REPORT OF THE AUDITOR GENERAL ON THE ACCOUNT OF

KNAO

AUDIT FOR AN IMPACT FOR THE PUBLIC

Broadcasting & Publication Authority For the Year Ended 31st December 2012, 2013 & 2014

Kiribati National Audit Office
April 2016

KIRIBATI NATIONAL AUDIT OFFICE

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Audit for an impact for the public

Independent Auditor's Report

To the readers of
Broadcasting and Publications Authority Financial Statements for the Years ending, 31 December 2012, 2013, & 2014.

Report on the Financial Statements

The Auditor-General, Mrs Matereta B Raiman, is the auditor of Broadcasting and Publications Authority (BPA).

I have audited the accompanying financial statements of the Broadcasting and Publications Authority (BPA). The financial statement is comprised of:

- the Statements of Financial Position as at 31 December, 2012, 2013 & 2014,
- Statement of Financial Performance,
- a Cash Flow statement and
- a summary of significant accounting policies and other explanatory information.

The audit covered the company's compliance with the requirements of Part VII of the Public Finances (Control and Audit) Ordinance 1976 (amendments 1981) and the BPA Act 1981 that apply to the financial statements of BPA for the years ended 31 December 2012, 2013 & 2014.

Managements and Board Directors Responsibilities.

BPA Management and the Board of Directors are responsible for preparing the financial statements in accordance with generally accepted accounting practice. The financial statements must give a true and fair view of the financial position of BPA as at 31 December 2012, 2013 & 2014 and the results of its operations and cash flows for the years ended on those dates. The Board of Directors responsibilities were clearly specified in the Public Finance (Control and Audit) Act 1981 and BPA Act, 1981.

Auditor's Responsibility

In accordance with Part VII of the Public Finance (Control and Audit) 1981, auditors are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you.

Basis for Adverse Opinion

I am unable to verify the financial statements of BPA as at 31st December 2012, 2013 & 2014 due to the following:

2012-2013 Cash account could not be verified due to:

- No reconciliation performed on the following bank accounts:
  - Trading (bank account # 294512
  - Xmas (bank account # 671172)
  - Tarawa (bank account # 835745)
- Incomplete reconciliation for Current A/c # 152340
- No deposit slips available for IBD A/c # 152351
- Brought forward balance from Bank Account # 294512 (closed account) cannot be verified as the bank statement was not available.

2013 & 2014 Board Minutes

- We were unable to verify Board expenses including other issues which require reference to board's resolution due to the absence of the board minutes.

Receivable Accounts being written off

- There were several receivable accounts being written off in 2014 as they were claimed to be irrecoverable, however without any evidence of Boards approval these may be regarded as improper.

Long term Loan

- CCK soft loan – A balance of $47,155 for Soft loan was written off in 2014 as they claimed it to have been cleared, however our consultation with the concerned body confirmed that the payment was for KPF outstanding only and not CCK loan therefore CCK soft loan should be added back to the BPAs Liability.

Poor maintenance of accounting records

- 2012 & 2013 Individual Trade Debtors & Creditors ledger cards were not available.

- There was lack of proper reconciliation on Debtors and Creditors account.

- No aging reports prepared.

- No listing provided for Staff Advance and Imprest, this had indicated lack of proper recording hence allowing these accounts to be untraceable and irrecoverable.

- Poor collection and follow up attempts on recovery of outstanding debts therefore contributing to the increase in trade debtors balance as well as Staff advance and Imprest accounts.

The inconsistency of the 2014 trade debtors balances as per MYOB record, listing and financial statements.

- The Trade Debtors balances for each of the records above were all different.

- Adjustment of the variances was noted improper as there was neither proper reconciliation done on the account nor any references made to particular invoices.

Property, Plant and Equipment 2012, 2013 & 2014

- No Fixed Asset Register maintained.

- No physical counting of fixed assets.

- There was an inconsistency in the depreciation rates shown as per the accounting policy with the rate being applied for Tarawa branch. Given the inconsistency of the rate being applied, the calculated depreciation would be regarded as incorrect.

- 2013 Closing balances for Furniture and Motor Vehicles did not match the 2014 Opening balances.

- Furniture and Sea Wall had negative balances as at 31 Dec, 2014.

- Property Plant and Equipment as per the 2014 Financial Statements did not match the amounts shown in the accompanying note. This indicated that the account had been misrepresented and we were unable to place any reliance on it.

- 2013 MYOB General Ledger did not record Motor Vehicle and Furniture & Fittings.

- Disposal of Motor Vehicle in 2014 was not recorded on MYOB but appeared on the Financial Statement. Document related to this disposal were not available.

Expenditure

- We were unable to confirm correctness of the Board expenses due to the following:

    - Some of the board expenses were misallocated.

    - Some payment vouchers were not supported properly.

    - Several unsigned PVs were noted.

- There were unsigned salaries noted for 2012 with a total amount of $6,666.85.
- PVs for 2013 Sept to Oct, including PV# 2014035 in 2014 were noted missing.
- Several PVs in 2013 & 2014 were noted to have incomplete signatures.
- In 2014, payment of sitting allowances to BPA staff during official hours deemed improper.
- For 2014, audit noted with concern a claim made by two officers for the same vacant position of a Senior Accountant and for same periods.
- Significant expenses related to Prior Period were misclassified as current years expenses.

Financial Reporting issues

- Directors Statement was not included in the notes.
- Cashflow Statement included Retained Earnings for 2012 – 2014, hence indicating that the statement had been computed wrongly.

Adverse Opinion

Because of the **significant effects of the matters** described in the Basis for Adverse Opinion paragraph, in my opinion, the financial statements of the Broadcasting and Publications Authority as at 31st Dec, 2012, 2013 & 2014, **DO NOT** give a true and fair view, in accordance with Generally Accepted Accounting Practice in Kiribati. An **adverse opinion** was issued on the financial statements.

……………………………

Matereta B Raiman
Auditor General
Kiribati National Audit Office
09/03/2016

BROADCASTING & PUBLICATION AUTHORITY

FINANCIAL STATEMENTS

1 January – 31 December 2012

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Prepared & compiled by: *AT Accounting Services*
Email Address: *ataccountingservices@hotmail.com*
Cell Phone No.*96590 & 91237*

Broadcasting & Publication Authority
Consolidated Statement of Financial Performance
For the year ended 31 December 2012

	Note	Trw	Xms	Consolidated 2012 $	2011 $	
Revenue						
Sales Rev	6	886,255	47,359	933,614	[illegible]	
Less Cost of Goods Sold	7	- 99	-	99	[illegible]	
Gross Profit/(Loss)		886,156	47,359	933,515	[illegible]	
Other Revenue						
Interest on IBD		136	-	136		
Gain on sale of property, plant & equipment		2,682	-	2,682		
		2,819	-	2,819	[illegible]	
Plus Prior Period Item	8	33,943	- 18,591	15,352	49,240	
Total Operating Profit/(Loss)		922,918	28,768	951,686	783,815	(a-
Expenses						
Less Total Staff & Benefit Expenses	9	539,277	5,797	545,074	[illegible]	
Total Administrative & Operating Expenses	10	376,344	17,135	393,479	[illegible]	
Total Non-Cash Operating Expenses	11	77,622	55,468	133,089	[illegible]	
Grand Total Operating Expenses		993,243	78,399	1,071,642	922,044	
Net Operating Profit/(Loss)		- 70,325	- 49,631	- 119,957	- 138,229	(a-b

Broadcasting & Publication Authority
Consolidated Statement of Financial Position
As at 31 December 2012

	Note	Trw	Xms	Consolidated 2012 $	2011 $	
Current Assets:						
Cash & cash equivalent	12	- 1,276	54,275	52,999	[illegible]	
Receivables	13	421,789	17,180	438,968	[illegible]	
Inventories		24,753	-	24,753	[illegible]	
Other current assets	14	29,612	1,585	31,197	[illegible]	
Total Current Assets		474,877	73,039	547,917	[illegible]	
Less Current Liabilities:						
Payables	15	361,662	8,311	369,973	[illegible]	
Other current liabilities	16	451,374	2,400	453,774	[illegible]	
Total Current Liabilities		813,035	10,711	823,746	[illegible]	
Working Capital		- 338,158	62,328	- 275,829	- [illegible]	(g
Plus Non-Current Assets:						
Property, plant & equipment	17	391,695	575,415	967,110	[illegible]	
Less Long Term Liabilities						
Loans	18	- 55,005	-	- 55,005	- [illegible]	
Net Assets		- 1,468	637,744	636,276	515,086	(g-h
Represented by:						
Shareholders' Equity:						
General Reserves	19	59,883	51,422	111,305	[illegible]	
Accumulated Fund	20	- 61,351	586,322	524,970	[illegible]	
Total Shareholders' Equity		- 1,468	637,744	636,276	515,086	

Board Chariman ....

