

REPORT OF THE AUDITOR GENERAL ON THE ACCOUNT OF



CENTRAL PACIFIC PRODUCER LIMITED FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2021-2022

KIRIBATI AUDIT OFFICE

APRIL 2024

KIRIBATI AUDIT OFFICE



P.O BOX 63
Bairiki, Tarawa
Kiribati

Tel1: (686)75021118
Tel2: (686)75021335
Email: support@kao.gov.ki

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 2021-2022**

I have audited the Financial Statements of Central Pacific Producer Limited for the year ended 31st December 2021-2022 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, 2021-2022, 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:

The audit detect that trade debtors have a negative balance of \$2.8 million in 2021 and 3 million in 2022 which contradicts the nature of trade debtors' account. In addition to that CPPL management was unable to give a satisfactory explanation on this negative balance. (Refer appendix 1a & 1b). Under IFRS, all asset (Debtors) has or carry a positive balance.

In addition to the above, the audit also found that the 2022 company's sundry debtor control account does not match with its subsidiary account. The balance of the subsidiary account is \$250k higher than the control account. CPPL management was unable to give a satisfactory explanation regarding this variance. (Refer Appendix 2)

Last but not at least, the company failed to provide subsidiary ledgers (listings) for its creditors below. For that reason, the audit is unable to verify and confirm the existence, accuracy, and completeness of these \$1.2 million creditors account. (Refer appendix 3).

- Trade creditors of \$258,854
- Crewing payable of \$409,681.00 and,
- Other creditors of \$483,440

In view of the above findings' material and pervasive effects on CPPL's 2021 to 2022 Financial Statements, this audit opinion is appropriate.

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 **Company** 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.

Other Matters:

The audit would like to draw the attention and users of CPPL Financial statement to the followings matters as stated below:

- I. CPPL company had failed to disclose the PPI items in line with the disclosure requirement (IFRS 8) and Government Grants under IAS 20. The importance of disclosing these items in the notes to the financial statements are providing additional information on balances and transactions and other relevant information.
- II. The company management for asset have poor recovery mechanism of collecting debts. Therefore, it has a significant impact in the company profitability and future cashflow if these outstanding debts are not addressed immediately. (Refer appendix 4).

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.

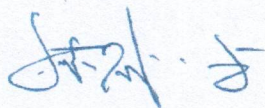
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation 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 2021-2022 on 31th March 2023 which indicate that CPPL had comply with Section 25(1) of Kiribati Audit Act 2017.

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:19/04/2024

Appendix 1 a

Central Pacific Producers Limited (CPPL)					
P.O. Box 508					
Betio, Tarawa,					
Republic of Kiribati					
Phone: (686) 73126067					
Receivables Reconciliation [Summary]					
As of 31/12/2021					
Name	Total Due	0 - 30	31 - 60	61 - 90	90+
Chern Lung Fishery	(\$77,564.94)	\$11,648.68	\$0.00	\$0.00	(\$89,213.62)
China National	(\$111,236.86)	(\$13,684.61)	\$0.00	\$0.00	(\$97,552.25)
Copra	(\$441.00)	\$0.00	\$0.00	\$0.00	(\$441.00)
CPPL 01	(\$10,000.00)	\$0.00	\$0.00	\$0.00	(\$10,000.00)
Crew Debtors	(\$306,722.13)	\$0.00	\$0.00	\$0.00	(\$306,722.13)
Desilva Sea Encounter	(\$10,201.99)	\$1,128.57	\$94.71	\$170.20	(\$11,595.47)
Dongwon Industry	(\$247,843.57)	\$13,097.14	\$611.46	\$1,297.95	(\$262,850.12)
Eastern Marine	(\$110,293.92)	\$0.00	\$0.00	\$0.00	(\$110,293.92)
Evergreen Ocean	(\$27,381.46)	\$0.00	\$0.00	\$0.00	(\$27,381.46)
Fast Reliable Services	(\$100.00)	\$0.00	\$0.00	(\$100.00)	\$0.00
FCF Company	(\$265,754.48)	\$98,543.56	\$0.00	\$0.00	(\$364,298.04)
Finance	(\$44,791.04)	\$0.00	\$0.00	\$0.00	(\$44,791.04)
Gold Dynasty	(\$22,993.70)	\$0.00	\$0.00	\$0.00	(\$22,993.70)
Golden Gate Ocean	(\$20,616.69)	\$0.00	\$0.00	\$0.00	(\$20,616.69)
Gong Fu Fishery	(\$3,470.01)	(\$314.43)	\$0.00	\$0.00	(\$3,155.58)
KFL	(\$182,083.12)	\$17,306.19	\$59,876.36	\$9,018.77	(\$268,284.44)
Kiribati & KT Fisheries Co Ltd	(\$109,639.36)	\$0.00	\$0.00	\$0.00	(\$109,639.36)
Kiribati & Sajo	(\$149,652.09)	(\$28,520.99)	\$650.12	\$5,062.80	(\$126,844.02)
Kiribati And	(\$7,806.71)	\$0.00	\$0.00	\$0.00	(\$7,806.71)
KKTFC	\$21,859.72	\$68,724.05	\$143.12	\$291.20	(\$47,298.65)
Kuo Hsing Fishery	(\$21,376.91)	(\$20,911.17)	\$0.00	\$0.00	(\$465.74)
Local Debtors	(\$39,297.92)	\$0.00	\$0.00	\$0.00	(\$39,297.92)
Marine Corporation	(\$3,440.90)	\$0.00	\$0.00	\$0.00	(\$3,440.90)
MFED	(\$45,099.69)	(\$14,279.98)	\$0.00	\$0.00	(\$30,819.71)
Min Shuen Fishery	(\$21,117.79)	(\$5,044.41)	\$0.00	\$0.00	(\$16,073.38)
Molson, Frolly	(\$223.29)	\$0.00	\$0.00	\$0.00	(\$223.29)
Reefer Line	(\$10,297.58)	\$0.00	\$0.00	\$0.00	(\$10,297.58)
Sajo Oyang	(\$8,673.86)	\$0.00	\$0.00	\$0.00	(\$8,673.86)
Sajo Vanuvatu	(\$86,493.68)	(\$31,066.81)	\$0.00	\$4,132.27	(\$59,559.14)
Seas Logistics	(\$45,310.31)	\$0.00	\$0.00	\$0.00	(\$45,310.31)
Send Cheer	(\$15,043.09)	\$0.00	\$0.00	\$0.00	(\$15,043.09)
Seo Woo Company	(\$268,844.76)	\$0.00	\$0.00	\$0.00	(\$268,844.76)
Shanghai Dier Deep Sea - Hu Yu	(\$53,034.65)	\$0.00	\$0.00	\$0.00	(\$53,034.65)
South Pacific Tuna	(\$7,724.52)	\$0.00	\$0.00	\$0.00	(\$7,724.52)
Southern Seas Logistics	(\$23,409.64)	(\$13,988.71)	\$0.00	\$0.00	(\$9,420.93)
Sun Glory Fishery	(\$19,929.70)	\$735.09	\$258.49	\$399.00	(\$21,322.28)
Supreme Fishery	(\$21,758.73)	(\$17,913.47)	\$0.00	\$0.00	(\$3,845.26)
Toei Reefer	(\$17,181.09)	\$694.36	\$0.00	\$0.00	(\$17,875.45)
Tradition Mariner	(\$7,440.51)	\$0.00	\$0.00	\$0.00	(\$7,440.51)
Trans Pacific Company	(\$77,958.13)	\$7,495.89	\$292.35	\$501.01	(\$86,247.38)
TSP Marine	(\$6,465.06)	\$0.00	\$0.00	\$0.00	(\$6,465.06)
TUSA	(\$25,016.53)	(\$2,034.10)	\$0.00	\$0.00	(\$22,982.43)
Wen Fishery	(\$9,440.99)	\$0.00	\$0.00	\$0.00	(\$9,440.99)
Western Pacific Fisheries	(\$40,827.05)	(\$3,524.83)	\$196.54	\$358.74	(\$37,857.50)
Yu Wen Fishery	(\$3,665.56)	(\$1,348.53)	\$0.00	\$0.00	(\$2,317.03)
Yue Hong Fishery	(\$19,474.35)	\$21,255.57	\$0.00	\$0.00	(\$40,729.92)
Yue Ming Fishery	(\$65,627.75)	\$6,737.42	\$0.00	\$0.00	(\$72,365.17)
Yue Sung Fishery	(\$14,884.69)	\$16,963.64	\$0.00	\$0.00	(\$31,848.33)
Total:					(\$2,860,745.29)

