REPORT OF THE AUDITOR GENERAL ON THE ACCOUNT OF

KNAO

AUDIT FOR AN IMPACT FOR THE PUBLIC

Captain Cook Hotel
For The Year Ended 31st December 2013

Kiribati National Audit Office
April 2015

KIRIBATI NATIONAL AUDIT OFFICE

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Audit for an impact for the public

INDEPENDENT AUDIT REPORT

To the readers of
Captain Cook Hotel
For the year ended 31st December 2013

Report on the Financial Statements

The Auditor-General, Mrs Matereta B Raiman, is the auditor of Captain Cook Hotel (CCH).

I have audited the accompanying financial statements of Captain Cook Hotel for the year ended 31st December 2013. The financial statements comprise:

- the balance sheet as at 31st December 2013, and
- the profit and loss statement,
- and a summary of significant accounting policies and other explanatory information.

Management's and Board's Responsibility for the Financial Statements

Management and the Governing Board are responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Practices, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor General's Responsibility

It is my responsibility to form an independent opinion, based on my audit, on these financial statements prepared in Accrual basis and to report in accordance with the Constitution and Part VII of the Public Finance (Control and Audit) 1976.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAI) and Generally Accepted Auditing Practises as applicable in Kiribati, to obtain reasonable assurance whether the financial statements are free of material misstatement. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Disclaimer Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

Report on Other Legal and Regulatory Requirements

In reference to section 63 (1) of the Company Ordinance 1976, CCH was required to maintain proper books of accounts and records however Captain Cooks Hotel did not comply to that and this represent a breach of the Company Ordinance.

....

Mrs Matereta B Raiman

Auditor General

Kiribati National Audit Office

Bairiki Tarawa

21/4/2015

Captain Cook Hotel

Main Camp
Kiritimati Island
Republic of Kiribati

Phone 686 81230

Email tteuriaria@gmail.com

Date: 26th April, 2014

The Auditor General
Auditor General's Office
Bairiki, Tarawa
Republic of Kiribati

Dear Matareta

Submission of Financial reports and Directors Report for 2013

We are pleased to submit for your information, a scanned copy of the following documents as required under the Companies Act:

- Captain Cook Hotel's Unaudited account for 2013
- Certificate of Solvency for 2013
- Directors Report for 2013
- Certificate of Non Audit of Accounts
- Annual Return Form for 2013

We trust that we have complied with the Companies Act requirements and have completed the requirements to the best of our abilities, and we look forward to hearing from you.

Yours sincerely

....

Mr. Kiang Shiu
Officer in Charge
Captain Cook Hotel

DIRECTORS REPORT FINANCIAL YEAR ENDING, 2,013.

IN THE ABSENCE OF AN INDUSTRIAL AVERAGE RELATING TO THE HOTEL INDUSTRY WHERE WE MAY COMPARE, MEASURE AND DRAW LOGICAL CONCLUSIONS THEREOF AGAINST THE CAPTAIN COOK HOTEL'S FINANCIAL PERFORMANCES WITH SUCH, THE ANALYSIS PRESENTED HEREWITH IS BASED ON THE COMPANY'S OWN RECORDS USING TRENDS EXTENSIVELY.

LIQUIDITY

DESPITE THE SLIGHT DECREASE IN THE HOTEL'S CURRENT RATIO OF 19 POINT 57 IN THE CURRENT YEAR OF 2,013 WHEN COMPARED WITH THE PREVIOUS YEAR 2,012 OF 19 POINT 81 SUGESTING A SIMILAR SITUATION FOR BOTH YEARS INDICATING A VERY HIGH LIQUIDITY DUE TO THE HIGH LEVEL OF ACCOUNTS RECEIVABLES AND THE BULK STORE STOCK WHICH GAVE A WRONG IMPRESSION ON THE ACTUAL FINANCIAL STABILITY.