Board Director ....

The accompanying notes form an integral part of these financial statements

[illegible]adcasting & Publication Authority
Consolidated Cash Flow Statement
For the year ended 31st December 2012

	Note	2012	2011
		$	
1. Cash Flows from Operating Activities			
Receipts from customers		546,328.55	- [illegible]
Payments to suppliers and employees		- 495,030.20	- [illegible]
Interest on IBD Received		136.35	[illegible]
Net Cash Flow from operating activities	1	**51,434.70**	330,953.24
2. Cash Flows from Investing Activities			
Gain on disposal of property, plant & equipment		2,682.30	[illegible]
Purchases of property, plant & equipment		- 240,058.42	- [illegible]
Net Cash from Investment Activities		- 237,376.12	- 932,408.1[illegible]
3. Cash Flow from Financing Activities			
Accumulated Fund		238,438.53	[illegible]
Net Cash Flow from Financing Activities		**238,438.53**	570,653.0[illegible]
Net Increase/Decrease for the period		52,497.11	- [illegible]
Cash & Cash Equivalents at beginning of period		501.99	[illegible]
Cash & Cash Equivalents at ending of peroid	2	**52,999.10**	501.9[illegible]

Note 1. Reconciliation of Net Profit to Net Cash from operating activities.

	2012	2011
Net Profit/(Loss)	- 119,931.60	- [illegible]
Add Back Deprecition	138,094.91	[illegible]
Total of Net Profit & Add Back Depreciation	**18,163.31**	- 19,608.7[illegible]
Increase/Decrease in assets & liabilities		
Trade Debtors	- 81,028.41	- [illegible]
Provision for doubtful debts-Trade	6,018.87	[illegible]
Trading Debtors	- 435.70	- [illegible]
Provision for doubtful debts-Trading	20.74	[illegible]
Trading Stock	98.77	- [illegible]
Staff Advance	- 1,770.41	- [illegible]
Staff Imprest	- 2,690.30	- [illegible]
Trade Creditors	27,431.46	[illegible]
Trading Creditors	- 27,073.32	[illegible]
Provision on accountancy fees	- 3,441.00	[illegible]
Staff Tax Payable	15,248.01	[illegible]
KPF Payable	100,892.68	[illegible]
Soft Loan TAK	-	[illegible]
Total Increae/Decrease in assets & liabilities	**33,271.39**	350,562.[illegible]
Net Cash Flow from Operating Activities	**51,434.70**	330,953.[illegible]

Note 2. Cash & Bank Balances Represented as follows at 31st December

	2012	2011
	$	$
Cash at Bank-Trade	5,934.35	- [illegible]
Cash at Bank-Trading	135.55	135[illegible]
Cash at Bank-No.835745	683.79	[illegible]
Interest Bearing Deposit	5,419.41	[illegible]
Cash at Bank-Xmas	4,372.66	[illegible]
Petty Cash-Trw	500.00	500[illegible]
Petty Cash Xms	300.00	[illegible]
SubRR Not Receipted Fund	633.90	
Undeposited Fund	35,019.44	[illegible]
	$ 52,999.10	$ 501[illegible]

The Accompanying Notes Formed Parts of these Finnacial Statements

1. General

The Authority was established by the Broadcasting and Publication Authority Act 6 to provide the country with local news in Kiribati language and English laguage as well relay world and pacific news in addition, the BPA also provides much more entertainments which include Local songs, English songs Pacific songs and many more songs. The Authority was established by the Broadcasting and Publication Authority Act 6 to provide the country with news in Kiribati and in English and any entertainments etc

2. Accounting policies

The Financial Statements are prepared under the Historical Cost Convention modified by valuation of certain fixed and comply with the International Accounting Standards.

2.1 Depreciation:

Depreciation method adopted is the Straight Line Method which is consistent to previous years. The rates applies also consistent with previous years as follows:-

Fixed Assets	% p.a	Useuf life
(i) Sea Wall	33.30%	3yrs
(ii) Building Premises	4.00%	25yrs
(iii) Plant, Machineries & Tranmitter	6.66%	15yrs
(v) Office Equipment	20.00%	5yrs
(vi) Furniture & Fixtures	20.00%	5yrs
(vii) Motor Vehicles	25.00%	4yrs

2.2 Stock

Stock is valued at the lower of cost or at market value whichever is lower on a FIFO method.

2.3 Currency

The Financial Statements are expressed in Australian Dollars.

2.4 Aid Items

Items received in aid have been capitalised under the Assets Revaluation Reserve and released to profit and loss at the rate of an applicape depreciation charge.

2.5 Provision for doubtful debts

It is provided by 6% only of the outstanding debtors at the year ended. The rate apply this year is consistent with rate used at in the last two consecutive years.

3. Revenue

Revenue principally represents the amounts received from the sales of advertising, newspaper broadcasting, sales of electronic equipment and sales of goods.

4. The Ceasation & Elimination of Publication Division

In previuos years the Broadcasting & Publication Authority (BPA) had made publication as one of its main cost centers which generating good returned to the BPA. This year there were new players entered into this market which caused minimal & scarce market that caused the Board decision to resolve to eliminate the publication division from its existence in BPA and replace it with Printing/Others as new department to cater few and similar small businesses. Therefore, the BPA has changed its division to a department which would enhance productivity of staffs inputs and work as a team. In that respect, the BPA has the following departments in its setup: Broadcasting department; Engineer department; Print & News department; and Account & Adminitration department.

5. Capital Reserve - $111,305.37

The assets, liabilities and cash of the publications division had been effectively included into the books of the Broadcasting Division & changed to departments under the Broadcasting & Publication Authority. At the start of this year when transferred took place of these remaining assets & liabilities, the capital of $111,305.37 was omitted during the transfer exercise. Thus, this note was made up that which reflected on the balance sheet under Capital Reserve this year 2006.

6. Sales Revenue	BPA Trw	BPA Xms	2012 Consolidated	
	$	$	$	
Cash Sales	264,501.75	27,001.50	291,503.25	
Credit Sales	621,753.04	20,357.30	642,110.34	
	886,254.79	**47,358.80**	933,613.59	

7. Cost of Goods Sold on Trading	BPA Trw	BPA Xms	Consolidated	
Opening Stock 01/1/12	24,851.42	-	24,851.42	-
Plus Net Purchases				
Plus Freight Inwards	-			
Plus Custom Duty	-			
Plus Port Charges	-			
Less Closing Stock 31/12/12	- 24,752.65	-	- 24,752.65	
Cost of Goods Sold	**98.77**	-	98.77	55,866.

8. Prior Period Item	BPA Trw	BPA Xms	Consolidated	
PPI Rev./(Loss)	36,761.51		36,761.51	
	36,761.51	-	36,761.51	49,336.

9. Staff & Other Benefit Expenses	BPA Trw	BPA Xms	Consolidated	
Salaries & Wages Exp.	401,665.73	3,675.97	405,341.70	
Temporary Assistance Exp.	2,819.83	2,120.70	4,940.53	
Entertainment Exp.	1,052.82	-	1,052.82	
Acting Allowance Exp.	6,517.21	-	6,517.21	
KPF Subsidy Exp.	19,285.45		19,285.45	
Charge Allowance Exp.	4,728.27		4,728.27	
Abnormal Allowance Exp.	12,355.99		12,355.99	
Shit Allowance Exp.	8,826.88		8,826.88	
On Call Allowance Exp.	4,779.89		4,779.89	
Dirt & Chemical Allowance Exp.	3,586.55		3,586.55	
Electricity Allowance Exp.	5,860.92		5,860.92	
Meal Allowance Exp.	96.60		96.60	
Rigging Allowance Exp.	495.00		495.00	
Leave Grant Exp.	11,860.55		11,860.55	
Leave Passage Exp.	1,430.00		1,430.00	
Overtime Exp.	53,915.51		53,915.51	
	539,277.20	**5,796.67**	**545,073.87**	453,362.2

