REPORT OF THE AUDITOR GENERAL ON THE ACCOUNT OF

CENTRAL PACIFIC PRODUCER LIMITED FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2019-2020

KIRIBATI AUDIT OFFICE

APRIL 2023

KIRIBATI AUDIT OFFICE

P.O BOX 63
Bairiki, Tarawa
Kiribati

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Audit for an impact for the public

INDEPENDENT AUDITOR'S REPORT

To The Readers Of
CENTRAL PACIFIC PRODUCER LIMITED FINANCIAL STATEMENT
For the year ended 31st December 2019-2020

I have audited the Financial Statements of Central Pacific Producer Limited for the year ended 31st December 2019-2020 as required under sec 114 (2) of the Constitution, Part VII, Sec 42(4) of the Public Finances (Control and Audit) 1981, Part IV Sec 23 of the SOE Act, 2013 and Sec 22(1) of the Kiribati Audit Act, 2017. The Financial Statements comprise of the following:

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

Adverse Audit Opinion

In my opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion paragraph, the financial statements do not present fairly (or *do not give a true and fair view of*) the financial position of Central Pacific Producer Limited as at 31st December, 2019-2020, and (*of*) their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards

Basis for Adverse Opinion

Based on my audit performed I found that the following deficiencies were not satisfactorily explained or had been agreed by CPPL Management therefore formed the basis of my Adverse Opinion as follows:

- The audit had identified some notes that form part of the financial statement which are not fully disclosed in the financial statements. These include the followings.
    I. Prior Period Item/Correction of Errors (IAS8)
    II. Related parties. (IAS24)
    III. Government Grants. (IAS20)

- The audit has noted the following significant variances detected in various account when comparing the balances between the closing balance financial statement 2019(A) with opening balance General ledger 2020(B) which result in the variance column(A-B). The variances shown in Appendix 1 depict the overstatement and understatement of GL2020 the outcome of which determine the overall total understated net balance of $335k in the GL2020(**Refer appendix 1 attached).** Due to the nature and complexity of these variances detected the audit could not verified and substantiate these variances thus imply that the financial statement does not reflect the true representation of the company itself. These variances have been agreed by CPPL management and will adjust in 2020 Financial statement.

- The audit could not verify the accuracy, existence and valuation of the Bank Reconciliation handled by the finance management due to the anomalies disclose underneath as shown in Table 1 below.

  Table 1(Bank Reconciliation)

Bank Reconciliation 31 Dec 2020		Audit Calculation	Difference
Balance as per Bank Statement(31 Dec 2020)	$ 2,468,621.06	$ 2,477,342.94	-$ 8,721.88
Add: Deposit not yet credited	$ 143,886.76	$ 143,886.76	
	$ 2,612,507.82	$ 2,621,229.70	
Less: Unpresented Cheques	$ 244,915.84	$ 244,915.84	
Balance as per Trw Chq GL	$ 2,367,591.98	$ 2,376,313.86	-$ 8,721.88

  I. No breakdown/details listing of the Unpresented cheques disclosed in the Bank reconciliation $244,915.84.

  II. No breakdown/details listing of the Deposited not yet credited $143,886.76.

  III. The variances detected in the Bank Reconciliation as of 31 December 2020 of $8,721.88 was a result of an incorrect amount as per bank statement(31 December 2020) of $2,468,621.06 used to prepare the Bank Reconciliation as opposed to the correct bank per statement of $2,477,342.94. Therefore, the auditor concludes that the cash at bank reported in the balance sheet has been incorrect and understated by $8,721.88.

- The audit identified that included in the total net trade creditors of $380k and $371k for 2020 and 2019 respectively, the positive amounts appearing against the numerous creditors in the Trade Creditors table attached as ***Appendix 2*** indicates that either (i) the company had overpaid these Creditors, or (ii) these are mis-postings. The Company cannot provide satisfactory explanations to these positive amounts thus the Audit is treating them as errors that are devaluing (understating) the cash balance in the Balance Sheet and the Cashflow statement as a consequence.

- The Audit also noted in the same Trade Creditors table (discussed above) that some liabilities, as shown in the table blow, appear static over the years. Furthermore the amounts are significant and could seriously affect the Company's future cash flow.

Table 1: CPPL Static Creditors

Table extract from Appendix 2

Trade Creditors	2019($)	2020($)	Variances
KFL	-$ 8,250.74	-$ 8,250.74	$ -
Kiribati Seas	-$59,308.33	-$59,308.33	$ -
Tarawa Boutique	-$ 2,552.00	-$ 2,552.00	
TSSS	-$ 5,208.96	-$ 5,208.96	
Total	-$75,320.03	-$75,320.03	

- The audit is unable to verify the accuracy, existence and completeness of the Account receivable disclosed in the financial Statement due to the following reason noted in Table 2 below:

Table 2(Trade Debtors)

Account Receivable	2020 $	2019 $	Variance
Trade Debtors	$ 1,770,782.00	$ 2,586,316.00	-$ 815,534.00
Seaweed		$ 43,799.00	-$ 43,799.00
Sundry Debtors	$ 739,423.00	-$ 95,438.00	$ 834,861.00
Provision for Doubtful Debts	-$ 149,959.00	-$ 149,959.00	$ -
Total	**$2,360,246.00**	**$2,384,718.00**	**-$ 24,472.00**

I. No individual subsidiary ledger card for all debtors to keep track of the Payments of the invoices.

II. Out of $1.7m Trade Debtors (2020), $4.3m was identified as negative balance indicating that the company had owe clients. **(Refer Appendix 3 attach)**

III. Out of $739k Sundry debtors, $248k was also noted negative balance which imply that the company had owe clients. **(Refer Appendix 4 attach)**

IV. Audit cannot extend further testing to determine the aging of Trade debtors as there was no aging summary/details provided. Due to the limited of scope to provide the aging summary, the auditor unable to testified whether the trade debtors disclosed in the financial statement is true or fair.