THIS IS BECAUSE GIVEN THE VERY NATURE OF CURRENT ASSETS IN TERMS OF STAFF TAX ARREAS OF $8,026.61 WHICH HAVE NOT BEEN RECOVERED SINCE 2,012 THE PREVIOUS YEAR WHICH BECOMES DOUBTFUL,THE HIGH LEVEL OF ACCOUNTS RECEIVABLES OF $218,716.02 BEFORE DEDUCTING 78.69% REPRESENTING DOUBTFUL DEBTS OF $172,121 LEAVING A NET ACCOUNTS RECEIVABLES OF $46,595.02 INDICATING A TOTAL RELAXATION IN THE COLLECTION OF DEBTS FOR THE TWO FINANCIAL YEARS IN QUESTION, IN FACT MORE THAN 10 YEARS BACK WHICH WAS LARGELY COMPOSED OF MINISTRIES DEBTS AND THE BULK STORE STOCK OF $407,252.51 WHICH HAVE NOT BEEN WRITTEN OFF FOR MANY YEARS WHICH IS A SUBJECT OF MY REPORT IN PREVIOUS YEARS AS MOST OF THE ITEMS ARE OBSOLETE AND SOME ARE SPARE PARTS. THESE KEY FACTORS HAVE BROUGHT THE COMPANY'S ACTUAL LIQUIDITY IN TERMS OF ITS ACID TEST RATIO TO A VERY DANGEROUS SITUATION OF 1 POINT 02 TIMES WHICH IS VERY WEAK WHICH LEADS TO THIS FINANCIAL YEAR 2,014. THE COMPANY'S FINANCIAL STABILITY IS NOW CRITICAL. CORRECTIVE ACTION MUST BE TAKEN FORHWITH.

THE COMPANY'S ACTUAL LIQUID FUNDS SHOULD OPERATE AT A RATIO OF 2 POINTS AND ABOVE HOWEVER TO BE CONSIDERED SAFE AND SOUND. THE PRESENT SITUATION OF I POINT 02 IS APPROACHING AN INSOLVENCY SITUATION. THIS CONDITION INDICATE THE COMPANY'S INCAPACITY TO MEET ITS SHORT TERM FINANCIAL OBLIGATIONS WHEN DUE. IN ADDITION, THE COMPANY'S OVERHEAD OPERATING EXPENSES IS VERY HIGH MAKING THE SITUATION EVEN WORSE. AT THIS STAGE AS SUCH, THE COMPANY IS FACING A CASH FLOW CRISIS WHICH THE COMPANY IS UNFORTUNATELY EXPERIENCING IT RIGHT NOW.

THE BULK STORE STOCK MUST BE EXAMINED IMMEDIATELY TO CORRECTLY IDENTIFY NON RESALABLE ITEMS(SPARES FOR MOTOR VEHICLES, GENERATORS AND OTHER FIXED ASSETS) TO PROPERLY VALUATE RESALABLE GOODS. PROPER ADJUSTMENTS OF THE VALUE SHALL BE MADE FORTHWITH SO THAT ITS CORRECT NET REALIZABLE VALUE SHALL BE PROPERLY REPORTED ON THE 2,014 FINANCIAL STATEMENTS.

QUITE APPARENTLY HOWEVER, THE HOTEL CASH AND BANK ACCOUNTS IS THE ONLY LIQUID FUNDS AVAILABLE OF $17,710.19 AT THE END OF THE YEAR 2,013 WITHOUT ANY FURTHER FINANCIAL RESERVES AVAILABL E RELATING TO OTHER LIQUID ASSETS TO FALL BACK ON AS A CUSHION IN ORDER TO ENABLE CCH TO MEET ITS AVERAGE APPROXIMATE MONTHLY OPERATIONAL EXPENSES OF $40,505.17(EXCLUDING DEPRECIATION AND INCLUDES PURCHASE OF GOODS) AND CAN SERVICE AT THE SAME TIME ITS DEBTS OR CURRENT LIABILITIES OF $25,274.61 WHEN DUE OR DEMANDED AT THE BEGINNING OF THE YEAR 2,014 AS MENTIONED IN THE PREVIOUS PARAGRAPH. THIS HAVE GREATLY IMPACTED THE CURRENT YEAR'S FINANCIAL STABILITY. THE SITUATION BELOW MAY FURTHER HELP TO ENLIGHTEN THE SERIOUSNESS OF THE POINTS DISCUSSED UNDER THE SUBJECT OF LIQUIDITY.

