

REPORT OF THE AUDITOR GENERAL ON THE ACCOUNT OF



KIRIBATI COPRA COOPERATIVE SOCIETY
For The Year Ended 31 December 2008

KIRIBATI NATIONAL AUDIT OFFICE
April 2012

Audit Report

To the readers of Kiribati Copra Cooperative Society Ltd financial statements for the year ended 31 December 2008

The Auditor-General is the auditor of Kiribati Copra Cooperative Society Ltd.

Qualification – limitation of scope

In our opinion, there was a severe limitation of scope from lack of documentation and explanations to support the following balances in the financial statements.

Specifically the limitation of scope was due to the following matters:

- Debtors could not be verified due to the following:
 - Documentation relating to significant adjustments of over 1million made to Debtors account was not available.
 - No reconciliation performed on debtors account.
 - Debtors aging report was not provided.
- Most of the Copra Shipping Receipts were noted missing.
- Supporting documents for disposal of fixed assets in the amount of \$21,255.02 were not available.
- Fixed asset had an unexplained variance of \$12,670 for Motor Vehicles and \$12,635 for Office equipment.
- Bank reconciliations were not available.
- Revenue could not be verified due to the following:
 - Had an unexplained variance of \$83,506.26 between Sales figure and Stock production.
- Expenditures could not be verified due to the following:

- Inadequacy of proper supporting documents.
- Missing payment vouchers valued \$55,772.91
- Copy of signed agreements between KCCS and Landowners and Shed owners could not be located.
- Staff list was not available
- Committee meeting minutes were missing.
- Stock was not disclosed in the financial statements when in fact it should be reported as one of the Cooperative's Current Assets.

Qualification - Adverse opinion

In view of **limitation of scope and the effect of the failure to report stock purchased from outer islands** as outlined above, in our opinion, the financial statements of the Kiribati Copra Cooperative Society **DO NOT** give a true and fair view, in accordance with Generally Accepted accounting practice. An adverse opinion was issued on the financial statement of the Cooperative as at 31st December 2008.

Based on our examination the cooperative has not kept proper accounting records for the year ended 31 December 2008.

The audit was completed on 22 April 2012, and was the date at which our opinion was expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the KCCS Committee and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the International Organisation of Supreme Audit Institution's (INTOSAI) Auditing Standards, which incorporate the International Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;

- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Board of Directors;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the KCCS Committee and the Auditor

The Committee is responsible for preparing the financial statements in accordance with generally accepted accounting practice. The financial statements must give a true and fair view of the financial position of the company as at 31 December 2008 and the results of its operations and cash flows for the year ended on that date. The Committee's responsibilities were clearly specified in the Public Finance (Control and Audit) Act 1981.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from the Public Finance (Control and Audit) Act 1981.

Independence

When carrying out the audit we followed the independence requirements of the Kiribati National Audit Office, which incorporate the independence requirements of the International Standards of Auditing.

Other than the audit, we have no relationship with or interests in the company.



Mrs. Matereta. Ralman.
Auditor General
Kiribati National Audit Office



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9th July 2010

Auditor General
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2008 and 2009 FINANCIAL STATEMENTS

Please find attached herewith the 2008 and 2009 Financial Statements for the Kiribati Copra Cooperative Society Ltd.

NOTES TO THE FINANCIAL STATEMENT

General

The Kiribati Copra Cooperative Society Ltd was incorporated under the Co-Operative Societies' Ordinance 1977 for the economic interest of member societies and the purchase and export of copra.

Accounting Policies:

- The Financial Statements are prepared under the historical cost convention,
- The Financial Statements are expressed in Australian dollars
- Depreciation is calculated to write down values of the asset in equal instalments, using the straight line method over their expected useful lives.
 - Leasehold buildings 3%
 - Furniture & Office Equipment 10%
 - Plant & Vehicle 10%
- Stock of copra in store (Betio) and outer islands is subsidised by the Government
- Foreign currency transactions are converted to Australian currency at the rate of exchange ruling at the date of transactions and profit or losses which arise from currency conversion are credited to or charged against revenue.
- Cash Receipts for Sales is deposited in the Stabex Account and released upon request to KCCS by the MFED

Ko rabwa

Depweh Kanono
Chief Executive Officer

Kiribati Copra Cooperative Society Ltd
Draft Income Statement
for the year ended 2008



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	Amount (\$)
Revenue:	
Income	2,899,014
Total Revenue	2,899,014
Less: Cost of sales:	
Purchases	
Sacks Purchase	34,126
Twine & Needle purchase	18,725
Weighing scale purchase	9,312
Copra Freight & Handling	1,028,177
Charter	197,375
Agency Fee	216,600
Sacks/Twine Freight & Handling	28,934
Draft Survey	3,345
Copra sheds rent	16,990
Overseas Handling	150,276
Copra storage - outer Is	21,708
Phyto. Forms/Other Forms	200
S/generator/Fumigator	
Outer island expense	294,159
Rebagging	6,448
Copra inspector's cost	27,596
Casual Labour	86,312
Land Lease	31,844
Total Cost of Sales	2,172,124
Gross Profit	726,890
Administrative Expenses:	
Subscription	
Audit /professional fees	2,500
Advertisement	2,319
Bank Charge	17,126
BTC Service charges	3,268
Directors Expenses	7,769
Electricity	6,376
Entertainment	1,365
KPF contribution	22,458
Leave Grant	10,950
Motor Vehicle Expense	9,556
Stationery	6,091
Repair & Maintenance	8,084
Staff overtime & Allowances	24,706
Salaries	281,526
Telecom expenses	19,928
Travelling - staff	24,658
Training	220
Bad & doubtful debts	
Interest Expense	41,401
Office expense	1,044
Depreciation	8,211
Total Admin Expenses	499,555
OPERATING INCOME(LOSS)	227,335
Plus Non- Operating Income	30,099
Profit/(loss) before abnormal items	257,434
Add/(less) abnormal items:	
Other	
- Prior period items	1,343,335
Net Income/(Loss) after abnormal items	-1,085,902