10. Administrative & Operating Expenses	BPA Trw	BPA Xms	Consolidated	
House Rent Subsidy Exp.	5,349.50		5,349.50	
Electricity Bill Exp.	130,593.75	3,120.95	133,714.70	
Telecom Bill Exp.	26,044.22	933.00	26,977.22	
Postage & Telegram Exp.	746.20		746.20	
Local Service Exp.	2,136.42		2,136.42	
Land Rent Exp.	247.00		247.00	
Fuel & Oil Exp.	9,540.48	747.40	10,287.88	
Local Travelling Exp.	15,366.14	2,857.70	18,223.84	
Overseas Travelling Exp	28,977.11		28,977.11	
Uekera Operating Exp.	10,196.76		10,196.76	
Board Directors Exp.	21,088.62	597.00	21,685.62	
Bank Interest & Charges Exp.	9,676.03	280.17	9,956.20	
Entertainmet Exp.	4,290.20	20.00	4,310.20	
Motor Vehicles Repairs	8,943.85		8,943.85	
Office Supplies Exp.	11,541.50	3,491.40	15,032.90	
Radio/Newspaper License Exp.	31,400.00		31,400.00	
Aitoa & Ferry Wheel Exp.	34,336.45			
Court & Legal Fee Exp.	4,802.00	320.80	5,122.80	
Monthly Accountacy Fee Exp.	1,200.00	600.00	1,800.00	
Miscellaneous & Sundry Exp.	19,867.81	4,166.85	24,034.66	
Total Administrative & Operating Expenses	**376,344.04**	**17,135.27**	359,142.86	326,282.36

11. Non Operatiing Cash Expenses	BPA Trw	BPA Xms	Consolidated	
Depreciation Exp.	49,498.90	53,770.96	103,269.86	
Doubtful Debts Exp.	26,922.67	1,096.57	28,019.24	
Annual Accounts Fee Exp.	1,200.00	600.00	1,800.00	
Total Non-Operating Cash Expenses	**77,621.57**	**55,467.53**	133,089.10	[illegible]

BROADCASTING & PUBLICATION AUTHORITY
NOTES TO AND PARTS FORMING THE ACCOUNTS
FOR THE PERIOD ENDING 31 st December 2012

	BPA Trw	BPA Xms	Consolidated 2012 $
12. Cash & Cash Equivalent:			
SubRR Not Receipted Fund ....>	633.90		633.90
Undeposited Fund ....>	21,414.08	13,605.36	35,019.44
Petty Cash HQ ....>	500.00	300.00	800.00
Cash at Bank HQ ....>	5,934.35		5,934.35
Cash at Bank- Trading ....>	135.55		135.55
Cash at Bank-Xmas ....>	- 35,997.02	40,369.68	4,372.66
Cash at Bank No 835745 ....>	683.79		683.79
IBD No 152351 ....>	5,419.41		5,419.41
Total Cash & Cash Equivalent	- 1,275.94	54,275.04	52,999.10
13. Receivables:			
Trade Debtors ....>	434,921.73	18,276.20	453,197.93
Less Prov. For doubtful debts ....>	- 26,095.30	- 1,096.57	- 27,191.88
Trading Debtors ....>	13,789.55	-	13,789.55
Less Prov. For doubtful debts ....>	- 827.37	-	- 827.37
	421,788.61	17,179.63	438,968.23
14. Other Current Assets:			
	$	$	$
Staff Salary Advance ....>	10,223.56	524.80	10,748.36
Staff Imprest ....>	19,388.61	1,060.00	20,448.61
	29,612.17	1,584.80	31,196.97
15. Payables:			
Trade Creditors ....>	361,661.61	8,311.05	369,972.66
Trading Creditors ....>	-	-	
	361,661.61	8,311.05	369,972.66
16. Other Current Liabilities:			
Provision on Accountancy Fee ....>	2,559.00	2,400.00	4,959.00
Staff KPF Payable	268,341.72	-	268,341.72
Staff Tax Payable	180,472.89	-	180,472.89
	451,373.61	2,400.00	453,773.61

17. Property, Plant & Equipment-Trw

	33.30% Sea Wall	4.00% Building Premises	6.66% Plant & Transmitter	20% Furniture & Fixtures	25% Motor Vehicles	20% Office Equipment	Total
Cost							
As at 01/01/12	4,713.30	352,474.70	458,553.74	21,100.00	55,300.00	35,105.00	927,246.74
Plus Addition		5,085.10	29,483.15	1,290.30	7,279.00	9,677.40	52,814.95
Less Disposal					- 10,000.00		
As at 31/12/12	4,713.30	357,559.80	488,036.89	22,390.30	52,579.00	44,782.40	970,061.69
Less Depreciation:							
As at 01/01/11	2,371.47	170,250.09	277,540.31	18,892.80	45,512.50	23,301.00	537,868.17
Charge during yr	935.25	1,052.21	40,189.59	160.68	3,050.28	4,110.89	49,498.90
Less Disposal					- 9,000.00		- 9,000.00
As at 31/12/12	3,306.72	171,302.30	317,729.90	19,053.48	39,562.78	27,411.89	578,367.07
Net Book Value							
As at 31/12/12	1,406.58	186,257.50	170,306.99	3,336.82	13,016.22	17,370.51	391,694.62
As at 31/12/11	-	129,830.68	95,331.24	-	-	10,948.23	236,110.15

391,694.62

17b. Property, Plant & Equipment-Xms

	33.30% Sea Wall	4.00% Building Premises	6.66% Plant & Transmitter	20% Furniture & Fixtures	25% Motor Vehicles	20% Office Equipment	Total		
Cost									
As at 01/01/12	-	25,250.00	852,190.99	2,140.00	-	6,000.00	885,580.99		
Plus Addition		150.00					150.00		
Less Disposal									
As at 31/12/12	-	25,400.00	852,190.99	2,140.00	-	6,000.00	885,730.99		
Less Depreciation:									
As at 01/01/12	-	2,020.00	251,268.61	856.00	-	2,400.00	256,544.61		
Charge during yr		1,011.50	51,131.46	428.00		1,200.00	53,770.96		
Less Disposal							-		
As at 31/12/12	-	3,031.50	302,400.07	1,284.00	-	3,600.00	310,315.57		
Net Book Value									
As at 31/12/12	-	22,368.50	549,790.92	856.00	-	2,400.00	575,415.42	575,415.42	[illegible]
As at 31/12/11	-	23,230.00	600,922.38	1,284.00	-	3,600.00	629,036.38		

Consolidated Property, Plant & Equipment

	Sea Wall	Building Premises	Plant & Transmitter	Furniture & Fixtures	Motor Vehicles	Office Equipment	Total		
HC	4,713.30	382,959.80	1,340,227.88	24,530.30	52,579.00	50,782.40	1,855,792.68		
Acc Deprn.	3,306.72	174,333.80	620,129.97	20,337.48	39,562.78	31,011.89	888,682.64		
BV	**1,406.58**	**208,626.00**	**720,097.91**	**4,192.82**	**13,016.22**	**19,770.51**	**967,110.04**	967,110.04	[illegible]

18. Long Term Loan

	BPA Trw	BPA Xms	Consolidated	
ANZ Bank Loan ....>	-	-		
Soft Loan TAK ....>	55,005.00	-	55,005.00	[illegible]
	55,005.00	-	55,005.00	55,005.0[illegible]

19. Capital Reserve:

	BPA Trw	BPA Xms	Consolidated	
Opening Balance ....>	59,883.19	51,422.18	111,305.37	[illegible]
Capital - Adjustment ....>	-	-		
Closing Balance	**59,883.19**	**51,422.18**	111,305.37	111,305.3[illegible]

20. Accumulated Fund:

	BPA Trw	BPA Xms	Consolidated	
Opening Balance ....>	- 80,796.25	484,577.36	403,78[illegible]	[illegible]
Plus Net Profit during the period ....>	- 70,325.28	- 49,631.32	-119,956.60	[illegible]
Adjustment ....>	89,770.21	151,375.62	241,145.63	[illegible]
Closing Balance	**- 61,351.32**	**586,321.66**	524,970.34	[illegible]

