non-cash items:				
Depreciation			852	20,660
Prior period items			-	-
Adjustments in Capital			188,080	(58,143)
Net cash provided by operating activities before			170,061	(53,691)
Change in assets and liabilities:				
(Increase) / decrease in Receivables			2,026	-
(Increase) / decrease in inventories			(50,000)	50,000
(Increase) / decrease in deposits and prepayments			-	(94)
Increase / (decrease) in Govt subsidy for operations			-	-
Increase / (decrease) in accounts payable and accruals			(129,670)	(333,258)
Net cash flows from / (used in) Operating Activities			**$ (7,583)**	**$ (337,043)**
17. **CAPITAL COMMITMENTS** at balance date			$NIL	$NIL
18. **CONTINGENT LIABILITIES** at balance date			$NIL	$NIL

BETIO SHIPYARD LIMITED
SCHEDULE OF FIXED ASSETS AND DEPRECIATION

FOR THE YEAR ENDED 31 AUGUST 2017

PARTICULARS	DATE	COST INITIAL 01.09.16 ($)	ADD ($)	SOLD	TOTAL 31.08.17 ($)	DEPRECIATION TOTAL 01.09.16 ($)	RATES	ANNUAL ($)	ADJUSTMT	RECOUP	TOTAL 31.08.17 ($)	WDV 31.08.17 ($)	WDV 01.09.16 ($)
BUILDING													
Building		2,201,073	-		2,201,073	1,354,284	1%SL	852		-	1,355,136	845,937	846,789
Slipway		884,887			884,887	884,887	2%SL	-			884,887	-	-
Seawall		71,521			71,521	-	2%SL	-			-	71,521	71,521
		3,157,481	-	-	**3,157,481**	**2,239,171**		**852**	-	-	**2,240,023**	**917,458**	**918,310**
PLANT AND EQUIPMENT													
Equipment & Tools		59,215	-	-	59,215	59,215	20%SL	-		-	59,215	-	-
		59,215	-	-	**59,215**	**59,215**		-	-	-	**59,215**	-	-
FURNITURE & FITTINGS													
Furniture & Fittings		32,497			32,497	31,439	20%SL	-			31,439	1,058	1,058
		32,497	-	-	**32,497**	**31,439**		-	-	-	**31,439**	**1,058**	**1,058**
MOTOR VEHICLES													
Vehicles		242,560			242,560	242,560	20%SL	-			242,560	-	-
		242,560	-	-	**242,560**	**242,560**		-	-	-	**242,560**	-	-
GRAND TOTAL		**3,491,753**	-	-	**3,491,753**	**2,572,385**		**852**	-	-	**2,573,237**	**918,516**	**919,368**

Betio Shipyard Limited
List of additonal Transactions
Changes made in 2017 Account

					DR	CR
1. Write off PAYE Tax as per letter dated 03/09/2015					$	$
Dr	Staff PAYE Tax	2-1201			$ 124,685.00	
	VAT Collected	2-9001			$ 10,909.80	
	VAT Paid	2-9002				$ 582.73
	Tax Refund Creditors	2-1104			$ 3,067.93	
Cr	Prior period Adjustment - Tax Written off	3-7000	(New)			$ 138,080.00
					$ 138,662.73	$ 138,662.73

(To write off staff PAYE as per letter dated 03/09/2015)

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2. Adjustment on ADB Loan					$	$
Dr	ADB Loan	2-2004			$ 415,527.00	
Cr	Prior Changes ADB Loan	3-7500	(New)			$ 415,527.00
					$ 415,527.00	$ 415,527.00

(To adjust the balance of the ADB Loan of USD226,834 at the rate of 0.7570)

Foreign Exchange Rates

ANZ Bank (Kiribati) Limited
Markets Kiribati
Bairiki
Tarawa

Thursday, August 31, 2017
Email Address: kiribatimarkets@anz.com
Telephone: (686) 21095 Extn 206
Facsimile: (686) 21200