Kiribati Copra Cooperative Society Ltd
Draft Balance Sheet
as at 31st December 2008

CURRENT ASSETS	Notes	Amount (\$)
Cash	2 -	436,681
Receivables	3	227,726
Sundry Debtors	4	461,141
Total Current Assets		252,186
CURRENT LIABILITIES		
Trade Creditors	5	44,450
Sundry Creditors	6 -	14,297
		30,154
WORKING CAPITAL		222,032
NON CURRENT ASSETS		
Long term Assets	7	68,959
NET WORTH		290,992
EQUITY		
Opening balance		1,376,893
Profit/(Loss)		- 1,085,902
Total Equity	8	290,992

Kiribati Copra Coopertive Society Ltd
Notes to the Financial Statements
for the year ended 31/12/2008

		Amount (\$)	
1 Income			
KCMCL		1,758,688	
Overseas		1,140,325	
		<u>2,899,014</u>	
2 Cash			
Cash at Bank		(440,913)	
Petty Cash Imprest		2,706	
Stabex		1,526	
		<u>(436,681)</u>	
3 Receivables			
Current Assets			
Trade Debtors			
Holland Commodity			
KCMCL		(148,487)	?
Pacific Commodity		229,258	
		144,955	?
		<u>227,726</u>	
4 Sundry Debtors			
MCIC		450,000	
Atanimango		266	
Waysang Kum Kee		10,875	
		<u>461,141</u>	
5 Creditors			
Trade Creditors		44,450	
6 Sundry Creditors			
Accrued expenses		6,490	
Accrued Telephone		3,235	
Payroll Liabilities	BOK	10	
	KCWS	513	
	KHC	(440)	
	KIC	294	
	KPF	(30,156)	
	MLEC House rent	152	not yet reconciled - unavailable source document.
	PAYE	2,508	Shld be added to KCWS
	TSKL	145	
Tax refund		(26,974)	
		2,953	
		<u>(14,297)</u>	

7 Long term Assets refer Annex 1			
Air Conditioner	950		
Acc Depn	(95)	855	
Motor Vehicle	25,212		
Acc Depn	(3,383)	21,829	
Office Building	32,119		
Acc Depn	(3,212)	28,907	
Office Equipment	15,864		
Acc Depn	(1,431)	14,433	
Office Furniture and Fix	3,026		
Acc Depn	(91)	2,935	
			68,959
8 EQUITY			
Opening Balance		(224,454)	
Retained Earnings		1,601,348	1,376,893
Net Income after abnormal items			(1,085,902)
			290,992
9 Prior Period Items - refer Annex 2			
			1,343,335

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2008

RECONCILIATION OF PROPERTY, FURNITURE AND EQUIPMENT

Reconciliations of the carrying amounts of total Assets at the beginning and end of the current financial year are set out below:

	Building	Furniture	Equipment	Air Condition	Motor Vehicle	Totals
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Op balances	55,671.30	2,415.34	5,194.43	-	9,561.45	72,842.52
Prior Period Adjustment	23,552.00	610.91	22,756.10	950.00	24,270.32	
Revised amount at start	32,119.30	3,026.25	27,950.53	950.00	33,831.77	97,877.85
Additions			548.00			548.00
Disposals			12,635.02		8,620.00	
Transferred to non-current assets held for disposal						
Value 2008	32,119.30	3,026.25	15,863.51	950.00	25,211.77	77,170.83
Impairment losses						
Depreciation	3,211.93	90.79	1,430.52	95.00	3,383.18	8,211.42
Transfers/Adjustments						
Closing balances	28,907.37	2,935.46	14,432.99	855.00	21,828.59	183,808.10

Annex 1

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Accrual Basis

KIRBATI COPRA CO-OPERATIVE SOCIETY LTD Transaction Detail By Account January through December 2008

