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REPORT OF THE AUDITOR GENERAL
ON THE ACCOUNT OF

CENTRAL PACIFIC PRODUCER
FOR THE YEAR ENDED 30th APRIL 2004, 2005 & 2006

KIRIBATI NATIONAL AUDIT OFFICE

MAR 2009

110 pages

KIRIBATI NATIONAL AUDIT OFFICE
AUDIT REPORT OF THE CENTRAL PACIFIC PRODUCERS
FINANCIAL ACCOUNT ENDED 30th APRIL 2006

EXECUTIVE SUMMARY

- CPPL has incurred a net operating loss for the past three years however the operating loss in 2006 was partially cleared by the Government Subsidy of $115,306.65 resulting in a Net Loss of $568,030.01. Coupled with an increase in operating expenses we have serious concerns regarding the ongoing financial viability of CPPL.

- CPPL's working capital has increased from 2004 to 2005, but reduced significantly in the following year. Given the cash position I am overall concerned about CPPL's liquidity.

- CPPL did not provide bank reconciliations for the 2004 and 2005 years and the reconciled cash balance for 2006 did not agree with the cash balance disclosed in the draft account.

- The total balance as per trade debtors listing in 2004 and 2005 disagreed with the balance disclosed in the account.

- Sundry Trade Debtors balance disclosed in the draft account 2004, 2005 and 2006 could not be verified due to the unavailability of the above account breakdown list.

- There is a variance noted between the total balances in the trade creditor's listing and balance disclosed in the draft account.

- The Sundry Trade Creditors balance disclosed in the draft account 2004 and 2005 due to the unavailability of the above account breakdown list.

- The Accrued Expenses balance disclosed in the draft account 2004 and 2005 could not be verified due to the unavailability of the breakdown list.

- There were significant variances found between draft account and the fixed asset register.

- Insufficient supporting documentation to support the nature of payments.

- Poor control over petty cash fund for MV Moamoa.

- Some board minutes papers were not signed by respective members of the board.

Recommendations: CPPL

- Should explore further ways to improve its overall profitability and in turn financial viability.

- Need to undertake regular bank reconciliations.

- Should confirm variances for Trade Debtors and Creditors listed in the report and adjust its records accordingly.

- Should find the breakdown list for:
    - Sundry Trade debtors
    - Creditors accounts
    - Accrued Expenses

  and submit these to audit.

- Must review the Fixed Assets account thoroughly and make necessary adjustments.

- Needs to put in place measures to safeguard important documentation (PVs) for future audit references.

- Should undertake an investigation into petty cash deficiencies and take necessary actions against those concerned.

- Should ensure that board minutes are always signed by the board of directors; and provide advice to this Office regarding outcomes of the crash to the company vehicle.

KIRIBATI NATIONAL AUDIT OFFICE
AUDIT REPORT OF THE CENTRAL PACIFIC PRODUCERS
FINANCIAL ACCOUNT ENDED 30th APRIL 2006

As required by Part VII of the Public Finance (Control and Audit) Ordinance 1976, I have completed the audit of the Central Pacific Producers Limited for the year ended 30th April 2006 in accordance with the relevant statutory provisions and normally accepted Auditing Standards.

1. GENERAL

The Central Pacific Producers Limited was incorporated on the 22nd May, 2001, when it took over operations of the former Te Mautari Limited and the Outer Islands Project. It is 100% owned by the Kiribati Government.

2. FINANCE

2.1 Financial Performance

The performance of the company for the last two years is detailed in the table below:

Year Ended 30 April	2006	2005	2004	Variance	
	$	$	$	2006%	2005%
Sales	308,220.61	780,865.33	969,103.01	(60.53)	(19.42)
less Cost of Sales	107,645.44	74,746.92	192,996.30	44.01	(61.27)
Gross Profit	200,575.17	706,118.41	776,106.71	(71.59)	(9.02)
Plus Other Income	1,138,966.01	668,956.03	138,300.63	70.26	383.70
Less Operating Expenses	2,022,877.84	1,710,694.90	1,762,112.13	18.25	(2.92)
Net Operating (Profit)/Loss	(683,336.66)	(335,620.46)	(847,704.79)	103.60	(60.41)
Less Non Operating Income	115,306.65	0.00	222,100.00		(100.00)
Net Profit/(Loss)	(568,030.01)	(335,620.46)	(625,604.79)	69.25	(46.35)

It can be seen from the above table that the company has incurred a net operating loss for the past three years and this is particularly disappointing given the net operating loss of $1,265,469.55 in 2002.

The company started to earn income in 2002 however this trend has not continued in subsequent years. This is attributable to a number of factors including:

- Decreasing sales revenue;
- An increase in cost of sales from 2005 to 2006,
- Whilst there has been a positive increase in other income this has been offset by an increase in operating expenses.

The operating loss in 2006 was partially cleared by the Government Subsidy of $115,306.65 resulting in a Net Loss of $568,030.01.

Management should look into ways to minimize its total expenditure so that the proportionate increase or decrease in expenditure corresponds to the proportionate increase or decrease in revenue.

2.2 Financial Position

Year Ended 31 December	2006	2005	2004	Variance 2006 (%)	2005 (%)
Current Assets	369,353.82	345,079.79	105,587.68	7.03	226.82
Less Current Liabilities	119,829.97	123,099.67	119,563.53	-2.66	2.96
Working Capital	**249,523.85**	**221,980.12**	**-13,975.85**	12.41	-1688.31
Cash	-292,777.54	-27,340.50	-64,201.00	970.86	-57.41
Debtors	489,130.42	296,151.80	127,921.62	65.16	131.51

The comparative table above shows that the company's working capital has increased all years from 2004. This is largely due to the increase in debtors 131% between 2005 and 2006 however I note from the 2007 accounts (recently received) that the provision for doubtful debts is $192,000.

This adjusts the working capital to a surplus of $58 which is a reduction of $163 from the previous year. Coupled with the fact that the cash has gone from -64,201.00 in 2004 to -292,777.54 in 2006 I am concerned overall about CPPL's solvency.

3. Recommendation on Financial Performance and Position

The company should seek to improve its financial performance through continuing in maintaining a sustainable increase in total income and at the same time decreasing e its cost of sales and levels of expenditure. It should also continue to maintain a sound working capital as previously occurred in both years.

4. Audit Findings

4.1 Cash at Bank

Of concern was the fact that CPPL did not provide bank reconciliations for the 2004 and 2005 years. Whilst a Bank Reconciliation was provided for the year ended 30 April 2006 it did not agree with the Cash at Bank balance disclosed in the draft account – see table below.

Balance as per Bank Reconciliation	Balance as per Draft account	Variances
309,389.57	292,777.54	16,612.03

Response

The differences appeared in the reconciliations for 2004, 2005 and 2006 is noted. It is still under pursuit.

Recommendation

CPPL need to undertake regular reconciliations.

4.2 Trade Debtors

The audit found that the total balance as per listing in 2004, 2005 and 2006 disagreed with the balance disclosed in the account as detailed in the table below.

	2004	2005	2006
Draft account	127,921.62	296,151.80	489,130.42
Listing: 2004	-47,676.60	-47,676.60	-47,676.00
2005		-98,325.40	-98,325.40
2006			-89,428.10
Total	-47,676.60	-146,001.40	-235,430.10
Variance	$80,245.02	$150,149.80	$ 254,700.32

Upon further enquiry CPPL were unable to provide additional details to substantiate the figures.

Response
Management has agreed that all adjustment for variances made in previous accounts are to be made in 2008 account.

Recommendation
Management should confirm these variances and adjust its records accordingly.

4.3 Sundry Trade Debtors

The audit could not verify the Sundry Trade Debtors balance disclosed in the draft account 2004 and 2005 due to the unavailability of the above account breakdown list.

Response
Working papers are misplaced and need more time to provide the list for verification.

Recommendation
Management needs to find the breakdown lists of Sundry Trade Debtors for the three year periods and submit to this office for further verification.

4.4 Trade Creditors

The following variances were noted between the total balances in the listing and balance disclosed in the draft account. This indicates that there is no proper reconciliation done.

	2003	2004	2005
Draft account	109,595.63	109,595.63	109,595.00
Listing	108,506.35	149,408.16	113,845.89
Variance	$1,089.28	($39,812.53)	($4,250.89)

Response
Management has agreed that all adjustment for variances made in previous accounts are to be made in 2008 account.