Exchange Rates Against Australian Dollars

BUYING						SELLING	
TT	CHQ	NOTES	COUNTRY	UNIT	CODE	NOTES	TT/DRAFT & TRAVEL.CHQ ISSUANCE
0.8133	0.8199	0.8812	USA	Dollar	USD	0.7570	0.7570
0.6296	0.6356	0.6850	United Kingdom	Pound	GBP	0.5842	0.5842
1.0279	N/A	N/A	Canada	Dollar	CAD	N/A	0.9531
1.6242	1.6389	1.7633	Fiji	Dollar	FJD	1.5100	1.5100
0.6861	0.6921	0.7498	Europe	Euro	EUR	0.6331	0.6331
6.3605	N/A	N/A	Hong Kong	Dollar	HKD	N/A	5.9236
5.3183	N/A	N/A	China	Renminbi	CNY	N/A	4.9352
89.5610	90.0400	96.9100	Japan	Yen	JPY	83.2500	83.2500
1.1271	1.1409	1.2257	New Zealand	Dollar	NZD	1.0492	1.0492
N/A	N/A	N/A	Papua New Guinea	Kina	PGK	2.3018	2.3018
1.1072	N/A	N/A	Singapore	Dollar	SGD	1.0282	1.0282
5.6316	N/A	N/A	Solomon Islands	Dollar	SBD	5.2351	5.2351
0.7848	N/A	N/A	Switzerland	Franc	CHF	N/A	0.7283
1.6592	N/A	N/A	Tonga	P'aanga	TOP	1.5412	1.5412
83.0400	N/A	N/A	Vanuatu	Vatu	VUV	77.1400	77.1400
1.8895	N/A	N/A	Western Samoa	Tala	WST	1.7533	1.7533

*Outward Telegraphic Transfer fee is AUD$15.00 if transferred in Foreign Currency.
Outward TT fee in AUD currency is $50.00

To convert **AUD** to **Foreign currency** multiply by the exchange rate.
To convert **Foreign currency** to **AUD** divide by the exchange rate.
Forward Exchange Contract is now available upon request
Rates Available for transactions equivalent to AUD20,000
All rates are subject to change. Terms and Conditions applied.

ANZ

MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT
State-Owned Enterprises Reform Program
P.O. Box 67, Bairiki, Tarawa, Republic of Kiribati
Phone:- (686) 21806/21802 **Fax:-** (686) 21307 **Email:-** pa@mfep.gov.ki

To:	**Commissioner of Tax,**	**Date:**	**03 September 2015**
Cc:	**SOE Reform TA**	**From:**	**Economist, Investment**
Subject:	**BSL Tax Liabilities to be written off**		

Mauri Commisioner,

Following our recent memo emailed out on the 31st of August 2015 re BSL payment Liabilities, we would like to present the attached list of outstanding taxes which now need to be written off.

Referring to Cabinet meeting #31/15, Cabinet approved full settlement of all BSL liabilities and also agreed the write off of BSL Tax Liability. The total Tax liability owed is $138,080 comprising of PAYE TAX due of $124,685 plus VAT of $13,395. Please refer to the attached list for your ease of reference.

Based on the foregoing, I would appreciate your appropriate action in writing off the amount of $138,080 to clear BSL outstanding tax liability.

Yours Sincerely,

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Maaman Ioakim
Economist, Investment

Amortization Schedule
LN0724

LOAN NO	LN0724	Project	Betio Shipyard
FUND	Concessional OCR	Term	40.00
FACILITY TYPE	CONVERTED TO FULL FLEDGED SDR LOAN	Grace	10.00
APPROVED LOAN AMOUNT	SDR 545,200.00		
NET LOAN AMOUNT	SDR 316,938.45		