Type	Date	Num	Memo	Debit	Credit	Balance
PPI						
General J...	18/04/2008	65	amt reduced to the agreed amt per recon. (Taati & Kabini) 18/04/08	1,404,073.58		1,404,073.58
General J...	31/12/2008	62	Reverse entry dd 5/11/07 sitting allow returned		50.00	1,404,023.58
General J...	31/12/2008	68	Reverse entry for S/allow Belero		50.00	1,403,973.58
General J...	31/12/2008	69	Reverse entry for i/cash float ref RR 05193		55.60	1,403,917.98
General J...	31/12/2008	70	Reverse entry for Directors exp ref pv 749/07		112.00	1,403,805.98
General J...	31/12/2008	72	Reverse entry for C/Insp O/tine	16,310.85		1,420,116.83
General J...	31/12/2008	73	Reverse entry for Kaekoa salary dd 12/10/2007 ref RR 05142 & 05144		161.80	1,419,955.03
General J...	31/12/2008	74	Reverse entry for sacks sales RR 05131		90.00	1,419,865.03
General J...	31/12/2008	75	Returned sitting allowance ref RR 05173		50.00	1,419,815.03
General J...	31/12/2008	76	Rev Entry on Copra Insp overtime 2005 & 2006	14,045.85		1,433,860.88
General J...	31/12/2008	77	Reverse entry on C/Insp Overtime 2003 - 2006	11,157.61		1,445,018.49
General J...	31/12/2008	78	Rev entry Twine sales to MTC 2007	10.00		1,445,028.49
General J...	31/12/2008	80	Rev Entry on RR 05147 weighbridge usage		2.00	1,445,026.49
General J...	31/12/2008	81	Reverse entry on pmnt for saloon car ref RR 5023		658.65	1,444,367.84
General J...	31/12/2008	82	Reverse for c/Insp overtime 2005	103.73		1,444,471.37
General J...	31/12/2008	83	Reverse entry on sack sales RR 05129		18.00	1,444,453.37
General J...	31/12/2008	84	Reverse entry on c/Insp overtime	130.41		1,444,583.78
General J...	31/12/2008	85	Reverse entry on Copra Ins overtime	1,314.00		1,445,897.78
General J...	31/12/2008	86	Reverse entry for Teang imprest ref RR 05123		89.65	1,445,808.13
General J...	31/12/2008	87	Reverse entry for sacks sales RR 5151		15.00	1,445,793.13
General J...	31/12/2008	88	Reverse entry for sacks sales ref RR 5149		3.00	1,445,790.13
General J...	31/12/2008	89	Reverse entry on claim to WKK for Cop Insp O/tine, Fuel and Seafare	9,461.86		1,455,251.99
General J...	31/12/2008	90	Reverse entry on cash imprest payment	26,918.65		1,482,170.64
General J...	31/12/2008	91	Reverse entry on cash imprest payable to Henry Tiare	515.00		1,482,685.64
General J...	31/12/2008	92	Reverse entry on imprest payable to Iolebwa R	540.00		1,483,225.64
General J...	31/12/2008	93	Reverse entry on imprest payable to Kireata T	255.00		1,483,480.64
General J...	31/12/2008	94	Reverse entry on imprest payable to Marawentear	6,850.00		1,490,330.64
General J...	31/12/2008	95	Reverse entry on cash imprest payable to Mwamwau T	455.00		1,490,785.64
General J...	31/12/2008	96	Reverse entry on cash imprest payable to Taabala R	1,408.00		1,492,193.64
General J...	31/12/2008	97	Reverse entry on imprest payable to Tamaroa T	890.00		1,493,083.64
General J...	31/12/2008	98	Reverse entry on imprest payable to Tania M	470.00		1,493,553.64
General J...	31/12/2008	99	Reverse entry on imprest paid to Tebina T	1,437.00		1,494,990.64
General J...	31/12/2008	100	Reverse entry for imprest paid to Teburea M	4,802.00		1,499,792.64
General J...	31/12/2008	101	Reverse entry for imprest paid to Teibaba A	8,137.60		1,507,930.24
General J...	31/12/2008	102	Reverse entry on cash imprest paid to Teikauea T	3,450.00		1,511,380.24
General J...	31/12/2008	103	Reverse entry on cash imprest paid to Tiaua B	845.00		1,512,225.24
General J...	31/12/2008	104	Reverse entry on imprest paid to Timaia	5,445.00		1,517,670.24
General J...	31/12/2008	105	Reverse entry on imprest paid to Toatarawa	786.80		1,518,457.04
General J...	31/12/2008	106	Reverse entry for imprest paid to Tokintekai	2,010.00		1,520,467.04
General J...	31/12/2008	107	Reverse entry for cash imprest paid to Tooki K	231.70		1,520,698.74
General J...	31/12/2008	108	Reverse entry on imprest paid to Tooti	2,715.00		1,523,413.74
General J...	31/12/2008	109	Reverse entry on shed rent payable to Nikunau Cs	14,600.00		1,538,013.74
General J...	31/12/2008	110	Reverse entry on sundry debtors		13,578.22	1,551,591.96
General J...	31/12/2008	111	Reverse entry on sundry debtors		31.16	1,551,623.12
General J...	31/12/2008	112	Reverse entry for copra insp overtime	242.28		1,524,404.36
General J...	31/12/2008	113	Reverse entry on c/Insp overtime	1,054.67		1,525,701.31