Appendix 1b

Central Pacific Producers Limited (CPPL)					
P.O. Box 508					
Betio, Tarawa,					
Republic of Kiribati					
Phone: (686) 73126067					
Receivables Reconciliation [Summary]					
As of 31/12/2022					
Name	Total Due	0 - 30	31 - 60	61 - 90	90+
Central Pacific	(\$12,847.68)	\$0.00	\$0.00	\$0.00	(\$12,847.68)
Chern Lung Fishery	(\$77,564.94)	\$0.00	\$0.00	\$0.00	(\$77,564.94)
China National	(\$71,768.61)	\$6,612.60	\$0.00	\$0.00	(\$78,381.21)
Copra	(\$441.00)	\$0.00	\$0.00	\$0.00	(\$441.00)
CPPL 01	(\$10,000.00)	\$0.00	\$0.00	\$0.00	(\$10,000.00)
Crew Debtors	(\$306,722.13)	\$0.00	\$0.00	\$0.00	(\$306,722.13)
Desilva Sea	(\$11,330.56)	\$0.00	\$0.00	\$0.00	(\$11,330.56)
Encounter					
Dongwon Industry	(\$248,820.44)	\$4,568.57	\$53.74	(\$297.11)	(\$253,145.64)
Eastern Marine	(\$110,293.92)	\$0.00	\$0.00	\$0.00	(\$110,293.92)
Ever Glory Fishery	(\$3,890.06)	\$0.00	\$0.00	\$0.00	(\$3,890.06)
Evergreen Ocean	(\$27,381.46)	\$0.00	\$0.00	\$0.00	(\$27,381.46)
Fast Reliable	(\$100.00)	\$0.00	\$0.00	\$0.00	(\$100.00)
Services					
FCF Company	(\$219,313.39)	\$4,149.29	\$24,496.40	\$0.00	(\$247,959.08)
Finance	(\$44,791.04)	\$0.00	\$0.00	\$0.00	(\$44,791.04)
Gold Dynasty	(\$22,993.70)	\$0.00	\$0.00	\$0.00	(\$22,993.70)
Golden Gate Ocean	(\$20,616.69)	\$0.00	\$0.00	\$0.00	(\$20,616.69)
Gong Fu Fishery	(\$3,470.01)	\$0.00	\$0.00	\$0.00	(\$3,470.01)
JM Fishery	(\$3,301.87)	\$0.00	\$0.00	\$0.00	(\$3,301.87)
Kauriri, Ngareina	(\$105.17)	\$0.00	\$0.00	\$0.00	(\$105.17)
KFL	(\$118,844.16)	\$46,115.82	\$27,258.70	\$32,069.48	(\$224,288.16)
Kiribati & Hansung	(\$17,735.37)	\$1,571.70	\$0.00	\$2,406.73	(\$21,713.80)
Kiribati & KT	(\$109,639.36)	\$0.00	\$0.00	\$0.00	(\$109,639.36)
Fisheries Co Ltd					
Kiribati & Sajo	(\$117,503.30)	\$29,259.34	\$3,987.01	\$11,070.12	(\$161,819.77)
Kiribati And	(\$7,806.71)	\$0.00	\$0.00	\$0.00	(\$7,806.71)
Kuo Hsing Fishery	(\$21,376.91)	\$0.00	\$0.00	\$0.00	(\$21,376.91)
Local Debtors	(\$39,297.92)	\$0.00	\$0.00	\$0.00	(\$39,297.92)
Marine Corporation	(\$3,440.90)	\$0.00	\$0.00	\$0.00	(\$3,440.90)
MFED	(\$40,336.76)	\$600.00	\$0.00	\$0.00	(\$40,936.76)
Min Shuen Fishery	(\$21,087.79)	\$0.00	\$0.00	\$15.00	(\$21,102.79)
National Fisheries	(\$21,253.53)	\$0.00	\$0.00	\$0.00	(\$21,253.53)
NFDC (Naero vessels)	(\$32,517.38)	\$0.00	\$0.00	\$0.00	(\$32,517.38)
OB	\$2,671.87	\$235.00	\$67.90	(\$9.78)	\$2,378.75
Ocean Conquest	(\$11,715.34)	\$0.00	\$0.00	\$0.00	(\$11,715.34)
Ocean Encounter	(\$14,760.15)	\$0.00	\$0.00	\$0.00	(\$14,760.15)
Ocean Expedition	(\$65,099.71)	\$0.00	\$0.00	\$0.00	(\$65,099.71)
Ocean Pride	(\$24,633.79)	\$0.00	\$0.00	\$0.00	(\$24,633.79)
Ocean Ranger	(\$63,599.21)	\$0.00	\$0.00	\$0.00	(\$63,599.21)
Ocean Warrior	(\$8,448.16)	\$0.00	\$0.00	\$0.00	(\$8,448.16)
Other Debtors	(\$2,619.64)	\$0.00	\$0.00	\$0.00	(\$2,619.64)
Oyang Corporation	(\$29,725.54)	\$0.00	\$0.00	\$0.00	(\$29,725.54)
Pacific Journey	(\$8,226.65)	\$0.00	\$0.00	\$0.00	(\$8,226.65)
Reefer Line	(\$10,297.58)	\$0.00	\$0.00	\$0.00	(\$10,297.58)
Sajo Oyang	(\$8,613.86)	\$0.00	\$0.00	\$0.00	(\$8,613.86)
Sajo Vanuvatu	(\$82,859.76)	\$0.00	\$1,800.22	\$0.00	(\$84,659.98)
Seas Logistics	(\$45,310.31)	\$0.00	\$0.00	\$0.00	(\$45,310.31)
Send Cheer	(\$15,043.09)	\$0.00	\$0.00	\$0.00	(\$15,043.09)
Seo Woo Company	(\$263,908.88)	\$15,185.98	\$0.00	(\$195.83)	(\$278,899.03)
Seoil Company	(\$7,880.58)	\$0.00	\$0.00	\$0.00	(\$7,880.58)
Shanghai Dier Deep	(\$53,034.65)	\$0.00	\$0.00	\$0.00	(\$53,034.65)
Sea - Hu Yu					
South Pacific Tuna	(\$7,724.52)	\$0.00	\$0.00	\$0.00	(\$7,724.52)
Southern Seas	(\$23,409.64)	\$0.00	\$0.00	\$0.00	(\$23,409.64)
Logistics					
Sun Glory Fishery	(\$26,088.16)	\$0.00	\$0.00	\$0.00	(\$26,088.16)
Supreme Fishery	(\$17,232.84)	\$0.00	\$0.00	\$0.00	(\$17,232.84)
Tradition Mariner	(\$7,440.51)	\$0.00	\$0.00	\$0.00	(\$7,440.51)
Trans Pacific	(\$81,430.36)	\$0.00	\$0.00	\$0.00	(\$81,430.36)
Company					
TSP Marine	(\$6,465.06)	\$0.00	\$0.00	\$0.00	(\$6,465.06)
TUSA	(\$20,319.75)	\$3,465.70	\$1,524.16	(\$57.15)	(\$25,252.46)
Wen Fishery	(\$9,440.99)	\$0.00	\$0.00	\$0.00	(\$9,440.99)
Western Pacific	(\$37,046.51)	\$3,771.42	\$9.21	(\$0.01)	(\$40,827.13)
Fisheries					
Yu Wen Fishery	(\$371.84)	\$0.00	\$0.00	\$0.00	(\$371.84)
Yue Hong Fishery	(\$19,474.35)	\$0.00	\$0.00	\$0.00	(\$19,474.35)
Yue Ming Fishery	(\$65,627.75)	\$0.00	\$0.00	\$0.00	(\$65,627.75)
Yue Sung Fishery	(\$14,884.69)	\$0.00	\$0.00	\$0.00	(\$14,884.69)
Yuh Yow Fishery	(\$24,740.55)	\$0.00	\$0.00	\$0.00	(\$24,740.55)
	(\$2,821,395.31)	\$115,535.42	\$59,197.34	\$45,001.45	(\$3,041,129.52)