Recommendation
CPPL needs to verify the variances and adjust its records accordingly.

4.5 Sundry Trade Creditors

The audit could not verify the Sundry Trade Creditors balance disclosed in the draft account 2004 and 2005 due to the unavailability of the above account breakdown list.

Response
Working papers are misplaced and need more time to provide the list for further verification.

Recommendation
Management needs to find the breakdown list of Sundry Trade Creditors for the three year periods and submit to this office for further verification.

4.6 Accrued Expenses

The audit could not verify the Accrued Expenses balance disclosed in the draft account 2004 and 2005 due to the unavailability of the above account breakdown list.

Response
Working papers are misplaced and need more time to provide the list for further verification.

Recommendation
CPPL should find the breakdown list of this account and submit to audit.

4.7 Fixed Assets

There were significant variances found between draft account and the fixed asset register as detailed in the table below.

Buildings	CPPL figure	Audit figure	Variance
Cost	$3,692,000.00	$3,636,000.00	$56,000.00
Accumulated Depreciation – 1/05/05	$733,033.33	$727,200.00	$5,833.33
Depreciation	$184,600.00	$181,800.00	$2,800.00
Accumulated Depreciation – 30/04/06	$917,633.33	$909,000.00	$8,633.33
NBV – 30/04/06	$2,774,366.67	$2,727,000.00	$47,366.67

Vessel	CPPL figure	Audit figure	Variance
Cost	$3,730,000.00	$680,000.00	$3,050,000.00
Accumulated Depreciation – 1/05/05	$3,351,404.16	$408,000.00	$2,943,404.16
Depreciation	$149,200.00	$102,000.00	$47,200.00
Accumulated Depreciation – 30/04/06	$3,500,604.16	$510,000.00	$2,990,604.16
NBV – 30/04/06	$229,395.84	$170,000.00	$59,395.84

Boat and Canoes	CPPL figure	Audit figure	Variance
Cost	$577,154.00	$591,282.00	$14,128.00
Accumulated Depreciation – 1/05/05	$343,742.55	$350,847.00	$7,104.45
Depreciation	$86,573.10	$88,692.30	$2,119.20
Accumulated Depreciation – 30/04/06	$430,315.65	$439,539.30	$9,223.65
NBV – 30/04/06	$146,838.35	$151,742.70	$4,904.35

Scales and Coolers	CPPL figure	Audit figure	Variance
Cost	$63,500.00	$65,904.00	($2,404.00)
Accumulated Depreciation – 1/05/05	$50,800.00	$51,762.00	($962.00)
Depreciation	$12,700.00	$13,180.80	($480.80)
Accumulated Depreciation – 30/04/06	$63,500.00	$64,942.80	($1,442.80)
NBV – 30/04/06	$0.00	$961.20	($961.20)

Office Equipment	CPPL figure	Audit figure	Variance
Cost	$64,961.24	$21,072.00	$38,713.35
Accumulated Depreciation – 1/05/05	$32,609.34	$18,006.00	$14,603.34
Depreciation	$11,998.72	$4,214.40	$7,742.67
Accumulated Depreciation – 30/04/06	$44,608.06	$22,220.40	$22,346.01
NBV – 30/04/06	$20,353.18	($1,148.40)	$19,204.78

Plant and Machineries	CPPL figure	Audit figure	Variance
Cost	$242,004.80	$276,623.00	$34,618.20
Accumulated Depreciation – 1/05/05	$140,646.85	$165,984.00	$25,247.15
Depreciation	$36,300.72	$41,496.00	$5,195.28
Accumulated Depreciation – 30/04/06	$176,947.57	$207,480.00	$30,532.43
NBV – 30/04/06	$65,057.23	$69,143.00	($4,085.77)

Response

There was no handing over been made from Temautari and OIP to CPPL and found that there is no record of the company fixed assets including of their values/closing balance. New Management is to finalize and make a review on all company fixed assets including their values and then the adjustment will be made on the 2009 account.

Recommendation

The management must review the Property, Plant & Equipment account thoroughly and make the necessary adjustments.

4.8 Payment Voucher Examination

The following payment vouchers were found to have insufficient supporting documentation to support the nature of the payments.

DATE	DETAILS	PV #	$
10/11/05	Staff salary	850/05	4,032.61
24/11/05	Staff salary	894/05	4,511.56
			$8,544.17

Response

The new management has imposed stringent guideline that ensures the safeguarding of all documents.

Recommendation

CPPL needs to put in place measures to safeguard this important documentation for future audit references.

4.9 Petty Cash

The Petty Cash Register revealed a total cash balance of $17,000 issued to cater for purchases and payments made for MV Moamoa. However the total amount spent of $6,318.50 could not be verified due to the absence of supporting documents.

Of particular concern is the remaining Petty Cash balance of $10,681.50 noted in the Register that could not be traced. At this the amount seems to be lost and an investigation should be undertaken into this matter as a priority.

Response
The new management team is not fully versed with the case however we will proceed to what is being required.

Recommendation
Management should take note of this and take necessary actions against those concerned.

4.10 Board Minutes

Board Minutes were provided for year ended 30th April 2005 and 2006 however both of them were not signed by the respective members of the Board of Directors.

Board Minutes #	Dated
2/05	27/05/2005
3/05	7/07/2005

It was stated on the Board Minutes #4/05, dated 08/09/2005 that the Finance Manager was found to have caused a crash and damage to a company vehicle BTC 6078. This case was revealed again on Board Minutes #4/05, dated 28/10/2005 and the Board of Directors made a decision that the Finance Manager be held liable and subject to repayment of the losses via deductions from his pay.

The audit would like to identify if the amount of monies that has been recovered from the Finance Manager's wages.

Response
The new management will ensure that all minutes are signed. Also management will provide advice on outcomes of the crash of Company vehicle when available.

Recommendation
Management should ensure that board minutes are always signed by the board of director. Furthermore this office should be notified of the outcomes of the crash to the company vehicle.

AUDIT OPINION: CPPL

Scope

I have audited the accounts of the Central Pacific Producer for the year ended 30th April 2006.

The preparation and the presentation of the accounts and the information contained therein, as well as the existence of internal controls, which should be fully effective for the prevention of error or fraud, are the responsibilities of the Company. My responsibility is to express an opinion on the accounts based on my audit as required by Part VII of the Public Finance (Control and Audit) Ordinance 1976 and the Company Ordinance.

I conducted my audit in accordance with the normally accepted auditing Standards and Statutory requirements to provide reasonable assurance as to whether the accounts are free from material mis-statements. My procedures include examination, on a test basis, of evidence supporting the amount and other disclosures in the account 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 accounts are presented fairly in accordance with the normally accepted Accounting Concepts and Statutory requirements, so as to present a view of the Company which is consistent with my understanding of its financial position, the results of its operations and its cash flows.

Qualification

I am unable to satisfy myself as to the correctness of the Financial Statement based on the following:

- Bank reconciliations for the 2004 and 2005 years could not be produced.
- The bank reconciliation provided for 2006 did not agree with the cash balance disclosed in the draft account.
- There are significant variance in Trade debtors account for 2004 and 2005.
- Breakdown list for Sundry Trade Debtors balance for 2004 and 2005 could not be produced.
- A variance noted in the trade creditor's account between the listing and balance disclosed in the draft account.
- Breakdown list for the Sundry Trade Creditors for 2004 and 2005 could not be produced.
- A significant variance in the fixed asset balance.

Because the accounting records provided were not adequate to permit the application of necessary auditing procedures, we are unable to obtain all the information and explanations we require in order to form an opinion on the financial statements.

Qualified Audit Opinion: Unable to form an Opinion

In our opinion, because of the existence of the limitation on the scope of our work as described in the qualification paragraph, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to and do not express an opinion as to whether the financial statements are presented fairly in accordance with professional reporting requirements and the financial position of CPPL as at 30 April 2006 and the results of its operations and its cash flows for the year then ended.

Toromon Metutera
for Auditor General

Central Pacific Producers Ltd.

CPP Ltd
P.O.Box 508,
Betio, Tarawa
Republic of Kiribati

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Monday, 5th November 2007

Mr Raimon Taake
The Auditor General
Office of the Auditor General
PO Box 63
Bairiki Tarawa

Dear Sir

Re; Financial Statement 2003 -04 for CPPL

As required under the company law we hereby submit the full Financial Report covering 12 months period for the year ended 30th April 2004.