BROADCASTING & PUBLICATION AUTHORITY

FINANCIAL STATEMENTS

1 January – 31 December 2013

CONTENTS –

Prepared & Compiled by: *AT Accounting Services*
Email Address: *ataccountingservices@hotmail.com*
Mobil No. *97637 & 64596*

...sting & Publication Authority
...uated Statement of Financial Performance
For the year ended 31 December 2013

	Notes	Trw	Xms	Consolidated 2013 $	2012 $	
Total Sales Revenue	5	973,470	56,824	1,030,294	933,614	A
Less Cost of Goods Sold	6	- 1,391	-	- 1,391	99	
Gross Profit/(Loss)		- 1,391	-	- 1,391	933,515	B
Plus Prior Period Item	7	-	-	-	15,352	C
Other Revenue						
Interest on IBD		95		95	136	
Gain on sales of property, plant & equipment		100		100	2,682	
Other revenue		5,010	28	5,038		
		5,205	**28**	**5,232**	2,819	D
Total Operating Revenue		**977,283**	**56,852**	**1,034,135**	951,686	A-B+(
Less Total Staff & Benefit Expenses	8	538,806	2,396	541,202	545,074	
Total Administrative & Operating Expenses	9	354,832	17,218	372,050	393,479	
Total Non-Cash Operating Expenses	10	89,590	67,044	156,634	133,089	
Grand Total Operating Expenses		**983,227**	**86,658**	**1,069,885**	**1,071,642**	F
					1,071,642	
Net Operating Profit/(Loss)		**- 5,944**	**- 29,806**	**- 35,750**	**- 119,957**	(A-B+C-

Broadcasting & Publication Authority
Consolidated Statement of Financial Position
As at 31 December 2013

	Notes	Trw	Xms	Consolidated 2013 $	2012 $	
Current Assets:						
Cash & cash equivalent	11	- 55,293	79,876	24,583	52,999	
Receivables	12	498,236	30,797	529,032	438,968	
Inventories		23,361	-	23,361	24,753	
Other current assets	13	32,796	2,150	34,946	31,197	
Total Current Assets		499,100	112,822	611,923	547,917	G
Less Current Liabilities:						
Payables	14	449,962	11,125	461,087	369,973	
Other Current liabilities	15	221,482	9,775	231,257	453,774	
Total Current Liabilities		671,443	20,900	692,344	823,746	H
Working Capital		- 172,343	91,922	- 80,421	- 275,829	G-H
Plus Non-Current Assets:						
Property, plant & equipment	16 & 17	358,300	516,016	874,316	967,110	I
Less Long Term Liabilities						
Loans	18	- 47,155	-	- 47,155	- 55,005	J
Net Assets		**138,802**	**607,938**	**746,740**	**636,276**	(G-H)+I
Represented by:						
Shareholders' Equity:						
General Reserves	19	59,883	51,422	111,305	111,305	
Retained Profit/(Loss)	20	78,918.82	556,515	635,434	524,970	
Total Shareholders' Equity		**138,802**	**607,938**	**746,740**	**636,276**	J

Board Chairman.................................. 17/8/[illegible]

Board Director .... 17/8/[illegible]

The accompanying notes form an integral part of these financial statements

Publication Authority
...sh Flow Statement
...nded 31st December 2013

	Notes	2013	2012
		$	$
...lows from Operating Activities			
...ipts from customers		489,060.46	546,328.55
...yments to suppliers and employees		- 416,524.43	- 495,030.20
Interest Received		94.73	136.35
Net Cash Flow from operating activities	1	**72,630.76**	**51,434.70**
2. Cash Flows from Investing Activities			
Gain on disposal of property, plant and equipment		100.00	2,682.30
Purchases of property, plant & equipment		- 41,564.90	- 240,058.42
Net Cash from Investment Activities		***- 41,464.90***	***- 237,376.12***
3. Cash Flow from Financing Activities			
Retained Earnings		- 59,581.74	238,438.53
Capital Reserve		-	-
Net Cash Flow from Financing Activities		**- 59,581.74**	**238,438.53**
Net Increase/Decrease for the period		**- 28,415.88**	52,497.11
Cash & Cash Equivalents at beginning of period		52,999.10	501.99
Cash & Cash Equivalents at ending of peroid	2	**24,583.22**	**52,999.10**

Note 1. Reconciliation of Net Profit to Net Cash from operating activities.

	2013	2012
Net Profit/(Loss)	- 35,750.16	- 119,931.60
Add Back Deprecition	130,459.17	138,094.91
Total of Net Profit & Add Back Depreciation	**94,709.01**	**18,163.31**
Increase/Decrease in assets & liabilities		
Trade Debtors	97,490.86	- 81,028.41
Provision for doubtful debts-Trade	- 5,849.45	6,018.87
Trading Debtors	- 1,671.99	- 435.70
Provision for doubtful debts-Trading	94.64	20.74
Trading Stock	23,361.20	98.77
Staff Advance	1,358.41	- 1,770.41
Staff Imprest	2,285.59	- 2,690.30
Cheque Returned Accounts	105.00	-
Trade Creditors	91,114.27	27,431.46
Trading Creditors	-	- 27,073.32
Provision on accountancy fees	- 2,709.00	- 3,441.00
Provision on auditing fees	18,525.00	-
Staff Tax Payable	- 38,245.44	15,248.01
KPF Payable	- 200,087.34	100,892.68
Soft Loan TAK	- 7,850.00	-
Total Increae/Decrease in assets & liabilities	**- 22,078.25**	**33,271.39**
Net Cash Flow from Operating Activities	**72,630.76**	**51,434.70**

Note 2. Cash Balance Represented as follows at 31st December

	2013	2012
	$	$
Cash at Bank-Trade	- 19,640.71	5,934.35
Cash at Bank-Trading	-	135.55
Cash at Bank-No.835745	6,582.72	683.79
Interest Bearing Deposit	5,455.49	5,419.41
Cash at Bank-Xmas	3,693.17	4,372.66
Petty Cash-Trw	500.00	500.00
Petty Cash Xms	300.00	300.00
Sub RR# Receipted Fund	633.90	633.90
Undeposited Fund Trw & Xms	27,058.65	35,019.44
	$ 24,583.22	$ 52,999.10

The Accompanying Notes Formed Parts of these Finnacial Statements

& PUBLICATION AUTHORITY
..D PARTS FORMING THE ACCOUNTS
..RIOD ENDING 31ST DECEMBER 2013

..eral

..ne Broadcasting and Publication Authority (BPA) was set up in 1979 under the BPA Act, CAP 6A to provide local sound broadcasting as a public service for the dissemination of information, education, and entertainment and to produce, print, and distribute the national newspaper, "Te Uekera" and other authorized publications" - Cap 6A: II (2) (a) & (b)

2. Accounting policies

The Financial Statements are prepared under the Historical Cost Convention modified by valuation of certain fixed and comply with the International Accounting Standards.

2.1 Depreciation:

Depreciation method adopted is the Straight Line Method which is consistent to previous years. The rates applies also consistent with previous years as follows:-

Fixed Assets	% p.a	Useuf life
(i) Sea Wall	33.30%	3yrs
(ii) Building Premises	4.00%	25yrs
(iii) Plant, Machineries & Tranmitter	6.66%	15yrs
(v) Office Equipment	20.00%	5yrs
(vi) Furniture & Fixtures	20.00%	5yrs
(vii) Motor Vehicles	25.00%	4yrs

2.2 Stock

Stock is valued at the lower of cost or at market value whichever is lower on a FIFO method.

2.3 Currency

The Financial Statements are expressed in Australian Dollars.

2.4 Aid Items

Items received in aid have been capitalised under the Assets Revaluation Reserve and released to profit and loss at the rate of an applicape depreciation charge.

2.5 Provision for doubtful debts

It is provided by 6% only of the outstanding debtors at the year ended. The rate apply this year is consistent with rate used at in the last two consecutive years.

3. Revenue

Revenue represents the amounts received from the sales of radio and newspaper advertising, and the sale of goods

4. Capital Reserve - $111,305.37

The assets, liabilities and cash of the publications division had been effectively included into the books of the Broadcasting Division & changed to departments under the Broadcasting & Publication Authority. At the start of this year when transferred took place of these remaining assets & liabilities, the capital of $111,305.37 was omitted during the transfer exercise. Thus, this note was made up that which reflected on the balance sheet under Capital Reserve this year 2006.