Appendix 2

Sundry Debtors			
	Financial statement 2022	Listing provide	Variance
	\$ 477,577.00	\$ 727,985.03	-\$250,408.03

Appendix 3

Trade Creditors & Sundry Creditors (FS 2022)			
Accounts name	Total Creditors	Total Current Liability	Percentage (%)
Trade Creditors	\$ 258,854.00		
Crewing Payable	\$ 409,681.00		
Other Creditors	\$ 483,440.00		
	\$ 1,151,975.00	\$ 2,588,836.00	44%

Justification.

The table indicates that the company does not provide supporting documentation for those creditors, which has given a materialness of 44%.

Appendix 4

Central Pacific Producers Limited (CPPL)					
P.O. Box 508					
Betio, Tarawa,					
Republic of Kiribati					
Phone: (686) 73126067					
Receivables Reconciliation [Summary]					
As of 31/12/2022					
Name	Total Due	0 - 30	31 - 60	61 - 90	90+
Agency Debtors	\$2,586,315.69	\$0.00	\$0.00	\$0.00	\$2,586,315.69
Dongwon Shipping	\$51,662.92	\$0.00	\$0.00	\$0.00	\$51,662.92
Fong Kuo	\$551,771.50	\$0.00	\$0.00	\$0.00	\$551,771.50
KIFL	\$83,323.48	\$0.00	\$0.00	\$0.00	\$83,323.48
Logstic	\$31,858.83	\$0.00	\$0.00	\$0.00	\$31,858.83
Long Line	\$30,101.23	\$0.00	\$0.00	\$0.00	\$30,101.23
Marerera, David	\$26,238.17	\$0.00	\$0.00	\$0.00	\$26,238.17
MFMRD	\$66,033.34	\$45.00	\$0.00	\$0.00	\$65,988.34
Rui, Otea	\$26,583.85	\$0.00	\$0.00	\$0.00	\$26,583.85
Sajo Industries	\$70,640.83	\$0.00	\$0.00	\$0.00	\$70,640.83
Silla Company	\$51,521.84	\$0.00	\$0.00	\$0.00	\$51,521.84
Trade Debtors Long line	\$ 53,029.00	\$ -	\$ -	\$ -	\$ 53,029.00

CENTRAL PACIFIC PRODUCERS LTD
STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2021

Contents

1.	RESPONSIBLE ENTITIES' REPORT	
1.1	Responsible Entities' Report	3
1.2	Responsible Entity details.....	3
1.3	Principal Activities.....	3
2.	STATEMENT OF FINANCIAL PERFORMANCE.....	4
3.	STATEMENT OF FINANCIAL POSITION.....	5
4.	STATEMENT OF CASH FLOWS.....	6
5.	STATEMENT OF CHANGES IN EQUITY.....	7
6.	NOTES TO THE FINANCIAL STATEMENT.....	8-15

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 2021.

1.2 Responsible Entity Details

The following Persons are responsible for Central Pacific Producers Ltd for the period ended 31 Decembe 2021

Chairman:	Timoa Tokataam
Vice Chairman:	Tamaroa Teebaki
Director:	Tekeraoi Nangka
Director:	Taati Eria
Director:	Batitea Tekanito
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 theses activities during the year.

