REPORT OF THE AUDITOR GENERAL ON THE ACCOUNT OF

Kiribati Housing Corporations
For the Years Ended 31st December 2010 -2013

Kiribati National Audit Office
August 2015

KIRIBATI NATIONAL AUDIT OFFICE

P.O BOX 63
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Audit for an impact for the public

INDEPENDENT AUDIT REPORT

To the readers of
Kiribati Housing Corporation
For the years ending 31 December 2010, 2011, 2012 & 2013.

Report on the Financial Statements

The Auditor-General, Mrs Matereta B Raiman, is the auditor of Kiribati Housing Corporation (KHC).

I have audited the accompanying financial statements of Kiribati Housing Corporation for the years ending 31 December 2010, 2011, 2012 & 2013. The financial statements comprise:

- the balance sheets as at 31 December 2010,2011, 2012 & 2013, and
- the profit and loss statement,
- the Statement of Cash Flow and a summary of significant accounting policies and other explanatory information.

Management's and Board's Responsibility for the Financial Statements

Management and the Governing Board are responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Practices, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor General's Responsibility

It is my responsibility to form an independent opinion, based on my audit, on these financial statements prepared in Accrual basis and to report in accordance with the Constitution and Part VII of the Public Finance (Control and Audit) Ordinance 1976.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAI) and Generally Accepted Auditing Practises as applicable in Kiribati, to obtain reasonable assurance whether the financial statements are free of material misstatement.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Basis for Disclaimer of Opinion

Significant balance sheets amounts in the financial statements did not agree to the underlying accounting records and the differences between the two sets of figures could not be explained by management. Amongst others, Trade Receivables for Rent, which represent the core function and source of generating revenue to the Corporation, had the following reporting discrepancies.

Trade Receivables (Rent)

Ministry Rent receivables	**F/Statement**	**Listing**	**Variances**
Rent billing	*$396,186*	*$121,710*	*$274,475*
Rent revenue	*$(380,732)*	*$(116,829)*	*$263,902*
Closing balances	*$36,386*	*$20,038*	*$16,348*
Economic Rent Receivables			
Opening balance	*$249,755*	*$26,121*	*$223,634*
Rent billing	*$717,287*	*$213,548*	*$503,738*
Rent revenue	*$(744,024)*	*$(213,218)*	*$530,806*
Closing balance	*$223,016*	*$(3,060)*	*$219,956*
Corporation rent receivables			
Opening balance	*$151,734*	*$92,794*	*$58,939*
Rent billing	*$193,291*	*$57,983*	*$135,308*
Rent revenue	*$(167,619)*	*$(47,749)*	*$119,868*
Closing balance	*$177,407*	*$102,647*	*$74,759*

Furthermore, the following balance sheet accounts could not be verified due to the followings:

Fixed Assets

The Fixed Assets Register was not maintained for all the years under review and material balances as shown in note 4 to the financial statements could not be listed down into individual items/assets and their respective costs.

There was no evidence to indicate that periodic stock takes were conducted in order to ascertain the existence, conditions and value of assets that were owned and were in the custody of Kiribati Housing Corporations as at 31st December 2010-2013.

Inventory (Base Stock)

There was no evidence to indicate that periodic stock takes were conducted in order to ascertain the existence, conditions and value of Inventory (Base stocks) that were owned and were in the custody of Kiribati Housing Corporations as at 31st December 2010-2011.

Inventory (Base Stock) total balances for the years 2012 & 2013 could not be confirmed as correct due to the followings: stock take sheets provided were not certified, Base stock purchases were not made available during the audit and underlying records were not matched with the Inventory reported balance.

Disclaimer of Audit Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph above, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements of Kiribati Housing Corporations for the years ending 31st December, 2010 – 2013.

....

Mrs. Matereta. B.Raiman.
Auditor General
Kiribati National Audit Office

Date: 19/8/2015

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KIRIBATI HOUSING CORPORATION

P.O.Box.491, Betio, Tarawa, Republic of Kiribati Phone: (686) 26116, 26702, email
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Auditor General,
Kiribati National Audit Office,
Bairiki,
Tarawa, Kiribati.

4th December, 2014

ufs: Chief Executive Officer, Mr Tomwa B Tehumu.

Dear Madam,

RE: KHC Final Account 2013

Please find enclosed the above for verification and audition purposes.

Should you require further information please do not hesitate to contact us.