The reports consist of the followings

1. Balance Sheet as at 30/4/04 with notes
2. Profit &Loss Statement for year ended 30/4/04
3. Cash Flow Statement for year ended 30/4/04

We apologize for the delay of the report submission due to the Previous Management Problem
Should you need further details, please do not hesitate to contact us

Sincerely Yours

Received by:- Baneute K
Name:-
Signature:-
Dated:- 12/11/07
Ministry of FMRD.

Teroutaki Kabubuke
Finance Manager
For OIC, CPPL

Cc; Mr. Peter Tong, Permanent Secretary MFMRD

Speciality: Fresh & frozen tunas, reef fishes, lobster, eels, octopus, clam, mantis shrimps, pet fish, reefer vessel, vessel crew & Agency

11 pages

Central Pacific Producers LTD

Notes to the Financial Statement

As at 30/4/04

The Central Pacific Producers Limited was incorporated on 22nd May, 2001 when it took over operations of the former Te Mautari Limited and the Outer islands Project. It is fully owned by the Kiribati Government.

Basic Accounting Policies.

The statement are prepared under the historical cost convention, except for certain fixed assets which are taken over at valuation from the Kiribati Government , and complies to international accounting Standards which are acceptable in Kiribati

Depreciations.

Fixed assets are depreciated on a straight line method to write off the cost/valuations over the expected useful life of the assets.

The rates used are as follow

Office Equipment	20%
Plant and Machinery/Generators	15%
Furniture and Fittings	25%
Scales/Cooler and Tools	20%
Motor Vehicles	20%
Vessels	4%
Ice Making Machines	20%
SSB Radio	20%
Buildings	5%
Boat and Canoes	15%

Subsidies

Subsidies received in cash from the Kribati Government and other government agencies, are credited direct to retained earnings through a PL account.

Aids.

Aids received in the form of fixed assets, from the Government of Kiribati and other government agencies are credited to Government aids reserve account, in the Balance sheet. Annually a sum equivalent to the amount charged as depreciation for these FA is released to retained earnings, through a PL.

Central Pacific Producers Ltd
Statement of Financial Position
As at 30 April 2004

	Notes	2004	2003
Current Assets			
Cash on & at bank		-$ 64,201.00	$ 52,282.24
Petty Cash		-$ 1.75	$ -
Trade Accounts Receivable	8	$ 127,921.62	$ 126,062.98
Sundry Accounts Receivable	13	$ 17,868.81	$ 31,180.40
Inventory		$ 24,000.00	$ 11,836.03
		$ 105,587.68	**$ 221,361.65**
Less Current Liabilities			
Accounts Payable		$ 109,595.63	$ 180,703.49
Sundry Accounts Payable	15	$ 4,049.26	$ -
Accrued Expenses	12	$ 5,918.64	$ 11,627.53
		$ 119,563.53	**$ 192,331.02**
Working Capital		**-$ 13,975.85**	**$ 29,030.63**
Plus Non-Current Assets	16	$ 4,404,044.04	$ 4,987,458.34
Plus IBD		$10,816.00	$ 10,000.00
		$ 4,400,884.19	**$ 5,026,488.97**
Represented by the following:			
PaidUp Share		$ 500.00	$ 500.00
Retained Earnings fwd	14	-$ 885,512.87	-$ 259,908.08
Government Aids Reserve	11	$ 5,285,897.05	$ 5,285,897.05
		$ 4,400,884.19	**$ 5,026,488.97**

.... 4/10/2007 ....
Chairman **Date**
CPPL Board

.... 4/10/2007 ....
Director **Date**
CPPL Board

Central Pacific Producers Ltd
Statement fo Financial Performance
For the year ended 30 April 2004

	Notes	2004
Sales	1	$ 969,103.01
Less Cost of Sales	2	$ 192,996.30
Gross Profit		**$ 776,106.71**
Plus Operating Revenue		
Agency revenue	3	$ 34,452.24
Crewing revenue	4	$ 9,363.11
Charter		$ 960.00
Freight revenue		$ 16,502.37
Hire		$ 7.50
Fare		$ 17,695.95
Cold store revenue		$ -
Storage		$ 3,840.23
Ice Revenue	5	$ 51,153.65
Interest revenue		$ 816.00
Lobster revenue		$ 1,500.00
Sundry Revenue	6	$ 2,009.58
		$ 138,300.63
Total Revenue		**$ 914,407.34**
Less Operating Expenses		
Staff Salary/Wages	7	$ 314,357.69
Housing Allowance		$ -
Stationery		$ 8,140.40
Telephone etc		$ 19,889.09
Overseas Travel		$ 26,601.62
Local Travel & Transport		$ 5,019.70
Fuel & Oil		$ 318,648.34
Repairs & Maintenance		$ 53,826.29
Ration		$ 49,931.00
Subsidized Rent		$ 7,966.00
KPF Expenses		$ 21,748.79
Advertising & Postage		$ 1,499.90
Freight Expenses		$ 15,060.75
Port Charges		$ 16,290.14
Directors Expenses		$ 2,975.06
Entertainment		$ 6,093.79
Comission		$ 1,730.25
Survey Expenses		$ 9,792.91
Training		$ 150.00
Bank Charges		$ 18,368.84
Custom		$ 5,526.85
Trial Fish Export Expenses		$ 3,078.05

Marine Insurance		$ 107,936.67
Doubtful Debts	8	$ 1,858.64
Depreciation	16	$ 599,471.00
Overtime		$ 3,188.61
Leave Grant		$ 16,283.40
Outer Island Exepnses	9	$ 11,320.57
Bonus Exp		$ 784.25
Vehicle Licence		$ 1,824.67
Electricity		$ 1,112.72
Xmas Expenses		-$ 1,459.67
Hire Expenses		$ 5,743.31
Marine Allowances		$ 9,704.67
Sundry Expenses		$ 31,135.06
Materials		$ 15,907.65
Subsistence Allowance		$ 9,731.60
Special Imprest		$ 7,416.95
Council Rates		$ -
Compensation		$ 6,000.00
Charge allowance		$ 558.95
Catering Expenses		$ 290.40
Stevedore		$ 21,771.10
Stipend		$ 200.00
Accountancy Fee		$ 2,285.00
Subscription		$ 1,855.32
Shift Allowance		$ 495.80
		$ 1,762,112.13
Net Operating Profit/(Loss)		**-$ 847,704.79**
Plus Non-Operating Revenue		
Subsidy from Gov't & others	**10**	$ 222,100.00
		$ 222,100.00
Net Profit/Loss		**-$ 625,604.79**

Central Pacific Producers Ltd
Cash Flow Statement
For the year ended 30 April 2004

	Notes	2004
Cash Flows from Operating Activities		
Receipts from Customers		$ 793,247.02
Receipts from Other Operating revenue		$ 395,978.39
Payments on Other Operating expenses		-$ 1,149,680.51
Payments to Suppliers & Employees		-$ 362,889.19
	1	**-$ 323,344.29**
Cash Flows from Investing Activities		
IBD		$ -
Interest on IBD		$ 816.00
Acquisition of long term assets		-$ 16,056.70
		-$ 15,240.70
Cash Flows from Financing Activities		
Subsidies from Govt & others		**$ 222,100.00**
Net Increase/(Decrease) in cash		-$ 116,484.99
plus Cash at the beginning of period		$ 52,282.24
Cash at the end of period	2	**-$ 64,202.75**
Note 1		
Reconciliation of Net Profit to net cash and cash equivalent for the year ended 30/		
Net Profit/(Loss) for the year		-$ 625,604.79
Depreciation		$ 599,741.00
Doubtful Debts		$ 1,858.64
Accrued Expenses		$ 5,918.64
Interest on IBD		-$ 816.00
Subsidies		-$ 222,100.00
		$ -
		-$ 241,002.51
Change in Accounts Payable		-$ 75,157.12
Change in Accounts Receivable		-$ 3,717.27
Change in Inventory		-$ 12,163.97
Change in sundry accounts receivable		$ 13,311.59
		-$ 323,344.29
Note 2		
Reconciliation of Cash and cash equivalent as at 30/04/03		
Petty Cash		-$ 1.75
Cash at Bank		-$ 64,201.00
		-$ 64,202.75

entral Pacific Producers Ltd

Notes on the Financial Reports.