PERSONAL EMOLUMENT THOUGH THERE WAS A SLIGHT DECREASE IN SALARIES AND WAGES OF 19.82% FROM $374,217.14 IN 2,012 TO $304,007.69 IN 2,013. SALARIES AND WAGES REPRESENTS 49.9% OF TOTAL OPERATIONAL EXPENSES IN 2,013 WHICH ALONE, CONSUMES APPROXIMATELY HALF OF THE COMPANY'S TOTAL EXPENSES. OF THE $304,07.69 ON SALARIES AND WAGES, PERMANENT STAFF SALARIES INCREASE BY 0.48% OF $132,907.86 IN 2,012 TO $133,546.85 WHEN COMPARED RESPECTIVELY, TEMPORARY STAFF ALTHOUGH IT IS DECREASING BY 94.26% FROM $150,971.75 IN 2,012 TO $86,582.80 WHEN COMPARED WITH 2,013, YET THE TEMPORARY STAFF SITUATION OUGHT TO BE RE-EXAMINED TO DETERMINE THE ACTUAL NUMBER REQUIRED. THE WORK PROPORTION BETWEEN PERMANENT STAFF AND TEMPORARY IS ROUGHLY 35.17% MEANING A HIGH PERCENTAGE OF NEW JOBS IS REQUIRED WHICH IS BEYOND THE WORKING CAPACITY OF THE COMPANY'S PERMANENT STAFF WHILE THE INCOME CAPACITY OF THE COMPANY IS DROPPING ON THE OTHER HAND. TEMPORARY GUIDES HAVE SIGNIFICANTLY INCREASED AT THE END OF LAST YEAR BY 65.61% FROM $24,611.39 IN 2,012 TO $40,760.01 LAST YEAR WHICH CONSTITUTED QUITE A HIGH PERCENTAGE OF RECRUITMENT COST INCURRED WHILE TOURISTS ARRIVAL DROPPED AS WELL AS INCOME GENERATED THEREFROM LIKEWISE DROPPED SUBSTANTIALLY. THIS NEEDS TO BE REVIEWED.

FUEL AND OIL REPRESENTS 18.48% OF THE COMPANY'S TOTAL OPERATING OVERHEAD EXPENSES IN 2,013 WHICH IS APPROXIMATELY $308 SPENT PER DAY OR $13 APPROX IMATELY PER HOUR, A SLIGHT DROP OF $28 PER DAY WHEN COMPARED WITH THE PREVIOUS YEAR OF $122,806.85. APPARENTLY, THERE IS AN ELEMENT OF NO CONTROL OVER THE FUEL CONSUMPTION IN THE POWER SECTION, THE OFFICE, ALL ROOMS AND VEHICLES. A CONTROL SYSTEM MUST BE INSTITUTED AT ONCE.

CREDITORS CONTROL IN NOTE 7 ALONE SHOWS $36,975.69 NET CURRENT DEBTS OUTSTANDING LAST YEAR 2,013 TO BE CLEARED IN EARLY 2,014. THE NATURE OF THESE DEBTS HOWEVER REQUIRE IMMEDIATE SETTLEMENT AT THE END OF EACH MONTH TO THE KPF FOR STAFFS DEDUCTIONS, PAYE TO

THE TAX OFFICE, STAFF LOANS ETC THROUGH A MONTHLY RETURN TO THESE PLACES. FAILURES IN DOING THIS HAVE HELPED TO BRING THE COMPANY TO A VERY TIGHT SPOT ON THE COMPANY'S CASHFLOW.

IN SUMMARY, ONCE THESE PLACES, THE KPF OFFICE, TAX OFFICE, ANZ OFFICE ETC DEMAND THE PAYMENT OF THESE AMOUNTS AT ONCE AND GIVEN THE EXISTING CASH AND BANK BALANCE WHICH IS LOW AT THE MOMENT WITHOUT ITS FURTHER FINANCIAL RESERVES AVAILABLE AS MENTIONED EARLIER IN PREVIOUS PARAGRAPHS, CCH WILL NOT ABLE TO MEET SUCH FINANCIAL OBLIGATIONS AS WELL AS ITS CURRENT OPERATING OVERHEAD EXPENSES. UNDER THIS CIRCUMSTANCE, THE HOTEL HAVE NO ALTERNATIVE BUT TO LAY OFF STAFF, SELL OUT SOME OF ITS FIXED ASSETS AND OTHER DRASTIC MEARSURES TO NEUTRALIZE THE SITUATION.

THESE FACTORS ON THE OTHER HAND HOWEVER HAVE REFLECTED NO PROPER CONTROL MECHANISM IN PLACE AND THE LACK OF PROPER SUPERVISION. HOWEVER THE BOARD AS MENTIONED WILL BE SCRUTINISING THESE COMMENTS.

BUDGET PROVISION

EVIDENTLY, THERE IS NO BUDGET PROVISIONS FORMULATED AS A GUIDELINE FOR ALL INCOME AND OPERATIONAL ACTIVITIES. HOWEVER, THIS IS DUE TO THE SELF TERMINATION OF THE FORMER ACCOUNTANT WHO VACATED HIS POST THEREBY RENDERING THE NON PRODUCTION OF THE COMPANY'S BUDGET FOR THE PYSICAL YEAR 2,013. THIS HAS LEAD TO GREAT DIFFICULTIES ENCOUNTERED BY THE BOARD. THE BOARD OF DIRECTORS HOWEVER TAKES NOTE OF THIS IN THE NEXT YEAR'S BUDGET AS A MATTER OF PRIORITY.