Ko rabwa.

PASOE.
Fyina plse.
4/12/14.

Yours faithfully,

Kataraiti Koraing
for Chief Executive Officer.

NATIONAL AUDIT OFFICE
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KIRIBATI HOUSING CORPORATION
STATEMENT OF FINANCIAL PERFOMANCE
FOR THE YEAR 31 DECEMBER 2013

	NOTES	2013	2012
INCOME			
Rental Income	19	1,432,052	1,306,764
Less Cost of Sales	4&32	229,466	$279,624
GROSS PROFIT		**1,202,587**	**$1,027,140**
OTHER INCOME			
Interest on House Loan	13	78,550	85,176
Interest on SAPHE Loan	14	27,563	21,072
Other loan income	13 & 14	17,271	24,310
Interest on Short-term deposits		11,670	13,848
Other Income	20	17,465	$41,728
Total Income		**1,355,105**	**$1,213,274**
EXPENSES			
Personal Emoluments	22	619,284	580,273
Operating Expenses	23	149,935	148,114
Office Support Expenses	24	61,190	43,804
Repair & Maintenance Expenses	26	19,430	21,158
Dept Property, Plant & Equipment	4	279,539	230,110
Dept-Capitalized repairs & maintenance	4	281,506	231,360
Bad and Doubtful Debts			79,680
Miscellaneous Expenses	25	26,047	18,837
Total Expenses		**1,436,930**	**$1,353,335**
Net Operating Profit/Loss		**-81,826**	**-$140,060**
Add/Less: Abnormal Items			
Prior Period Items	27	-5,104	368,991
Release of Amortisation		34,348	
Net Profit/(Loss) for the year		**-52,581**	**$228,931**

Approved and Signed by:

Chairman: .... **Date:** 04/12/14

Director: .... **Date:** 4/12/14

KIRIBATI HOUSING CORPORATION
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	NOTES	2013	2012
CURRENT ASSETS			
Cash at Bank	5	433,064	650,210
Cash on hand	6	95	94
Petty cash reimbursement	7	619	619
Short Term Deposit (IBD)	8	820,487	1,113,817
Base Stock	9	229,902	103,659
Trade Receivables	10	376,934	313,436
Sundry Debtors & Prepayment	31	9,693	
Total Current Assets		**1,870,795**	**2,181,835**
CURRENT LIABILITIES			
Auditors' Remuneration	11	16,500	15,000
Security Deposits	12(i)	7,396	7,063
Accrued Expenses	29	568	23,080
Interest Payable	15	4,000	4,000
Payroll Liabilities	21	3,513	5,023
Sundry Creditors	28, 30	84,230	39,839
Total Current Liabilities		**116,208**	**94,005**
WORKING CAPITAL		**1,754,587**	**2,087,830**
NON-CURRENT ASSETS			
Property, Plant and Equipment	4	2,740,824	2,425,493
Housing Loan	13	239,657	231,710
SAPHE Loan	14	257,463	266,201
Capitalized Repair/Maintenance	4	2,016,019	2,077,911
Total		**5,253,963**	**5,001,314**
LONG TERM LIABILITIES			
Loan from GOK-SAPHE		600,000	600,000
Security Deposits	12(ii)	140,533	134,198
Total		740,533	734,198
NET WORTH		**6,268,017**	**6,354,946**
REPRESENTED BY			
Accumulated Fund	17	2,663,361	2,715,942
Capital Reserve	18	3,604,656	3,639,004
TOTAL SHAREHOLDERS FUND		**6,268,017**	**6,354,946**

Approved and Signed by:

Chairman: .... **Date:** 04/12/14

Director: .... **Date:** 4/12/14

Kiribati Housing Corporation
Statement of Cashflow
As at 31st December 2013

	Notes	2013		2012	
Operating Activities					
Cash receipt from Customers		1,545,728		1,787,884	
Cash paid to suppliers and employees		1,214,496		917,409	
Net Operating Cash Flow			**331,232**		**870,475**
Investing Activities					
Net House loan	13	-7,947		- 177,861	
Net House fees collect	12	6,335		6,044	
Net SAPHE loan	14	8,737		- 5,337	
Purchase of Property, Plant and Equip	4	-594,870		- 535,037	
Capitalized Repair and Maintenance	4	-219,614		- 383,475	
Net Investing Cash flow			**-807,359**		**- 1,095,666**
Financing Activities					
Release of Amortisation		-34,348		832,000	
Net Financing Cash flow			**-34,348**		**832,000**
Net Increase (decrease) in cash held			**-510,475**		**606,809**
Add: Opening Cash and Cash Equivalent			**1,764,740**		**1,157,931**
Cash at end	**5,6,7,8**		**1,254,264**		**1,764,740**
Reconciliation to Cash Flow					
Operating Profit/Loss			**-52,581**		**228,931**
Depreciation PPE			279,539		230,110
Depreciation Capitalised Repair & Maintenance			281,506		231,360
Increase/Decrease Sundry Debtors & Prep			-9,693		79,680
Increase/Decrease Base Stock			-126,243		133,716
Increase/Decrease Trade Receivable			-63,497		- 74,006
Increase/Decrease Current Liabilities			22,203		40,683
Cashflow from Operating Activities			**331,232**		**870,475**

Approved and Signed by:

Chairman: .... **Date:** 04/12/14.

Director: .... **Date:** 4/12/14

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 with generally accepted accounting standard and 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% to7% 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.

4. Non-Current Assets

	Old Housing Buildings	New Housing Buildings	Office Building	Housing Furniture	Housing Equipment	Motor Vehicles	Office Equipment	Office Furniture	Water Tank Replacement	Warehouse Building	Container Storage	Tools & Machineries	Seawall	TOTAL
COST														
Balance at 1 January 2013	7,573,383	3,214,832	248,990	467,739	461,811	478,393	452,993	29,153	75,403	107,986	7,800	170,793	199,283	13,488,559
Additions 2013		474,474	0	0	0	30,551	76,262	651	820	0	0	1,453	10,658	594,869
Transfers 2013														0
Disposal 2013														0
Balance at 31 December 201	**7,573,383**	**3,689,305**	**248,990**	**467,739**	**461,811**	**508,945**	**529,255**	**29,804**	**76,223**	**107,986**	**7,800**	**172,246**	**209,942**	**14,083,428**
ACCUMULATED DEPRECIATION														
Balance at 1 January 2013	7,573,382	1,007,734	107,420	467,739	461,811	456,758	426,191	29,150	72,775	107,986	4,600	166,967	180,554	11,063,066
Depreciation per year 2013		**225,038**	**6,254**	**0**	**0**	**16,372**	**17,156**	**65**	**1,479**	**0**	800	**1,471**	**10,902**	**279,538**
Transfers 2013														0
Disposal 2013														0
Balance at 31 December 2013	**7,573,382**	**1,232,772**	**113,674**	**467,739**	**461,811**	**473,130**	**443,347**	**29,215**	**74,254**	**107,986**	**5,400**	**168,438**	**191,456**	**11,342,604**
Depreciation Rate	7%	7%	3%	10%	33%	25%	20%	10%	20%	20%	20%	20%	20%	
NET BOOK VALUE														
Balance at 31/12/2013	1	2,456,534	135,316	0	0	35,815	85,907	589	1,969	0	2,400	3,808	18,486	2,740,824
Balance at 31/12/2012	1	2,207,098	141,570	0	0	21,636	26,801	3	2,628	0	3,200	3,826	18,730	2,425,493
DEPRECIATION LAST YR (2012)														
Previous set Charge	0	190,690	6,254	0	0	8,734	12,366	0	1,315	0	800	1,180	8,771	230,110
Amortisation Depreciation per year		34,348												

