REPORT OF THE AUDITOR GENERAL ON THE ACCOUNT OF

KIRIBATI HOUSING CORPORATION FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2022

KIRIBATI AUDIT OFFICE

April 2024

KIRIBATI AUDIT OFFICE

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Audit for an impact for the public

INDEPENDENT AUDITOR'S REPORT

To the Readers Of

Kiribati Housing Corporation Financial Statements

For the year ended 31st December 2022

I have audited the Financial Statements of Kiribati Housing Corporation (KHC) for the year ended 31st December 2022 as required under sec 114 (2) of the Constitution, Part VII, Sec 42(4) of the Public Finances (Control and Audit) 1981 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

Unqualified Audit Opinion

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the KHC as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Unqualified Opinion:

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 Company, 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 Unqualified audit opinion.

Other matters:

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

I. The audit is of concern for the following assets **furniture & fittings, Housing Equipment, Warehouse building** was fully depreciated (zero balance) and still reflected in the fixed asset schedule 2022 Financial Statement. During the final exist meeting, the audit inquires further details on the conditions and whereabout of these assets, however management were unable to provide satisfactory explanation on the physical existence of these asset. Therefore, these assets should be removed from the Fixed Asset Schedule.

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 IAS, 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 Company'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's or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 scepticism 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 Commission'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 Commission. 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 Commission 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

KHC lodged its Financial Statement on 2nd February 2023 followed by revised financial statement 29th September 2023 therefore indicating that KHC has comply with section 25 (1) of the 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 KHC.

....

Mr Eriati Tauma Manaima

Auditor General

Date:24/04/2024

Kiribati Housing Corporation
We Mean Comfort

(P.O.Box.491, Betio, Tarawa, Republic of Kiribati Phone: (686) 26116 or 26702,
Fax: (686) 21388)

File Ref: 2/1B. **Date:** 26th/January/2024

Auditor General,
Kiribati National Audit Office,
Bairiki.

Dear Sir,

Re: Revised 2 for KHC Financial Statements for the YE 31.12.2022

Please find attached herewith the Revised 2 for Kiribati Housing Corporation Financial Statement for the year ended 31 December 2022.

We would greatly appreciate your comments in due course.

Yours Faithfully,

Berenateta Karui
Ag. Finance Manager
For Chief Executive Officer

DIRECTORS' REPORT

1. INTRODUCTION

1.1 In compliance with the requirements of the Kiribati Housing Corporation Act 1979, the Board of Directors of the Kiribati Housing Corporation (KHC) have great pleasure in submitting KHC's Financial Statements for the Year ended 31 December 2022. These are now attached and comprised of the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows and Statement of Changes in Equity.

1.2 KHC's principal function is to provide housing for Government Civil servants including related support services and provide housing loans with other related loan for household facilities such as toilets and rain water catchment and etc.

2. HOUSING DEVELOPMENTS

2.1 Recognising that the bulk of its housing stocks were inherited from colonial times with limited remaining life spans, KHC Board has consequently adopted a deliberate policy to initiate the New Build Program with its new MFE formwork kits to construct new houses, and to undertake Major Maintenance Program (MMP) in order to fully renovate and convert the old housing stock into the Economic Houses. KHC will continue to attend to preventive and routine Maintenance work in a timely manner and to ensure sustainable housing development is guaranteed in the long run.

2.2 Thus the New Build Program was started in 2018 with the construction of 3 D-Duplex houses in Bikenibeu to showcase their suitability and durability. The 3 duplex houses had been completed and occupied by Tenants. The new Grade C house constructed with the new MFE Formwork kits was completed in 2019 and another MFE 3 C Grade house with 2 C Duplex completed in 2020.

2.3 The New Build Program will adopt the MFE Construction technology that will make the construction processes quicker and easy to build. These will fast-track the construction of new houses with a more durable concrete houses and with less maintenance costs in the long run.

2.4 The New Housing Loan product known as Turnkey Home Loan was also introduced and incorporated in the Lending Credit Policy in 2017. KHC will provide new housing loans, acquire building materials and build the new home of the client. So far, five houses have been built and the demand for Turnkey Home Loan is increasing. However, the program is put on-hold due to major review and streamlining processes. There are no houses built in 2022.

3. FINANCIAL RESULT

3.1 The Notes to the Financial Statements include a statement of the major Accounting policies and changes in Accounting Policies used in the preparation of the accounts.