V. No detail breakdown for the Provision of Doubtful debts provided to substantiate the amount disclosed in the Financial Statement of $149k. These balances are carried forward from previous year (2019) to current audit period (2020). Due to the nature and significant material of Provision for Doubtful debt in the account without explanatory note, the audit conclude that the account has not give true and fair representation of the financial statement.

- It was noted at the time of the audit the company fail to open and maintain Fixed Asset Register as there was no register available for auditing thus restricting the audit from examining the existence, valuation, right and obligations of the Fixed asset in the financial statement.
- The audit had identified Receipt book including form A noted in the table below had been found missing/misplace as the auditor unable to confirm the value/money receipted over time. The missing receipt undermine the control of the revenue which could result in the misappropriation of cash. Further details of these receipt are noted in table 3 below.

Table 3(Summary of Missing RR and Form A for 2019 and 2020)

Missing RR and Form A 2019		**Missing RR and Form A 2020**
354191-35420	353856-353861	All January RR missing
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354810-35481	354813-354833	RR# 356467-356472 missing
354834-35482	353741-353758	

I have conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAI). My responsibilities under those standards are described in the Auditor's Responsibilities paragraph of my report. I am independent of the **Authority** in accordance with the Ethical requirements that are relevant to my audit of the financial statements of the Authority, and I have fulfilled my other responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board's and Management's responsibilities for the Financial Statements.

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

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

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion as required under the Public Finance (Control and Audit) Ordinance 1976 and Kiribati Audit Act, 2017. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA/ISSAI will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs & ISSAI, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

CPPL lodged its Financial Statement 2019-2020 on 18th August 2022 which indicate that CPPL fail to comply with Section.20 of SOE Act, 2013.

Independence

Section 114 (4) of the Kiribati Constitution stipulates that the Auditor General shall not be subject to the direction or control of any other person or authority. Other than the audit, we have no relationship with or interest in CPPL.

....

Mr. Eriati Tauma Manaima
Auditor General.

Date:26/4/2023

Appendix 1

Table 1	Pre-Test 2020					
	A	B	C	D		
Account balance	C/Balances F/S 2019	O/Balances G/ledger 2020	G/ledger 2020	F/S	Variance(A-B)	Comments
Cashat Bank-Xmas	$945,705.00	$ 954,541.32	$ 14,947.00	$ 14,947.00	-$ 8,836.32	Overstated GL 2020
Cash at Bank-Xmas	$ 51.00	$ 8,784.92		$ 51.00	-$ 8,733.92	Overstated GL 2020
Petty Cash-HQ	$ 3,327.00	$ 3,126.00	$ 103.00	$ 103.00	$ 201.00	Understated GL 2020
Seaweed Petty Cash		$ 200.00			-$ 200.00	Overstated GL 2020
Crewing Payable	$193,784.00	$ 251,002.42	$ 628,443.00	$628,443.00	-$ 57,218.42	Overstated GL 2020
Other Creditors	$342,048.00	$ 3,393.00	$ 3,393.00	$ 3,393.00	$ 338,655.00	Understated GL 2020
Payroll liabilities	$194,660.00	$ 57,877.53	$ 3,918.00	$ 3,918.00	$ 136,782.47	Understated GL 2020
Trade Creditors	$371,629.00	$ 376,873.47	$ 380,174.55	$380,174.55	-$ 5,244.47	Overstated GL 2020
Sundry Debtors	$ 95,438.00	$ 154,971.13	$ 739,422.64	$739,422.64	-$ 59,533.13	Overstated GL 2020
Net Balance					$ 335,872.21	Understated GL 2020

Appendix 2

Trade Creditors	2019($)	2020($)	Variances
Aneieta	-$ 385.10	-$ 385.10	$ -
AT3R	-$ 167.87	$ 46,132.88	-$ 46,300.75
Betio	$ 3,139.50	$ 3,139.50	$ -
Chief Restaurant	$ 2,585.10	$ 2,585.10	$ -
Christopher Columb	-$ 25,746.18	-$ 15,561.75	-$ 10,184.43
Custom	-$ 1,284.55	-$ 1,754.55	$ 470.00
George Hotel	-$ 49,582.75	$ 30,548.20	-$ 80,130.95
HST	$ 152.50	$ 152.50	$ -
KFL	-$ 8,250.74	-$ 8,250.74	$ -
Kiribati Seas	-$ 59,308.33	-$ 59,308.33	$ -
Koria Tamuera	-$ 51,143.02		-$ 51,143.02
KPA	-$ 64,474.61	-$ 258,044.77	$ 193,570.16
KPF	$ 342.00	$ 342.00	$ -
KT7		-$ 33,546.42	$ 33,546.42
Lyke IT	-$ 100,862.89	-$ 58,465.70	-$ 42,397.19
Marine Division			$ -
Mary's Hotel	$ 3,102.63	$ 3,102.63	$ -
MICTTD	-$ 12,591.40	-$ 23,686.26	$ 11,094.86
Otintaai Hotel	-$ 98.80	-$ 98.80	$ -
Slim Price Trading	$ 686.00	$ 686.00	$ -
Tarawa Boutique	-$ 2,552.00	-$ 2,552.00	$ -
TSSS	-$ 5,208.96	-$ 5,208.96	$ -
	-$ 371,649.47	-$ 380,174.57	$ 8,525.10