ACTIVITY

APPARENTLY SALES TURNOVER BOTH LOCAL AND OVERSEAS WERE DROPPED OR LOWER THAN WHAT THE HOTEL GENERATED PREVIOUS YEARS. LOCAL ACTIVITIES SUBSTANTIALLY DROPED BY 55.79% FROM $645,446.05 IN 2,012 DOWN TO $285,298.02 AT THE END OF LAST YEAR WHICH WAS PARTLY DUE TO THE DROP IN THE RETAIL SECTION INCOME.

REVENUE FROM OVERSEAS THROUGH FIHING ANGLERS ALSO SLIGHTLY DROPPED BY 28.10%. THIS DROP IS ATTRIBUTED TO THE HOTEL'S PACKAGE PRICE IN THE MARKET OVERSEAS SINCE THERE ARE INCREASING NUMBER OF HOTELS ON THE ISLAND COMPETING ON THE ANGLERS ATTRACTIVENESS TO THE ISLAND'S FISHING DESTINATION. THIS SITUATION WILL BE EXPLORED AS SOON AS POSSIBLE BY THE BOARD OF DIRECTORS WITH A VIEW TO IMPROVE THE NUMBER OF ANGLERS ARRIVING KIRITIMATI. THIS INCREASE WILL BENEFIT AND BOOST ALSO BOTH THE BAR AND RESTAURANT TURNOVER. THE BOARD ALSO AWARE OF THE FACT THAT THIS IS THE HOTEL'S MAJOR SOURCE OF INCOME.

NEGOTIATION WITH OUR CURRENTAGENTS IN THE STATES, AUSTRALIA AND ELSEWHERE WILL PROCEED ONCE THE PACKAGE HAS BEEN REVISED AND AGREED UPON BETWEEN BOTH PARTIES SO THAT THEY WILL BE ABLE TO PROMOTE ND SELL OUT OUR REVISED PACAGE WELL IN TIME BEFORE THE NEXT SEASON.

BECAUSE OF THIS COMPETITIVENESS HOWEVER, FISHING ANGLERS ARRIVALS WHICH IS REFLECTED IN THE DROP IN THE SALES TURNOVER FROM THE ROOM FROM BOTH THE NORTHERN AND SOUTHERN HEMISPHERE DROPPED SUBSTANTIALLY BY 51.77%, MORE THAN THAT OF THE PREVIOUS YEAR FROM $354,159.89 DOWN TO $170,784.28 WHEN COMPARED RESPECTIVELY. ALL ITEMS OF REVENUE PERTAINING TO THE TOURISTS ARRIVALS CONTAINED THEREIN ARE CORRESPONDINGLY DROPPED LIKEWISE.

INVENTORY TURNOVER RATE IS APPROXIMATELY 17.51 TIMES WHICH IS REASONABLE FOR GUESTS RELATING TO THE THREE INCOME SECTORS, THE BAR, RESTAURANT AND THE RETAIL. THE RETAIL SECTOR REPRESENTS ONLY 1.91% OF TOTAL SALES TURNOVER GENERATED LOCALLY.

COLLECTION PERIOD RELATING TO THE CURRENT DEBTS RELATING TO CREDIT SALES HAVE INCREASED FROM 46 DAYS IN 2,012 AND 60 DAYS LAST YEAR INDICATING DETERIORATION IN THE MANANAGEMENT CREDIT POLICY TO ITS CURRENT CUSTOMERS.

TOTAL ASSETS TURNOVER INDICATES ALSO A CONTINUOUS DECLINE FROM 42.11% IN 2,012 DOWN TO 18.80% LAST YEAR 2,013 WHICH INDICATE THE INEFFICIENT USTILIZATION OF ITS ASSETS TO GENERATE THE COMPANY'S INCOME. THIS INDICATES IDLE CAPACITY.

PROFITABILITY

SINCE THE COMPANY'S PRESENT FINANCIAL SITUATION INDICATE A NEGATIVE INCOME POSITION, ALL PROFITABILITY RATIOS TURNS NEGATIVE THEREFORE REQUIRING THE BOARD TO LOOK INTO THE ABOVE ISSUES OR PROBLEMS IN ORDER TO REVERSE THE DECLINING AND NEGATIVE TREND TO A PROFITABILITY STATE IN THE SUBSEQUENT YEARS.

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CHAIRWOMAN
CAPTAIN COOK HOTEL
25\04\2,014.