Annex 2

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Accrual Basis

KIRBATI COPRA CO-OPERATIVE SOCIETY LTD

Transaction Detail By Account

January through December 2008

Type	Date	Num	Memo	Debit	Credit	Balance
General J...	31/12/2008	114	Reverse entry on cop/insp online	1,275.47		1,526,976.78
General J...	31/12/2008	115	Reverse entry on ded for lekimele		14.00	1,526,962.78
General J...	31/12/2008	116	Reverse entry for cop insp oftime charged to Island Bridge			1,527,421.94
General J...	31/12/2008	117	Reverse entry for cop insp oftime charged to KDSA		195.18	1,527,226.76
General J...	31/12/2008	118	Reverse entry for cop insp oftime charged to KISS			1,528,487.02
General J...	31/12/2008	119	Reverse entry for cop insp oftime charged to KISS	1,260.26		1,535,970.73
General J...	31/12/2008	120	Reverse entry for cop insp oftime charged to KISSL	7,483.71		1,542,542.81
General J...	31/12/2008	121	Reverse entry on cop insp oftime charged to Mataraoi shipping	6,572.08		1,544,110.86
General J...	31/12/2008	122	Reverse entry on cop insp oftime charged to Maurinteraoi shipping	1,568.05		1,544,444.37
General J...	31/12/2008	123	Reverse entry on cop insp oftime charged to Morning Star	333.51		1,544,560.50
General J...	31/12/2008	124	Reverse entry on Cop insp oftime charged to Namoraoi	116.13		1,546,381.81
General J...	31/12/2008	125	Reverse entry to cop insp oftime charged to Onotoa Shipping	1,821.31		1,546,084.00
General J...	31/12/2008	126	Rev entry to Otea U (ded for tax arrears)	302.19		1,546,680.41
General J...	31/12/2008	127	Reverse entry to Pita Tekabu (Sch Fee USP)		3.59	1,546,927.41
General J...	31/12/2008	128	Reverse entry on tax arrears for Riata E	247.00		1,546,947.41
General J...	31/12/2008	129	Reverse entry on sch fee for Riata K	20.00		1,547,434.41
General J...	31/12/2008	130	Reverse entry on cop insp oftime charged to Santa Terelia	487.00		1,548,626.75
General J...	31/12/2008	131	Reverse entry on cop insp oftime charged to SealMaster	1,192.34		1,549,242.36
General J...	31/12/2008	132	Reverse entry on cop insp oftime charged to SSMaster	615.61		1,549,500.62
General J...	31/12/2008	133	Reverse entry on cop insp oftime charged to SSMana	258.26		1,549,761.58
General J...	31/12/2008	134	Reverse entry to overpayment to Santa Terelia	260.96		1,549,739.88
General J...	31/12/2008	135	Reverse entry on cop ins oftime charged to Supercat	17.19	21.70	1,549,757.07
General J...	31/12/2008	136	Reverse entry on charged to Taati for KPF penalty	4,727.38		1,554,484.45
General J...	31/12/2008	137	Reverse entry on imprest to Taabita R		30.00	1,554,454.45
General J...	31/12/2008	138	Reverse entry for Tabwaeko T		25.00	1,554,429.45
General J...	31/12/2008	139	Reverse entry on ded to Taeaia for Telephone usage on Privacy		38.95	1,554,390.50
General J...	31/12/2008	140	Reverse entry of school fee for Tamaroa T	1,730.50		1,556,121.00
General J...	31/12/2008	141	Reverse entry for ded to Tawati	50.00		1,556,171.00
General J...	31/12/2008	142	Reverse entry for ded to Tekabu T		29.00	1,556,142.00
General J...	31/12/2008	143	Reverse entry for ded to Tekirawa T			1,556,152.70
General J...	31/12/2008	144	Reverse entry on cop insp oftime	10.70		1,556,189.40
General J...	31/12/2008	145	Reverse entry for cop insp oftime ascharged to Teriantebuginako shipp	36.70		1,556,670.40
General J...	31/12/2008	146	Reverse entry on cop insp oftime charged to Tetaboe	481.00		1,557,255.43
General J...	31/12/2008	147	Reverse entry on tax arrears for Tika A	585.03		1,557,263.30
General J...	31/12/2008	148	Reverse entry on charged to Tikua (Feeder Services)	7.87		1,557,343.90
General J...	31/12/2008	149	Reverse entry on ded for Tote A	80.60		1,557,458.90
General J...	31/12/2008	150	Reverse entry on Tool ded tax arrears	115.00		1,557,506.50
General J...	31/12/2008	151	Reverse entry on copra scales	47.60		1,558,221.50
General J...	31/12/2008	152	Reverse entry on copra shed rent Nikunau CS	715.00		1,559,471.50
General J...	31/12/2008	153	Reverse entry on copra shed rent Aranuka	1,250.00		1,564,301.50
General J...	31/12/2008	154	Reverse entry on GJ for Copra Teraina	4,890.00		1,568,669.26
General J...	31/12/2008	155	Reverse KSSL as per record no o/s	2,307.76	101,452.77	1,465,216.49
General J...	31/12/2008	156	Reverse entry for cash float to Copra Abaiaang			1,475,166.49
General J...	31/12/2008	157	Reverse entry on cash float to Abemama	9,950.00		1,494,523.24
General J...	31/12/2008	158	Reverse entry on cashfloat to Aranuka	19,356.75		1,504,549.64
General J...	31/12/2008	159	Reverse entry on cashfloat to Beru	10,026.40		1,515,299.89
General J...	31/12/2008	160	Reverse entry on cash float to Butan2	10,750.25		1,519,749.14
General J...	31/12/2008	161		4,449.25		

Annex 2

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Accrual Basis

KIRBATI COPRA CO-OPERATIVE SOCIETY LTD Transaction Detail By Account January through December 2008