3.2 The Financial Statements $962,586.89 shows that the Net Operating Profit of ~~$986,397~~ which includes the CSO of $681,738 therefore the actual net profit without CSO is $304,659. The CSO is an important enabler that has helped KHC to generate profitability. This was a direct Government financial assistance to support KHC operation with its lower income due to its fixed house rent to the 1994 rates.

3.3 KHC Board continues to be cautious on the quality of maintenance works and tasked management to control and monitor the daily routine maintenance work. The Board noted with concern the issues relating to the mishandling of building materials released from the stores which are reported missing from the maintenance sites. Cargo Monitoring Officer is the new post created to monitor the flow of materials in and out and is expected to report back on any cases to the Management for remedy action. The Board noted with concern the frequent shortage of building materials from the Stores and directed Management to monitor the minimum and re-order levels in order to alleviate future shortage of building materials.

4. CONCLUSION

4.1 The Board of Directors are of the opinion that the attached Financial Reports show a True and Fair view of the State of Affairs of the Corporation including its Financial Position, Financial Performance, and its Cash Flows for the year 2022.

4.2 The Board is also not aware of any likely Contingent Liability or any major extraordinary event which may materially affect the integrity of the information provided in the Financial Statements.

On behalf of the Board,

....

Dr Farran Redfern
CHAIRMAN

KIRIBATI HOUSING CORPORATION.

NOTE TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2022.

1. The Corporation

The Kiribati Housing Corporation was established by the Housing Corporation Ordinance 1978 for the purpose of providing housing and services incidental thereto.

Its main activities are the repair and maintenance of all Government owned housing and the provision of loans for the construction of private dwellings.

2. Statement of Significant Accounting Policies.

The significant policies which have been adopted in the preparation of these financial statements are:

a) **Basis of Preparation:** The accounts of the Corporation have been drawn up in accordance disclosure requirements. They have been prepared on the basis of historical cost and do not take into account changing money values, or except where stated, current valuations of Long Term Assets. The accounting policies have been consistently applied.

b) **Depreciation:** Fixed Assets are depreciated over their estimated useful life using straight-line depreciation method. The rates applied are consistent with those of previous years:

Housing Buildings	5% to 7% pa
Office Buildings	3% pa
Housing Furniture	10% pa
Housing Equipment	33.3% pa
Office Equipment, Tools & Machinery	20% pa
Motor Cycle & Vehicles	25% pa
Capitalized Repair & Maintenance	5% pa

c) **Interest Income:** The amount of interest earned during the year.

d) **Rent Income:** The amount of rent charged during the year>

e) **Provisioning for Doubtful Receivables:** The Corporation maintains and reviews its provision for Doubtful debts in 2 ways depending on the details available on each account or portfolio:

I. Specific Provision based on a review of all account in the Portfolio or

II. General Provision of 5% of net carrying balances using Balance Sheet approach,

3. Changes in Accounting Policies

The Corporation adopted two new accounting policies that:

a) Set realizable values of rent receivables; and

b) Capitalized part of expenses for repairs and maintenance on the housing stock instead of treating them as expenses. This practice will only be applied to the 2010 and 2013 financial reports and thereafter KHC will identify capital and operation expenditures as and when repair and maintenance works are carried out.