Negative Balances for Trade Debtors		
Names	**Balance**	
Bukanibeti	-$	80.00
Central Pacific	-$	12,847.68
Chern Lung	-$	71,066.82
China Intl	-$	7,329.46
China National	-$	57,102.11
China National Fisheries	-$	22,017.61
Copra	-$	441.00
CPPL 01	-$	10,000.00
Desilva Sea	-$	12,844.72
Desilva Sea Encounter	-$	5,486.23
Diving Seagull Inc	-$	11,294.77
Dongwon Ind	-$	267,378.94
Dongwon Ind	-$	194,831.42
Dongwon Ind Co	-$	75,537.89
Eastern Marine	-$	110,293.92
Ever Glory	-$	3,890.06
Evergreen Ocean	-$	27,381.46

Fcf Co	-$	563,601.31
Fcf Co.	-$	22,277.62
FFA	-$	484.92
Finance	-$	44,791.04
Frolly Molson	-$	223.29
Gold Dynastry	-$	14,980.47
Gold Dynasty	-$	8,013.23
Golden Gate	-$	14,036.70
Golden Gate Ocean	-$	6,579.99
Gong Fu	-$	3,470.01
Haur Shyang Fishery	-$	9,698.09
Jih Yu	-$	76,012.63
Jm Fisheries	-$	3,301.87
KFL	-$	281,785.55
KFL agency	-$	46,060.10
Kiri Hansung	-$	11,124.49
Kiribati & Sajo	-$	181,489.94
Kiribati And	-$	7,806.71
Kiribati and Hansung	-$	31,611.57

Nfdc Subic	-$	21,364.91
NFDC Subic Corp	-$	4,664.39
Ngareina Kauriri	-$	105.17
Ocean Conquest	-$	11,715.34
Ocean Encounter	-$	14,760.15
Ocean Expedition	-$	65,099.71
Ocean Pride	-$	24,633.79
Ocean Ranger	-$	23,345.96
Ocean Warrior	-$	8,448.16
Oyang Corp	-$	5,420.65
Oyang Corporation	-$	24,304.89
Pac Journey	-$	8,226.65
Reefer Line	-$	10,297.58
Sajo Ind	-$	8,444.25
Sajo Industries	-$	3,575.37
Sajo Industries Co	-$	12,847.64
Sajo Vanuatu	-$	98,498.02
Seas Logistics	-$	45,310.31
Send Cheer	-$	15,043.09

Seo Woo	-$	268,844.76
Shanghai Fisheries	-$	111,999.03
Shyang Fishery	-$	1,554.51
Silla Co	-$	65,971.14
Silla Co.	-$	12,776.37
South Pacific Tuna	-$	7,724.52
Southern Seas	-$	17,239.14
Sun Glory	-$	26,219.98
Supreme Uni	-$	2,039.95
Supreme Univers	-$	14,506.32
Supreme Universal	-$	5,212.46
Toei Reefer	-$	17,921.47
Toei Refer	-$	11,224.89
Tradition Mariner	-$	7,440.51
Traditional Marine	-$	96,145.10
Trans Journey	-$	6,763.10
Trans Pac	-$	4,384.89
Trans Pacific	-$	48,983.97
Trans Pacific Journey	-$	24,567.64

Trans Pacific Journey	-$	24,567.64
TSP Marine	-$	6,465.06
Tusa Fishing	-$	22,982.43
Tusa Fishing Comp	-$	41,599.54
Ueaua Tirikai	-$	269.22
Wen Fishery	-$	9,440.99
Western Pac	-$	3,665.80
Western Pacific	-$	37,683.94
Yu Ming	-$	53,360.24
Yu Ming Fishery	-$	12,267.51
Yu Wen	-$	43,368.67
Yu Wen Fishery	$	39,703.11
Yue Hong	-$	33,090.67
Yue Hong Fishery	$	100.00
Yue Sung	-$	5,776.16
Yue Sung Fishery	-$	12,675.71
Yuh Yow	-$	28,801.62
	-$	**4,318,468.66**

Appendix 4

Negative Balances for Sundry Debtors	
Names	**Balance**
Bobai & others	-$ 160.00
Finance	-$ 100,000.00
HRM Rita	-$ 20.00
Iafeta & others	-$ 140.00
Ioane.Ukitori	-$ 20.00
Kaotieta	-$ 70.00
Koakoa	-$ 981.75
Koakoa K	-$ 77.05
LL Manganibuka	-$ 100.00
LL staff	-$ 360.00
LL Uamari	-$ 100.00
LongLine Project Fund	-$ 139,410.00
Maribo Etieri	-$ 172.75
Mariboo	-$ 103.25
Mwanganibuka crew	-$ 180.00
Nina Jacob	-$ 100.00
Roeta	-$ 187.80
Ruka	-$ 100.00
Ruka & others	-$ 80.00
Ruta.Arobati	-$ 100.00
Tamwaa.Batoromaio	-$ 11.70
Taroiti	-$ 80.00
Teaotai&others	-$ 180.00
Teira	-$ 180.00
Teira and others	-$ 40.00
Tekieru&Riaua	-$ 40.00
Temarewe	-$ 500.00
Temarewe Tekaatau	-$ 4,912.98
	-$ 248,407.28

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Audit for an impact for the public

File Ref: SOE 06

26/04/2023

Chief Executive Officer
Central Pacific Producer Limited
Betio, Tarawa

Attention: Finance Manager

Dear Sir,

Revised confirmation of Final Exit Meeting minutes on Central Pacific Producer Limited Annual Account 2019-2020 audit issues.

This is to confirm that following the last exit meeting held at the KAO Board room 18/04/2023, 2.00pm onwards regarding CPPL Annual Account 2019-2020 between the Audit office and CPPL management. It has been agreed that the audit issues raised in the audit has been solved except for the remaining audit issues as note below thus formed the basis of the audit opinion as stated in the Audit report.