2 STATEMENT OF FINANCIAL POSITION

CENTRAL PACIFIC PRODUCERS LTD Statements of Financial Performance as at 31 December 2021

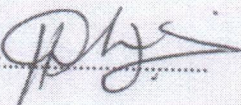
	NOTES	2021	2020
Income	7	\$ 5,600,266	\$ 3,617,902
Cost of Goods Sold	8	\$ 152,117	\$ 192,009
Gross Profit		\$ 5,448,149	\$ 3,425,893
Expenses			
Depreciation	9a	\$ 349,675	\$ 113,679
Personnel	9b	\$ 767,366	\$ 658,416
Administration	9d	\$ 488,702	\$ 436,427
Agency	9c	\$ 2,071,587	\$ 1,070,348
Operations	9e	\$ 154,361	\$ 73,088
Financial		\$ -	\$ 1,317
Sundry	9f	\$ 15,589	\$ 36,218
Loss on Assets Disposal		\$ -	\$ 68,872
Total Expenses		\$ 3,847,280	\$ 2,458,365
Operating Profit		\$ 1,600,870	\$ 967,528
Prior Periods Items	10	\$ 751,907	\$ 688,054
Net Profit Before Tax		\$ 848,963	\$ 279,474
Income Tax 35 %		\$ 297,137	\$ 97,816
Net Profit after Tax		\$ 551,826	\$ 181,658

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 2021

	Notes	2021	2020
CURRENT ASSETS			
Cash & Bank	4	\$ 4,718,262	\$ 3,775,086
Debtors	5	\$ 2,553,064	\$ 2,360,246
Stock		\$ 149,915	\$ -
		\$ 7,421,242	\$ 6,135,332
Less: CURRENT LIABILITIES			
Trade Creditors	11	\$ 258,854	\$ 380,174
Sundry Creditors	12	\$ 1,023,522	\$ 654,054
Provision for Income Tax	13	\$ 1,015,685	\$ 770,951
Provision for Dividend	14	\$ 168,360	\$ 143,177
		\$ 2,466,421	\$ 1,948,356
WORKING CAPITAL		\$ 4,954,821	\$ 4,186,976
add: NON CURRENT ASSETS			
Property, Plants & Equipments	3	\$ 547,328	\$ 818,530
		\$ 547,328	\$ 818,530
less: NON CURRENT LIABILITIES			
		\$ -	\$ -
		\$ -	\$ -
NET WORTH		\$ 5,502,149	\$ 5,005,506
Represented by:			
Paid Up Capital		\$ 500	\$ 500
Government Grant		\$ 4,708,286	\$ 4,708,286
Retained Earnings		\$ 241,537	\$ 115,062
Current Year Earnings		\$ 551,826	\$ 181,658
Total Equity		\$ 5,502,149	\$ 5,005,506

Chairman: 

Director: 

The accompanying notes form part of this Financial Statements

4 STATEMENT OF CASH FLOW

CENTRAL PACIFIC PRODUCERS LTD Statement of Cash Flow as at 31 December 2021

Cash Flow from Operating Activities

	2021	2020
Cash received from Customers	\$ 856,125	\$ 691,089
Cash received from Agency	\$ 4,551,323	\$ 2,951,285
Cash Paid to Suppliers and Employees	-\$ 4,153,481	-\$ 2,922,358
Net Cash from Operating	\$ 1,253,967	\$ 720,016

Cash Flow from Investing Activities

Purchase of Property, plant and equipment	-\$ 78,472	-\$ 43,889
Stock	-\$ 149,915	
Net Cash from Investing	-\$ 228,388	-\$ 43,889

Cash Flow From Financing

Provision for Income Tax Paid	-\$ 52,402	\$ 97,816
Provision for Dividend Paid	-\$ 30,000	\$ 18,166
ANZ Loan Paid		-\$ 50,665
Net Cash From Financing	-\$ 82,402	\$ 65,317

Net (Increase)/Decrease in Cash and Cash Equivalents

\$ 943,177 \$ 741,444

Round off Difference

-\$ 1 -\$ 0

Opening Cash Balance (01/01/21)

\$ 3,775,086 \$ 3,033,642

Closing Cash Balance (31/12/21)

\$ 4,718,262 \$ 3,775,086

Details of Cash and Cash Equivalents as at 31/12/21

Cash at Bank - Tarawa	\$ 3,253,634	\$ 2,367,592
Cash at Bank - Xmas	\$ 53,086	\$ 14,947
Petty Cash on Hand - Tarawa	\$ 900	\$ 103
Petty cash on Hand - Xmas	\$ 400	\$ 100
Term Deposit - Tarawa	\$ 465,824	\$ 1,379,280
Term Deposit - Xmas	\$ 917,959	\$ -
Undeposited Funds Account	\$ 11,136	\$ -
Outer Island Imprest	\$ 13,968	\$ 4,700
Fish Imprest - HQ	\$ 1,357	\$ 1,357
Cafeteria Bairiki Imprest	\$ -	\$ 7,007
	\$ 4,718,262	\$ 3,775,086

Reconciliation of cash flow from operating activities to net profit

Net Profit for the year	\$ 551,826	\$ 279,473
Depreciation	\$ 349,675	\$ 113,679
(Increase)/Decrease in trade and other receivables	-\$ 192,818	\$ 24,472
Increase/(Decrease) in trade and other payables	\$ 248,148	\$ 302,392
Increase/(Decrease) in Provisional of Income Tax	\$ 297,137	\$ -
	\$ 1,253,967	\$ 720,016

5 STATEMENT OF CHANGES IN EQUITY

CENTRAL PACIFIC PRODUCERS LTD

Statement of Changes in Equity

as at 31 December 2021

	2021	2020
Retained Earning Opening	\$ 296,720	\$ 133,228
Add: Net Profit after Tax	\$ 551,826	\$ 181,658
	\$ 848,546	\$ 314,886
Less: Dividend declared	\$ 55,183	\$ 18,166
Retained Earnings Closing	<u>\$ 793,363</u>	<u>\$ 296,720</u>

Represented by:

Paid Up Capital	\$ 500	\$ 500
Government Grant	\$ 4,708,286	\$ 4,708,286
Retained Earnings	\$ 793,363	\$ 296,720
Total Equity	<u>\$ 5,502,149</u>	<u>\$ 5,005,506</u>

6 NOTES TO THE FINANCIAL STATEMENTS

CENTRAL PACIFIC PRODUCERS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st DECEMBER 2021

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 Organization 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 from 1st January 2021 and end on 31st December 2021

b. Currency

All revenues received are translated into local currency at the exchange rate for the date of the transaction and are rounded to the nearest dollar.

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	15%
Office Equipment	25%
Furniture and Fittings	20%
Motor Vehicles	25%
Reefer	20%
Boats % Engines	15%
IFM Equipment	25%

3/ PROPERTY, PLANTS & EQUIPMENT

Fixed assets register is using closing balances of Non-current assets for 2020 as an opening balances.