REVISED 2: KIRIBATI HOUSING CORPORATION

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31st December 2022

	Notes	2022 $	2021 $
INCOME			
Rental Income	4	2,388,946.66	2,111,227.95
Less Cost of Sales	5	- 406,944.58	- 445,615.89
Gross Profit		**1,982,002.08**	**1,665,612.06**
OTHER INCOME			
Interest on House Loan	6	265,014.05	218,366.42
Interest on SAPHE Loan		-	-
Interest on Special Loan		-	-
Adm Fees, Late Fees and others	7	124,250.40	139,863.99
Interest on Short-term deposits		-	-
Community Service Obligation(CSO)	8	681,738.00	-
Other Income - Furniture making & others	8	98,102.55	116,722.16
Total Other Income		**1,169,105.00**	**474,952.57**
Total Income		**3,151,107.08**	**2,140,564.63**
EXPENSES			
Personal Emoluments	9	976,323.33	970,739.16
Operating Expenses	10	185,899.85	215,054.64
Office Support Expenses	11	88,751.65	105,683.03
Repair & Maintenance Expenses	12	6,954.41	10,999.87
Development - Cost of Production		-	-
Dept Property, Plant & Equipment	13	598,488.35	804,299.44
Dept-Capitalized repairs & maintenance	14	637,879.08	315,392.04
Bad & Doubtful Debts - Housing	15	73,189.43	73,189.43
Late fee paid	16	- 54.00	-
Miscellaneous Expenses	17	27,150.00	29,800.00
Sundry Expenses		-	-
Total Expenses		**2,594,582.10**	**2,525,157.61**
Net Operating Profit/Loss (-)		**556,524.98**	**- 384,592.98**
Add/Less: Abnormal Items			
Prior Period Items		- 2,952.45	33,597.05
Release of Amortisation		409,014.36	374,929.83
Total other income		**406,061.91**	**408,526.88**
Net Profit/Loss (-) for the year		**962,586.89**	**23,933.90**

Approved and Signed by:

Director: .... Date: 29/09/23

Director: .... Date: 29/09/23

REVISED 2: KIRIBATI HOUSING CORPORATION
STATEMENT OF FINANCIAL POSITION
AS AT 31st December 2022

	Notes	2022 $	2021 $
CURRENT ASSETS			
Cash & Equivalents	18	4,123,350.28	2,114,005.14
Short Term Deposit (IBD)		-	-
Base Stock	19	1,032,556.99	449,941.89
Work in Progress	20	1,020,808.99	1,151,457.38
Trade Receivables	21	218,117.67	382,005.05
Sundry Debtors & Prepayment	22	4,563.93	11,393.85
Total Current Assets		**6,399,397.86**	**4,108,803.31**
CURRENT LIABILITIES			
Auditors' Remuneration	23	12,500.00	12,500.00
Security Deposits	24	11,110.03	11,110.03
Accrued Expenses	25	26,253.19	963.43
Payroll Liabilities	26	93,952.99	22,617.46
Sundry Creditors	27	87,976.79	118,112.48
Total Current Liabilities		**231,793.00**	**165,303.40**
WORKING CAPITAL		**6,167,604.86**	**3,943,499.91**
NON-CURRENT ASSETS			
Property, Plant and Equipment	28	5,028,151.47	4,917,105.86
Housing Loan	29	2,928,253.17	2,480,952.57
SAPHE Loan		-	-
Capitalized Repair/Maintenance	30	1,060,726.63	1,687,879.31
Intangible Asset	31	31,969.10	31,969.10
Total Non Current Assets		**9,049,100.37**	**9,117,906.84**
LONG TERM LIABILITIES			
Security Deposits	32	233,286.72	220,795.97
Total Long Term Liabilities		**233,286.72**	**220,795.97**
NET WORTH		**14,983,418.51**	**12,840,610.78**
REPRESENTED BY			
Accumulated Funds	33	4,250,399.69	3,198,502.60
Capital Reserve	34	10,733,018.82	9,642,108.18
TOTAL SHAREHOLDERS FUND		**14,983,418.51**	**12,840,610.78**

Approved and Signed by:

Director: .... Date: 29/09/23

Director: .... Date: 29/09/23

deposit - fund

Kiribati Housing Corporation
Statement of Cash flow
As at 31st December 2022

	2022 $	2021 $
Cashflows from Operating Activities		
Cash receipt from Customers	3,728,768.96	2,684,419.67
Cash paid to suppliers and employees	- 2,080,453.38	- 2,774,095.92
Net Operating Cash Flow	**1,648,315.58**	**- 89,676.25**
Cashflows from Investing Activities		
Net House loan	- 520,490.03	- 871,642.57
Net House fees collect	12,544.75	19,260.00
Net SAPHE loan	-	-
Purchase of Property, Plant and Equip	- 709,533.96	334,321.53
Capitalized Repair and Maintenance	- 10,726.40	- 135,892.35
Net Investing Cash flow	**- 1,228,205.64**	**- 653,953.39**
Cashflows from Financing Activities		
Accumulated fund	1,460,911.45	- 1,449,316.27
Housing Assistance Reserve	128,323.75	1,998,369.28
Net Financing Cash flow	**1,589,235.20**	**549,053.01**
Net Increase (decrease) in cash held	2,009,345.14	- 194,576.63
Add: Opening Cash and Cash Equivalent	2,114,005.14	2,308,581.77
Cash at end	**4,123,350.28**	**2,114,005.14**
Reconciliation to Cash Flow		
Operating Profit/Loss (-)	**962,586.89**	**23,933.90**
Depreciation PPE	598,488.35	804,299.44
Depreciation Capitalised Repair & Maintenance	637,879.08	315,392.04
Release of Amortisation - PPE	- 409,014.36	- 374,929.83
Increase/Decrease Sundry Debtors & Prep	6,829.92	53,883.15
Increase/Decrease Base Stock	- 582,615.10	- 173,571.89
Increase/Decrease Trade Receivable	163,887.38	10,758.95
Increase/Decrease WIP	130,648.39	- 770,593.38
Increase/Decrease Current Liabilities	66,435.60	21,151.37
Adjustment to Interest on Loan	-	-
Adjustment to Long Term Loan.	73,189.43	-
Net Cash Flow from Operating Activities	**1,648,315.58**	**- 89,676.25**

REVISED 2: KIRIBATI HOUSING CORPORATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31st DECEMBER 2022

	2022	2021
Retained Earnings		
Opening Balance	3,287,812.80	3,174,568.70
ADD Net Profit/(Loss)	962,586.89	23,933.90
Closing Balance	**4,250,399.69**	**3,198,502.60**
Capital Reserve		
Capital Fund	**2,807,004.00**	**2,807,004.00**
Housing Assistance Reserve		
Opening Balance	-	-
Add: Prepayment non economic rent subsidy	-	-
Closing Housing Assistance Reserve	-	-
Asset Aid Reserve		
Opening Balance	3,343,316.43	3,718,246.26
Less: Amortisation for the year	409,014.36	374,929.83
Sub Total	**2,934,302.07**	**3,343,316.43**
Add: Addition	2,499,865.00	999,940.00
Less: Bank charge		-
Closing Balance	**5,434,167.07**	**4,343,256.43**
PROJECT FUND	1,060,470.69	1,060,470.69
Accumulated fund	1,431,377.06	1,431,377.06
CLOSING BALANCE	**7,926,014.82**	**6,835,104.18**
TOTAL RESERVE	**14,983,418.51**	**12,840,610.78**

Approved and Signed by:

Director: .... **Date:** 29/09/23

Director: .... **Date:** 29/09/23

Revised 2: Financial Account for 2022.

Notes to 2022 Account From January to December 2022		
	2022	**2021**
4. Rental Income		
Economic Rent - Old Stock	$823,089.28	673,018.00
Economic Rent - New Stock	$908,809.76	873,165.00
Non Econ Subsidy - Old Stock	$222,732.96	224,088.00
Local Rent - Old Stock	$312,909.49	252,311.29
Local rent - New Stock	$120,741.01	84,021.98
Water tank Fees	$664.16	4,623.68
Total House Rent Income	**$2,388,946.66**	**2,111,227.95**
5. Cost of Sales		
Routine Maintenance		
RM Labour Cost- Betio	59,590.85	74,659.87
RM Material Cost- Betio	76,572.87	125,907.69
RM Labour Cost- Bairiki	24,614.22	25,909.16
RM Material Cost- Bairiki	27,882.81	39,402.96
RM Labour Cost- Bikenibeu	21,419.89	36,978.18
RM Material Cost- Bikenibeu	29,755.43	48,686.54
Total Routine Maintenance	**239,836.07**	**351,544.40**
PREVENTIVE ROUTINE MAINTENANCE		
Total Labour Costs	24,542.79	-
Total Material Costs	57,213.63	-
Total Preventive RM	**81,756.42**	-
Material Cost Plan- RM	492.78	-
PSO- Labour Cost	6,874.26	-
PSO- Material cost	15,884.77	-
HE renovation labour	2,546.35	-
HE renovation material	16,710.01	-
OB Cabinet Labour	419.26	-
OB cabinet material	13,113.46	-
HF 2021 No1 Material	2,744.60	-
HF 2021 No 2 Material	1,304.53	-
Gas Station Labour Cost	1,666.90	-
Cost of Furniture Making	23,595.17	94,071.49
Total Cost of Sales	**406,944.58**	**445,615.89**
6. Interest on House Loan		
Loan interest	**265,014.05**	**218,366.42**

Revised 2: Financial Account for 2022.