			2004		2003
1 Sales	Bikenibeu Sales	$	21,900.05	$	44,625.34
	Bairiki Sales	$	4,376.05	$	661.70
	CFM Sales	$	933,686.34	$	442,555.06
	Overseas Sales	$	9,140.57	$	53,040.43
		$	**969,103.01**	**$**	**540,882.53**
2 Cost of Sales					
	Inventory (1 May 2003)	$	11,836.03	$	25,366.00
	plus Purchases	$	205,160.27	$	289,988.26
		$	**216,996.30**	**$**	**315,354.26**
	less Inventory (30 April 2004)	$	24,000.00	$	11,836.03
		$	**192,996.30**	**$**	**303,518.23**
3 Agency Revenue					
Remittances	Seo Woo	$	3,260.41	$	-
	Sajo	$	-	$	82,538.59
	Shilla	$	-	$	276,820.67
	Ming Dar	$	-	$	2,481.45
	Young Woo	$	-	$	13,455.73
	Dongwon	$	-	$	244,659.88
	FCF	$	-	$	18,791.74
	Caribe	$	-	$	5,247.05
	Oyang	$	-	$	28,662.61
	Everglory Fisheries	$	-	$	5,018.94
	Ijo	$	-	$	1,074.27
	KEB Australia	$	15,246.79	$	-
	Hansung	$	4,985.97	$	40,795.20
	Korea Seoul	$	579.47	$	-
	JiSung	$	2,899.99	$	78,254.85
	Shinwey Navigation	$	-	$	6,269.76
	Plus Receipts	$	562.28	$	-
	Plus Debtors	$	19,754.83		
		$	**47,289.74**	**$**	**804,070.74**
	Less Total Payments	$	12,837.50	$	609,284.88
		$	**34,452.24**	**$**	**194,785.86**
4 Crewing Revenue					
	Kanai Remittances	$	101,266.15	$	47,073.53
	Less payments to Crew	$	91,903.04	$	42,425.79
		$	**9,363.11**	**$**	**4,647.74**

			2004		2003
5 Ice Sales					
	CFM	$	49,314.25	$	-
	Bairiki	$	582.50	$	-
	Bikenibeu	$	1,256.90	$	-
		$	**51,153.65**	**$**	**25,773.36**

	2004	2003

6 Sundry Revenue a/c consists mostly Bank credit adjustments

7 Salary consists of Net Pay & Deductions

	2004	2003
Salary	$ 298,447.04	$ 179,651.53
Wages	$ 15,910.65	$ 25,559.60
	$ 314,357.69	**$ 205,211.13**

8 Doubtful Debt rate was adopted from the 2001 - 2002 Financial Report of 50% of Accounts Receivable.

	2004	2003
Required provision for 2004	$ 127,921.62	$ 126,062.98
less existing Provision for 2003	$ 126,062.98	$ 111,265.00
Doubtful debts for 2004	**$ 1,858.64**	**$ 14,797.98**
Accounts Receivable	$ 255,843.23	$ 252,125.96
Less Provision for Doubtful Debts	$ 127,921.62	$ 126,062.98
	$ 127,921.62	**$ 126,062.98**

9 Outer Island Expenses

	2004
Outer Island Imprest	$ 188,676.09
Less Purchases	$ 177,355.52
	$ 11,320.57

10 Subsidies received

Subsidies in the form of cash are credited direct to Retained Earnings through the Statement of of Financial Perfomance

	2004	2003
Government of Kiribati	**$ 222,100.00**	**$ 68,000.00**

11 Government Aids Reserve

Aids in the form of fixed assets are credited to the Government Aids Reserve in the Statement of of Financial Position.

	2004	2003
Balance forward	$ 5,285,897.05	$ 5,207,107.05
Added during the year		
Bairiki Outlet (Buildings)	$ -	$ 56,000.00
Bairiki Outlet (Plant & Machinery)	$ -	$ 22,790.00
	$ 5,285,897.05	**$ 5,285,897.05**

12 Accrued Expenses

	2004	2003
Salary	$ 4,049.26	$ 6,682.16
Tax		$ 355.28
KPF	$ 1,869.38	$ 501.36
House Loan		$ 124.00
Gross Salary	**$ 5,918.64**	**$ 7,662.80**
Telephone	$ -	$ 3,964.73
	$ 5,918.64	**$ 11,627.53**

13 Sundry Accounts Receivable

	2004	2003
Salary Advance	$ 8,746.11	$ 26,042.85
Staff Fish Advance	$ 9,122.70	$ 5,137.55
	$ 17,868.81	**$ 31,180.40**

14 Retained Earnings

Balance	-$	259,908.08	$	428,317.34
plus Net Profit/(Loss)	-$	625,604.79	-$	688,225.42
Balance	**-$**	**885,512.87**	**-$**	**259,908.08**

15 Sundry Accounts Payable

KPF Payable	$	1,869.38
Tax Payable	$	1,849.70
House Rent Payable	$	330.18
	$	**4,049.26**

16 Non-Current Assets

	Office Equip	Plant & Mach.	Furn. & Fitts.	Scales/ Coolers	Motor Vehicle	Vessels	Ice Maker	SSB Radio	Bldgs	Boat & Canoes	Total
	20%	15%	25%	20%	20%	4%	20%	20%	5%	15%	
Cost/Valuation											
Bal as at 01/05/03	$ 42,467.55	$ 239,601.00	$ 5,242.35	$ 63,500.00	$ 143,000.00	$ 3,730,000.00	$ 443,000.00	$ 9,000.00	$ 3,692,000.00	$ 572,814.00	$ 8,940,624.90
Added during period	$ 13,302.90	$ 2,403.80	$ 350.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 16,056.70**
Bal as at 30/04/04	$ 55,770.45	$ 242,004.80	$ 5,592.35	$ 63,500.00	$ 143,000.00	$ 3,730,000.00	$ 443,000.00	$ 9,000.00	$ 3,692,000.00	$ 572,814.00	$ 8,956,681.60
Depreciation											
Bal as at 01/05/03	$ 10,410.02	$ 68,405.98	$ 1,969.13	$ 25,400.00	$ 57,200.00	$ 3,073,304.00	$ 177,200.00	$ 3,600.00	$ 363,833.33	$ 171,844.10	$ 3,953,166.56
Charged during period	$ 10,710.66	$ 35,940.15	$ 1,398.09	$ 12,700.00	$ 28,600.00	$ 149,200.00	$ 88,600.00	$ 1,800.00	$ 184,600.00	$ 85,922.10	**$ 599,471.00**
Bal as at 30/04/04	$ 21,120.68	$ 104,346.13	$ 3,367.22	$ 38,100.00	$ 85,800.00	$ 3,222,504.00	$ 265,800.00	$ 5,400.00	$ 548,433.33	$ 257,766.20	$ 4,552,637.56
Net Book Amount											
As at 30/04/04	$ 34,649.77	$ 137,658.67	$ 2,225.13	$ 25,400.00	$ 57,200.00	$ 507,496.00	$ 177,200.00	$ 3,600.00	$ 3,143,566.67	$ 315,047.80	**$ 4,404,044.04**
As at 01/05/03	$ 32,057.53	$ 171,195.02	$ 3,273.22	$ 38,100.00	$ 85,800.00	$ 656,696.00	$ 265,800.00	$ 5,400.00	$ 3,328,166.67	$ 400,969.90	$ 4,987,458.34

Pro - rata Depreciations

Equipment

Jul - Apr	$ 13,302.90	20%	0.833333333	$ 2,217.15

File Copy.

A/12

Central Pacific Producers Ltd.

CPP Ltd
P.O.Box 508,
Betio, Tarawa
Republic of Kiribati

Ph: (686) - 26067
Fax: (686) - 26304
Email: cppkiri@tskl.net.ki

THE SEAFOOD PEOPLE - Serving & supporting a healthier you

Wednesday, April 09, 2008

TO; Auditor General
Kiribati National Audit Office
Bairiki Tarawa

Dear Sir

Re; Financial Statement 2004-05

Could you please enclosed herewith is the complete Final Account for the year ended of 2004

The above accounts 2004-5, as signed by the Chairman and the Vice Chairman, has been approved by the board meeting of 9th April 2008

Should you need further details, please do not hesitate to contact us.