Captain Cook Hotel

Main Camp - Kiritimati Island

Provisional Profit & Loss Account
Year ending 31st December 2013

	Note	2013	2012
Sales		286,975.92	645,446.05
Less Cost of Sales	3.1	155,965.31	492,190.96
Gross Profit		131,010.61	153,255.09
Add Other Income			
Room		177,975.28	354,159.89
Laundry		2,808.08	26,731.55
Skiff		44,571.58	25,190.00
Vehicle		13,399.00	17,451.04
Guide		68,978.81	57,567.90
Sundries	3.2	72,141.41	66,587.17
Transport		32,841.04	28,673.85
PPI -depn write off		50,145.58	
Total Other Income		462,860.78	576,361.40
TOTAL INCOME		593,871.39	729,616.49
Less Operating Expenses			
Salaries & wages	4	304,007.69	374,217.14
Operation supplies	5	21,074.12	33,202.07
Sundries	6	25,203.88	28,883.46
Travelling & Transport	13	13,158.52	47,596.13
Maintenance & repair		10,049.75	16,079.31
Fuel/Oil - Power & Mechanic		112,568.05	122,806.85
Depreciation	9	123,055.95	125,799.56
PPI *(refer adjustments JV's)*			74,257.96
Audit fee			2,500.00
Dividend epense			20,000.00
Unrecorded issues (IPO) missing stock			70,043.49
Interest expense			858.38
Total Expenditure		609,117.96	916,244.35
Net Profit(Loss) before tax		(15,246.57)	(186,627.86)
Company Tax			
Net Loss		(15,246.57)	(186,627.86)

Captain Cook Hotel

Main Camp - Kiritimati Island

Provisional Balance Sheet
Year ending 31st December 2013

	Note	2013	2012
Current Assets			
Cash at Bank & Hand	11	17,710.19	36,412.97
Staff Tax arrears	20	8,026.61	8,026.61
Advance & Imprest	12	4,896.88	4,896.88
Debtors	8	46,595.02	82,117.67
Stock	10(a)	8,421.60	9,393.34
Pre - Payments			
Accruals		1,811.99	1,811.99
Bulk store stock & supplies	10(b)	407,252.51	303,102.94
		494,714.80	445,762.40
Less Current Liabilities			
Trade Creditors		(16,701.08)	2,281.39
Sundry Creditors	7	36,975.69	15,216.26
Provisional Tax			
Accrued expenses			
Audit Fee Payable		5,000.00	5,000.00
		25,274.61	22,497.65
WORKING CAPITAL		469,440.19	423,264.75
Add Long Term Assets	9	1,047,789.47	1,109,211.48
NET WORTH		1,517,229.66	1,532,476.23
Represent by:			
Shared Capital	16	500.00	500.00
Capital Reserve	15	1,035,887.65	1,035,887.65
Assets Valuation Reserve	14	768,926.36	768,926.36
RETAINED PROFIT (LOSS)	19	(288,084.35)	(272,837.78)
		1,517,229.66	1,532,476.23

.... Madam Chair Person

.... Director

ANNUAL RETURN

NOTE: You are advised to consult " Note or Guidance on Filingan Annial Return" which may be obtained from the Registra of Companies.

Annualreturn of **Captain Cook Hotel Ltd** (Registered Number 61) made up to the 31st December 2013.

1. The address of the registered office of the company is Ronton, Kiritimati
   Post Office Box Number: **...61...**

2. SUMMARY OF SHARE CAPITAL AND SHARES

(1) AUTHORIZED SHARE CAPITAL : $500-00

NUMBER	CLASS	VALUE
500	ORDINARY	$500-00

(2) ISSUED SHARE CAPITAL : $500-00

Divided into the following shares:

NUMBER	CLASS	VALUE
497	ORDINARY	$497.00
1	ORDINARY	$1.00
1	ORDINARY	$1.00
1	ORDINARY	$1.00

(3) Number of shares of each class issued as fully paid for cash **...NIL...**

(4) Number of shares of each class issued as fully paid up for consideration other than cash **.......NIL.....**

(5) Number of shares of each class issued as partly paid up for cash and extent to which each such share is so paid up **......NIL......**

(6) Number of shares of each class issued as partly paid up for consideration other than cash and extent to which each such share is paid up **...NIL...**

(7) Total amount (if any) paid by way of commission in respect of any shares or debentures: **....NIL....**

(8) Total Number of shares of each class forfeited or cancelled: **...NIL...**

(9) Total amount of shares warrants to bearer which are outstanding **...NIL...**

(10) Total amount of share warrants to bearer issued and surrendered respectively since the date of the last return: **.....NIL....**

Total amount of indebtedness of the Company in respect of all charges which are required to be registered with the Registrar of Companies : **$25,274.61**

CAPTAIN COOK HOTEL

CERTIFICATE OF SOLVENCY

FINANCIAL YEAR: 2013

Pursuant to the COMPANIES OBLIGATIONS to the Registrar of Companies under the Companies Ordinance Cap. 10A section 15.4 (11)a), as directors we concur that,

1) The company kept correct and updated accounting records. Explanations of the financial position of the company is attached with the annual return (accounts) for the financial year 2013 under the EXPLANATION including the Annual Return Form (MCIC) duly completed as attachments to this certificate for ease of reference.
2) Accounting records were properly kept and maintained according to generally accepted accounting procedures to enable the production of a true and fair view of the company's position.
3) The accounts have not been audited by the AUDITOR GENERAL'S OFFICE in Tarawa
4) The accounts gave a true and fair view of the financial position of Captain Cook Hotel Ltd as at the year ended 2013.