7. Admin, Late Fees and Others		
Loan Admin Fees&Pledge fee	82,460.00	86,165.00
Late Fees - HLAC	14,540.00	14,530.00
Statement Fees - Lending	295.00	710.00
Establishment Fees	25,320.00	35,825.00
Sundry income	-	668.19
Refinancing and closing fees	-	10.00
Stamp Fees	1,635.40	1,955.80
Total	**124,250.40**	**139,863.99**
8. Other income		
Furniture making	5,032.42	-
Late Fees - Housing	1,303.53	-
Second hand Sales	2,335.00	7,587.77
Sale of Furniture & Fittings	11,778.51	12,431.54
Damage charge on Housing Stock (Reversal dated 2018)	- 365.21	
Community Service Obligation	681,738.00	-
Other Income	77,178.30	96,312.85
Transfer Fee - Housing	810.00	270.00
Renewal Fee - Lapse tenancy	30.00	120.00
Total Other Income - Maintenance	**779,840.55**	**116,722.16**
9. Personal Emoluments		
Wages & Salaries	688,302.35	709,031.97
Temporary Assistance	24,887.57	29,690.49
Allowances	21,583.71	17,705.03
KPF Expenses	53,483.90	55,361.99
Overtime	32,724.70	27,822.53
Leave Grants	152,416.10	95,445.07
House rent subsidy	2,925.00	35,682.08
Total Personal Emoluments	**976,323.33**	**970,739.16**

Revised 2: Financial Account for 2022.

10. Operating Expenses		
Electricity	40,873.65	55,991.21
Telephone	25,720.49	40,853.96
Internet Expenses	11,893.86	12,088.00
Insurance Expenses	-	12,796.80
Service Charge	3,056.25	2,980.65
Office Supplies & Stationaries	3,150.27	6,071.74
Travelling expenses	24,808.68	1,120.00
Transport	11,326.00	11,782.80
Advertisement	1,564.00	392.40
Vehicles Repair	32,314.09	32,649.20
Fuel Expenses	22,079.56	32,250.38
Audit fees	5,000.00	2,500.00
Promotion	-	-
Subscriptions & Members Fees	-	-
Training-Local	-	676.50
Legal fees & related cost	4,113.00	2,901.00
Total Operating Expenses	**185,899.85**	**215,054.64**
11. Office Support Expenses		
Special Books & Forms	2,590.85	4,554.67
Land Lease Exp	3,825.50	4,143.16
Office Incidentals	1,624.05	1,951.15
Bank Charges	3,411.40	4,829.75
Board of Directors Exp	22,828.21	25,036.28
Entertainment	654.25	7,122.47
Subscription & fees	10,512.00	18,551.23
Security Services Fees	43,305.39	39,494.32
Total Office Support	**88,751.65**	**105,683.03**

Revised 2: Financial Account for 2022.

12. Repair and Maintenance Expenses		
Machinery and tools repair	480.65	275.86
Office Building Repair	4,028.69	7,855.76
Office Equipment repair	1,867.15	2,808.25
Tools Repair & Maintenance	577.92	60.00
Total Repair & Maintenance	**6,954.41**	**10,999.87**
Financial Expenses		
13. Depreciation exp - PPE	598,488.35	804,299.44
14. Deprecitiaon exp - Amortised	637,879.08	315,392.05
15. Bad & Doubtful debts	73,189.43	73,189.43
16. Late fee paid	- 54.00	-
Total Financial expenses	**1,309,502.86**	**1,192,880.92**
17. Miscellaneous Expenses		
Other Benefit	850.00	1,500.00
Non Sick Leave Benefit	1,300.00	650.00
Housing allowance	25,000.00	27,650.00
Total Miscellaneous Exp	**27,150.00**	**29,800.00**

	2022	**2021**
18. Cash & Cash Equivalent		
Cash at Bank - Maintenance A/C	978,904.39	415,999.45
Undeposited Funds	461,067.08	- 3,649.16
Cash at Bank - HLAC	59,404.21	15,977.67
Cash at Bank - SAPHE	- 223.25	- 223.25
Cash at Bank - Project Fund	2,466,869.82	1,527,375.22
Petty Cash Imprest	323.20	323.20
Staff Salary Advance	30.59	89.67
Bank Errors	- 902.07	236.03
Maintenance IBD A/C No. 893300	157,876.29	157,876.29
SAPHE IBD A/C No. 913055	0.02	0.02
Total	**4,123,350.28**	**2,114,005.14**
19. Inventory		
Inventory - Base Stock	535,975.12	$416,799.55
Inventory - Project Materials	463,439.53	-
Turn key Base Stock	29,217.48	$29,217.48
Vehicles parts stocks	3,924.86	$3,924.86
Total Inventories	**1,032,556.99**	**$449,941.89**

Revised 2: Financial Account for 2022.