Yours sincerely,

Teroutaki Kabubuke
Finance Manager
For General Manager

CC; Permanent Secretary MNRD

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Central Pacific Producers Ltd
Statement of Financial Position
As at 30 April 2005

	Notes	2005	2004
Current Assets			
Cash on & at bank		-$ 27,340.50	-$ 64,201.00
Petty Cash		$ 48.95	-$ 1.75
Trade Accounts Receivable	8	$ 296,151.80	$ 127,921.62
Sundry Accounts Receivable	13	$ 21,219.54	$ 17,868.81
Inventory		$ 55,000.00	$ 24,000.00
		$ 345,079.79	**$ 105,587.68**
Less Current Liabilities			
Accounts Payable		$ 109,595.63	$ 109,595.63
Sundry Accounts Payable	15	$ 5,523.20	$ 4,049.26
Accrued Expenses	12	$ 7,980.84	$ 5,918.64
		$ 123,099.67	**$ 119,563.53**
Working Capital		**$ 221,980.12**	**-$ 13,975.85**
Plus Non-Current Assets	16	$ 3,832,034.96	$ 4,404,044.04
Plus IBD		$11,248.64	$ 10,816.00
		$ 4,065,263.72	**$ 4,400,884.19**
Represented by the following:			
PaidUp Share		$ 500.00	$ 500.00
Retained Earnings fwd	14	-$ 1,221,133.33	-$ 885,512.87
Government Aids Reserve	11	$ 5,285,897.05	$ 5,285,897.05
		$ 4,065,263.72	**$ 4,400,884.18**

The attached notes form part of this Financial Report.

.... 9-4-08 ....

Chairman
Board Of Directors
Date

.... 9-4-08 ....

Director
Board of Directors
Date

Central Pacific Producers Ltd
Statement fo Financial Performance
For the year ended 30 April 2005

	Notes	2005	2004
Sales	1	$ 780,865.33	$ 969,103.01
Less Cost of Sales	2	$ 74,746.92	$ 192,996.30
Gross Profit		**$ 706,118.41**	**$ 776,106.71**
Plus Operating Revenue			
Agency revenue	3	$ 143,149.53	$ 34,452.24
Crewing revenue	4	$ 729.94	$ 9,363.11
Charter		$ 16,125.00	$ 960.00
Freight revenue		$ 322,831.56	$ 16,502.37
Hire		$ 1,764.00	$ 7.50
Fare		$ 80,583.79	$ 17,695.95
Storage		$ 1,088.40	$ 3,840.23
Ice Revenue	5	$ 52,037.00	$ 51,453.65
Interest revenue		$ 432.64	$ 816.00
Lobster revenue		$ 38.40	$ 1,500.00
CPPL Xmas Revenue		$ 22,548.42	$ -
Fishing Gear Revenue		$ 367.20	$ -
Catering Services		$ 3,971.72	$ -
Shark Fin revenue		$ 2,000.00	$ -
Tuna Loin revenue		$ 2,716.99	$ -
Rent revenue		$ 4,250.00	$ -
Sundry Revenue	6	$ 14,321.44	$ 2,009.58
		$ 668,956.03	**$ 138,600.63**
Total Revenue		**$ 1,375,074.44**	**$ 914,707.34**
Less Operating Expenses			
Staff Salary/Wages	7	$ 306,536.94	$ 314,357.69
Stationery		$ 11,797.48	$ 8,140.40
Telephone etc		$ 23,367.42	$ 19,889.09
Overseas Travel		$ -	$ 26,601.62
Local Travel & Transport		$ 10,337.75	$ 5,019.70
Fuel & Oil		$ 293,688.53	$ 318,648.34
Repairs & Maintenance		$ 54,469.46	$ 53,826.29
Ration		$ 47,105.91	$ 49,931.00
Subsidized Rent		$ 5,813.81	$ 7,966.00
KPF Expenses		$ 32,258.67	$ 21,748.79
Advertising & Postage		$ 963.60	$ 1,499.90
Freight Expenses		$ 3,056.41	$ 15,060.75
Port Charges		$ 28,241.43	$ 16,290.14
Directors Expenses		$ 3,936.18	$ 2,975.06
Entertainment		$ 11,701.93	$ 6,093.79
Comission		$ 833.80	$ 1,730.25
Survey Expenses		$ 600.00	$ 9,792.91
Training		$ -	$ 150.00
Bank Charges		$ 12,086.20	$ 18,368.84
Custom		$ 2,223.80	$ 5,526.85
Trial Fish Export Expenses		$ 21,496.01	$ 3,078.05

Marine Insurance		$ -	$ 107,936.67
Doubtful Debts	8	$ 168,230.18	$ 1,858.64
Depreciation	16	$ 580,363.98	$ 599,471.00
Overtime		$ 3,081.67	$ 3,188.61
Leave Grant		$ 16,094.50	$ 16,283.40
Outer Island Exepnses	9	$ 21,012.21	$ 11,320.57
Bonus Exp		$ -	$ 784.25
Vehicle Licence		$ 3,654.75	$ 1,824.67
Electricity		$ 1,589.97	$ 1,112.72
Xmas Expenses		$ -	-$ 1,459.67
Hire Expenses		$ 17,102.33	$ 5,743.31
Marine Allowances		$ 7,144.70	$ 9,704.67
Sundry Expenses		$ 2,840.47	$ 31,135.06
Materials		$ 1,806.75	$ 15,907.65
Subsistence Allowance		$ 405.00	$ 9,731.60
Special Imprest		-$ 6,001.98	$ 7,416.95
Compensation		$ 2,332.35	$ 6,000.00
Charge allowance		$ 5,029.45	$ 558.95
Catering Expenses		$ -	$ 290.40
Stevedore		$ 11,894.05	$ 21,771.10
Stipend		$ -	$ 200.00
Accountancy Fee		$ 434.00	$ 2,285.00
Subscription		$ -	$ 1,855.32
Shift Allowance		$ 519.19	$ 495.80
Service Charge		$ 1,800.00	$ -
Berthing & Derating		$ 846.00	$ -
		$ 1,710,694.90	**$ 1,762,112.13**
Net Operating Profit/(Loss)			
		-$ 335,620.46	**-$ 847,404.79**
Plus Non-Operating Revenue			
Subsidy from Gov't & others	10	$ -	$ 222,100.00
		$ -	**$ 222,100.00**
Net Profit/Loss			
		-$ 335,620.46	**-$ 625,304.79**

Central Pacific Producers Ltd
Cash Flow Statement
For the year ended 30 April 2005

	Notes	2005	2004
Cash Flows from Operating Activities			
Receipts from Customers		$ 507,654.57	$ 793,247.02
Receipts from Other Operating revenue		$ 687,103.19	$ 395,978.39
Payments on Other Operating expenses		-$ 840,305.69	-$ 1,149,680.51
Payments to Suppliers & Employees		-$ 309,618.61	-$ 362,889.19
	1	**$ 44,833.46**	**-$ 323,344.29**
Cash Flows from Investing Activities			
Interest on IBD		$ 432.64	$ 816.00
Acquisition of long term assets		-$ 8,354.90	-$ 16,056.70
		-$ 7,922.26	**-$ 15,240.70**
Cash Flows from Financing Activities			
Subsidies from Govt & others		**$ -**	**$ 222,100.00**
Net Increase/(Decrease) in cash		$ 36,911.20	**-$ 116,484.99**
plus Cash at the beginning of period		-$ 64,202.75	$ 52,282.24
Cash at the end of period	2	**-$ 27,291.55**	**-$ 64,202.75**
Note 1			
Reconciliation of Net Profit to net cash and cash equivalent for the year ended 30/04/05			
Net Profit/(Loss) for the year		-$ 335,620.46	-$ 625,604.79
Depreciation		$ 580,363.98	$ 599,741.00
Doubtful Debts		$ 168,230.18	$ 1,858.64
Accrued Expenses		$ 7,980.84	$ 5,918.64
Interest on IBD		-$ 432.64	-$ 816.00
Subsidies		$ -	-$ 222,100.00
		$ -	$ -
		$ 420,521.90	**-$ 241,002.51**
Change in Accounts Payable		-$ 1,473.94	-$ 75,157.12
Change in Accounts Receivable		-$ 336,460.37	-$ 3,717.27
Change in Inventory		-$ 31,000.00	-$ 12,163.97
Change in sundry accounts receivable		-$ 3,350.73	$ 13,311.59
		$ 44,833.46	**-$ 323,344.29**
Note 2			
Reconciliation of Cash and cash equivalent as at 30/04/05			
Petty Cash		$ 48.95	-$ 1.75
Cash at Bank		-$ 27,340.50	-$ 64,201.00
		-$ 27,291.55	**-$ 64,202.75**

Central Pacific Producers Ltd

Notes on the Financial Reports.