5. Sales Revenue

	BPA Trw	BPA Xms	2013 Consolidated	20[illegible]
	$	$	$	$
Cash Sales	388,590.50	33,091.45	421,681.95	[illegible]
Credit Sales	584,879.33	23,732.60	608,611.93	842,1[illegible]
	973,469.83	56,824.05	1,030,293.88	933,6[illegible]

6. Cost of Goods Sold on Trading

	BPA Trw	BPA Xms	Consolidated	
Opening Stock 01/1/13	24,752.65	-	24,752.65	24,6[illegible]
Plus Net Purchases	-			
Plus Freight Inwards	-			
Plus Custom Duty	-			
Plus Port Charges	-			
Less Closing Stock 31/12/13	23,361.20	-	23,361.20	24,75[illegible]
Cost of Goods Sold	1,391.45	-	1,391.45	9[illegible]

7. Prior Period Item

	BPA Trw	BPA Xms	Consolidated	
PPI Rev./(Loss)			-	18,59[illegible]
Total Revenue	-	-	-	18,59[illegible]

8. Staff & Other Benefit Expenses

	BPA Trw	BPA Xms	Consolidated	
Salaries & Wages Exp.	377,936.33	-	377,936.33	[illegible]
Temporar Assistance Exp.	525.35	528.40	1,053.75	[illegible]
Entertainment Exp.	1,604.40		1,604.40	[illegible]
Acting Allowance Exp.	9,197.98	138.00	9,335.98	[illegible]
KPF Subsidy Exp.	55,755.77		55,755.77	[illegible]
Charge Allowance Exp.	6,084.23		6,084.23	[illegible]
Abnormal Allowance Exp.	826.55		826.55	[illegible]
Shift Allowance Exp.	8,351.15		8,351.15	[illegible]
On Call Allowance Exp.	3,424.18		3,424.18	[illegible]
Chemical Allowance Exp.	1,467.19		1,467.19	[illegible]
Electricity Allowance Exp.	4,080.00		4,080.00	[illegible]
Meal Allowance Exp.	-		-	[illegible]
Rigging Allowance Exp.	1,325.00		1,325.00	[illegible]
Leave Grant Exp.	13,750.00		13,750.00	[illegible]
Leave Passage Exp.	1,895.00		1,895.00	[illegible]
Overtime Exp.	52,582.66	1,729.50	54,312.16	[illegible]
	538,805.79	2,395.90	541,201.69	545,073.[illegible]

9. Administrative & Operating Expenses

	BPA Trw	BPA Xms	Consolidated	
House Rent Subsidy Exp.	6,711.60	3,853.63	10,565.23	[illegible]
Electricity Bill Exp.	142,137.10	4,328.26	146,465.36	[illegible]
Telecom Bill Exp.	20,618.96	1,119.70	21,738.66	[illegible]
Postage & Telegram Exp.	2,517.75	24.00	2,541.75	[illegible]
Local Service Exp.	786.00		786.00	[illegible]
Land Rent Exp.	1,238.03		1,238.03	[illegible]
Fuel & Oil Exp.	11,708.63	191.00	11,899.63	[illegible]
Local Travelling Exp.	15,752.38	3,461.00	19,213.38	[illegible]
Overseas Travelling Exp	29,769.40	1,025.00	30,794.40	[illegible]
Uekera Operating Exp.	18,663.85		18,663.85	[illegible]
Board Directors Exp.	14,208.05		14,208.05	[illegible]
Bank Interest & Charges Exp.	3,517.59	370.20	3,887.79	[illegible]
Entertainmet Exp.	686.80		686.80	[illegible]
Motor Vehicles Repairs	5,919.80		5,919.80	[illegible]
Rental Motor Vehicles			-	
Aitoa & Ferry Wheel exp	5,630.00			
Office Supplies Exp.	11,084.79	311.00	11,395.79	[illegible]
Court and legal fee exp	20,744.60			[illegible]
Radio/Newspaper License Exp.	16,050.00		16,050.00	[illegible]
Monthly Accountancy Exp	1,200.00	600.00	1,800.00	[illegible]
Bandwidth Rental Exp.	1,952.50		1,952.50	
Miscellaneous & Sundry Exp.	23,933.97	1,934.05	25,868.02	[illegible]
Total Administrative & Operating Expenses	354,831.80	17,217.84	345,675.04	393,479.3[illegible]

10. Non Operatiing Cash Expenses

	BPA Trw	BPA Xms	Consolidated	
Depreciation Exp.	71,059.26	59,399.92	130,459.18	[illegible]
Doubtful Debts Exp.	4,980.29	869.17	5,849.46	[illegible]
Accountancy Fee Exp.	1,200.00	600.00	1,800.00	[illegible]
KNAO Audit Fee Exp.	12,350.00	6,175.00	18,525.00	
Total Non-Operating Cash Expenses	89,589.55	67,044.09	138,108.64	133,089.1[illegible]

PUBLICATION AUTHORITY
PARTS FORMING THE ACCOUNTS
RIOD ENDING 31 st December 2011

	BPA Trw	BPA Xms	Consolidates 2011 $	2010 $
sh & Cash Equivalent:				
ty Cash HQ ....>	500.00	300.00	800.00	[illegible]
Sub RR Not receive fund ....>	633.90		633.90	[illegible]
Undeposited Fund/Cash on Hand ....>	20,067.54	6,991.11	27,058.65	[illegible]
Cash at Bank-HQ ....>	- 13,163.48	- 6,477.23	- 19,640.71	[illegible]
Cash at Bank- Trading ....>	-		-	[illegible]
Cash at Bank-Xmas 671172 ....>	- 75,369.06	79,062.23	3,693.17	[illegible]
Cash at Bank No.835745 ....>	6,582.72		6,582.72	[illegible]
IBD No.152351 ....>	5,455.49		5,455.49	[illegible]
Total Cash & Cash Equivalent	**- 55,292.89**	79,876.11	24,583.22	52,999

	BPA Trw	BPA Xms	Consolidates 2011 $	2010 $
12. Receivables:				
Trade Debtors ....>	517,926.49	32,762.30	550,688.79	[illegible]
Less Prov. For doubtful debts ....>	- 31,075.59	- 1,965.74	- 33,041.33	[illegible]
Trading Debtors ....>	12,117.56	-	12,117.56	[illegible]
Less Prov. For doubtful debts ....>	- 732.73	-	- 732.73	827
	498,235.73	**30,796.56**	529,032.29	438,968
13. Other Current Assets:				
Staff Advance ....>	11,531.97	574.80	12,106.77	[illegible]
Staff Impret ....>	21,159.20	1,575.00	22,734.20	[illegible]
Returned Cheques Receivable ....>	105.00		105.00	
	32,796.17	**2,149.80**	34,945.97	31,196
	834,039.28	850928.46		
14. Payables:				
Trade Creditors ....>	449,961.62	11,125.31	461,086.93	[illegible]
Trading Creditors ....>	-	-		
	449,961.62	**11,125.31**	461,086.93	369,972
15. Other Current Liabilities:				
Staff KPF Payable (Trw & Xms) ....>	68,254.38		68,254.38	[illegible]
Staff Tax Payable (Trw & Xms) ....>	142,227.45	-	142,227.45	[illegible]
Provision for Accountancy Fee ....>	- 1,350.00	3,600.00	2,250.00	4,959
Provision for KNAO Audit Fee	12,350.00	6,175.00	18,525.00	
	221,481.83	**9,775.00**	231,256.83	453,773

16. Property, Plant & Equipment-Trw

	33.30% **Sea Wall**	4.00% **Building Premises**	20% **Furniture & Fixtures**	20% **Motor Vehicles**	20% **Office Equipment**	6.66% **Plant & Transmitter**	**Total**		
Cost									
As at 01/01/13	4,713.30	357,559.80	22,390.30	52,579.00	44,782.40	488,036.89	970,061.69		
Plus Addition	1,636.75	1,949.40	798.00	13,692.75	14,626.00	8,862.00	41,564.90		
Less Disposal				- 39,000.00					
As at 31/12/13	6,350.05	359,509.20	23,188.30	27,271.75	59,408.40	496,898.89	972,626.59		
Less Depreciation:									
As at 01/01/13	3,306.72	171,302.30	19,053.48	39,562.78	27,411.89	317,729.90	578,367.07		
Charge during yr	2,114.57	14,380.37	4,134.82	5,454.35	11,881.68	33,093.47	71,059.25		
Less Disposal				- 35,100.00			- 35,100.00		
As at 31/12/13	5,421.29	185,682.67	23,188.30	9,917.13	39,293.57	350,823.37	614,326.32		
Net Book Value									
As at 31/12/13	928.76	173,826.53	-	17,354.62	20,114.83	146,075.52	**358,300.27**	358,300.27	391,694
As at 31/12/12	1,406.58	186,257.50	3,336.82	13,016.22	17,370.51	170,306.99	**391,694.62**		