20. Work in Progress		
Major Maintenance Program	391,604.62	65,348.06
New Build	232,268.22	720,178.82
Phase 2 Project (NZ & GOK)	358,766.43	149,746.54
Others	38,169.72	135,349.56
Total	**1,020,808.99**	**1,151,457.38**
21. Trade Receivable		
Tenants Control Account	387,862.09	576,662.83
Prov for D/Debts - Housing	- 169,744.42	- 194,657.78
Total Trade Debtors	**218,117.67**	**382,005.05**
22. Sundry Debtors and Prepayment		
Recoverable Costs frm Employee	- 9,739.92	-
Staff Debt Recoverables	3,165.00	2,196.86
Other Sundry Debtors	2,196.86	4,166.78
Shortage/Surplus	4,166.78	4.00
Prepayments	4.00	-
Bank error	4,771.21	5,026.21
Total	**4,563.93**	**11,393.85**
23. Auditor's Renumeration		
Audit Fees Payable	**12,500.00**	**12,500.00**
24. Security Deposits	**11,110.03**	**11,110.03**
25. Accrued Expenses- Commitment	**26,253.19**	**963.43**

Revised 2: Financial Account for 2022.

26. Payroll Liabilities		
P.A.Y.E Tax Clearing	13,513.10	- 7,387.97
KPF Contribution Payable	16,454.54	5,555.36
Tax Arrears	3,803.84	2,160.75
ANZ Bank Clearing	- 4,292.30	- 19,463.01
SAPHE Loan Payable	28.35	28.35
House Loan Payable	79.95	- 120.36
DBK Loan Payable	54.99	54.99
KPF Loan Payable	- 53.51	- 53.51
Social Club Contribution	23.00	20.00
Contractors Witholding Tax	3,446.01	1,621.69
Board of Directors W/Hold tax	4,920.39	736.75
Casual Labours KPF Payable	27,411.62	21,050.91
Staff house rent Dedution	24,040.93	16,559.50
Union Subscription Clearing	584.00	584.00
ANZ Loan Payable	2,541.17	159.00
KHC Loan repayment	- 126.93	- 270.15
Additional KPF Employee Deduct	460.16	55.00
Services Provider W/Hold Tax	1,063.68	1,326.16
Total	**93,952.99**	**22,617.46**
27. Sundry Creditors		
Dues to HLAC from Maintenance	75,072.00	$75,072.00
Dues to HLAC from SAPHE	8,680.23	$8,680.23
Cash Interledger Clearing	4,224.56	$4,224.56
Total Internal Amount Dues	**87,976.79**	**$87,976.79**
29. Housing Loan		
Trade Debtors - HLAC	2,988,868.96	$2,549,195.23
Prv for D/Debts - HLAC	- 119,225.70	- 119,225.70
Trade Debtors - SAPHE	27,764.07	$27,490.07
Special Loan Control	31,224.84	$23,871.97
Prv for D/Debts - Special Loan	- 379.00	- 379.00
Total	**2,928,253.17**	**$2,480,952.57**
30. Capitalised Repair/Maintenance		
Capitalised Repair/Maintenance		
Amortised Repair/Maint @ Costs	**1,060,726.63**	**1,687,879.31**
Total Capitalised Repair/Maintenance	**1,060,726.63**	**1,687,879.31**

Revised 2: Financial Account for 2022.