1 Sales

		2005		2004
Bikenibeu Sales	$	4,786.80	$	21,900.05
Bairiki Sales	$	-	$	4,376.05
CFM Sales	$	769,940.67	$	933,686.34
Temaiku Sales	$	579.05	$	-
Overseas Sales	$	5,558.81	$	9,140.57
	$	**780,865.33**	**$**	**969,103.01**

2 Cost of Sales

		2005		2004
Inventory (1 May 2004)	$	24,000.00	$	11,836.03
plus Purchases	$	105,746.92	$	205,160.27
	$	**129,746.92**	**$**	**216,996.30**
less Inventory (30 April 2005)	$	55,000.00	$	24,000.00
	$	**74,746.92**	**$**	**192,996.30**

3 Agency Revenue

			2005		2004
Remittances	Seo Woo	$	19,496.54	$	3,260.41
	Sajo	$	31,545.56	$	-
	Others	$	42,414.39	$	-
	KEB Australia	$	14,942.00	$	15,246.79
	Hansung	$	-	$	4,985.97
	Korea Seoul	$	-	$	579.47
	FM Nichimo Co Ltd	$	21,422.78	$	-
	NBK	$	994.15	$	-
	JiSung	$	6,550.61	$	2,899.99
	Plus Receipts	$	-	$	562.28
	Plus Debtors	$	6,783.50	$	19,754.83
		$	**144,149.53**	**$**	**47,289.74**
	Less Total Payments	$	1,000.00	$	12,837.50
		$	**143,149.53**	**$**	**34,452.24**

4 Crewing Revenue

		2005		2004
Kanai Remittances	$	78,302.28	$	101,266.15
Less payments to Crew	$	77,572.34	$	91,903.04
	$	**729.94**	**$**	**9,363.11**

5 Ice Sales

		2005		2004
CFM	$	51,876.00	$	49,314.25
Bairiki	$	-	$	582.50
Bikenibeu	$	161.00	$	1,256.90
	$	**52,037.00**	**$**	**51,153.65**

6 Sundry Revenue a/c consists mostly Bank credit adjustments

7 Salary consists of Net Pay & Deductions

		2005		2004
Salary	$	302,762.91	$	298,447.04
Wages	$	3,774.03	$	15,910.65
	$	**306,536.94**	**$**	**314,357.69**

		2005		2004

8 Doubtful Debt rate was adopted from the 2001 - 2002 Financial Report of 50% of Accounts Receivable.

Required provision for 2005	$	296,151.80	$	127,921.62
less existing Provision for 2004	$	127,921.62	$	126,062.98
Doubtful debts for 2005	**$**	**168,230.18**	**$**	**1,858.64**
Accounts Receivable	$	592,303.60	$	255,843.23
Less Provision for Doubtful Debts	$	296,151.80	$	127,921.62
	$	**296,151.80**	**$**	**127,921.61**

9 Outer Island Expenses

Outer Island Imprest	$	96,636.14	$	188,676.09
Less Purchases	$	75,623.93	$	177,355.52
	$	**21,012.21**	**$**	**11,320.57**

10 Subsidies received

Subsidies in the form of cash are credited direct to Retained Earnings through the Statement of of Financial Perfomance

Government of Kiribati	**$**	-	**$**	**222,100.00**

11 Government Aids Reserve

Aids in the form of fixed assets are credited to the Government Aids Reserve in the Statement of of Financial Position.

Balance forward	$	5,285,897.05	$	5,285,897.05
	$	**5,285,897.05**	**$**	**5,285,897.05**

12 Accrued Expenses

Accrued Salary	$	2,585.63	$	4,049.26
KPF	$	2,426.67	$	1,869.38
Accrued Telephone	$	2,815.99	$	-
Accrued Electricity	$	152.55	$	-
	$	**7,980.84**	**$**	**5,918.64**

13 Sundry Accounts Receivable

Salary Advance	$	14,507.59	$	8,746.11
Staff Fish Advance	$	6,711.95	$	9,122.70
	$	**21,219.54**	**$**	**17,868.81**

14 Retained Earnings

Balance forward	-$	885,512.87	-$	259,908.08
plus Net Profit/(Loss)	-$	335,620.46	-$	625,604.79
Balance	**-$**	**1,221,133.33**	**-$**	**885,512.87**

15 Sundry Accounts Payable

KPF Payable	$	2,426.67	$	1,869.38
Tax Payable	$	3,096.53	$	1,849.70
House Rent Payable	$	-	$	330.18
	$	**5,523.20**	**$**	**4,049.26**

6 **Non-Current Assets**

	Office Equip 20%	Plant & Mach. 15%	Furn. & Fitts. 25%	Scales/ Coolers 20%	Motor Vehicle 20%	Vessels 4%	Ice Maker 20%	SSB Radio 20%	Bldgs 5%	Boat & Canoes 15%	Total
ost/Valuation											
al as at 01/05/04	$ 55,770.45	$ 242,004.80	$ 5,592.35	$ 63,500.00	$ 143,000.00	$ 3,730,000.00	$ 443,000.00	$ 9,000.00	$ 3,692,000.00	$ 572,814.00	$ 8,956,681.60
dded during period	$ 4,014.90			$ -	$ -	$ -	$ -	$ -	$ -	$ 4,340.00	**$ 8,354.90**
al as at 30/04/05	$ 59,785.35	$ 242,004.80	$ 5,592.35	$ 63,500.00	$ 143,000.00	$ 3,730,000.00	$ 443,000.00	$ 9,000.00	$ 3,692,000.00	$ 577,154.00	$ 8,965,036.50
epreciation											
al as at 01/05/04	$ 21,120.68	$ 104,346.13	$ 3,367.22	$ 38,100.00	$ 85,800.00	$ 3,222,504.00	$ 265,800.00	$ 5,400.00	$ 548,433.33	$ 257,766.20	$ 4,552,637.56
harged during period	$ 11,488.66	$ 36,300.72	$ 1,398.09	$ 12,700.00	$ 28,600.00	$ 128,900.16	$ 88,600.00	$ 1,800.00	$ 184,600.00	$ 85,976.35	**$ 580,363.98**
al as at 30/04/05	$ 32,609.34	$ 140,646.85	$ 4,765.31	$ 50,800.00	$ 114,400.00	$ 3,351,404.16	$ 354,400.00	$ 7,200.00	$ 733,033.33	$ 343,742.55	$ 5,133,001.54
et Book Amount											
s at 30/04/05	$ 27,176.01	$ 101,357.95	$ 827.04	$ 12,700.00	$ 28,600.00	$ 378,595.84	$ 88,600.00	$ 1,800.00	$ 2,958,966.67	$ 233,411.45	**$ 3,832,034.96**
s at 01/05/04	$ 34,649.77	$ 137,658.67	$ 2,225.13	$ 25,400.00	$ 57,200.00	$ 507,496.00	$ 177,200.00	$ 3,600.00	$ 3,143,566.67	$ 315,047.80	$ 4,404,044.04

o - rata Depreciations

quipment					
c - Apr 05		$ 4,014.90	20%	0.416666667	$ 334.57
ats & Canoes					
	Apr-05	$ 4,340.00	15%	0.083333333	$ 54.25

Account 2005-06

Central Pacific Producers Ltd.

CPP Ltd
P.O.Box 508,
Betio, Tarawa
Republic of Kiribati

Ph: (686) - 26067
Fax: (686) - 26304
Email: cppkiri@tskl.net.ki

THE SEAFOOD PEOPLE

Monday, May 19, 2008

TO; Auditor General
Kiribati National Audit Office
Bairiki Tarawa

Dear Sir

Re; Financial Statement 2005-06

As reguired under the company law we hereby submit the full Financial report covering 12 months period for the year ended of 30th April 2006

The reports consist of the Followings

1.Balance sheet as at 30 April 2006
2.Profit & Loss Statement ended 30 April 2006
3.Cash Flow Statement ended 30 April 2006
4.Notes for Expalanations

Should you need more details, please do not hesitate to contact us.