- The audit had identified some notes that form part of the financial statement which are not fully disclosed in the financial statements. These include the followings.
  - I. Prior Period Item/Correction of Errors (IAS8)
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- The audit has noted the following significant variances detected in various account when comparing the balances between the closing balance financial statement 2019(A) with opening balance General ledger 2020(B) which result in the variance column(A-B). The variances shown in Appendix 1 depict the overstatement and understatement of GL2020 the outcome of which determine the overall total understated net balance of $335k in the GL2020(Refer appendix 1 attached). Due to the nature and complexity of these variances detected the audit could not verified and substantiate these variances thus imply that the financial statement does not reflect the true representation of the company itself. These variances have been agreed by CPPL management and will adjust in 2021 Financial statement.

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354834-35482	353741-353758	

Thank you for support and cooperation.

Dated signed document..................

Yours sincerely,

....
Eriati. Tauma. Manaima
Auditor General.

....
for Temarewe Tio
Chief Executive Officer

CENTRAL PACIFIC PRODUCERS LTD

STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

APRIL 25, 2022

Contents

1 RESPONSIBLE ENTITIES' REPORT

1.1 Responsible Entities' Report

The Responsible Entities of The Central Pacific Producers Ltd (CPPL) present their financial report for the year ended 31 December 2019.

1.2 Responsible Entity Details

The following Persons are responsible for Central Pacific Producers Ltd for period ended 31 December 2019.

Chairman:	Ruatu Titaake
Vice Chairman:	Tamaroa Teebaki
Director:	Teue Baikarawa
Director:	Ruria Iteraera
Director:	Tekeraoi Nangka
Chief Executive Officer:	Temarewe Tio Maitinnara

1.3 Principal Activities

During the year, the principal activities of The Central Pacific Producers Ltd were to provide Fish Sales locally and overseas and provide fishing crew recruitment and other agency services to Overseas vessels.

There have been no significant changes in these activities during the year.

2 STATEMENT OF FINANCIAL PERFORMANCE:

CENTRAL PACIFIC PRODUCERS LTD
Statements of Financial Performance
as at 31 DECEMBER 2019

	NOTES	2019	2018
INCOME	7	$ 7,037,856	$ 4,818,217
COSTS OF GOODS SOLD	8	$ 485,988	$ 212,212
GROSS PROFIT		$ 6,551,867	$ 4,606,005
EXPENSES	9		
Depreciation		$ 123,424	$ 294,194
Personnel		$ 814,451	$ 972,017
Administration		$ 662,217	$ 705,850
Agency		$ 2,599,276	$ 1,360,515
Sales & Marketing		$ 5,035	
Operations		$ 248,188	$ 17,880
Boat		$ -	$ 25,181
Ice Maker		$ -	$ 55,134
Fishing Expenses		$ -	$ 45,068
Seaweed		$ -	$ 203,952
Shipping		$ -	$ 1,140,050
Financial		$ 18,961	$ -
Sundry		$ 50,798	$ 3,527
TOTAL EXPENSES		$ 4,522,351	$ 4,823,368
OPERATING PROFIT		$ 2,029,516	-$ 217,362
Prior Periods Items	10	$ 106,272	$ 381,369
NET PROFIT Before TAX		$ 1,923,244	$ 164,007
Income Tax 35%		$ 673,135.45	$ -
NET PROFIT after TAX		$ 1,250,109	$ 164,007

The accompanying notes form part of this Financial Statements

3 STATEMENT OF FINANCIAL POSITION

CENTRAL PACIFIC PRODUCERS LTD
Statement of Financial Position
as at 31 DECEMBER 2019

	NOTES	2019	2018
CURRENT ASSETS			
Cash & Bank	4	3,149,624	1,461,196
Debtors	5	2,384,718	1,866,205
Stock	6	0	244,834
		5,534,342	3,572,235
less **CURRENT LIABILITIES**			
Trade Creditors	13	371,629	131,096
Sundry Creditors	14	360,207	336,804
Provision for Income Tax	15	673,135	0
Provision for Dividend	16	125,011	0
		1,529,983	467,900
WORKING CAPITAL		4,004,359	3,104,335
add **NON CURRENT ASSETS**			
Property, Plants & Equipments	3	888,320	815,403
		888,320	815,403
less **NON CURRENT LIABILITIES**			
ANZ Company Loan	12	50,665	202,823
		50,665	202,823
NET WORTH		**4,842,014**	**3,716,916**
Represented by:			
Paid Up Capital		500	500
Government Grant		4,708,286	4,708,286
Accumulated Profits	8	133,228	-991,870
		4,842,014	**3,716,916**

Chairman

Director

The accompanying notes form part of this Financial Statements

4 STATEMENT OF CASH FLOWS

CENTRAL PACIFIC PRODUCERS Ltd
Statements of Cash Flows
for period January to December 2019

	2019	2018
Cash flows from operating activities		
Profit / (Loss)	1,250,109	164,006
Adjustments for:		
Depreciation	123,424	226,612
Working capital changes:		
(Increase) / Decrease in trade and other receivables	-518,513	363,253
(Increase) / Decrease in inventories	244,834	-21,539
Increase / (Decrease) in trade and other payables	1,062,084	-193,135
Cash generated from operations		
Net cash from operating activities	2,161,938	539,197
Cash flows from investing activities		
Purchase of property, plant and equipment	-196,342	0
Net cash used in investing activities	-196,342	0
Cash flows from financing activities		
Proceeds from Dividend	-125,011	
Proceeds from long-term borrowings	-152,158	202,823
Net cash used in financing activities	-277,169	202,823
Net increase in cash and cash equivalents	1,688,427	742,020
Cash and cash equivalents at beginning of period	1,461,196	719,176
Cash and cash equivalents at end of period	3,149,624	1,461,196

The accompanying notes form part of this Financial Statements

5 STATEMENT OF CHANGES IN EQUITY

CENTRAL PACIFIC PRODUCERS LTD
Statement of Changes in Equity
As on 31 DECEMBER 2019

	2019	2018
Equity Opening Balance	$ 3,716,916	$ 3,552,910
Add Net Profit after Tax	$ 1,250,109	$ 164,007
	$ 4,967,025	$ 3,716,917
Less Dividend declared	-$ 125,011	$ -
Equity Closing Balance	$ 4,842,014	$ 3,716,917
Represented by:		
Paid Up Capital	$ 500	$ 500
Government Grant	$ 4,708,286	$ 4,708,286
Accumulated Profits	$ 133,228	-$ 991,870
	$ 4,842,014	$ 3,716,916

CENTRAL PACIFIC PRODUCERS Ltd

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2019

1. ORGANISATION STRUCTURE AND NATURE OF OPERATIONS

   The Central Pacific Producers Ltd (CPPL)is a company. Its main objectives is to provide Fish Sales locally and overseas and provide fishing recruitment and other agency services to Overseas vessels.