31. Intangible Assets		
The amount represent the cost of Loan		
Plus for House loan, which include the		
cost of the software, training &	31,969.10	31,969.10
installation.		
32 Customer Deposits	233,286.72	220,795.00
33. Equity		
Years Earnings	2,732,113.94	2,732,667.52
Retained Earnings	555,698.86	441,901.18
Profit/Loss (-) for the year	962,586.89	23,933.90
Total	**4,250,399.69**	**3,198,502.60**
34. Capital Reserves		
Accumulated Funds	1,431,377.06	1,431,377.06
Capital Funds	2,807,004.00	2,807,004.00
Project Funds	1,060,470.69	1,060,470.69
Asset Reserve Fund	2,934,302.07	3,343,316.43
Aid Grant (NZ)	2,499,865.00	999,940.00
Total	**10,733,018.82**	**9,642,108.18**

Kiribati Housing Corporation

Notes to Financial Statements

For the year ended 31 December 2022

Notes 28: PPE

	Old Housing Building	New Housing Building	Office Building	Furniture & Fittings	Housing Equipment	Motor Vehicles	Office Equipment	Office Furniture	Water Tank Replac'mnt	Warehouse Building	Container Storage	Tools & Machineries	Seawall	MFE Formwork	TOTAL
COST															
alance at 31 December 2021	7,574,420.25	9,607,228.70	303,643.47	467,739.00	461,811.00	700,340.89	774,091.64	34,031.82	262,473.00	107,986.00	21,431.24	304,161.93	232,637.05	321,510.59	21,173,506.58
dditions 2022	-	566,882.84	88,157.22			5,200.00	38,793.39		1,068.75			9,598.76			709,700.96
Adjustment 2022															
isposal 2022	-	-	-				-	-			-		-		-
alance at 31 December 2022	7,574,420.25	10,174,111.54	391,800.69	467,739.00	461,811.00	705,540.89	812,885.03	34,031.82	263,541.75	107,986.00	21,431.24	315,358.69	232,637.05	321,510.59	21,884,805.54
CCUMULATED DEPRECIATION															-
alance at 31 December 2021	7,573,382.00	5,321,723.47	175,355.11	467,739.00	461,811.00	688,051.45	718,400.59	31,444.84	206,155.57	107,986.00	13,669.15	255,668.70	228,049.31	8,729.86	16,258,166.05
Depreciation for year 2022		501,321.83	9,289.64			9,029.66	22,227.49	503.76	29,576.27		2,726.28	22,030.22	1,783.20		598,488.35
isposal 2022			-												-
nding Balance at 31 December 202	7,573,382.00	5,823,045.30	184,644.75	467,739.00	461,811.00	697,081.11	740,628.08	31,948.60	235,731.84	107,986.00	16,395.43	277,698.92	229,832.51	8,729.86	16,856,654.40
epreciation Rate	7%	7%	3%	10%	33%	25%	20%	10%	20%	20%	20%	20%	20%	3%	
ET BOOK VALUE															-
alance at 31/12/2022	1,038.25	4,351,066.24	207,155.94	-	-	8,459.78	72,256.95	2,083.22	27,809.91	-	5,035.81	37,660.10	2,804.54	312,780.73	5,028,151.47
Balance at 31/12/2021	1,038.25	4,285,505.23	128,288.36	-	-	12,289.44	55,691.05	2,753.98	56,317.43	-	7,762.09	50,091.56	4,587.74	312,780.73	4,917,105.86

Kiribati Housing Corporation

Notes to Financial Statements

For the year ended 31 December 2022

Notes 30: Capitalized Maintenance & Cost of Sales

		Capitalised Rehabilitation	2010 Uncategorised Capitalised Maintenance	Roofing Maintenance Cost	Overall Retatching costs	Water Tank		Identified Maintenance Program	Total
COSTS									
Balance at 1 January 2021	-	6,810.00	895,847.00	3,700.00	-	-		974,642.00	1,867,379.00
dditions 2021		-	-	-	-	-		135,892.35	2,003,271.35
epreciation 2021		6,810.00	895,847.00	3,700.00	-	-		1,110,534.35	637,880.00
			89,585.00	3,700.00	-			222,107.05	315,392.05
Net book Value as at 31 Jan 2021	-	6,810.00	-	3,700.00	-	-			1,687,879.30
Balance as at 1 January 2022	-	6,810.00	806,262.00	-	-	-	-	888,427.30	1,687,879.30
Additions 2022		4,569.97	3,244.28	2,912.15	-	-	-	10,726.40	1,698,605.70
epreciation 2022		-	627,152.68	3,700.00	-	-	-	637,879.08	**1,060,726.63**
alance as at 31 December 2022									**1,060,726.63**