Type	Date	Num	Memo	Debit	Credit	Balance
General J...	31/12/2008	209	Reverse entry on cashfloat to Kuria			1,527,545.39
General J...	31/12/2008	210	Reverse entry on cashfloat to Maliana	7,796.25		1,529,090.39
General J...	31/12/2008	211	Reverse entry on Copra Makin cashfloat	1,545.00		1,527,319.74
General J...	31/12/2008	212	Reverse entry on Kaekoa deduction		1,770.65	1,527,329.74
General J...	31/12/2008	213	Reverse entry on cashfloat to Kiriimati	10.00		1,548,346.14
General J...	31/12/2008	214	Reverse entry on cashfloat to Tabuacaran	21,016.40		1,553,100.92
General J...	31/12/2008	215	Reverse entry on cashfloat to Tab North	4,754.78		1,560,770.92
General J...	31/12/2008	216	Reverse entry on cashfloat to Onotoa	7,670.00		1,561,994.42
General J...	31/12/2008	218	Reverse entry on cashfloat to Marakei	1,223.50		1,569,639.42
General J...	31/12/2008	219	Reverse entry on cashfloat to Nikunau	7,645.00		1,572,649.42
General J...	31/12/2008	220	Reverse entry on cashfloat Nonouti	3,010.00		1,585,715.42
General J...	31/12/2008	221	Correcting entry on cost of ceo saloon car wrongly posted to Motor vehicl...	13,066.00		1,580,418.99
General J...	31/12/2008	222	Reverse entry Copra insp offline 2005 & 2007	194.29	5,296.43	1,580,613.28
General J...	31/12/2008	223	Revenue and expenses wrongly posted to Agricom dd 30/05/03-23/08/06		997.52	1,579,615.76
General J...	31/12/2008	224	Reverse entry from Unpresented cheqs ac		86,545.51	1,493,070.25
General J...	31/12/2008	225	Reverse entry dd 08/09/03 posted under Furniture ac	238.00		1,493,306.65
General J...	31/12/2008	226	Reverse entry dd 15/12/05		1.60	1,493,396.65
General J...	31/12/2008	227	Reverse entry dd 13/03/07	90.00		1,493,400.45
General J...	31/12/2008	228	Reverse entry dd 27/05/05 [Office building]	3.80		1,493,651.97
General J...	31/12/2008	229	expenses wrongly posted to Fixed assets Motor cycle ac	251.52		1,494,771.17
General J...	31/12/2008	230	expenses wrongly posted to F/asset Dwelling House	1,119.20		1,471,851.74
General J...	31/12/2008	233	gain on exchange rate 2007		22,919.43	1,756,024.75
General J...	31/12/2008	234	2007 Pmt re'd wrongly posted to Holland Commodities	284,773.01		1,471,851.74
General J...	31/12/2008	235	Pmt from Pacific Commodities in 2007		284,773.01	1,472,098.14
General J...	31/12/2008	236	2004 refund wrongly posted to transaction	246.40		1,471,748.14
General J...	31/12/2008	237	reverse entry posted to undeposited funds on 22/10/2003		350.00	1,593,499.47
General J...	31/12/2008	238	Grant red in 2004 to 2007 from MFED as Grant	121,751.33		96,178.78
General J...	31/12/2008	239	Reverse entry on deduction from Tikua & tekimeta 2005	168.05		96,346.83
General J...	31/12/2008	240	written off from Suspence clearing account 2007 posting		246.40	99,100.43
General J...	31/12/2008	243	correction inv. 4 dd 30/04/07 ref: Inv 22 dd 12/12/07		20,982.60	918,867.83
General J...	31/12/2008	284	correct entry 1/12/04 csr 1872		498,820.10	420,047.73
General J...	31/12/2008	285	correcting O/s all ps:3 for copra abalang		1,228,877.30	-808,829.57
General J...	31/12/2008	286	no o/s as per record for Copra Abemama		543,150.05	-1,351,979.62
General J...	31/12/2008	287	Copra Betu correction		933,073.50	-2,285,053.12
General J...	31/12/2008	288	correction o/s not on record for Copra Butaritari		292,903.65	-2,577,956.77
General J...	31/12/2008	289	o/s for Copra Kuria not on record		176,670.75	-2,754,627.52
General J...	31/12/2008	290	o/s copra Maliana not on record		681,563.85	-3,436,191.37
General J...	31/12/2008	291	reverse o/s copra Makin		475,279.80	-3,911,471.17
General J...	31/12/2008	292	o/s not on record		1,264,822.45	-5,176,293.62
General J...	31/12/2008	293	Copra Marakei(2) unknown		7,499.05	-5,183,792.67
General J...	31/12/2008	294	Copra Kiritimati o/s unknown		169,958.24	-5,353,750.91
General J...	31/12/2008	296	o/s for copra nonouti unknown		1,042,204.80	-6,396,015.71
General J...	31/12/2008	297	copra nth Tarawa o/s unknown		246,994.35	-6,643,010.06
General J...	31/12/2008	299	copra tabnth o/s unknown		1,245,101.02	-7,888,111.08
General J...	31/12/2008	300	copra onotoa o/s unknown		763,613.22	-8,651,724.30
General J...	31/12/2008	301				
General J...	31/12/2008	302				

Annex 2

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Accrual Basis

KIRBATI COPRA CO-OPERATIVE SOCIETY LTD Transaction Detail By Account January through December 2008