<u>Fixed Assets</u>		Building	Furniture & Fitting	IFM Utensils	Plant & Machinery	Office Equipment	Motor Vehicles	Boat & Canoe	Reefer	Total
Cost at 1 Jan 2021		\$ 1,146,442	\$ 52,944	\$ -	\$ 668,995	\$ 646,074	\$ 701,450	\$ 660,723	\$ 78,117	\$ 3,954,745
Additions		\$ -	\$ 26,066	\$ 3,234	\$ -	\$ 12,739	\$ -	\$ 22,015	\$ 14,418	\$ 78,472
Disposal / Adjustments		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 1,146,442	\$ 79,010	\$ 3,234	\$ 668,995	\$ 658,813	\$ 701,450	\$ 682,738	\$ 92,535	\$ 4,033,217
Depreciation										
At 1 January 2021		\$ 617,072	\$ 49,743	\$ -	\$ 608,489	\$ 630,108	\$ 574,623	\$ 582,543	\$ 73,637	\$ 3,136,215
Charge		\$ 57,322	\$ 4,497	\$ 314	\$ 55,149	\$ 17,891	\$ 126,826	\$ 80,560	\$ 7,115	\$ 349,675
Disposal / Adjustments		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 674,394	\$ 54,241	\$ 314	\$ 663,638	\$ 647,999	\$ 701,449	\$ 663,103	\$ 80,752	\$ 3,485,890
Book Value										
At 01 Jan 2021		\$ 529,370	\$ 3,201	\$ -	\$ 60,506	\$ 15,966	\$ 126,827	\$ 78,180	\$ 4,480	\$ 818,530
At 31 Dec 2021		\$ 472,048	\$ 24,770	\$ 2,920	\$ 5,357	\$ 10,814	\$ 1	\$ 19,635	\$ 11,783	\$ 547,328

4 Cash & Bank

	2021	2020
Cash at Bank - Tarawa	\$ 3,253,634	\$ 2,367,592
Cash at Bank - Xmas	\$ 53,086	\$ 14,947
Petty Cash on Hand - Tarawa	\$ 900	\$ 103
Petty cash on Hand - Xmas	\$ 400	\$ 100
Term Deposit - Tarawa	\$ 465,824	\$ 1,379,280
Term Deposit - Xmas	\$ 917,959	\$ -
Undeposited Funds Account	\$ 11,136	\$ -
Outer Island Imprest	\$ 13,968	\$ 4,700
Fish Imprest - HQ	\$ 1,357	\$ 1,357
Cafeteria Bairiki Imprest	\$ -	\$ 7,007
	\$ 4,718,262	\$ 3,775,086

5**Trade Debtors**

Trade Debtors	\$ 2,155,831	\$ 1,770,782
Staff Imprest	\$ 22,153	\$ -
Staff Salary Advance	-\$ 5,063	\$ -
Crew Salary Advance	\$ 2,196	\$ -
Sundry Debtors	\$ 473,053	\$ 739,423
Provision of Doubtful Debts	-\$ 149,959	-\$ 149,959
Suspense Account - Outstanding Deposit	-\$ 1,528	\$ -
Trade debtor - Long Line	\$ 53,029	\$ -
Tax Receivable	\$ 3,352	\$ -

6**Stock**

Stock Office Supply	\$ -	\$ -
Stock Seaweed	\$ -	\$ -
Stock Fishing Gears	\$ 149,915	\$ -
Stock Spare Parts	\$ -	\$ -
	\$ 149,915	\$ -

7 INCOME

	2021	2020
Seafood Sales	\$ 300,565	\$ 178,426
Agency	\$ 2,651,543	\$ 2,748,425
Crew Income	\$ 2,092,598	\$ 178,388
Restaurant	\$ 149,618	\$ 43,748
Boat Hire	\$ -	\$ 69,473
Equipment Hire	\$ 38,917	\$ -
Discarded Fish	\$ 108,916	\$ 160,637
Fishing Gears	\$ 16,315	\$ 29,051
Fuel	\$ 30,198	\$ 29,162
Ice cube	\$ 133,994	\$ 120,860
Interest on IBDs	\$ 4,503	
Other Income	\$ 73,099	\$ 59,732
	<u>\$ 5,600,266</u>	<u>\$ 3,617,902</u>

8

COST OF GOODS SOLD

	2021	2020
Opening Stock	\$ -	\$ -
Fish Purchase	\$ 128,629	\$ 123,801
Seafood Purchase	\$ 13,512	\$ 6,294
Fishing Gears Purchase	\$ 2,003	\$ 2,986
Fuel Purchase	\$ 7,973	\$ 58,928
Closing Stock	\$ -	\$ -
	<u>\$ 152,117</u>	<u>\$ 192,009</u>

9 EXPENSES**2021****2020****9a DEPRECIATION**

\$	349,675	\$	113,679
----	---------	----	---------

9b PERSONNEL EXPENSES

KPF Expense	\$	63,333	\$	31,994
Wages & Salaries Expenses	\$	447,956	\$	426,951
Staff Allowances	\$	29,535	\$	54,264
Staff Bonus	\$	-	\$	4,252
Acting & Charge Allowances	\$	6,948		
Overtime & Extra Hour	\$	50,100	\$	48,765
Other Allowances	\$	39,907	\$	-
Staff Training	\$	-	\$	2,869
Leave Grants	\$	129,012	\$	89,321
Other Payroll Expenses	\$	575		
	\$	767,366	\$	658,416

9c**AGENCY EXPENSES**

Pilot Boat Hire	\$	52,743		
Pilot Fees	\$	488,852		
Trading & Light Dues	\$	8,817		
Agency Expenses	\$	68,835		
Cash to Master - Vessels	\$	10,384		
Accommodations	\$	20,311		
Port Charges	\$	112,650		
Transport - Truck Hire	\$	25		
Agency Ration & Water	\$	422		
Crew Wages	\$	1,308,549		
	\$	2,071,587	\$	1,070,348

9d ADMINISTRATION EXPENSES

	2021	2020
Commission Expenses	\$ -	\$ -
Electricity	\$ 127,626	\$ 102,618
Bus Fare	\$ 3,595	\$ -
Fuel & Oil - Vehicle & Boat	\$ 73,095	\$ 60,296
Repairs & Maintenance	\$ 64,848	\$ 35,954
Cleaning Materials	\$ 2,695	\$ 267
Service Fees	\$ -	\$ 10,425
Office Stationery & Supplies	\$ 24,793	\$ 16,431
Telecommunications	\$ 43,265	\$ 37,840
Internet	\$ -	\$ 8,992
Local Travel	\$ 19,788	\$ 86,360
Overseas Travel	\$ -	\$ 7,313
Entertainment	\$ 24,625	\$ 11,228
Board of Directors Expenses	\$ 47,223	\$ 34,346
Registrations & Licenses	\$ 2,899	\$ 6,938
Bank Fees & Charges	\$ 3,411	\$ 3,858
Postage & Commission	\$ 386	\$ 239
Freight & Handling	\$ 16,192	\$ -
Countancy fees	\$ 1,973	
Advertisement & Promotion	\$ 7,124	\$ 9,413
Toll Fare	\$ 1,037	\$ -
Training Expenses	\$ 13,210	\$ -
Transport	\$ -	\$ 3,909
Insurance Expenses	\$ 10,918	\$ -
	<u>\$ 488,702</u>	<u>\$ 436,427</u>