....	....
Madam Chair Person	Director

Date: ....

CERTIFICATE

PURSUANT TO SECTION 135 OF THE COMPANIES ORDINANCE (CAP 10A)

As directors of the Captain Cook Hotel Ltd, we hereby state that we do not require the company to appoint an auditor. Therefore, we hereby state that:

a) The company in respect of the financial year 2013 to which the Return relates and at the date of such Return

   i. Kept and continue to keep such accounting records as correctly record and explain the transactions and financial position of the company; and

Kept and continues to keep its records in such a manner as would enable true and fair accounts of the company to be prepared

   ii. The company's accounts contain a statement that the accounts have not been audited and

   iii. The accounts give a true and fair view of the profit and loss and financial position of the company as at the end of the financial year to which they relate

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Mrs. Wirikí Tooma
Madam Chair Person

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Mr. Naitiniwa Teitiaki
Director

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Ms. Ratita Bebe
Director

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Mr.Ata Binoka
Director

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Mr. Kiang Shiu
Director

4 LIST OF PAST MEMBERS AND PRESENT MEMBERS

No. of page In register conatining particulars	NAMES	Address	No.ofshares held by existing members as 31/12/2013	Account of shares	Remarks
	Mr. Depweh Kanono	Ronton		Particulars of	No Transfer
	Mr. Naitiniwa Teitiaki	Ronton	Minister 497	shares transferred	
	Ms. Ratita Bebe	Ronton		since the date of	
	Mr. Kiang Shiu	Ronton	Secretary 1	the last return,	
	Mr. Ata Binoka	Banana		or if this is the	
	Mr.Manikaoti Timeon		Resource	first return since	
	Mr. Ritemba Moantau		Economist	the date of	
	Mr. Mapuola Iosua		Planner 1	incorpoartion by;	
			Senior	(a) Persons who are	
			Assistant	still members:	
			Secretary 1	Mrs. Wiriki Tooma	
				Mr. Naitiniwa Teitiaki	
				Ms. Ratita Bebe	
				Mr. Kiang Shiu	
				Mr. Ata Binoka	
				(b) Persons who have	
				ceased to be members:	
				Manikaoti Timeon	
				Depweh Kanono	
				Mapuola Iosua	
				Ritemba Moantau	

5. Particulars of Directors of the Company at the date this return

Name	Address	Date of birth	Nationality	Business Occupation and other details of other directorships
Mrs.Wiriki Tooma	Ronton		I-Kiribati	Permanent Secretary MLPID
Mr. Naitiniwa Teitiaki	Ronton	04-Mar 1969	I-Kiribati	
Ms Ratita Bebe	Ronton	17-May 1979	I-Kiribati	Wildlife Officer
Mr. Kiang Shiu	Ronton	24-Nov-1964	I-Kiribati	Branch Manager TSKL
Mr. Ata Binoka	Banana	28-Mar-1979	I-Kiribati	

6. Particulars of Secretary of the Company at the date of the return.

Name	Address	Nationality	Professional qualification, if any
Officer in Charge Mr. Kiang Shiu	Ronton	I-Kiribati	

7. Directors interest at the date of return

Name	Interest	Date required
Mrs. Wriki Tooma	N/A	
Mr. Naitiniua Teitiaki	N/A	
Ms. Ratita Bebe	N/A	
Mr. Kiang Shiu	N/A	
Mr. Ata Binoka	N/A	

Certification:

We certify that the Company has not since the date of the last Annual Return or, if this the first annual return made, the date of incorporation, issued any invitation to the public to subscribe for any shares or debentures of the company.

Signed: ______________________________ Madam Chair Person

______________________________ Secretary

Captain Cook Hotel

Main Camp - Kiritimati Island

Financial Year Ending report - 31st December 2013

Notes to the Financial Statements

1 Captain Cook Hotel Limited was incorporated on the 26th May, 1992 and took over the operation of Captain Cook Hotel from 1st June, 1992, as self accounting Division of the Ministry of Line and Phoenix developments. The Hotel provides accommodation catering and other services for tourist, government and other visitors to Kiritimati island.