Type	Date	Num	Memo	Debit	Credit	Balance
General J...	31/12/2008	303	o/s unknown for copra Tabuaeran		132,085.98	-8,783,810.28
General J...	31/12/2008	304	o/s unknown		607,600.23	-9,391,410.51
General J...	31/12/2008	305	o/s unknown copra Xnas		286,294.75	-9,677,705.26
General J...	31/12/2008	306	o/s unknown Eutan Karawa		1,642.24	-9,679,347.50
General J...	31/12/2008	307	o/s unknown for copra Marakei		653,189.95	-10,332,537.45
General J...	31/12/2008	308	o/s unknown Fanning		2,832.44	-10,335,369.89
General J...	31/12/2008	349	Expenses for 2004 reversed		917.81	-10,336,287.70
General J...	31/12/2008	350	2004 expenses BPA		773.50	-10,337,061.20
General J...	31/12/2008	351	2002 copra freight	3,008.07		-10,334,053.13
General J...	31/12/2008	352	2004 expenses		47.80	-10,334,100.93
General J...	31/12/2008	353	2004 o/s corrected [Kaulebiri Kobuti]		40.00	-10,334,140.93
General J...	31/12/2008	354	2004 o/s corrected [KISS]		4,717.56	-10,338,858.49
General J...	31/12/2008	355	2004 o/s corrected [KPA]		38,626.60	-10,377,485.09
General J...	31/12/2008	356	2004 o/pmt corrected Kiribati office Equipmnt			-10,377,290.09
General J...	31/12/2008	357	2002-2004 o/s Lawin Shipping corrected		1,996.12	-10,379,286.21
General J...	31/12/2008	358	2004 o/s corrected Lightly Damp Shipping Line		2,405.34	-10,381,691.55
General J...	31/12/2008	359	2004 o/s corrected N. Bwae		141.12	-10,381,832.67
General J...	31/12/2008	360	2004 o/s corrected PUB	195.00		-10,382,027.67
General J...	31/12/2008	361	2004 o/s corrected Tangiraai CS		661.51	-10,382,689.18
General J...	31/12/2008	362	2004 o/s corrected TSKL		17,655.80	-10,400,344.98
General J...	31/12/2008	363	2004 o/s corrected Temanraoi Shipping		1,587.65	-10,401,932.63
General J...	31/12/2008	364	2003 o/s corrected Temanraoi Shipping Line		373.30	-10,402,310.93
General J...	31/12/2008	365	2004 correction pmt with no bill to offset		1,558.62	-10,403,869.55
General J...	31/12/2008	366	Govt subsidy refer working out Onotua			-10,403,827.55
General J...	31/12/2008	367	2004 credit adjusted	42.00		-10,475,200.90
General J...	31/12/2008	368	2004 o/s adjusted		71,433.35	-10,472,506.31
General J...	31/12/2008	369	2004 credit adjusted Teraina	2,754.59		-10,472,606.31
General J...	31/12/2008	370	2002 payroll liability corrected	14,436.96		-10,458,169.35
General J...	31/12/2008	371	Adjustment for 2005 payroll liability coffee club		90.00	-10,458,259.35
General J...	31/12/2008	374	Bad debt w/off		239.43	-10,458,498.78
General J...	31/12/2008	375	Reverse entry	148,288.97		-10,310,209.81
General J...	31/12/2008	376	Correct entry expenses for Copra nth Trw 2002		106,306.91	-10,416,516.72
General J...	31/12/2008	378	Correcting entries - entered for records only 2002-2005	3,724.50		-10,412,792.22
General J...	31/12/2008	379	Expenses cost no supporting doc	11,254,237.72		841,445.50
General J...	31/12/2008	380	reverse pmt dd 29/11/04 wrongly posted to Agricom - supporting not found	1,225.00		842,670.50
General J...	31/12/2008	381	reverse entry to Pacific		39,990.00	802,680.50
General J...	31/12/2008	382	Reverse entry - ref to Inv.22 dd 12/12/07	39,990.00		842,670.50
General J...	31/12/2008	383	correct Inv.1 14/06/07 shd be 1782 253mt not 2000	363,750.00		1,206,420.50
General J...	31/12/2008	384	Inv.2 dd 14/06/07 shd be 1090mt not 1000mt	240,081.81		1,446,502.31
General J...	31/12/2008	385	to be transferred to Trade Creditors		124,250.00	1,322,252.31
General J...	31/12/2008	386	Transferred to Trade Creditors		4,368,122.32	-3,045,870.01
General J...	31/12/2008	387	Adjust Mvehicle Asset as per Rec 2008		15,650.32	1,322,252.31
General J...	31/12/2008	388	Adjust off. Building as per rec 2008			1,306,601.99
General J...	31/12/2008	389	Adjust Furniture asset as per rec 2008	23,552.00		1,330,153.99
General J...	31/12/2008	390	adjust Asset - Air Con rec 2008		610.91	1,329,543.08
General J...	31/12/2008	395	Adjust FAsset Office Furn & Fittings ref rec 2008		950.00	1,328,593.08
General J...	31/12/2008	396	Adjustment ref FAsset rec 2008	12,665.06		1,328,218.08
General J...	31/12/2008					1,340,883.14

Annex 2

KIRBATI COPRA CO-OPERATIVE SOCIETY LTD Transaction Detail By Account January through December 2008