Sequence No.	Payment Date	Principal	Interest	Total repayment	Outstanding Principal	Oustanding Principal	Principal	Interest	Total repayment	Ex rate	Oustanding Principal
		SDR	SDR¹	SDR¹	SDR¹	USD¹	USD²	USD²	USD²		USD²
1	15-Apr-09	9,900.00			316,938.45						
2	15-Oct-09	9,900.00			307,038.45						
3	15-Apr-10	9,900.00			297,138.45						
4	15-Oct-10	9,900.00			287,238.45						
5	15-Apr-11	9,900.00			277,338.45						
6	15-Oct-11	9,900.00	1,366.26	11,266.26	267,438.45	408,132.48	15,825.65	2,184.03	18,009.68	1.599	427,513.74
7	15-Apr-12	9,900.00	1,014.00	10,914.00	257,538.45	393,024.29	15,358.96	1,573.60	16,932.56	1.551	399,558.85
8	15-Oct-12	9,900.00	1,139.51	11,039.51	247,638.45	377,916.10	14,957.12	1,721.59	16,678.71	1.511	374,137.07
9	15-Apr-13	9,900.00	1,410.35	11,310.35	237,738.45	362,807.91	15,145.22	2,157.58	17,302.80	1.530	363,697.04
10	15-Oct-13	9,900.00	951.82	10,851.82	227,838.45	347,699.72	15,021.47	1,444.22	16,465.69	1.517	345,703.97
11	15-Apr-14	9,900.00	1,155.84	11,055.84	217,938.45	332,591.53	15,232.54	1,778.42	17,010.96	1.539	335,328.86
12	15-Oct-14	9,900.00	1,190.64	11,090.64	208,038.45	317,483.34	15,135.71	1,820.32	16,956.03	1.529	318,061.55
13	15-Apr-15	9,900.00	566.57	10,466.57	198,138.45	307,375.15	13,935.44	797.52	14,732.96	1.408	278,903.77
14	15-Oct-15	9,900.00	653.39	10,553.39	188,238.45	287,266.96	13,825.15	912.45	14,737.60	1.396	262,871.27
15	15-Apr-16	9,900.00	1,034.55	10,934.55	178,338.45	272,158.77	13,886.73	1,451.16	15,337.89	1.403	250,155.29
16	15-Oct-16	9,900.00	885.17	10,785.17	168,438.45	257,050.58	13,811.00	1,234.86	15,045.86	1.395	234,980.19
17	15-Apr-17	9,900.00	850.82	10,750.82	158,538.45	241,924.39	13,443.11	1,155.32	14,598.43	1.358	215,277.76
18	15-Oct-17	9,900.00	795.81	10,695.81	148,638.45	226,834.20	13,960.68	1,122.23	15,082.91	1.410	209,605.48
19	15-Apr-18	9,900.00	722.33	10,622.33	138,738.45	211,726.01	14,301.84	1,043.50	15,345.34	1.445	200,425.77
20	15-Oct-18	9,900.00	695.88	10,595.88	128,838.45	196,617.82	13,737.04	965.59	14,702.63	1.388	178,773.64
21	15-Apr-19	9,900.00	674.86	10,574.86	118,938.45	181,509.63	13,748.92	937.23	14,686.15	1.389	165,179.29
22	15-Oct-19	9,900.00	548.36	10,448.36	109,038.45	166,401.43	13,629.23	754.92	14,384.15	1.377	150,112.12
23	15-Apr-20	9,900.00	456.74	10,356.74	99,138.45	151,293.23	13,560.82	625.63	14,186.45	1.37	135,797.82
24	15-Oct-20	9,900.00			89,238.45						
25	15-Apr-21	9,900.00			79,338.45						
26	15-Oct-21	9,900.00			69,438.45						
27	15-Apr-22	9,900.00			59,538.45						
28	15-Oct-22	9,900.00			49,638.45						
29	15-Apr-23	9,900.00			39,738.45						
30	15-Oct-23	9,900.00			29,838.45						
31	15-Apr-24	9,900.00			19,938.45						
32	15-Oct-24	10,038.45			10,038.45						
	TOTAL	316,938.45									

1. Based on exchange rates adopted by ADB
2. Based on exchange rates at the time of receipt

BREAK DOWN FOR CSO FUNDING 2015		
2015	BSL Debts from Diocese	7,000.00
2015	BSL Staff claims	32,254.10
2015	BSL Court order	5,132.45
2015	BSL Overseas creditors	130,368.70
2015	Wrongly Pd from SOE Project	4,598.45
2015	BSL Redundancy	32,865.61
2015	BSL Local Creditors	109,910.79
		322130.1