4. Capitalized Maintenance and Cost of Sale

	Capitalised Rehabilitation	2010 Uncaterogised Capitalised Maintenance	Contingent Repair Costs	Redecorati Maintenanc Costs	Roofing Maintenance Costs	Rethatchin Repair Costs	Electrical Repair Costs	Plumbing Repair Costs	Water Tank Repair Costs	Cleaning Felling Trees Costs	Identified Maintenance Programs	TOTAL
COSTS												
Balance at 1 January 2013	154,528	1,692,156	50,985	60,092	41,118	55,787	0	0	0	0	23,245	2,077,911
Additions 2013	71,600	0	128,697	44,721	18,622	95,252	31,861	31,746	11,798	14,318		448,615
Capitalisation Rate	100%	0%	25%	100%	75%	60%	0%	0%	0%	0%	100%	
Amount to Capitalise	71,600	0	32,174	44,721	13,967	57,151	0	0	0	0	0	219,613
Cost of Sales		**0**	**96,523**	**0**	**4,656**	**38,101**	**31,861**	**31,746**	**11,798**	**14,318**	**0**	**229,001**
DEPRECIATION												
Balance at 1 January 2013	154,528	1,692,156	50,985	60,092	41,118	55,787	0	0	0	0	23,245	2,077,911
Additions 2013	71,600	0	32,174	44,721	13,967	57,151	0	0	0	0	0	219,613
Amortisation 2013	52,952	**99,539**	**22,620**	**25,812**	**6,423**	**66,410**	**0**	**0**	**0**	**0**	**7,748**	**281,505**
												0
Balance at 31 December 2013	**173,176**	**1,592,618**	**60,539**	**79,001**	**48,661**	**46,528**	**0**	**0**	**0**	**0**	**15,496**	**2,016,019**
Depreciation Rate	**20%**	**5%**	**20%**	**20%**	**10%**	**33%**	**0%**	**0%**	**0%**	**0%**	**20%**	
CAPITALISED MAINTENANCE BALANCE												
Balance at 31/12/2013	173,176	1,592,618	60,539	79,001	48,661	46,528	0	0	0	0	15,496	2,016,019
Balance at 31/12/2012	154,528	1,692,156	50,985	60,092	41,118	55,787	0	0	0	0	23,245	2,077,911
AMORTSATION LAST YR (2012)												
Previous set Charge	38,632	99,539	16,185	16,868	5,026	47,362	0	0	0	0	7,748	231,360

	2013
5. Bank	
Maintenance A/C 276884	-13,165
Undeposited Fund	21,336
HLAC A/C # 594278-01 (275759)	251,767
SAPHE Revolving Fund A/C # 265714-01 (193002)	173,127
	433,064
6. Bus fare	**95**
7. Petty Cash Re-imbursement	**619**
8. Interest Bearing Account (IBD)	
Term Deposit A/c No 268730	86,332
Maintenance IBD A/c No 268763	89,174
Maintenance IBD A/c No 893300	127,758
HLAC IBD A/c No 913044	184,669
SAPHE IBD A/c No 913055	170,841
Term Deposit A/c No 924737	161,713
	820,487
TOTAL CASH & CASH EQUIVALENT	**1,254,265**
9. Base Stock	
Central Stores Opening Balance	103,659
Add Purchase during the year	453,770
Less Issue Stocks during the year	-353,982
Closing Balance	203,447
Add: Project Base Stock	26,455
	229,902
10. Trade Receivables	
Ministry rent receivable	
Opening balance	91,894
Add : Ministry rent billing	408,414
Less: Ministry rent revenue	-389,799
Refund	902
Adjustment	-4,824
Closing balance	**106,587**
Provision for doubtful debt	
Provisions for previous years	45,662
Net Ministry Rent receivable balance	**60,925**

Economic rent receivable

Opening balance	128,093
Add : Economic rent billing	883,435
Less: Economic rent revenue	-819,687
Refund	
Adjustment	-19,926
Closing balance	**171,915**
Provision for doubtful debt	
Provisions for previous years	10,171
Net Economic rent receivable balance	**161,744**

Corporation rent receivable

Opening balance	232,795
Add : Corporation rent billing	175,715
Less: Corporation rent received	-182,102
Refund	112
Adjustment	-4,714
Closing balance	**221,806**
Provision for doubtful debt	
Provisions for previous years	67,541
Net Corporation rent receivable balance	**154,265**

TOTAL RENT RECEIVABLE	**376,934**

11. Auditors Remuneration

Accrued Auditing Services	**16,500**

12. House Fees

Opening Balance	141,261
Add: Collection during the year	10,936
Less: Payments during the year	-4,268
Balance during the year	**147,929**
(i) Current Liability (5%)	7,396
(ii) Long term Liability (95%)	140,533

13. Housing Loans

Opening Balance	741,381
Disbursement	21,154
Add/Less Adjustment	395
Add: Refund	4,683
Less: Collection	103,136
Add: Interest during the year	78,550
Add: Admin & other loan charges	7,092
Closing Balance	**749,327**
Provision for doubtful debts	
Previous Years Provision	509,671
Total House Loan Receivable	**239,657**

14. SAPHE Loans

SAPHE Opening Balance	415,416
Disbursement	28,393
Add/less Adjustment	21
Add: Refund	3,342
Less: Collection	78,193
Add: Interest during the year	27,563
Add: Admin & other loan charges	10,179
Closing Balance	**406,678**
Less Provision for doubtful debts	
Previous Years Provision	149,215
Total SAPHE Loan Receivable	**257,463**