Type	Date	Num	Memo	Debit	Credit	Balance
General J...	31/12/2008	397	Adjust F Asset ref rec 2008	17,423.89		1,356,307.03
General J...	31/12/2008	399	Adjust for Asset 2008	5,641.97		1,363,949.00
General J...	31/12/2008	401	adjust 2007	3,815.81		1,367,764.81
General J...	31/12/2008	403	As per reconciliation with Agricom			1,478,626.62
General J...	31/12/2008	406	Adjustment ref to asset rec 2008	110,661.81		1,471,193.62
General J...	31/12/2008	410	Transferred from PCG		7,433.00	1,326,238.31
General J...	31/12/2008	412	Ref PV0808 reprint for 2007 bal 411.71	418.29	144,955.31	1,326,656.60
General J...	31/12/2008	413	Adjustment as per record 2008 ref to rec	218.76		1,326,875.36
General J...	31/12/2008	414	Adjust 2004 rec unknown	1,129.00		1,328,004.36
General J...	31/12/2008	415	Adjust 2004 records untraceable		100.00	1,327,904.36
General J...	31/12/2008	416	Adjust bal o/s shd be 2508.05 to be paid in 2009	19,547.85		1,347,452.21
General J...	31/12/2008	417	Adjust to 2007 ac not enough supporting doc	646.00		1,348,098.21
General J...	31/12/2008	420	2004 acct Adjusted	70.00		1,348,168.21
General J...	31/12/2008	421	2004 acct adjusted		92.45	1,348,075.76
General J...	31/12/2008	422	2004 acct adjusted		247.35	1,347,828.41
General J...	31/12/2008	426	Adjustment no source doc available		4,492.96	1,343,335.45
Total PTH				19,592,694.52	18,249,359.07	1,343,335.45
TOTAL				19,592,694.52	18,249,359.07	1,343,335.45



rual Basis

KIRBATI COPRA CO-OPERATIVE SOCIETY LTD

Profit & Loss

January through December 2008

Jan - Dec 08

Ordinary Income/Expense	
Income	
Non Operating Income	
Interest received & other income	29,239.43
Rent received	855.00
Sale of Copra Sacks	4.50
Total Non Operating Income	30,098.93 ✓
Operating Income	
Copra Sales	
KCMC	614,333.94
Copra Sales - Other	2,284,679.80
Total Copra Sales	2,899,013.74
Total Operating Income	2,899,013.74 ✓
Total Income	2,929,112.67
Cost of Goods Sold	
Agency fee	216,599.50 ✓
Casual	86,312.00 ✓
Charter Cost	197,375.18 ✓
Copra	
Handling	128,144.21 ✓
Total Copra	128,144.21 ✓
Copra Freight & Handling	900,032.87 ✓
Outer Islands exp	294,158.68 ✓
Overseas handling	150,275.56 ✓
Phytosanitary	200.00 ✓
Purchases	
Sacks	34,125.71 ✓
Scales	9,311.57 ✓
Total Purchases	43,437.28 ✓
Rebagging	6,447.80 ✓
Sacks freight & handling	28,934.36 ✓
Surveyor Fee	3,344.67 ✓
Twine	18,724.95 ✓
Total COGS	2,073,987.06
Gross Profit	855,125.61
Expense	
Advertisement	2,319.20 ✓
BTC	3,268.00 ✓
Copra Inspector's Cost	
Overtime	15,401.75
Sea fare	2,078.00
Sub allowance	10,115.00
Total Copra Inspector's Cost	27,594.75 ✓
Copra shed rent	
Aotukia Beru	2,240.00
Aranuka	1,190.00
Marewen Beru	2,300.00
Nonouti CS	1,040.00
Tanaeang	800.00
Tanimaiaki	3,940.00
Copra shed rent - Other	5,480.00
Total Copra shed rent	16,990.00 ✓
Directors Expense	
Meal	1,209.10
Sitting Allowance	4,985.00
Special meeting	1,015.00
Directors Expense - Other	560.00
Total Directors Expense	7,769.10 ✓
Electricity	6,375.99 ✓

KIRBATI COPRA CO-OPERATIVE SOCIETY LTD

Profit & Loss

January through December 2008

Annual Basis

Jan - Dec 08

Entertainment		
Others	22.50	
Entertainment - Other	1,342.30	
Total Entertainment	1,364.80	✓
KPF	22,458.23	✓
Land Lease	31,844.19	✓
Leave Commutation	3,862.60	✓
Leave Grant		
Head Quater	5,500.00	
Linnix	375.00	
Outer Island	5,075.00	
Total Leave Grant	10,950.00	✓
Motor vehicle running cost**		
Motorcycle	1,328.82	
Other	10.00	
Saloon for CEO	2,848.47	
Saloon BTC 6959	2,474.45	
Truck Exp	2,126.84	
Motor vehicle running cost - Other	708.80	
Total Motor vehicle running cost	9,495.38	✓
Office Expense	463.90	✓
Office Truck	60.40	✓
Relieving wages	1,152.95	✓
Repair & Maintenance		
Copra Shed	3,168.40	
Dwelling house Henry	50.00	
Motor vehicle	2,471.60	
Office Building	1,694.65	
Office Equipment	405.00	
Tamaroa Computer	145.00	
Repair & Maintenance - Other	149.25	
Total Repair & Maintenance	8,083.90	✓
Staff overtime & Allowance		
Acting Allowances CEO,FM,OM,Acc	2,013.06	
CEO Entertainment Allowance	166.02	
Overtime HQ	4,118.52	
Overtime HQ,Temp,Xmas,O.Island	14,273.20	
Staff overtime & Allowance - Other	4,135.43	
Total Staff overtime & Allowance	24,706.23	✓
Stationary	6,091.05	✓
Storage	21,707.50	✓
Surcharge kpf	417.33	✓
Surcharge kpf	162.91	✓
Telecom expenses		
Modem	707.50	
Total Telecom expenses	707.50	✓
Training	220.00	✓
Travelling		
Local	2,033.00	
Total Travelling	2,033.00	✓
Travelling Expenses		
Audit visit to O/Island		
Travelling	410.00	
Audit visit to O/Island - Other	3,526.00	
Total Audit visit to O/Island	3,936.00	
O/seas sales contract marketing	13,890.75	
Others	68.50	
staff bus fare	1,123.85	
Travelling Expenses - Other	3,605.80	
Total Travelling Expenses	22,624.90	✓