   The principal source of revenue includes Fish Sales, Management Fees, Agency Fees and Services.

   GOING CONCERN

   The Organisation financial statements are prepared on a going concern basis

2. SUMMARY OF ACCOUNTING POLICIES
   The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS)

   a. Basis of Accounting
      The financial statements have been prepared on the basis of historical cost and accrual basis.
      The CPPL financial period start in 1 January 2019 and end on 31st December 2019

   b. Currency
      All revenues received are translated into local currency at the exchange rate for the date of the transaction and are rounded to nearest dollar.
      All income, expenditure, assets and liabilities are converted and recorded in local currency (Australian Dollars).

   c. Income
      Income is recognized on the economic benefits that will flow to the company fund.

   d. Accounts Payable and Accruals
      All liabilities for trade creditors and other amounts are recognized at original billing amount when service is acquired.

   e. Receivables
      Receivables are recognized at original invoice amount

   f. Property, Plant and Equipment
      Property, plant and equipment are recognized at cost less accumulated depreciation. Depreciation is calculated using the rates permitted by the Kiribati Income Tax Act.

Building	5%
Plant and Equipment	25%
Office Equipment	25%
Furniture and Fittings	25%
Motor Vehicles	20%
Vessel	10%
Reefer	25%
Boats & Engines	25%

3. PROPERTY PLANTS & EQUIPMENT

Fixed Assets	Motor Vehicle	Furniture & Fittings	Plant Machinery	Office Equipments	Boats & Engines	Reefer	Buildings	Vessel	Total
Cost at 1 Jan 2019	507,427	51,071	618,664	632,881	660,723	78,117	1,146,442	42,638	3,737,963
Additions	179,523		11,023	5,797					196,343
Disposal /Adjustments	0	0	0	0	0	0	0	0	0
	686,950	51,071	629,687	638,678	660,723	78,117	1,146,442	42,638	3,934,306
Depreciation	20%	25%	25%	25%	25%	25%	5%	10%	
At 1 January 2019	506,907	47,878	574,531	620,156	521,736	70,153	559,882	21,319	2,922,561
Charge	36,009	798	13,789	4,631	34,747	1,991	29,328	2,132	123,424
Disposal / Adjustments									0
	542,916	48,676	588,320	624,787	556,483	72,144	589,210	23,451	3,045,986
Book Value									
At 01 Jan 2019	520	3,193	44,134	12,725	138,987	7,964	586,560	21,319	815,403
At 31Dec 2019	144,034	2,395	41,367	13,892	104,240	5,973	557,232	19,187	888,319

4. Cash & Bank

	2019	2018
Cash & Bank		
Petty Cash Seaweed	-	200
Seaweed Cheque	63,701	154,008
Cash Imprest Tarawa	1,357	30
Cash on Hand HQ	-	13,236
Cheque Tarawa	1,516,131	598,785
Petty Cash HQ	3,327	911
Cafeteria Bairki Imprest	500	1,794
Cash at Bank Xmas	945,705	100,935
Cash on Hand XMas	51	1,356
Petty Cash Xmas	-	377
Cash Float Nikunau	700	700
Cash Float Aranuka	1,180	1,900
Cash Float South Tarawa	7,769	7,799
Cash Float Abaiang	1,322	450
Cash Float Kuria	1,559	526
Cash Float Maiana	1,144	595
Term Deposits	620,714	620,714
	3,149,624	1,461,195

5. Trade Debtors

	2019	2018
Trade Debtors		
Trade Debtors	2,586,316	1,782,206
Seaweed Debtors	43,799	43,799
Sundry Debtors	-95,438	40,204
Provision for Doubtful Debts	-149,959	
	2,384,718	1,866,209

6. Stock

	2019	2018
Stock		
Stock Office Supply	0	3,500
Stock Seaweed	0	21,539
Stock Fishing Gears	0	40,665
Stock Spare Parts	0	179,131
	0	244,834

7. INCOME

7 INCOME	2019	2018
Fish Sales	169,005	259,540
Agency	5,950,732	3,384,951
Crew Income	199,412	0
Restaurant	49,447	24,611
Boat Hire	2,284	13,034
Vehicle Hire	398	1,823
Discarded Fish	445,964	284,546
Fishing Gears	12,820	6,441
Repair Service Fee	0	68
Shipping Income	0	420,178
Seaweed	0	235,737
Ice Cube	151,749	196,839
Other Income	56,045	-9,550
	7,037,856	4,818,217

8. COSTS OF GOODS SOLD

8 COSTS OF GOODS SOLD		
Opening Stock	244,835	0
Fish Purchase	140,260	155,986
Seafood Purchase	20,731	53,648
Fishing Gears Purchase	37,547	0
Fuel Purchase	38,128	0
Packing Expense	0	2,969
Freight & Handling	3,746	16,623
Fish Transport	0	1,519
Casual	0	70
Customs	742	2,936
Closing Stock	0	-21,539
	485,988	212,212