9e OPERATING EXPENSES

	2021	2020
Operation expense		
Boat Fuel	\$ -	\$ 100
Boat Repair	\$ -	\$ 946
Casual Labour	\$ 21,480	\$ 17,067
Ration & Water	\$ 1,204	\$ 2,710
Security Fees	\$ 161	\$ -
Packing Bags	\$ 1,476	\$ -
Tuna Turkey Expenses	\$ 1,158	\$ -
Compensation	\$ -	\$ 1,060
Transport Equipment Hire	\$ 8,975	\$ 15,627
Equipment Hire	\$ -	\$ 6,574
Promotion	\$ -	\$ 100
Fishing License	\$ -	\$ 4,499
Cafeteria Expenses	\$ 99,199	\$ 24,406
Fishing Expenses	\$ 20,707	\$ -
	<u>\$ 154,361</u>	<u>\$ 73,088</u>

9f SUNDRY EXPENSES

Sundry expenses	<u>\$ 15,589</u>	<u>\$ 36,218</u>
-----------------	------------------	------------------

10 PRIOR PERIODS ITEMS

Asset Sale Refund	\$ -	\$ -
Prior Periods Items	\$ 751,907	\$ 688,054
	<u>\$ 751,907</u>	<u>\$ 688,054</u>

11 TRADE CREDITORS

Trade creditors

2021**2020**

\$	258,854	\$	380,175
\$	258,854	\$	380,175

12 SUNDRY CREDITORS

Payroll Liabilities

-\$	4,943	-\$	3,918
-----	-------	-----	-------

Crewing Payable

\$	530,547	\$	628,443
----	---------	----	---------

Other Creditors

\$	497,918	\$	3,393
----	---------	----	-------

\$	1,023,522	\$	654,054
----	------------------	----	----------------

PROVISION FOR INCOME TAX

\$	1,015,685	\$	770,951
----	------------------	----	----------------

PROVISION FOR DIVIDEND

\$	168,360	\$	143,177
----	----------------	----	----------------

CENTRAL PACIFIC PRODUCERS LTD
STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2022

Contents

1.	RESPONSIBLE ENTITIES' REPORT	
1.1	Responsible Entities' Report	3
1.2	Responsible Entity details.....	3
1.3	Principal Activities.....	3
2.	STATEMENT OF FINANCIAL PERFORMANCE.....	4
3.	STATEMENT OF FINANCIAL POSITION.....	5
4.	STATEMENT OF CASH FLOWS.....	6
5.	STATEMENT OF CHANGES IN EQUITY.....	7
6.	NOTES TO THE FINANCIAL STATEMENT.....	8-15

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 2022.

1.2 Responsible Entity Details

The following Persons are responsible for Central Pacific Producers Ltd for the period ended 31 December 2022

Chairman:	Timoa Tokataam
Vice Chairman:	Tamaroa Teebaki
Director:	Tekeraoi Nangka
Director:	Taati Eria
Director:	Batitea Tekanito
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 POSITION

CENTRAL PACIFIC PRODUCERS LTD Statements of Financial Performance as at 31 December 2022

	Notes	2022	2021
Income	7	\$ 5,251,080	\$ 5,600,266
Cost of Goods Sold	8	\$ 233,006	\$ 152,117
Gross Profit		\$ 5,018,074	\$ 5,448,149
Expenses			
Depreciation	9a	\$ 76,334	\$ 349,675
Personnel	9b	\$ 752,628	\$ 767,366
Administration	9d	\$ 606,431	\$ 488,702
Agency	9c	\$ 2,149,202	\$ 2,071,587
Operations	9e	\$ 140,420	\$ 154,361
Financial		\$ -	\$ -
Sundry	9f	\$ 1,320	\$ 15,589
Loss on Assets Disposal		\$ -	\$ -
Total Expenses		\$ 3,726,336	\$ 3,847,280
Operating Profit		\$ 1,291,738	\$ 1,600,870
Prior Periods Items	10	\$ 402,223	\$ 751,907
Net Profit Before Tax		\$ 889,515	\$ 848,963
Income Tax 35 %		\$ 311,330	\$ 297,137
Net Profit after Tax		\$ 578,185	\$ 551,826

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 2022

	Notes	2022	2021
CURRENT ASSETS			
Cash & Bank	4	\$ 4,958,828	\$ 4,718,262
Debtors	5	\$ 2,952,583	\$ 2,553,064
Stock		\$ 178,883	\$ 149,915
		\$ 8,090,294	\$ 7,421,242
Less: CURRENT LIABILITIES			
Trade Creditors	11	\$ 258,854	\$ 258,854
Sundry Creditors	12	\$ 901,799	\$ 1,023,522
Provision for Income Tax	13	\$ 1,327,016	\$ 1,015,685
Provision for Dividend	14	\$ 101,167	\$ 168,360
		\$ 2,588,836	\$ 2,466,421
WORKING CAPITAL		\$ 5,501,459	\$ 4,954,821
add: NON CURRENT ASSETS			
Property, Plants & Equipments	3	\$ 521,057	\$ 547,328
		\$ 521,057	\$ 547,328
less: NON CURRENT LIABILITIES			
		\$ -	\$ -
		\$ -	\$ -
NET WORTH		\$ 6,022,515	\$ 5,502,149
Represented by:			
Paid Up Capital		\$ 500	\$ 500
Government Grant		\$ 4,708,286	\$ 4,708,286
Retained Earnings		\$ 735,544	\$ 241,537
Current Year Earnings		\$ 578,185	\$ 551,826
Total Equity		\$ 6,022,515	\$ 5,502,149

Chairman:.....