17. Property, Plant & Equipment-Xms

	33.30% **Sea Wall**	4.00% **Building Premises**	20% **Furniture & Fixtures**	20% **Motor Vehicles**	20% **Office Equipment**	6.66% **Plant & Transmitter**	Total		
Cost									
As at 01/01/13	-	25,400.00	2,140.00	-	6,000.00	852,190.99	33,540.00		
Plus Addition									
Less Disposal				-			-		
As at 31/12/13	-	25,400.00	2,140.00	-	6,000.00	852,190.99	33,540.00		
Less Depreciation:	-								
As at 01/01/13	-	3,031.50	1,284.00	-	3,600.00	302,400.07	7,915.50		
Charge during yr	-	1,016.00	428.00	-	1,200.00	56,755.92	59,399.92		
Less Disposal							-		
As at 31/12/13	-	4,047.50	1,712.00	-	4,800.00	359,155.99	10,559.50		
Net Book Value									
As at 31/12/13	-	21,352.50	428.00	-	1,200.00	493,035.00	516,015.50	516,015.50	575,415
As at 31/12/12	-	22,368.50	856.00	-	2,400.00	549,790.92	575,415.42		

Consolidated Property, Plant & Equipment

HC	6,350.05	384,909.20	25,328.30	27,271.75	65,408.40	1,349,089.88	1,858,357.58		
Acc Deprn.	5,421.29	189,730.17	24,900.30	9,917.13	44,093.57	709,979.36	984,041.81		
BV	**928.76**	**195,179.03**	**428.00**	**17,354.62**	**21,314.83**	**639,110.52**	874,315.77	874,315.77	961,110

Trw & Xms

18. Long Term Loan

	BPA Trw	BPA Xms	Consolidated 2013	201[illegible]
ANZ Bank Loan	-	-	$	$
Soft Loan TAK	47,155.00	-	47,155.00	[illegible]
	47,155.00	-	47,155.00	55,005

19. Capital Reserve:

	BPA Trw	BPA Xms	Consolidated 2013	201[illegible]
Opening Balance				
Capital - Adjustment	59,883.19	51,422.18	111,305.37	[illegible]
Closing Balance	-	-	-	
	59,883.19	**51,422.18**	111,305.37	111,305

20. Retained Earnings:

	BPA Trw	BPA Xms	Consolidated 2013	201[illegible]
Opening Balance				
Plus Net Profit during the period	- 61,351.32	586,321.66	524,970.34	[illegible]
Adjustments	- 5,943.98	- 29,806.18	- 35,750.16	[illegible]
Closing Balance	146,214.12	-	146,214.12	[illegible]
	78,918.82	**556,515.48**	635,434.30	524,970

17/8/14

17/8/2014

BROADCASTING AND PUBLICATION AUTHORITY

FINANCIAL STATEMENTS

1 JANUARY - 31 st December 2014

CONTENTS PAGE

This Account has been prepared and compilied
by BPA Account Staff
Finance Manager
Assistant Accountant
Cashier
Debt Collector

Broadcasting Publication Authority

P O Box 78
Bairiki, Tarawa

Consolidated Statement of Financial Perfomance

For the month end 31st December 2014

	NOTE	BPA HQ	Xmas	Consolidated Year: 2014	Consolidated Year: 2013
Income					
Engineering Income		237,095.50		237,095.50	289,359.90
Radio Income		751,606.17		751,606.17	552,877.22
Print & News Income		59,812.15		59,812.15	83,780.34
Account & Administration Income		12,575.94		12,575.94	48,574.89
Xmas Branch Income			79,468.14	79,468.14	55,701.65
Total Income		**1,061,089.76**	**79,468.14**	1,140,557.90	1,030,294.00
Less: Cost of Goods Sold					
Opening Stock		21,518.18	1,843.02	23,361.20	24,752.65
Less Closing Stock		16,717.01	1,843.02	18,560.03	23,361.20
COST OF GOOD SOLD	5	**4,801.17**	-	4,801.17	1,391.45
GROSS PROFIT		**1,056,288.59**	**79,468.14**	1,135,756.73	1,028,902.55
Other Revenue					
Interest on IBD		38.83		38.83	95.00
Disposal on Fixed Assets		9,200.00	-	9,200.00	100.00
Other Revenue				-	5,038.00
		9,238.83	-	9,238.83	5,233.00
TOTAL OPERATING REVENUE		**1,065,527.42**	**79,468.14**	1,144,995.56	1,034,135.55
Expenses					
Total Staff & Benefit Expenses	6	412,944.36	54,475.53	467,419.89	$541,202.00
Total Administrative & Operating	7	356,835.90	43,769.72	400,605.62	$372,050.00
Total Non-Cash Operating Exp	8	99,648.82	58,599.52	158,248.34	$156,634.00
Total Expenses		**869,429.08**	**156,844.77**	1,026,273.85	$1,069,886.00
PROFIT / LOSS		**196,098.34**	**(77,376.63)**	118,721.71	($35,750.45)

BPA Chairman

BPA Director

Broadcasting Publication Authority
Consolidated Statement of Financial Position
as at 31 December 2014

	Note	BPA HQ	Xmas	2014	2013
Assets					
Current assets:				Consolidated	Consolidated
Cash & Cash Equivalent	9	(14,283.29)	11,011.74	(3,271.55)	24,582
Inventories		16,717.01	1,843.02	18,560.03	23,361
Accounts receivable	10	345,052.13	15,894.74	360,946.87	529,032
Imprest/Advances Expenses	11	6,789.19	-	6,789.19	34,946
Other		-	-	-	-
Total current assets		$ 354,275.04	$ 28,749.50	$ 383,024.54	[illegible]
Liabilities					
Less : Current liabilities:					
Accounts payable	12	284,881.73	11,835.88	296,717.61	461,087
Staff Tax Outstanding				-	142,227
KPF Outstanding				-	68,254
Other	13	50,324.82	-	50,324.82	20,775
Total current liabilities		$ 335,206.55	$ 11,835.88	$ 347,042.43	[illegible]
WORKING CAPITAL		19,068.49	16,913.62	35,982.11	(80,421)
Plus: Non Current Assets					
Property and equipment	14 & 15	529,844.51	369,715.49	899,560.00	874,316
Equity and other investments		-	-		-
Less accumulated depreciation					
Net fixed assets		$ 529,844.51	$ 369,715.49	$ 899,560.00	[illegible]
Less: Long-term liabilities					
Soft Loan - TAK				-	47,155
Total long-term liabilities		-	-	-	47,155
NET ASSETS		$ 548,913.00	$ 386,629.11	$ 935,542.11	746,740

Represented by:

Shareholders Equity				
Investment capital	292,931.47	412,583.56	705,515.03	671,185
Capital Reserve	59,883.19	51,422.18	111,305.37	111,305
Accumulated retained earnings	196,098.34	(77,376.63)	118,721.71	(35,750)
Total Shareholders equity	$ 548,913.00	$ 386,629.11	$ 935,542.11	746,740

....