9. EXPENSES

	2019	2018
9a Depreciation	123,424	294,194

9b PERSONNEL EXPENSES		
Salary & Wages	518,821	664,627
KPF Expenses	12,014	10,679
Staff Allowances	23,651	29,437
Staff Bonus	74,758	153,449
Leave Grant	88,729	74,417
Staff Training	7,387	0
Overtime	89,090	39,409
	814,451	**972,017**

9c ADMINISTRATION EXPENSES

Provision for Doubtful Debts	149,959	0
Postage	1,608	1,063
Cleaning Materials		1,467
Fuel & Oil	111,559	142,375
Insurance	11,487	100
Service Fee	1,550	1,200
Sanitation	66	142
Generator Repair		606
Equipment Repair		3,250
Membershipship fee	500	2,024
Advertising	7,420	10,526
Bank Charges	1,061	53,889
Bank Error		4,806
Board Meetings	22,958	19,053
Computer Repairs		690
Electricity	142,783	92784
Entertainment	17,305	14,783
Internet	5,999	9,146
IT Services	190	580
License Fee	2,562	13,194
Local Travel	42,323	12,957
Office Cleaning		1,770
Other Expenses	718	113,169
Overseas Travel	34,106	65,205
Repair & Maintenance	33,741	53,513
Services Fees	1,225	12,629
Stationery	17,307	26,488
Telephone	27,786	34,168
Training	0	1,664
Transport	28,006	12,629
	662,217	**705,850**

9d <u>AGENCY</u>

Stevedoring	378,742	116,025
Accomodations	4,228	103,241
Agency Services	2,057,532	763,902
Boat Hire	55,980	77,090
KPA Charges	54,317	10,148
Pilot Fee	0	252,255
Rental Car	1,650	5,181
Security Expense	27,249	21,479
Trading & Light Due	19,577	11,195
	2,599,276	**1,360,515**

9e OPERATING EXPENSES

Fuel & Oil	7,309
Transport	113
Boat Fuel	2,243
Boat Hire Expense	150
Boat Repair	25,298
Casual Labours	61,381
Security Fee	5,376
Ration	350
Marine Allowance	74,224
Moamoa Exp	5,100
Motor Bike Asset	-1,060
Promotion	200
Seafare Refund	393
Equipment Hire	1,879
Equipment Repair	6,687
Fishing License	2,235
Licence	15,071
Vessel Repair	9,056
Water	1,857
Cafeteria Expenses	30,326
	248,188

9f SUNDRY EXPENSES

Sundry Expenses	50,798	3,527

10. PRIOR PERIOD ITEMS

PRIOR PERIODS ITEMS		
Asset Sale Refund	0	9,000
Prior Periods Items	106,272	-390,369
Total Prior Period Items	106,272	- 381,369

11. LOANS

	2019	2018
Loans		
ANZ Loans	50,665	202,823

12. TRADE CREDITORS

Trade Creditors	371,629	131,096

13. SUNDRY CREDITORS

Sundry Creditors		
Payroll Liabilities	-194,660	107,073
Crewing Payable	193,784	86,928
Witholding Tax	19,035	0
Other Creditors	342,048	3,393
LongLine Project Fund		139,410
	360,207	336,804

14. PROVISION FOR INCOME TAX

Provision for Income Tax	673,135	0

15. PROVISION FOR DIVIDEND

Provision for Dividend	125,011	0

CENTRAL PACIFIC PRODUCERS LTD
STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

AUGUST 15, 2022

Contents

1 RESPONSIBLE ENTITIES' REPORT

1.1 Responsible Entities' Report

The Responsible Entities of The Central Pacific Producers Ltd (CPPL) present their financial report for the year ended 31 December 2020.

1.2 Responsible Entity Details

The following Persons are responsible for Central Pacific Producers Ltd for period ended 31 December 2020.

Chairman:	Ruatu Titaake
Vice Chairman:	Tamaroa Teebaki
Director:	Teue Baikarawa
Director:	Ruria Iteraera
Director:	Tekeraoi Nangka
Chief Executive Officer:	Temarewe Tio Maitinnara

1.3 Principal Activities

During the year, the principal activities of The Central Pacific Producers Ltd were to provide Fish Sales locally and overseas and provide fishing crew recruitment and other agency services to Overseas vessels.

There have been no significant changes in these activities during the year.

2 STATEMENT OF FINANCIAL PERFORMANCE:

CENTRAL PACIFIC PRODUCERS LTD
Statements of Financial Performance
as at 31 December 2020

	NOTES	2020	2019
INCOME	7	$ 3,617,902	$ 7,037,856
COSTS OF GOODS SOLD	8	$ 192,009	$ 485,988
GROSS PROFIT		$ 3,425,893	$ 6,551,867
EXPENSES	9		
Depreciation		$ 113,679	$ 123,424
Personnel		$ 658,416	$ 814,451
Administration		$ 436,427	$ 662,217
Agency		$ 1,070,348	$ 2,599,276
Sales & Marketing		$ -	$ 5,035
Operations		$ 73,088	$ 248,188
Financial		$ 1,317	$ 18,961
Sundry		$ 36,218	$ 50,798
Loss on Asset Disposal		$ 68,872	$ -
TOTAL EXPENSES		$ 2,458,365	$ 4,522,350
OPERATING PROFIT		$ 967,528	$ 2,029,516
Prior Periods Items	10	$ 688,054	$ 106,272
NET PROFIT Before TAX		$ 279,474	$ 1,923,244
Income Tax 35%		$ 97,816	$ 673,135
NET PROFIT after TAX		$ 181,658	$ 1,250,109

The accompanying notes form part of this Financial Statements

3 STATEMENT OF FINANCIAL POSITION

CENTRAL PACIFIC PRODUCERS LTD
Statement of Financial Position
as at 31 December 2020