Director:

The accompanying notes form part of this Financial Statements

4 STATEMENT OF CASH FLOW

CENTRAL PACIFIC PRODUCERS LTD
Statement of Cash Flow
as at 31 December 2022

Cash Flow from Operating Activities

Cash received from Customers
Cash received from Agency
Cash Paid to Suppliers and Employees
Net Cash from Operating

	2022		2021
\$	854,147	\$	856,125
\$	3,997,414	\$	4,551,323
-\$	4,435,921	-\$	4,153,481
\$	415,640	\$	1,253,967

Cash Flow from Investing Activities

Purchase of Property, plant and equipment
Net Cash from Investing

-\$	50,063	-\$	228,388
-\$	50,063	-\$	228,388

Cash Flow From Financing

Provision for Income Tax Paid
Provision for Dividend Paid
ANZ Loan Paid
Net Cash From Financing

-\$	0	-\$	52,402
-\$	125,011	-\$	30,000
-\$	125,011	-\$	82,402

Net (Increase)/Decrease in Cash and Cash Equivalents
Round off Difference
Opening Cash Balance (01/01/21)
Closing Cash Balance (31/12/21)

\$	240,566	\$	943,177
\$	0	-\$	1
\$	4,718,262	\$	3,775,086
\$	4,958,828	\$	4,718,262

Details of Cash and Cash Equivalents as at 31/12/21

Cash at Bank - Tarawa
Cash at Bank - Xmas
Petty Cash on Hand - Tarawa
Petty cash on Hand - Xmas
Term Deposit - Tarawa
Term Deposit - Xmas
Undeposited Funds Account
Outer Island Imprest
Fish Imprest - HQ
Cafeteria Bairiki Imprest

\$	3,507,858	\$	3,253,634
\$	5,859	\$	53,086
\$	900	\$	900
\$	400	\$	400
\$	468,846	\$	465,824
\$	918,303	\$	917,959
\$	37,374	\$	11,136
\$	17,930	\$	13,968
\$	1,357	\$	1,357
\$	-	\$	-
\$	4,958,828	\$	4,718,262

Reconciliation of cash flow from operating activities to net profit

Net Profit for the year
Depreciation
(Increase)/Decrease in trade and other receivables
Increase/(Decrease) in trade and other payables
Increase/(Decrease) in Provisional of Income Tax
Stock

\$	578,185	\$	551,826
\$	76,334	\$	349,675
-\$	399,518	-\$	192,818
-\$	121,723	\$	248,148
\$	311,330	\$	297,137
-\$	28,968		
\$	415,640	\$	1,253,967

5 STATEMENT OF CHANGES IN EQUITY

CENTRAL PACIFIC PRODUCERS LTD
Statement of Changes in Equity
as at 31 December 2022

	2022	2021
Retained Earning Opening	\$ 793,363	\$ 296,720
Add: Net Profit after Tax	\$ 578,185	\$ 551,826
	\$ 1,371,548	\$ 848,546
Less: Dividend declared	\$ 57,819	\$ 55,183
Retained Earnings Closing	<u>\$ 1,313,730</u>	<u>\$ 793,363</u>
Represented by:		
Paid Up Capital	\$ 500	\$ 500
Government Grant	\$ 4,708,286	\$ 4,708,286
Retained Earnings	\$ 1,313,730	\$ 793,363
Total Equity	<u>\$ 6,022,516</u>	<u>\$ 5,502,149</u>

6 NOTES TO THE FINANCIAL STATEMENTS

CENTRAL PACIFIC PRODUCERS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st DECEMBER 2022

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 Organization 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 from 1st January 2022 and end on 31st December 2022

b. Currency

All revenues received are translated into local currency at the exchange rate for the date of the transaction and are rounded to the nearest dollar.

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	15%
Office Equipment	25%
Furniture and Fittings	20%
Motor Vehicles	25%
Reefer	20%
Boats % Engines	15%
IFM Equipment	25%

3 PROPERTY, PLANTS & EQUIPMENT

<u>Fixed Assets</u>		Building	Furniture & Fitting	IFM Utensils	Plant & Machinery	Office Equipment	Motor Vehicles	Boat & Canoe	Reefer	Fixtures	Total
Cost at 1 Jan 2022	\$	1,146,442	\$ 79,010	\$ 3,234	\$ 668,995	\$ 658,813	\$ 701,450	\$ 682,738	\$ 92,535	\$ -	\$ 4,033,217
Additions	\$	-	\$ 8,906.52	\$ 950	-	\$ 14,852	-	-	\$ 18,750	\$ 6,605	\$ 50,063
Disposal / Adjustments	\$	-	-	-	-	-	-	-	-	-	-
Depreciation	\$	1,146,442	\$ 87,917	\$ 4,184	\$ 668,995	\$ 673,665	\$ 701,450	\$ 682,738	\$ 111,285	\$ 6,605	\$ 4,083,281
At 1 January 2022	\$	674,394	\$ 54,241	\$ 314	\$ 663,638	\$ 647,999	\$ 701,449	\$ 663,103	\$ 80,752	\$ -	\$ 3,485,890
Charge	\$	57,322	\$ 6,257	\$ 848	\$ 945	\$ 4,190	-	\$ 3,302	\$ 3,470	\$ -	\$ 76,334
Disposal / Adjustments	\$	-	-	-	-	-	-	-	-	-	-
Book Value	\$	731,716	\$ 60,498	\$ 1,162	\$ 664,583	\$ 652,189	\$ 701,449	\$ 666,405	\$ 84,222	\$ -	\$ 3,562,224
At 01 Jan 2022	\$	472,048	\$ 24,770	\$ 2,920	\$ 5,357	\$ 10,814	\$ 1	\$ 19,635	\$ 11,783	\$ -	\$ 547,328
At 31Dec 2022	\$	414,726	\$ 27,419	\$ 3,022	\$ 4,412	\$ 21,476	\$ 1	\$ 16,333	\$ 27,063	\$ 6,605	\$ 521,057

4 Cash & Bank	2022	2021
Cash at Bank - Tarawa	\$ 3,507,858	\$ 3,253,634
Cash at Bank - Xmas	\$ 5,859	\$ 53,086
Petty Cash on Hand - Tarawa	\$ 900	\$ 900
Petty cash on Hand - Xmas	\$ 400	\$ 400
Term Deposit - Tarawa	\$ 468,846	\$ 465,824
Term Deposit - Xmas	\$ 918,303	\$ 917,959
Undeposited Funds Account	\$ 37,374	\$ 11,136
Outer Island Imprest	\$ 17,930	\$ 13,968
Fish Imprest - HQ	\$ 1,357	\$ 1,357
Cafeteria Bairiki Imprest	\$ -	\$ -
	<u>\$ 4,958,828</u>	<u>\$ 4,718,262</u>

5

Trade Debtors

Trade Debtors	\$ 2,505,974	\$ 2,155,831
Staff Imprest	\$ 74,670	\$ 22,153
Staff Salary Advance	-\$ 16,327	-\$ 5,063
Crew Salary Advance	\$ 3,389	\$ 2,196
Sundry Debtors	\$ 477,577	\$ 473,053
Provision of Doubtful Debts	-\$ 149,959	-\$ 149,959
Suspense Account - Outstanding Deposit	-\$ 1,528	-\$ 1,528
Trade debtor - Long Line	\$ 53,029	\$ 53,029
Tax Receivable	\$ 5,757	\$ 3,352
	<u>\$ 2,952,583</u>	<u>\$ 2,553,064</u>