KIRBATI COPRA CO-OPERATIVE SOCIETY LTD

Profit & Loss

January through December 2008

Jan - Dec 08

6120 - Bank Service Charges	
Cheque books	61.20
Cheque withdrawal	18.47
Collection fee	45.00
Dishonoured cheque	160.00
Interest	41,401.21 ✓
Ledger fee	110.00
Line fee	541.80
Over draft charges	13,500.00
Payposted charge	427.00
Statement fee	20.00
Transaction fee	833.78
Unarranged charge	525.21
6120 - Bank Service Charges - Other	883.37
Total 6120 - Bank Service Charges	58,527.04 ✓
6150 - Depreciation Expense	8,211.42 ✓
6250 - Postage and Delivery	
Postal Commission	8.00
6250 - Postage and Delivery - Other	3,051.90
Total 6250 - Postage and Delivery	3,059.90 ✓
6270 - Professional Fees	2,500.00 ✓
6340 - Telephone	16,158.87 ✓
6560 - Payroll Expenses	
Head Quater Wages	109,780.79
Kiritimati Staff Salary	31,032.42
Outer Islands wages	135,485.18
Relieving wages	107.75
Temporary wages	124.70
Total 6560 - Payroll Expenses	276,510.84 ✓
Total Expense	597,691.88
Net Ordinary Income	257,433.73
Other Income/Expense	
Other Expense	
PPI	1,343,335.45
Total Other Expense	1,343,335.45
Net Other Income	-1,343,335.45
Net Income	-1,085,901.72

KIRBATI COPRA CO-OPERATIVE SOCIETY LTD

Balance Sheet

As of December 31, 2008

	Dec 31, 08
ASSETS	
Current Assets	
Checking/Savings	
Cash at Bank	440,913.40
Petty Cash Imprest	2,705.77
STABEX	1,526.28
Total Checking/Savings	436,681.35 ✓
Accounts Receivable	
Holland Commodities Internation	146,487.24
Kiribati Copra Mill	229,258.14
Pacific Commodities Group Pty L	144,955.31
Total Accounts Receivable	227,726.21 ✓
Other Current Assets	
Copra subsidy MCIC	450,000.00 ✓
Sundry Debtors	
Atanimango Boata	265.93 ✓
Waysang Kum Kee	10,875.10 ✓
Total Sundry Debtors	11,141.03 ✓
Tax refund	2,953.23 ✓
Total Other Current Assets	458,187.80
Total Current Assets	249,232.66
Fixed Assets	
Air Conditioner	
Acc Depn Office Air Con	95.00
Air Conditioner - Other	950.00
Total Air Conditioner	855.00 ✓
Motor Vehicle	
Acc Depn M Veh	3,383.18
Motor Vehicle - Other	25,211.77
Total Motor Vehicle	21,828.59 ✓
Office building	
Acc Depn Office Build	3,211.93
Office building - Other	32,119.30
Total Office building	28,907.37 ✓
Office Equipment	
Acc Depn Office Equip	1,430.52
Office Equipment - Other	15,863.51
Total Office Equipment	14,432.99 ✓
Office Furniture & Fittings	
Acc Depn Office Furn	90.79
Office Furniture & Fittings - Other	3,026.25
Total Office Furniture & Fittings	2,935.46 ✓
Total Fixed Assets	68,959.41 ✓
TOTAL ASSETS	318,192.07
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Trade Creditors	44,450.06 ✓
Total Accounts Payable	44,450.06 ✓
Other Current Liabilities	
Accrued Expense	6,490.10 ✓
Accrued Telephone	3,234.56 ✓

KIRBATI COPRA CO-OPERATIVE SOCIETY LTD

Balance Sheet

As of December 31, 2008

ual Basis

	Dec 31, 08
2100 - Payroll Liabilities	
BOK loan repayment	10.00
KCWS	513.00
Kiribati housing Corporation	-440.00
Kiribati Insurance Corporation	293.51
KPF	-30,155.98
Mlec house rent	152.00
Staff Payee	2,508.05
TSKL	145.00
Total 2100 - Payroll Liabilities	-26,974.42 ✓
Total Other Current Liabilities	-17,249.76
Total Current Liabilities	27,200.30
Total Liabilities	27,200.30
Equity	
3000 - Opening Bal Equity	-224,454.45
3900 - Retained Earnings	1,601,347.94
Net Income	-1,085,901.72
Total Equity	290,991.77
TOTAL LIABILITIES & EQUITY	318,192.07