	NOTES	2020	2019
CURRENT ASSETS			
Cash & Bank	4	3,775,086	3,149,624
Debtors	5	2,360,246	2,384,718
Stock	6	0	0
		6,135,332	5,534,342
less **CURRENT LIABILITIES**			
Trade Creditors	12	380,174	371,629
Sundry Creditors	13	654,054	360,207
Provision for Income Tax	14	770,951	673,135
Provision for Dividend	15	143,177	125,011
		1,948,356	1,529,983
WORKING CAPITAL		**4,186,976**	**4,004,359**
add NON CURRENT ASSETS			
Property, Plant & Equipment	[illegible]	818,530	888,320
		818,530	888,320
less NON CURRENT LIABILITIES			
ANZ Company Loan	11	0	50,665
		0	50,665
NET WORTH		**5,005,506**	**4,842,014**
Represented by:			
Paid Up Capital		500	500
Government Grant		4,708,286	4,708,286
Accumulated Profits		296,720	133,228
		5,005,506	**4,842,014**

Chairman

Director

The accompanying notes form part of this Financial Statements

4 STATEMENT OF CASH FLOWS

CENTRAL PACIFIC PRODUCERS Ltd

Statements of CashFlow

for period January to December 2020

	2020	2019
Cash flows from operating activities		
Profit / (Loss) before taxation	181,658	1,250,109
Adjustments for:		
Depreciation	113,679	123,424
Working capital changes:		
(Increase) / Decrease in trade and other receivables	24,473	-518,512
(Increase) / Decrease in inventories	0	244,834
Increase / (Decrease) in trade and other payables	418,374	1,062,084
Net cash from operating activities	738,184	2,161,939
Cash flows from investing activities		
Purchase of property, plant and equipment	-43,891	-196,342
Net cash used in investing activities	-43,891	-196,342
Cash flows from financing activities		
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Net cash used in financing activities	-68,831	-277,1[illegible]
Net increase in cash and cash equivalents	625,462	1,688,428
Cash and cash equivalents at beginning of period	3,149,624	1,461,196
Cash and cash equivalents at end of period	3,775,086	3,149,624

The accompanying notes form part of this Financial Statements

5 STATEMENT OF CHANGES IN EQUITY

CENTRAL PACIFIC PRODUCERS LTD
Statement of Changes in Equity
as at 31 DECEMBER 2020

	2020	2019
Retained Earnings Opening	$ 133,228	-$ 991,870
Add Net Profit after Tax	$ 181,658	$ 1,250,109
	$ 314,886	$ 258,239
Less Dividend declared	-$ 18,166	-$ 125,011
Retained Earnings Closing	$ 296,720	$ 133,228
Represented by:		
Paid Up Capital	$ 500	$ 500
Government Grant	$ 4,708,286	$ 4,708,286
Retained Earnings	$ 296,720	$ 133,228
	$ 5,005,506	$ 4,842,014

6 NOTES TO THE FINANCIAL STATEMENTS

CENTRAL PACIFIC PRODUCERS Ltd

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2020

1. ORGANISATION STRUCTURE AND NATURE OF OPERATIONS

   The Central Pacific Producers Ltd (CPPL)is a company. Its main objectives is to provide Fish Sales locally and overseas and provide fishing recruitment and other agency services to Overseas vessels.

   The principal source of revenue includes Fish Sales, Management Fees, Agency Fees and Services.

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   The Organisation financial statements are prepared on a going concern basis

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   The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS)

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      The CPPL financial period start in 1 January 2020 and end on 31st December 2020

   b. Currency
      All revenues received are translated into local currency at the exchange rate for the date of the transaction and are rounded to nearest dollar.
      All income, expenditure, assets and liabilities are converted and recorded in local currency (Australian Dollars).

   c. Income
      Income is recognized on the economic benefits that will flow to the company fund.

   d. Accounts Payable and Accruals
      All liabilities for trade creditors and other amounts are recognized at original billing amount when service is acquired.

   e. Receivables
      Receivables are recognized at original invoice amount

   f. Property, Plant and Equipment
      Property, plant and equipment are recognized at cost less accumulated depreciation. Depreciation is calculated using the rates permitted by the Kiribati Income Tax Act.

Building	5%
Plant and Equipment	25%
Office Equipment	25%
Furniture and Fittings	25%
Motor Vehicles	20%
Vessel	10%
Reefer	25%
Boats & Engines	25%

3. PROPERTY PLANTS & EQUIPMENT

Fixed Assets	Motor Vehicle	Furniture & Fittings	Plant Equipments	Office Equipments	Boats & Engines	Reefer	Buildings	Vessel	Total
Cost at 1 Jan 2020	686,950	51,071	629,687	[illegible]38,678	660,723	78,117	1,146,442	42,638	3,934,306
Additions	14,500	1,873	39,3[illegible]	[illegible],396				0	63,078
Disposal /Adjustments	0	0	0	0	0	0	0	0	0
	701,450	52,944	668,995	[illegible]46,074	660,723	78,117	1,146,442	42,638	3,997,383
Depreciation	20%	25%	25%	25%	25%	25%	5%	10%	
At 1 January 2020	542,916	48,676	588,320	[illegible]	556,483	72,144	589,210	23,451	2,922,561
Charge	31,707	1,067	20,1[illegible]	[illegible]	26,060	1,493	27,862	0	113,679
Disposal / Adjustments	0							19,187	19,187
	574,622	49,743	608,489	[illegible],108	582,543	73,637	617,072	42,638	3,178,853
Book Value									
At 01 Jan 2020	144,034	2,395	41,367	[illegible]892	104,240	5,973	557,232	19,187	888,320
At 31Dec 2020	126,827	3,201	60,50[illegible]	15,966	[illegible]8,180	4,480	529,370	0	818,530