BPA CHAIRMAN **BPA DIRECTOR**

Consolidated Cash Flow Statement
For the year ended 31 st December 2014

		Notes	2014	2013
			$	$
	Cash Flows from Operating Activities			
	Receipt from Customers		1,640,715.70	489,060.46
	Payment to Suppliers and employees		(1,352,912.02)	[illegible]
	Interest Received		38.83	94.73
	Net Cash Flow from Operating Activities	1	287,842.51	72,630.76
2	**Cash Flows from Investing Activities**			
	Gain of Disposal of Property (Fixed Assets)		9,200.00	100.00
	Purchases of Property (Fixed Assets)		- 25,624.72	(41,564.90)
	Net Cash Flows from Investing Activities		**34,824.72**	(41,464.90)
3	**Cash Flow from Financing Activities**			
	Retaining Earnings		754,156.01	(59,581.74)
	Capital Reserve		-	-
	NetCash Flow from Financing Activities		**754,156.01**	(59,581.74)
	Net increase/Decrease for the period		**(27,854.77)**	(28,415.88)
	Cash &Cash Equivalents at beginning of period		24,583.22	52,999.10
	Cash &Cash Equivalents at end of period	2	**(3,271.55)**	**24,583.22**

Note: 1

0.00

Reconciliation of Net Profit to Net Cash from operating activiities

	2014	2013
Net Profit/(Loss)	118,721.71	(35,750.16)
Add: Back Depreciation	135,209.18	130,459.17
Total of Net Profit & Add Back Depreciation	**253,930.89**	**94,709.01**
Increase/Decrease in Assets & Liabilities		
Trade Debtors	(383,986.03)	97,490.86
Provision for doubtful debts -	56,813.22	(5,849.45)
Trading Debtors	-	(1,671.99)
Provision for doubtful debts -	-	94.64
Trading Stock	18,560.03	23,361.20
Staff Advance	(227.75)	1,358.41
Staff Imprest	(6,561.44)	2,285.59
Cheque Returned Accounts	-	105.00
Trade Creditors	296,717.61	91,114.27
VAT	30,119.46	-
Provision for accountant fees	4,450.00	(2,709.00)
Provision for auditing fess	16,525.00	18,525.00
Staff Tax Payable	-	(38,245.44)
KPF Payable	1,501.52	(200,087.34)
Soft Loan -CCK		(7,850.00)
Other liabilities	2,178.84	-
Total Increase/Decrease in Assets & Libilities	**33,911.62**	**(22,078.25)**
Net Cash Flow Operating Activities	**287,842.51**	72,630.76

Note: 2

Cash Balance Represented as follows at 31 st December

	2014	2013
Bank Current Acc BPA HQ Acc no 152340	(27,555.40)	(19,640.71)
Cash on Hand - Trw HQ	500.00	500.00
Sub RR - Cash on Hand	633.90	633.90
Cash at Bank Acc no 835745	6,643.89	6,582.72
Bank Xmas Acc no 671172	10,711.74	3,693.17
Cash on Hand - Xmas Branch	300.00	300.00
Bank IBD Acc no 152351	5,494.32	-
Interest Bearing Deposit	-	5,455.49
Undeposit	-	27,058.65
	$ (3,271.55)	**$ 24,583.22**

Broadcasting & Publication Authority
Notes to the Financial Statements
For the Year Ended 31 December 2014

1 GENERAL

The Broadcasting and Publication Authority (BPA) was set up in 1979 under BPA Act. CAP 6A to provide local sound broadcastic as public service for the dissemination of information, education and entertainment to produce, print, and distribute the national newspaper, "Te Uekera" and other authorized publications"

2 ACCOUNTING POLICIES

The Financial Statements are prepared under the Historical Cost Convention modified by valuation of certain fixed and comply with the International Accounting Standards.

(a) DEPRECIATION

Depreciation method adopted is the Straight Line Method which is consistent to previous years. The rates applies also consistent with previous years as follows:-

Seawall	33.30%	3 years
Building Premises	4%	25 years
Plant Machineries & Transmitter	6.66%	15 years
Office Equipment	20%	5 years
Furniture & Fittings	20%	5 years
Motor Vehicles	25%	4 years

(b) Provisions for doubtful debts is provide 6% only of the total outstanding debtors at the year ended. The rate apply this year is consistent with rate used at in the last two consecutive years.

3 REVENUE

Revenue princepally represents the amounts received from the sale of AM Radio, FM 88 services and printing services as newspaper.

4 CAPITAL RESERVE - $111,305.37

The assets, liabilities and cash of the publications division had been effectively included into the books of the Broadcasting Division & changed to departments under the Broadcasting & Publication Authority. At the start of this year when transferred took place of these remaining assets & liabilities, the capital of $111,305.37 was omitted during the transfer exercise. Thus, this note was made up that which reflected on the balance sheet under Capital Reserve this year 2006.

...ods Sold on Trading	BPA Trw	BPA Xmas	Year: 2014 Total	Year: 2013 Total
...g Balance 01/01/14	21,518.18	1,843.02	23,361.20	[illegible]
...s Net Purchases			-	
Plus Freight Inwards			-	
Plus Custom Duty			-	
Plus Port Charges			-	
Less Closing Stock 31/12/14	16,717.01	1,843.02	18,560.03	23,361.20
Cost of Goods Sold	4,801.17	-	**4,801.17**	1,391.45

Note: 6

Staff & Other Benefit Expenses

Details of Expenses	BPA Trw	BPA Xmas	Year: 2014 Cosolidated Total	Year: 2013 Cosolidated Total
Wages & Salaries	286,529.89	$37,709.62	324,239.51	377,936.83
Temporary Assistant & Hire Firm	14,920.40	$6,431.00	21,351.40	1,053.75
Entertaiment allowance	1,258.49		1,258.49	1,604.40
Acting Allowance	3,160.28		3,160.28	9,335.98
Charge Allowance	6,352.95	$173.00	6,525.95	6,084.25
Abnormal Allowance	38.80		38.80	826.55
Shift Allowance	3,835.31	$1,993.95	5,829.26	3,424.16
On call Allowance	2,399.21	$1,765.80	4,165.01	8,351.15
Chemical Allowance	826.60		826.60	1,467.19
Electricity Allowance	2,600.00	$540.00	3,140.00	4,080.00
Rigging Allowance	1,327.50		1,327.50	1,325.00
Leave Grant	25,125.00	$3,750.00	28,875.00	13,750.00
Leave Passage			-	1,895.00
KPF Subsidy	22,787.05		22,787.05	55,755.77
Overtime	38,815.59	618.75	39,434.34	54,312.16
Staff Arrears	2,967.29	$1,493.41	4,460.70	-
	412,944.36	**54,475.53**	**467,419.89**	**541,201.69**

Note: 7

Administrative & Operating Expenses

Details of Expenses	BPA Trw	BPA Xmas	Year: 2014 Cosolidated Total	Year: 2013 Cosolidated Total
House Rent Subsidy	4,579.34		4,579.34	10,565.23
Telephone Exp	16,121.25		16,121.25	21,738.66
Recharge - Telephone (Heads)	1,156.75	185.00	1,341.75	
ADSL link Rental (Tabuaeran & Teraina)	37,361.13	3,736.00	41,097.13	
Electricity Exp	100,001.65	5,000.00	105,001.65	146,485.56
Internet	4,444.84	2,253.50	6,698.34	
Postages	271.00		271.00	2,541.75
Office Supplies	18,389.88	3,414.10	21,803.98	11,395.79
Uekera Operating Supplies	16,014.59		16,014.59	18,663.85
Bank Charges	1,714.07	238.20	1,952.27	3,887.79
Land Rent	4,700.80		4,700.80	1,218.08
License - Newspaper	200.00		200.00	16,050.00
Website Expenses	960.00		960.00	
Bandwith Rental - New Skies	-	28942.92	28,942.92	1,952.50
VAT Uphold for Tax Office	11,156.57	805.45	11,962.02	

	3,507.43	162.50	3,669.93	
Vehicle	5,055.84		5,055.84	[illegible]
aintenance	1,861.50	320.00	2,181.50	
& Oil	6,040.77	405.00	6,445.77	[illegible]
Local Travelling	28,110.71	3,590.95	31,701.66	[illegible]
Local Training	193.20		193.20	[illegible]
Overseas Travelling	48,876.20	3,955.10	52,831.30	[illegible]
Outer Islanda Coverage	325.00	1,020.00	1,345.00	
Board Expenses - Sitting Allowance	11,775.00		11,775.00	[illegible]
Board Expenses - Recharge Card	430.60		430.60	
Board Expenses - Refreshment/Meal	1,584.15		1,584.15	
Board Expenses - Wages	3,220.00		3,220.00	
Board Entertainment Exp	1,240.30	545.20	1,785.50	[illegible]
Folding & Collecting	770.00		770.00	
Freight of te Uekera to outer Island	496.00		496.00	
New Album Expenses	66.00		66.00	
Accountant Fee	2,451.00		2,451.00	1,800.00
Miscellaneous Expenses	12,536.13	420.00	12,956.13	25,868.0[illegible]
Total Administrative & Operating	**345,611.70**	**43,769.72**	**400,605.62**	**345,675.04**