Yours sincerely,

Teroutaki Kabubuke
Finance Manager
For General Manager

CC; Permanent Secretary MNRD

Central Pacific Producers Ltd
Statement of Financial Position
As at 30 April 2006

	Notes	2006	2005
Current Assets			
Cash on & at bank		-$ 292,777.54	-$ 27,340.50
Petty Cash		$ 14.05	$ 48.95
Trade Accounts Receivable	8	$ 489,130.42	$ 296,151.80
Sundry Accounts Receivable	13	$ 20,740.05	$ 21,219.54
Inventory		$ 36,940.19	$ 55,000.00
Stock of Spare Parts		$ 25,193.50	$ -
Stock of Fishing Gears		$ 83,301.55	$ -
Stock of Catering Gears		$ 6,811.60	$ -
		$ 369,353.82	**$ 345,079.79**
Less Current Liabilities			
Accounts Payable		$ 109,595.00	$ 109,595.63
Sundry Accounts Payable	15	$ 2,188.53	$ 5,523.20
Accrued Expenses	12	$ 8,046.44	$ 7,980.84
		$ 119,829.97	**$ 123,099.67**
Working Capital		**$ 249,523.85**	**$ 221,980.12**
Plus Non-Current Assets	16	$ 3,236,011.27	$ 3,832,034.96
Plus IBD		$11,698.59	$ 11,248.64
		$ 3,497,233.71	**$ 4,065,263.72**
Represented by the following:			
PaidUp Share		$ 500.00	$ 500.00
Retained Earnings fwd	14	-$ 1,789,163.34	-$ 1,221,133.33
Government Aids Reserve	11	$ 5,285,897.05	$ 5,285,897.05
		$ 3,497,233.71	**$ 4,065,263.72**

The attached notes form part of this Financial Report.

....16/5/08..........
Chairman **Date**
Board Of Directors

....16/5/08..........
Director **Date**
Board of Directors

Central Pacific Producers Ltd
Statement fo Financial Performance
For the year ended 30 April 2006

	Notes	2006	2005
Sales	1	$ 308,220.61	$ 780,865.33
Less Cost of Sales	2	$ 107,645.44	$ 74,746.92
Gross Profit		**$ 200,575.17**	**$ 706,118.41**
Plus Operating Revenue			
Agency revenue	3	$ 432,503.59	$ 143,149.53
Crewing revenue	4	$ 1,388.74	$ 729.94
Charter		$ 16,661.25	$ 16,125.00
Freight revenue		$ 485,960.57	$ 322,831.56
Hire		$ 4,688.70	$ 1,764.00
Seafare		$ 123,928.87	$ 80,583.79
Storage		$ 2,173.40	$ 1,088.40
Ice Revenue	5	$ 16,328.50	$ 52,037.00
Interest revenue		$ 449.95	$ 432.64
Lobster revenue		$ 1,377.30	$ 38.40
CPPL Xmas Revenue		$ -	$ 22,548.42
Fishing Gear Revenue		$ 1,625.85	$ 367.20
Catering Services		$ 12,424.22	$ 3,971.72
Shark Fin revenue		$ -	$ 2,000.00
Tuna Loin revenue		$ 34,063.27	$ 2,716.99
Rent revenue		$ 1,667.00	$ 4,250.00
Sundry Revenue	6	$ 3,724.80	$ 14,321.44
		$ 1,138,966.01	**$ 668,956.03**
Total Revenue		**$ 1,339,541.18**	**$ 1,375,074.44**
Less Operating Expenses			
Staff Salary/Wages	7	$ 341,505.11	$ 306,536.94
Stationery		$ 28,052.85	$ 11,797.48
Telephone etc		$ 39,938.09	$ 23,367.42
Overseas Travel		$ 15,413.52	$ -
Local Travel & Transport		$ 17,810.31	$ 10,337.75
Fuel & Oil		$ 302,682.61	$ 293,688.53
Repairs & Maintenance		$ 251,841.43	$ 54,469.46
Ration		$ 24,335.88	$ 47,105.91
Subsidized Rent		$ 792.01	$ 5,813.81
KPF Expenses		$ 20,183.19	$ 32,258.67
Advertising & Postage		$ 1,332.30	$ 963.60
Freight Expenses		$ 7,816.12	$ 3,056.41
Port Charges		$ 27,534.74	$ 28,241.43
Directors Expenses		$ 6,200.92	$ 3,936.18
Entertainment		$ 2,426.53	$ 11,701.93
Comission		$ 943.15	$ 833.80
Survey Expenses		$ 450.00	$ 600.00
Training		$ 3,210.00	$ -
Bank Charges		$ 29,294.63	$ 12,086.20
Custom		$ -	$ 2,223.80
Trial Fish Export Expenses		$ -	$ 21,496.01

Insurance		$ 2,145.16	$ -
Doubtful Debts	8	$ 192,978.62	$ 168,230.18
Depreciation	16	$ 601,199.58	$ 580,363.98
Overtime		$ 9,506.06	$ 3,081.67
Leave Grant		$ 11,632.05	$ 16,094.50
Outer Island Exepnses	9	$ -	$ 21,012.21
Licence		$ 4,508.00	$ 3,654.75
Electricity		$ 3,686.35	$ 1,589.97
Xmas Expenses		$ 13,000.00	$ -
Hire Expenses		$ 3,481.40	$ 17,102.33
Marine Allowances		$ 8,358.81	$ 7,144.70
Sundry Expenses		$ 4,058.16	$ 2,840.47
Materials		$ 4,616.87	$ 1,806.75
Subsistence Allowance		$ 13,184.04	$ 405.00
Special Imprest		$ 9,500.10	-$ 6,001.98
Compensation		$ 2,500.00	$ 2,332.35
Charge allowance		$ 5,455.00	$ 5,029.45
Stevedore		$ 5,188.00	$ 11,894.05
Accountancy Fee		$ -	$ 434.00
Subscription		$ 350.22	$ -
Shift Allowance		$ 983.01	$ 519.19
Service Charge		$ 1,800.00	$ 1,800.00
Berthing & Derating		$ 1,695.26	$ 846.00
Security & Fire Project		$ 1,287.76	$ -
		$ 2,022,877.84	**$ 1,710,694.90**
Net Operating Profit/(Loss)		**-$ 683,336.66**	**-$ 335,620.46**
Plus Non-Operating Revenue			
Other Revenue	10	$ 115,306.65	$ -
		$ 115,306.65	**$ -**
Net Profit/Loss		**-$ 568,030.01**	**-$ 335,620.46**

Central Pacific Producers Ltd
Cash Flow Statement
For the year ended 30 April 2006

	Notes	2006	2005
Cash Flows from Operating Activities			
Receipts from Customers		$ 904,421.09	$ 507,654.57
Receipts from Other Operating revenue		$ 454,199.99	$ 687,103.19
Payments on Other Operating expenses		-$ 1,302,363.21	-$ 840,305.69
Payments to Suppliers & Employees		-$ 317,003.87	-$ 309,618.61
	1	**-$ 260,746.00**	**$ 44,833.46**
Cash Flows from Investing Activities			
Interest on IBD		$ 449.95	$ 432.64
Acquisition of long term assets		-$ 5,175.89	-$ 8,354.90
		-$ 4,725.94	**-$ 7,922.26**
Net Increase/(Decrease) in cash		-$ 265,471.94	**$ 36,911.20**
plus Cash at the beginning of period		-$ 27,291.55	-$ 64,202.75
Cash at the end of period	**2**	**-$ 292,763.49**	**-$ 27,291.55**
Note 1			
Reconciliation of Net Profit to net cash and cash equivalent for the year ended 30/04/06			
Net Profit/(Loss) for the year		-$ 568,030.01	-$ 335,620.46
Depreciation		$ 601,199.58	$ 580,363.98
Doubtful Debts		$ 192,978.62	$ 168,230.18
Accrued Expenses		$ 8,046.44	$ 7,980.84
Interest on IBD		-$ 449.95	-$ 432.64
		$ 233,744.68	**$ 420,521.90**
Change in Accounts Payable		-$ 3,334.67	-$ 1,473.94
hange in Accounts Receivable		-$ 385,957.24	-$ 336,460.37
Change in Inventory		-$ 18,059.81	-$ 31,000.00
Change in sundry accounts receivable		-$ 9,201.61	-$ 3,350.73
		-$ 260,746.00	**$ 44,833.46**
Note 2			
Reconciliation of Cash and cash equivalent as at 30/04/06			
Petty Cash		$ 14.05	$ 48.95
Cash at Bank		-$ 292,777.54	-$ 27,340.50
		-$ 292,763.49	**-$ 27,291.55**

Central Pacific Producers Ltd

Notes on the Financial Reports.