15. Interest Payable (LT Loan from GOK)	**4,000**

16. Long Term Loan from GOK – SAPHE

At 31st December	**600,000**

17. Accumulated Fund

At 31st December 2012	2,715,942
Profit (Loss) Retained for the year	-52,581
At 31st December	**2,663,361**

18. Capital Reserve

At 1st January		2,807,004
Asset - Aid Reserve		
Opening Balance	832,000	
Less: Amortisation Income	34348	
Closing Balance		797,652
		3,604,656

19. Rent Income (Billing)

Economic Subsidy New	539,512
Economic Subsidy Old	201,231
Non-Economic Subsidy	304,754
Local Rent Old	321,020
Local Rent New	22,076
Water Tank	43,459
	1,432,052

20. Other Income

Pledge Fees	445
Reconciliation Fees	20
Late Fees - HLAC & SAPHE	1,050
Statement Fees	215
Establishment Fees	280
Stamp Fees	120
Late Fees – Housing	9,743
Second Hand Sales	689
Miscellaneous Income	3,509
Sale of Furniture & Fittings	50
Base Stock Sales	494
Furniture Making Income	850
	17,465

21. Payroll Liabilities & Others

PAYE Tax Clearance	-990
KPF Clearing	-139
Tax Arrears	3,957
ANZ Bank Clearing	-77
SAPHE Loan Clearing	-75
House Loan Clearing	-120
DBK Loan Clearing	55
KPF Loan Clearing	
Social Club Clearing	527
Contractors Withholding Tax Clearing	1,477
Union Subscriptions	584
Staff Salary Advances	-1,685
	3,513

22. Personal Emolument

Wages & Salaries	466,960
Temporary Assistance	26,127
Allowances	3,671
KPF Expenses	37,050
Overtime	38,047
Leave Grants	43,176
L/Passage & Commutation	4,253
	619,284

23. Operating Expenses

Electricity	33,745
Telephone & Internet	12,754
Audit Fees	1,875
Insurance Premium	0
Service Charge	2,550
Stationery & Postage	10,759
Travel	20,187
Transport	10,333
Advertisement	2,166
Promotions	5,330
Vehicles Repair	14,761
Fuel	26,404
Court & Legal Fees	890
Training	8,182
	149,935

24. Office Support

Land Rent	1,274
Specialist Books/Forms	3,598
Office Incidentals	2,347
Bank Charges	4,489
Board of Directors Expenses	18,017
Entertainment	3,602
Subscription & Fees	5,762
Security Services Fess	22,100
	61,190

25. Miscellaneous

Retirement Benefit	6,000
Coffin Benefit	1,021
Uniform Benefit	795
Housing Allowance	18,230
	26,047

26. Repair & Maintenance

Machinery& Equip. Repair	830
Office Building Repair	8,903
Office Equipment Repair	9,697
Tools Allowance	0
	19,430

27 PPI

Housing Trade Debtors	6,244
Others	-11,347
	-5,104

28 Sundry Creditors

Govt Prepaid House Rent Subsidy	53,726
Customers Deposit	14,198
Suspense Account	1,375
	69,299

29 Accrued Expenses - Commitments **568**

30 Internal Amount Dues

Dues to HLAC from Maintenance	-2,430
Dues to Maintenance from HLAC	-207
Cash Inter Ledger Clearing	4,225
Dues to Maintenance From SAPHE	644
Dues to HLAC from SAPHE	11,526
Dues to SAPHE from HLAC	1,175
	14,931

31 Sundry Debtors & Prepayment

Imprest	3,082
Others	1,002
Deposit Paid	1,700
Bank errors	3,910
	9,693

32 Cost of Sales (Furniture making) **464**

KIRIBATI HOUSING CORPORATION

P.O.Box.491, Betio, Tarawa, Republic of Kiribati Phone: (686) 26116, 26702, email
enquiry@kiribatihousingcorp.gov.ki

Auditor General,
Kiribati National Audit Office,
Bairiki,
Tarawa, Kiribati.

19th November, 2014

ufs: Chief Executive Officer, Mr Tomwa B Tehumu.

Dear Madam,

RE: KHC Final Account 2012

Please find enclosed the above for your information and necessary actions. KHC is still working on the 2013 account and will be submitted before end of this month (November 2014).