6

Stock

Stock Office Supply	\$ -	\$ -
Stock Seaweed	\$ -	\$ -
Stock Fishing Gears	\$ 178,883	\$ 149,915
Stock Spare Parts	\$ -	\$ -
	<u>\$ 178,883</u>	<u>\$ 149,915</u>

7 INCOME

	2022	2021
Seafood Sales	\$ 188,196	\$ 300,565
Agency	\$ 2,597,798	\$ 2,651,543
Crew Income	\$ 1,799,234	\$ 2,092,598
Restaurant	\$ 171,327	\$ 149,618
Equipment Hire	\$ 110	\$ 38,917
Discarded Fish	\$ 274,332	\$ 108,916
Fishing Gears	\$ 39,033	\$ 16,315
Fuel	\$ 13,876	\$ 30,198
Ice cube	\$ 122,498	\$ 133,994
Interest on IBDs	\$ 3,366	\$ 4,503
Freight & Handling	\$ 595	
Other Income	\$ 40,714	\$ 73,099
	<u>\$ 5,251,080</u>	<u>\$ 5,600,266</u>

8

COST OF GOODS SOLD

	2022	2021
Opening Stock	\$ -	\$ -
Fish Purchase	\$ 108,301	\$ 128,629
Other Seafood Purchase	\$ 18,798	\$ 13,512
Fishing Gears Purchase	\$ -	\$ 2,003
Fuel Purchase	\$ 15,474	\$ 7,973
Discarded Fish	\$ 90,434	
Closing Stock	\$ -	\$ -
	<u>\$ 233,006</u>	<u>\$ 152,117</u>

9 EXPENSES	2022	2021
9a DEPRECIATION	\$ 76,334	\$ 349,675
9b PERSONNEL EXPENSES		
KPF Expense	\$ 45,924	\$ 63,333
Wages & Salaries Expenses	\$ 439,307	\$ 447,956
Housing Assistance	\$ 34,931	
Staff Allowances	\$ -	\$ 29,535
Staff Bonus	\$ -	\$ -
Acting & Charge Allowances	\$ 4,601	\$ 6,948
Overtime & Extra Hour	\$ 38,980	\$ 50,100
Other Allowances	\$ 68,245	\$ 39,907
Staff Training	\$ -	\$ -
Leave Grants	\$ 120,640	\$ 129,012
Other Payroll Expenses	\$ -	\$ 575
9c	\$ 752,628	\$ 767,366
AGENCY EXPENSES		
Pilot Boat Hire	\$ 45,450	\$ 52,743
Pilot Fees	\$ 422,659	\$ 488,852
Trading & Light Dues	\$ 7,797	\$ 8,817
Agency Expenses	\$ 85,986	\$ 68,835
Cash to Master - Vessels	\$ 26,493	\$ 10,384
Accommodations	\$ 7,916	\$ 20,311
Port Charges	\$ 253,078	\$ 112,650
Transport - Truck Hire	\$ 170	\$ 25
Agency Ration & Water	\$ -	\$ 422
Crew Wages	\$ 1,212,771	\$ 1,308,549
Transshipment Bonus	\$ 86,882	\$ -
	\$ 2,149,202	\$ 2,071,587

9d ADMINISTRATION EXPENSES

	2022	2021
Electricity	\$ 123,465	\$ 127,626
Bus Fare	\$ 3,728	\$ 3,595
Fuel & Oil - Vehicle & Boat	\$ 29,991	\$ 73,095
Repairs & Maintenance	\$ 59,730	\$ 64,848
Cleaning Materials	\$ 1,642	\$ 2,695
Service Fees		\$ -
Office Stationery & Supplies	\$ 26,956	\$ 24,793
Telecommunications	\$ 38,254	\$ 43,265
Local Travel	\$ 29,604	\$ 19,788
Overseas Travel	\$ 81,613	\$ -
Entertainment	\$ 27,319	\$ 24,625
Board of Directors Expenses	\$ 55,407	\$ 47,223
Registrations & Licenses	\$ 26,484	\$ 2,899
Bank Fees & Charges	\$ 2,550	\$ 3,411
Custom Duties	\$ 19,140	\$ -
Postage & Commission	\$ 834	\$ 386
Freight & Handling	\$ 25,276	\$ 16,192
Countancy fees	\$ 16,687	\$ 1,973
Advertisement & Promotion	\$ 20,631	\$ 7,124
Toll Fare	\$ 1,264	\$ 1,037
Training Expenses	\$ 920	\$ 13,210
Insurance Expenses	\$ 14,936	\$ 10,918
	\$ 606,431	\$ 488,702

9e OPERATING EXPENSES

	2022	2021
Operation expense		
Boat Fuel	\$ -	\$ -
Boat Repair	\$ -	\$ -
Casual Labour	\$ 10,330	\$ 21,480
Ration & Water	\$ 45	\$ 1,204
Security Fees	\$ 7,236	\$ 161
Packing Bags	\$ 249	\$ 1,476
Tuna Turkey Expenses	\$ 2,309	\$ 1,158
Compensation	\$ -	\$ -
Transport Equipment Hire	\$ 10,008	\$ 8,975
Equipment Hire	\$ -	\$ -
Promotion	\$ -	\$ -
Fishing License	\$ -	\$ -
Cafeteria Expenses	\$ 106,273	\$ 99,199
Fishing Expenses	\$ 3,970	\$ 20,707
	<u>\$ 140,420</u>	<u>\$ 154,361</u>

9f SUNDRY EXPENSES

Sundry expenses	<u>\$ 1,320</u>	<u>\$ 15,589</u>
-----------------	-----------------	------------------

10 PRIOR PERIODS ITEMS

Asset Sale Refund	\$ -	\$ -
Prior Periods Items	\$ 402,223	\$ 751,907
	<u>\$ 402,223</u>	<u>\$ 751,907</u>

11 TRADE CREDITORS

Trade creditors

	2022		2021
\$	258,854	\$	258,854
\$	258,854	\$	258,854

12 SUNDRY CREDITORS

Payroll Liabilities

\$	8,677	-\$	4,943
----	-------	-----	-------

Crewing Payable

\$	409,681	\$	530,547
----	---------	----	---------

Other Creditors

\$	483,440	\$	497,918
----	---------	----	---------

\$	901,799	\$	1,023,522
----	----------------	----	------------------

PROVISION FOR INCOME TAX

\$	1,327,016	\$	1,015,685
----	------------------	----	------------------

PROVISION FOR DEIVIDEND

\$	101,167	\$	168,360
----	----------------	----	----------------