			2006		2005
1 Sales	Bikenibeu Sales	$	20,616.05	$	4,786.80
	Bairiki Sales	$	10,259.55	$	-
	CFM Sales	$	198,121.16	$	769,940.67
	Coldstore Sales	$	79,223.85	$	-
	Temaiku Sales	$	-	$	579.05
	Overseas Sales	$	-	$	5,558.81
		$	**308,220.61**	**$**	**780,865.33**

2 Cost of Sales					
	Inventory (1 May 2005)	$	55,000.00	$	24,000.00
	plus Purchases	$	89,585.63	$	105,746.92
		$	**144,585.63**	**$**	**129,746.92**
	less Inventory (30 April 2006)	$	36,940.19	$	55,000.00
		$	**107,645.44**	**$**	**74,746.92**

3 Agency Revenue					
Remittances	Seo Woo	$	-	$	19,496.54
	Sajo	$	51,516.39	$	31,545.56
	Others	$	14,335.87	$	42,414.39
	KEB Australia	$	-	$	14,942.00
	FM Nichimo Co Ltd	$	-	$	21,422.78
	NBK	$	-	$	994.15
	JiSung	$	53,276.11	$	6,550.61
	Dongwon	$	213,933.71	$	-
	Fair Champ	$	19,882.32	$	-
	Sillar	$	89,026.88	$	-
	Hansung	$	2,895.64	$	-
	HK Pacific	$	10,040.19	$	-
	Fair Crystal	$	15,369.56	$	-
	Coam Co Ltd	$	7,846.27	$	-
	Shipping Land Co Ltd	$	3,237.88	$	-
	Tri Marines	$	20,125.78	$	-
	FCF Fisheries Co	$	57,250.53	$	-
	Agricom Pte Ltd	$	38,045.95	$	-
	Ching Fong	$	66,399.32	$	-
	Phoenix	$	6,320.35	$	-
	Plus Debtors	$	-	$	6,783.50
		$	**669,502.75**	**$**	**144,149.53**
	Less Total Payments	$	236,999.16	$	1,000.00
		$	**432,503.59**	**$**	**143,149.53**

4 Crewing Revenue

	2006	2005
Remittances	$ 19,285.63	$ 78,302.28
Less payments to Crew	$ 17,896.89	$ 77,572.34
	$ 1,388.74	**$ 729.94**

5 Ice Sales

CFM	$ 16,328.50	$ 51,876.00
Bikenibeu	$ -	$ 161.00
	$ 16,328.50	**$ 52,037.00**

6 Sundry Revenue a/c consists mostly Bank credit adjustments

7 Salary consists of Net Pay & Deductions

Salary	$ 317,003.87	$ 302,762.91
Wages	$ 24,501.24	$ 3,774.03
	$ 341,505.11	**$ 306,536.94**

8 Doubtful Debt rate was adopted from the 2001 - 2002 Financial Report of 50% of Accounts Receivable.

Required provision for 2006	$ 489,130.42	$ 296,151.80
less existing Provision for 2005	$ 296,151.80	$ 127,921.62
Doubtful debts for 2006	**$ 192,978.62**	**$ 168,230.18**

Accounts Receivable	$ 978,260.84	$ 592,303.60
Less Provision for Doubtful Debts	$ 489,130.42	$ 296,151.80
	$ 489,130.42	**$ 296,151.80**

9 Outer Island Expenses

Outer Island Imprest	$ -	$ 96,636.14
Less Purchases	$ -	$ 75,623.93
	$ -	**$ 21,012.21**

10 Other Revenue

These revenue are from previous year's project items such as catering gears, fishing gears and spare parts from Te Mautari.

CPPL & Others	$ **115,306.65**	$ -

11 Government Aids Reserve

Aids in the form of fixed assets are credited to the Government Aids Reserve in the Statement of Financial Position.

Balance forward	$ 5,285,897.05	$ 5,285,897.05
	$ 5,285,897.05	**$ 5,285,897.05**

12 Accrued Expenses

	2006	2005
Accrued Salary	$ 2,188.78	$ 2,585.63
KPF	$ 1,933.53	$ 2,426.67
Accrued Telephone	$ 3,412.03	$ 2,815.99
Accrued Electricity	$ 512.10	$ 152.55
	$ 8,046.44	**$ 7,980.84**

13 Sundry Accounts Receivable

Salary Advance	$ 17,264.64	$ 14,507.59
Staff Fish Advance	$ 3,475.41	$ 6,711.88
	$ 20,740.05	**$ 21,219.47**

14 Retained Earnings

Balance forward	-$ 1,221,133.33	-$ 885,512.87
plus Net Profit/(Loss)	-$ 568,030.01	-$ 335,620.46
Balance	**-$ 1,789,163.34**	**-$ 1,221,133.33**

15 Sundry Accounts Payable

KPF Payable	$ 1,933.53	$ 2,426.67
Tax Payable	$ -	$ 3,096.53
DBK Payable	$ 255.00	$ -
	$ 2,188.53	**$ 5,523.20**

16 **Non-Current Assets**

	Office Equip	Plant & Mach.	Furn. & Fitts.	Scales/ Coolers	Motor Vehicle	Vessels	Ice Maker	SSB Radio	Bldgs	Boat & Canoes	Total
	20%	15%	25%	20%	20%	4%	20%	20%	5%	15%	
Cost/Valuation											
Bal as at 01/05/05	$ 59,785.35	$ 242,004.80	$ 5,592.35	$ 63,500.00	$ 143,000.00	$ 3,730,000.00	$ 443,000.00	$ 9,000.00	$ 3,692,000.00	$ 577,154.00	$ 8,965,036.50
Added during period	$ 5,175.89			$ -	$ -	$ -	$ -	$ -	$ -		**$ 5,175.89**
Bal as at 30/04/06	$ 64,961.24	$ 242,004.80	$ 5,592.35	$ 63,500.00	$ 143,000.00	$ 3,730,000.00	$ 443,000.00	$ 9,000.00	$ 3,692,000.00	$ 577,154.00	$ 8,970,212.39
Depreciation											
Bal as at 01/05/05	$ 32,609.34	$ 140,646.85	$ 4,765.31	$ 50,800.00	$ 114,400.00	$ 3,351,404.16	$ 354,400.00	$ 7,200.00	$ 733,033.33	$ 343,742.55	$ 5,133,001.54
Charged during period	$ 11,998.72	$ 36,300.72	$ 827.04	$ 12,700.00	$ 28,600.00	$ 149,200.00	$ 88,600.00	$ 1,800.00	$ 184,600.00	$ 86,573.10	**$ 601,199.58**
Bal as at 30/04/06	$ 44,608.06	$ 176,947.57	$ 5,592.35	$ 63,500.00	$ 143,000.00	$ 3,500,604.16	$ 443,000.00	$ 9,000.00	$ 917,633.33	$ 430,315.65	$ 5,734,201.12
Net Book Amount											
As at 30/04/06	$ 20,353.18	$ 65,057.23	$ -	$ -	$ -	$ 229,395.84	$ -	$ -	$ 2,774,366.67	$ 146,838.35	**$ 3,236,011.27**
As at 01/05/05	$ 27,176.01	$ 101,357.95	$ 827.04	$ 12,700.00	$ 28,600.00	$ 378,595.84	$ 88,600.00	$ 1,800.00	$ 2,958,966.67	$ 233,411.45	$ 3,832,034.96

Pro - rata Depreciations

Equipment

	$ 2,499.00	20%	0.083333333	$ 41.65