We apologize for the delay in completing the accounts on a timely basis but we will try to do our best in ensuring that future year's accounts are completed and submitted to you in accordance with statutory and SOE requirements.

Ko rabwa.

Yours faithfully,

Kataraiti Koraing
Finance Control Manager

MCS 44/16

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Tarawa, Kiribati.

19th November, 2014

ufs: Chief Executive Officer, Mr Tomwa B Tehumu. Juno...

Dear Madam,

RE: KHC Draft Account 2012

Please find enclosed the above for your information and necessary actions. KHC is still working on the 2013 account and will be submitted before end of this month (November 2014).

We apologize for the delay in completing the accounts on a timely basis but we will try to do our best in ensuring that future year's accounts are completed and submitted to you in accordance with statutory and SOE requirements.

Ko rabwa.

Yours faithfully,

NATIONAL AUDIT OFFICE
19 NOV 2014
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Katarait Koraing
Finance Control Manager

KIRIBATI HOUSING CORPORATION
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012

	NOTES	2012	2011
INCOME			
Rental Income	19	1,306,764	1,226,613
Less Cost of Sales	4	$279,624	136,376
GROSS PROFIT		**$1,027,140**	**$1,090,237**
OTHER INCOME			
Interest on House Loan	13	85,176	81,655
Interest on SAPHE Loan	14	21,072	22,571
Other loan income	13 & 14	24,310	6,590
Interest on Short-term deposits		13,848	31,437
Other Income	20	$41,728	16,770
Total Income		**$1,213,274**	**$1,249,260**
EXPENSES			
Personal Emoluments	22	580,273	575,397
Operating Expenses	23	148,114	153,335
Office Support Expenses	24	43,804	31,873
Repair & Maintenance Expenses	26	21,158	10,760
Dept Property, Plant & Equipment	4	230,110	223,322
Dept-Capitalized repairs & maintenance	4	231,360	148,027
Bad and Doubtful Debts	10,13,14	79,680	85,562
Miscellaneous Expenses	25	18,837	18,345
Total Expenses		**$1,353,335**	**$1,246,621**
Net Operating Profit/Loss		**-$140,060**	**$2,639**
Add/Less: Abnormal Items			
Prior Period Items *	27	368,991	-28,164
Net Profit/(Loss) for the year		**$228,931**	**-$25,525**

Approved and Signed by:

Chairman: .... **Date:** 19/11/14

Director: .... **Date:** 19/11/14

KIRIBATI HOUSING CORPORATION

BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2012

	NOTES	2012	2011
CURRENT ASSETS			
Cash at Bank	5	650,210	747,403
Cash on hand	6	94	15
Petty cash reimbursement	7	619	469
Short Term Deposit (IBD)	8	1,113,817	410,044
Base Stock	9	103,659	237,375
Trade Receivables	10	313,436	319,111
Total Current Assets		**$2,181,835**	**$1,714,417**
CURRENT LIABILITIES			
Auditors' Remuneration	11	15,000	13,500
Security Deposits	12(i)	7,063	6,745
Accrued Expenses	29	23,080	22,463
Interest Payable	15	4,000	4,000
Payroll Liabilites	21	5,023	6,614
Sundry Creditors	28, 30	39,839	
Total Current Liabilites		**$94,005**	**$53,322**
WORKING CAPITAL		**$2,087,830**	**$1,661,095**
NON-CURRENT ASSETS			
Property, Plant and Equipment	4	2,425,493	2,120,565
Housing Loan	13	231,710	53,849
SAPHE Loan	14	266,201	260,863
Capitalized Repair/Maintenance	4	2,077,911	1,925,796
Total		**$5,001,314**	**$4,361,075**
LONG TERM LIABILITIES			
Loan from GOK-SAPHE		600,000	600,000
Security Deposits	12(ii)	134,198	128,155
Total		**$734,198**	**$728,155**
NET WORTH		**$6,354,946**	**$5,294,015**
REPRESENTED BY			
Accumulated Fund	17	2,715,942	2,487,011
Capital Reserve	18	3,639,004	2,807,004
TOTAL SHAREHOLDERS FUND		**$6,354,946**	**$5,294,015**

Approved and Signed by:

Chairman: .... **Date:** 19/11/14

Director: .... **Date:** 19/11/14

Kiribati Housing Corporation
Statement of Cashflow
As at 31st December 2012

	Notes	2012		2011	
Operating Activities					
Cash receipt from Customers		1,787,884		1,168,817	
Cash paid to suppliers and employees	22-27	917,408		- 970,197	
Net Operating Cash Flow			**870,476**		**198,620**
Investing Activities					
Net House loan	13	- 177,861		295,571	
Net House fees collect	12	6,044		7,951	
Net SAPHE loan	14	- 5,337		111,998	
Purchase of Property, Plant and Equip	4	- 535,037		- 76,822	
Capitalized Repair and Maintenance	4	- 383,475		- 109,625	
Net Investing Cash flow			**- 1,095,666**		**229,073**
Financing Activities					
Grant from Taiwan	18	832,000			
Net Financing Cash flow			**832,000**		
Net Increase (decrease) in cash held			**606,810**		**427,694**
Add: Opening Cash and Cash Equivalent			**1,157,931**		319,709
Closing Balance of Cash and Cash Equiv	**5,6,7,8**		**1,764,741**		**747,403**

	2012		2011
Reconciliation to Cash Flow			
OperatinG Profit/Loss	**228,931**		-25,525
PPI Expenses		PPI Expenses	28,164
PPI Revenue		PPI Revenue	0
Depreciation PPE	230,110	Depreciation PPE	223,322
Depreciation Capitalised	231,360	Depreciation Capitalised	148,027
Doubtful Debt	79,680	Doubtful House Loan	41,260
Increase/Decrease Base Stock	133,716	Doubtful Saphe Loan	-23,181
Increase/Decrease Trade Receivable	- 74,006	Doubtful Rent Receivable	-8,503
Increase/-Decrease Current Liabilities	40,684	Interest due from IBD	0
		Interest due from House Loan	81,655
		Interest due from Saphe Loan	22,571
		Other interest received	31,437
			-222,442
		Increase in audit fee	1,500
Cashflow from Operating Activities	**870,476**		**298,285**

Approved and Signed by:

Chairman: .... **Date:** 19/11/14

Director: .... **Date:** 19/11/14

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 with generally accepted accounting standard and 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% to7% 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
Capitalised 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 realisable values of rent receivables; and
b) Capitalised part of expenses for repairs and maintenance on the housing stock instead of treating them as expenses.

4. Fixed Assets Depreciation Schedule & Capitalized Maintenance and Cost of Sales

A. Non-Current Assets:

	Old Housing Buildings	New Housing Buildings	Office Building	Housing Furniture	Housing Equipment	Motor Vehicles	Office Equipment	Office Furniture	Water Tank Replacement	Warehouse Building	Container Storage	Tools & Machineries	Seawall	TOTAL
COST														
Balance at 1 January 2012	7,573,383	2,724,141	248,990	467,739	461,811	461,724	432,774	29,153	75,403	107,986	3,800	170,303	196,315	12,953,522
Additions 2012		490,691				16,670	20,219				4,000	490	2,968	535,037
Transfers 2012														-
Disposal 2012														-
Balance at 31 December 2012	7,573,383	3,214,832	248,990	467,739	461,811	478,393	452,993	29,153	75,403	107,986	7,800	170,793	199,283	13,488,559
ACCUMULATED DEPRECIATION														
Balance at 1 January 2012	7,573,382	817,044	101,166	467,739	461,811	448,024	413,826	29,150	71,460	107,986	3,800	165,786	171,783	10,832,957
Depreciation per year 2012		190,690	6,254	-	-	8,734	12,366	-	1,315	-	800	1,180	8,771	230,110
Transfers 2012														-
Disposal 2012														-
Balance at 31 December 2012	7,573,382	1,007,734	107,420	467,739	461,811	456,758	426,191	29,150	72,775	107,986	4,600	166,967	180,554	11,063,066
Depreciation Rate	7%	7%	3%	10%	33%	25%	20%	10%	20%	20%	20%	20%	20%	
NET BOOK VALUE														
Balance at 31/12/2012	1	2,207,098	141,570	-	-	21,636	26,801	3	2,628	-	3,200	3,826	18,730	2,425,493
Balance at 31/12/2011	1	1,907,097	147,824	-	-	13,700	18,948	3	3,943	-	-	4,517	24,532	2,120,565
DEPRECIATION LAST YR (2011)														
Previous set Charge		190,690	6,254	-	-	4,567	8,322	2,915	1,315	-	-	1,082	8,177	223,322