Note: 8

			Year: 2014	Year: 2013
			Cosolidated	Cosolidated
Non Operating Cash Expenses	**BPA Trw**	**BPA Xmas**	**Total**	Total
Depreciation Expenses	76,609.66	$ 58,599.52	135,209.18	130,459.1[illegible]
Doubtful Debts Expenses	23,039.16		23,039.16	5,849.4[illegible]
Accountancy Fee Exp			-	1,800.00
KNAO Fee Exp			-	18,525.00
	99,648.82	**58,599.52**	**158,248.34**	**156,633.62**

1,026,273.85

Note: 9

			Year: 2014	Year: 2013
			Cosolidated	Cosolidated
Cash & Cash Equivalent	**BPA Trw**	**BPA Xmas**	**Total**	Total
Petty Cash - HQ	500.00		500.00	
Petty Cash -Xmas	-	300.00	300.00	800.00
Sub RR not receive Fund	633.90		633.90	633.90
Cash on Hand	-		-	27,058.6[illegible]
Cash at Bank - HQ (153241)	(27,555.40)		(27,555.40)	19,640.[illegible]
Cash at Bank - Xmas (671172)		10,711.74	10,711.74	3,693.1[illegible]
Cash at Bank - RF (835745)	6,643.89		6,643.89	6,582.7[illegible]
Cash at Bank - IBD (152351)	5,494.32		5,494.32	5,455.4[illegible]
	(14,283.29)	**11,011.74**	**(3,271.55)**	**24,583.22**

Note: 10

			Year: 2014	Year: 2013
			Cosolidated	Cosolidated
Account Receivables	**BPA Trw**	**BPA Xmas**	**Total**	Total
Trade Debtors	367,076.73	16,909.30	383,986.03	550,668.[illegible]
Less: Prov for Doubtful Debts	(22,024.60)	(1,014.56)	(23,039.16)	(33,041.[illegible]
Trading Debtors			-	[illegible]
Less: Prov for Doubtful Debts			-	[illegible]

	345,052.13	15,894.74	360,946.87	529,032.29

Note: 11			Year: 2014 Cosolidated	Year: 2013 Cosolidated
Imprest/Advances Expenses	BPA Trw	BPA Xmas	Total	Total
Staff Advances	227.75		227.75	[illegible]
Staff Imprest	6,561.44		6,561.44	[illegible]
Other			-	[illegible]
	6,789.19	-	6,789.19	34,945.97

Note: 12			Year: 2014 Cosolidated	Year: 2013 Cosolidated
Accounts Payables	BPA Trw	BPA Xmas	Total	Total
Trade Creditors	284,881.73	11,835.88	296,717.61	[illegible]
Trading Creditors			-	[illegible]
	284,881.73	11,835.88	296,717.61	461,086.93

Note: 13			Year: 2014 Cosolidated	Year: 2013 Cosolidated
Other Current Liabilities	BPA Trw	BPA Xmas	Total	Total
Staff KPF Payable	1,501.52		1,501.52	[illegible]
Staff Tax Payable	-	-	-	[illegible]
Provision for Accountant Fee	-	-	-	[illegible]
KNAO Fee Exp	10,350.00	6,175.00	16,525.00	[illegible]
VAT - Deduct from Clients	30,119.46	-	30,119.46	
Payroll Liabilities	2,178.84	-	2,178.84	
	41,970.98	6,175.00	50,324.82	$ 231,256.83

15

rent Assets - BPA HQ

	Office Equipments	Furniture Fittings	Motor Vehicles	Plants Transmitter	Sea Wall	Buildings Premises	Total
Depreciation - Rate	6.66%	20%	25%	6.66%	33.30%	4%	
Balance as at 1 January 2014	$ 59,408.40	$ 24,307.82	$ 25,771.75	$ 496,898.89	$ 6,350.05	$ [illegible]	[illegible]
Plus Additional	$ 18,243.35			$ -	$ 1,187.00	$ [illegible]	$ [illegible]
Less: Disposal		-$ 600.00	-$ 8,600.00				
Balance as at 31 Dec 2014	**$ 77,651.75**	**$ 24,307.82**	**$ 25,771.75**	**$ 496,898.89**	**$ 7,537.05**	$ 365,703.57	$ [illegible]
Less: Depreciation							
As at 01/01/14	**$ 39,293.57**	**$ 23,188.30**	**$ 9,917.13**	**$ 350,823.37**	**$ 5,421.29**	$ 185,682.67	$ 614,326.33
Charge During year	$ 5,171.61	$ 4,861.56	$ 6,442.94	$ 33,093.47	$ 2,509.84	$ 14,628.14	$ [illegible]
Less Disposal							
As at 31/12/14	$ 44,465.18	$ 28,049.86	$ 16,360.07	$ 383,916.84	$ 7,931.13	$ 200,310.81	$ [illegible]
Net Book values:							
As at 31/12/14	$ 33,186.57	-$ 3,742.04	$ 9,411.68	$ 112,982.05	-$ 394.08	$ 165,392.76	$ [illegible]
As at 31/12/13	**$ 54,236.79**	**$ 19,446.26**	**$ 19,328.81**	**$ 463,805.42**	**$ 3,840.21**	$ 344,881.06	$ 905,538.56
							-$ 316,836.95

Non-Current Assets - Xmas Branch

	Office Equipments	Furniture Fittings	Motor Vehicles	Plants Transmitter	Sea Wall	Buildings Premises	Total
Depreciation - Rate	6.66%	20%	25%	6.66%	33.30%	4%	
Balance as at 1 January 20	**$ 6,000.00**	**$ 2,140.00**	$ -	**$ 852,190.99**		$ 25,400.00	$ 885,730.99
Plus Additional							
Less: Disposal							
Balance as at 30 June 2014	$ 6,000.00	$ 2,140.00	$ -	$ 852,190.99	$ -	$ 25,400.00	$ 885,730.99
Less: Depreciation							
As at 01/01/14	**$ 4,800.00**	**$ 1,712.00**	$ -	**$ 359,155.99**	$ -	$ 4,047.50	$ 369,715.49
Charge During year	$ 399.60	$ 428.00	$ -	$ 56,755.92	$ -	$ 1,016.00	$ [illegible]
Less Disposal							
As at 31/12/14	$ 5,199.60	$ 2,140.00	$ -	$ 415,911.91	$ -	$ 5,063.50	$ [illegible]
Net Book values:							
As at 31/12/14	$ 800.40	$ -	$ -	$ 436,279.08	$ -	$ 20,336.50	$ [illegible]
As at 31/12/13	**$ 1,200.00**	**$ 428.00**	$ -	**$ 493,035.00**	$ -	$ 21,352.50	$ 516,015.5

Consolidated Property, Plant & Equipment for HQ and Xmas Branch

Historical Cost	83,651.75	26,447.82	25,771.75	1,349,089.88	7,537.05	391,103.57	[illegible]
Acc Dep	44,093.57	24,900.30	9,917.13	709,979.36	5,421.29	[illegible]	[illegible]
Book Value	**39,558.18**	**1,547.52**	**15,854.62**	**639,110.52**	**2,115.76**	201,373.40	899,560.0

Note: 16

LOAN TERM LOAN

	BPA Trw	BPA Xmas	Year: 2014 Cosolidated Total	Year: 2013 Cosolidated Total
ANZ Bank Loan	-	-	-	
Soft Loan CCK	-	-	-	47,155.00
Other Loan	-	-	-	
			-	$ 47,155.00

...SERVE	BPA Trw	BPA Xmas	Year: 2014 Cosolidated Total	Year: 2013 Cosolidated Total
... Balance	$59,583.19	51422.18	$ 111,005.37	
...l Adjustment			-	$ 111,305.37
...sing Balance	$ 59,583.19	$ 51,422.18	**$ 111,005.37**	**$ 111,305.37**

Note: 18

RETAINED EARNINGS	BPA Trw	BPA Xmas	Year: 2014 Cosolidated Total	Year: 2013 Cosolidated Total
Opening Balance	78,918.82	556,515.48	635,434.30	524,970.34
Plus: Net Profit during the pe	196,098.34	(77,376.63)	118,721.71	(35,750.16)
Adjustments	-	-	-	146,214.12
Closing Balance	**275,017.16**	**479,138.85**	**754,156.01**	$ 635,434.30