2 PRINCIPAL ACCOUNTING POLICIES

The Financial statements are prepared in accordance with historical cost conventional modified by the valuation of certain fixed assets.

The following is a summary of the more important accounting policies used by the Hotel :-

Depreciations

Depreciations is calculated to write off the cost or amount of the valuation of Fixed Assets on a straight line basis over the expected useful lives of the assets concerned.

The principal annual rate for this purpose, which are consistent with those of the previous years are:-

		recommended rate policy
Building	5%	5%
Furniture & fittings	25%	25%
Plant & Equipment	25%	33%
Boat & Engines	10%	20%
Vehicles	20%	50%

Stock

Stock is stated at the lower of cost and net realisable value, in general cost is determined on a first in first out basis and includes transport, handling and duty charges. Provision is made for obsolescent, slow moving and defective stock.

3 Revenue

Revenue represents the total billed for services, supplies and goods sold during the year.

3.1 Trading Account

	Year Ending 2013			
	Bar	Restaurant	Retail	Total
Sales	111,504.64	119,175.93	54,141.46	285,322.03
Less Cost of Sales				
Opening Stock	4,930.34	2,975.39	1,487.61	9,393.34
Purchases	62,362.82	75,635.19	16,975.56	154,993.57
	67,293.16	78,610.58	18,463.17	164,386.91
Closing Stock	4,137.00	3,516.40	235.15	8,421.00
Cost of Sales	62,916.16	74,114.48	18,228.02	155,965.31
Gross Profit(Loss)	48,588.43	44,081.74	36,446.54	129,334.21

3.2 Sundry income		2013	2012
Recharge Card		3,368.20	2,310.00
Commission	refer 3.2 (d)	381.70	2,222.80
Electricity		3,573.00	3,105.00
Telephone/Internet		8,402.75	6,682.65
Sundry	refer breakdown 3.2(a)	3,253.11	473.02
Photocopy			3.00
House rent		1,831.00	1,774.00
Entertainment	refer 3.2(f)	10,886.96	5,324.58
Replacement cost	refer 3.2 (c)		630.00
Bathing lagoon		5,548.00	8,437.95
Equipment hire			1,100.00
Water		3,168.07	3,025.12
Gain(loss) on Exchange		2,181.87	704.05
Auction sales		25,501.12	
Staff uniform		561.13	
Other staff deductions		1,624.13	
Cooler box sales		1,106.97	
Romantic escapes		802.20	
Venu Hire	refer 3.2 (g)		705.00

	2013	2012
4 Salaries & wages		
Permanent staff	133,546.85	132,907.86
Temporary staff	86,582.80	150,971.75
Temporary Guides	40,760.01	24,611.39
Work experience	1,080.00	2,973.00
Overtime (permanent)		2,029.68
Overtime (temporary)		2,306.66
Leave pays	1,003.35	
Leave grants	18,380.15	16,500.00
Allowances		
Shifts	4,615.94	18,685.97
Dirt	495.00	734.39
Tools	230.00	840.00
Incensive bonus	450.00	
Employer;s KPF contribution	16,863.59	21,656.44
	304,007.69	374,217.14
5 Operation Supplies		
Stationery	1,079.80	4,178.24
Store		-
Kitchen	370.00	3,646.03
Bar		-
Power & mechanic	9,808.35	5,139.97
Room	8,962.12	11,904.76
Marine	20.00	7,851.00
Guide	749.75	-
Laundry	84.10	482.07
	21,074.12	33,202.07
6 Sundries		
Staff training		-
Staff uniform	936.00	387.50
Directors' fee	1,320.00	3,900.00
Recharge card	2,137.50	3,685.00
Directors' refreshments		-
Telephone & postages	7.00	-
Sundries refer breakdown 6(a)	2,663.15	371.00
Entertainment	6,208.35	12,270.30
Licenses	3,108.35	2,226.00
Custom duty	1,444.01	
Hotspot instalment & fee		1,149.00
Bank charges	441.19	1,789.60
Generator hire -bathing	100.00	-
Advertising & Promotion	905.00	2,251.39
Electricity	3,590.21	
Port charges/handling	36.30	
Audit fee		-
Legal fee		-
Water	2,306.82	853.67

7 Creditors

		2013	2012
Salary Control		(7,265.75)	(7,265.75)
Sales Tax		5,291.92	1,064.75
Redundancy			
Accrued expense		1,008.60	1,008.60
Withholding Tax		8,686.27	747.86
Island Council Xmas		596.58	595.58
Staff KPF		13,672.40	10,622.63
Staff Income Tax		1,276.13	1,192.37
Lanux water (staff)		(183.73)	273.00
Lanux House rent		784.57	514.89
ANZ staff Loan		(809.40)	(30.00)
BSL staff Loan		(10.00)	(10.00)
KPF Staff Loan		4,501.74	4,559.74
DBK staff Loan		45.65	(78.35)
Over deposits		9,353.35	
Shortage (cal/wgs payment)		27.36	
		36,975.69	15,216.26