		2020	2019
4	Cash & Bank		
	Seaweed Cheque	-	63,701
	Cash Imprest Tarawa	**1,357**	**1,357**
	Cash on Hand HQ	-	-
	Cheque Tarawa	2,367,592	1,516,131
	Petty Cash HQ	103	3,327
	Cafeteria Bairki Imprest	7,007	500
	Cash at Bank Xmas	14,947	945,705
	Cash on Hand Xmas	-	51
	Petty Cash Xmas	100	-
	Cash Float Nikunau	700	700
	Cash Float Aranuka	1,000	1,180
	Cash Float South Tarawa		[illegible]
	Cash Float Abaiang	1,000	1,322
	Cash Float Kuria	1,000	1,559
	Cash Float Maiana	1,000	1,144
	Term Deposits	1,379,280	620,714
		[illegible]	[illegible]

		2020	2019
5	Trade Debtors		
	Trade Debtors	1,770,782	2,586,316
	Seaweed Debtors	0	43,799
	Sundry Debtors	739,423	-95,438
	Provision for Doubtful Debts	-149,959	-149,959
		2,360,246	2,384,718

		2020	2019
6	Stock		
	Stock Office Supply	0	0
	Stock Seaweed	0	0
	Stock Fishing Gears	0	0
	Stock Spare Parts	0	0
		0	0

7	INCOME	2020	2019
	Fish Sales	178,426	169,005
	Agency	2,748,425	5,950,732
	Crew Income	178,388	199,412
	Restaurant	43,748	49,447
	Boat Hire	69,473	2,284
	Equipment Hire	0	398
	Discarded Fish	160,637	445,964
	Fishing Gears	29,051	12,820
	Fuel Sales	29,162	0
	Ice Cube	120,860	151,749
	Other Income	59,732	56,045
		3,617,902	7,037,856

8	COSTS OF GOODS SOLD		
	Opening Stock	0	244,835
	Fish Purchase	123,801	140,260
	Seafood Purchase	6,294	20,731
	Fishing Gears Purchase	2,986	37,547
	Fuel Purchase	58,928	38,128
	Packing Expense		0
	Freight & Handling		3,746
	Fish Transport		0
	Casual		0
	Customs		742
	Closing Stock	0	0
		192,009	485,988

9 EXPENSES

		2020	2019
9a	Depreciation	113,679	123,424

9b PERSONNEL EXPENSES

	2020	2019
Salary & Wages	426,951	518,821
KPF Expenses	31,994	12,014
Staff Allowances	54,264	23,651
Staff Bonus	4,252	74,758
Leave Grant	89,321	88,729
Staff Training	2,869	7,387
Overtime	48,765	89,090
	658,416	**814,451**

9c ADMINISTRATION EXPENSES

	2020	2019
Provision for Doubtful Debts	0	149,959
Postage	239	1,608
Cleaning Materials	267	
Fuel & Oil	60,296	111,559
Insurance	0	11,48[illegible]
[illegible]	[illegible]	[illegible]
Sanitation	[illegible]	[illegible]
Generator Repair	0	
Equipment Repair	0	
Membershipship fee	0	500
Advertising	9,413	7,420
Bank Charges	3,858	1,061
Bank Error	0	
Board Meetings	34,346	22,958
Computer Repairs	0	
Electricity	102,618	142,783
Entertainment	11,228	17,305
Internet	8,992	5,999
IT Services		190
License Fee	6,938	2,562
Local Travel	86,360	42,323
Office Cleaining	16,431	
Other Expenses	0	718
Overseas Travel	7,313	34,106
Repair & Maintenance	35,954	33,741
Services Fees	0	1,225
Stationery	0	17,307
Telephone	37,840	27,786
Training	0	0
Transport	3,909	28,006
	436,427	**662,217**

		2020	2019
9d	AGENCY		
	Stevedoring		378,742
	Accomodations		4,228
	Agency Services		2,057,532
	Boat Hire		55,980
	KPA Charges		54,317
	Pilot Fee		0
	Rental Car		1,650
	Security Expense		27,249
	Trading & Light Due		19,577
		1,070,348	**2,599,276**

		2020	2019
9e	OPERATING EXPENSES		
	Fuel & Oil	0	7,309
	Transport	15,627	113
	Boat Fuel	100	2,243
	Boat Hire Expense	0	150
	Boat Repair	946	25,298
	Casual Labours	17,067	61,381
	Security Fee		5,376
	Ration		[illegible]
	Marine Allowance		[illegible]
	Moamoa Exp		5,100
	Compensation	1,060	-1,060
	Promotion	100	200
	Seafare Refund		393
	Equipment Hire	6,574	1,879
	Equipment Repair		6,687
	Fishing License	4,499	2,235
	Licence	0	15,071
	Vessel Repair	0	9,056
	Water	2,710	1,857
	Cafeteria Expenses	24,406	30,326
		73,088	**248,188**

		2020	2019
9f	FINANCIAL EXPENSES		
	Interest Expense	**1,317**	
9g	SUNDRY EXPENSES		
	Sundry Expenses	**36,218**	**50,798**
9h	Loss on Asset Disposal		
	Loss on Asset Disposal	**68,872**	-

		2020	2019
10	PRIOR PERIODS ITEMS		
	Asset Sale Refund	0	0
	Prior Periods Items	688,054	106,272
	Total Prior Period Items	**688,054**	**106,272**
11	<u>Loans</u>		
	ANZ Loans	0	50,665
12	Trade Creditors	380,175	371,629
13	Sundry Creditors		
	Payroll Liabilities	-3,918	-194,660
	Crewing Payable	628,443	193,784
	Witholding Tax	26,137	19,035
	Other Creditors	3,393	342,048
	LongLine Project Fund	0	0
		654,054	360,207
14	Provision for Income Tax	[illegible]	[illegible]
15	Provision for Dividend	143,1[illegible]	125,011