8 Debtors

Sales - Kiritimati	218,716.02		254,238.67
Less Prov. D.debts	172,121.00	46,595.02	172,121.00
Shortage on Cash			
		46,595.02	82,117.67

9 Long Term Assets

	WDV 25% Furniture & Fittings	WDV 20% Motor Vehicle	WDV 25% Boats & Engines	WDV 25% Plant & Equipment	WDV 5% Building	Total
Cost of Valuation - 31/12/12	453,605.53	458,120.99	459,942.52	643,495.13	1,482,877.02	3,498,041.19
Additions				1,094.80		1,094.80
Demolished (houses)					(140,601.60)	(140,601.60)
	453,605.53	458,120.99	459,942.52	644,589.93	1,342,275.42	3,358,534.39
Depreciation						
Balance - 31/12/12	438,040.82	400,229.72	445,741.68	566,543.33	330,103.34	2,180,658.89
Adjustments	(3,147.92)	8,232.45	205.61	4,712.77	22,027.34	32,035.25
Charge for the year	7,923.06	10,653.89	4,054.64	20,033.42	55,385.77	98,050.78
Acc.Depn.	442,815.96	419,121.06	450,001.93	591,289.52	407,516.45	2,310,744.92
NBV 31/12/13	10,789.57	38,999.93	9,940.59	53,300.41	934,758.97	1,047,789.47

10 a) Stock

	2013		2012	
				130,086.03
Bar	4,377.05		4,930.34	
Retail	228.15		1,487.61	
Restaurant	3,816.40		2,975.39	
	8,421.60		9,393.34	

b) BULK store & supplies stock

	2013		2012
Previous bal.	303,102.94		309,628.43
Add Purchases	225,833.68		498,601.89
	528,936.62		898,230.32
Less Issues (as per IPCs)	(121,684.11)		525,083.89
			373,146.43
Unrecorded issues			70,043.49
BULK store stock		31,899.96	

11	Cash & Bank		
	Bank - BOK	11,852.64	18,154.14
	Cash on Hand #		12,611.28
	Petty Cash	1,235.73	1,735.73
	Cas float #		290.00
	FHB (Escrow A/c)	3,621.82	3,621.82
	New Petty Cash	1,000.00	
		17,710.19	36,412.97
12	Imprest & Advance		
	Advances	4,789.61	4,789.61
	Less Provision for doubtful debts	(1,380.00)	(1,380.00)
	Imprest	1,487.27	1,487.27
		4,896.88	4,896.88
13	Transport & Travelling expenses		
	Vehicle	10,088.90	18,503.50
	Traveling (overseas)	878.42	28,231.08
	Boat	200.00	
	Traveling (local)	1,891.20	861.55
		13,058.52	47,596.13
14	Assets Revaluation Reserve	768,926.36	768,926.36

The unrecorded assets as at May 1992 were revalued by a team appointed by the Ministry and brought into account

15	Capital Reserve	1,035,887.65	1,035,887.65

Additional building funded and constructed by Government for the Millenium had been accounted for in the Financial statement in the amount of $162,514.83
This represents the accumulated fund of the Hotel as at 31st May 1992

16	Share Capital		
	Authorized & Issued	500.00	500.00
17	Provisional Tax		
	Balance		
	Company Tax Paid		
		-	-

18 Dividents and Share of Profit to Employees
Dividents of $100,000-00 and share of profit for $2850-00 relating to the profit for the year ended 31st May 1993, were paid in January 1995 to the Government and Employees of the Hotel
No dividants paid or declared out of the profit for years ended 31st May, 1994
31st May 1995, 31st May 1996, 31st May 1997, 31st May 1998, 31st May 1999, 31st May 2000, 31st May 2001, 31st May 2002, 31st May 2003, 31st May 2004, 31st May 2005, 30th June 2006, 31st Dec. 2006, 31st Dec. 2007, 31st Dec. 2008, 31st Dec. 2009, 31st Dec, 2010, 30th Nov, 2011
A divident of $20,000-00 was paid out for year ending Dec 2012.

19	Retained Loss		
	Balance 1st January	(272,837.78)	(86,209.92)
	Profit for the year	(39,216.57)	(186,627.86)
	Dividend paid		
		(312,054.35)	(272,837.78)
20	Paid as income tax for staff arrears for the year 2000 & 2001 now reverted to [illegible]	8,026.61	8,026.61