B. Capitalised Maintenance & Cost of Sales

	Rehabilitation	2010 Uncaterogised	Contingent	Redecoration	Roofing	Rethatching	Electrical	Plumbing	Water	Cleaning	Identified	TOTAL
	Upgradings	Capitalised	Repair	Maintenance	Maintenance	Repair	Repair	Repair	Tank Repair	Felling Trees	Maintenance	
	Costs	Maintenance	Costs	Costs	Costs	Costs	Costs	Costs	Costs	Costs	Programs	
COSTS												
Balance at 1 January 2012		1,791,695	29,038	22,423	18,808	32,839	-	-	-	-	30,993	**1,925,796**
Additions 2012	193160		152,526	54,537	36,448	117,183	43,957	31,726	16,676	16,885		**663,098**
Capitalisation Rate	100%	0%	25%	100%	75%	60%	0%	0%	0%	0%		
Amount to Capitalise	193160	-	38,132	54,537	27,336	70,310	-	-	-	-	-	**383,475**
Cost of Sales		-	**114,395**	-	**9,112**	**46,873**	**43,957**	**31,726**	**16,676**	**16,885**	-	**279,624**
DEPRECIATION												
Balance at 1 January 2011		1,791,695	29,038	22,423	18,808	32,839	-	-	-	-	30,993	**1,925,796**
Additions 2012	193160	-	38,132	54,537	27,336	70,310	-	-	-	-		**383,475**
Amortisation 2012	38632	99,539	16,185	16,868	5,026	47,362	-	-	-	-	7,748	**231,360**
												-
Balance at 31 December 2012	**154528**	**1,692,156**	**50,985**	**60,092**	**41,118**	**55,787**	-	-	-	-	**23,245**	**2,077,911**
Depreciation Rate	20%	5%	20%	20%	10%	33%	0%	0%	0%	0%	20%	
CAPITALISED MAINTENANCE BALANCE												
Balance at 31/12/2012	154528	1,692,156	50,985	60,092	41,118	55,787	-	-	-	-	23,245	**2,077,911**
Balance at 31/12/2011		1,791,695	29,038	22,423	18,808	32,839	-	-	-	-	30,993	**1,925,796**
AMORTSATION LAST YR (2011)												
Previous set Charge		99,539	8,559	5,961	2,293	23,928	-	-	-	-	7,748	**148,027**

	2012
5. Bank	
Maintenance A/C	238,324.64
Trade Debtors Refund Clearing	53.98
Undeposited Fund	2,210.81
HLAC A/C # 594278-01 (275759)	262,188.54
SAPHE Revolving Fund A/C # 265714-01 (193002)	147,432.19
	$650,210.16
6. Bus fare	**$94.00**
7. Petty Cash Re-imbursement	**$619.00**
8. Interest Bearing Account (IBD)	
Term Deposit A/c No 268730	238,869.13
Maintenance IBD A/c No 268763	88,270.02
Maintenance IBD A/c No 893300	274,514.94
HLAC IBD A/c No 913044	182,866.83
SAPHE IBD A/c No 913055	169,173.51
Term Deposit A/c No 924737	160,122.13
	$1,113,816.56
TOTAL CASH & CASH EQUIVALENT	**$1,764,739.72**
9. Base Stock	
Central Stores Opening Balance	**124,878.86**
Add Purchase during the year	457,648.96
Less Issue Stocks during the year	-478,868.90
Closing Balance	**$103,658.92**
10. Trade Receivables	
Ministry rent receivable	
Opening balance	**20,933.00**
Add : Ministry rent billing	396,185.68
Less: Ministry rent revenue	-380,732.10
Refund	
Closing balance	**$36,386.58**
Provision for doubtful debt	1,819.33
Provisions for previous years	2,350.00
Net Ministry Rent receivable balance	**$32,217.25**

Economic rent receivable	
Opening balance	**249,755.00**
Add : Economic rent billing	717,286.56
Less: Economic rent revenue	-744,024.61
Closing balance	**$223,016.95**
Provision for doubtful debt	11,150.85
Provisions for previous years	66,583.82
Net Economic rent receivable balance	**$145,282.28**
Corporation rent receivable	
Opening balance	**151,734.00**
Add : Corporation rent billing	193,291.82
Less: Corporation rent received	-167,618.82
Refund	
Closing balance	**$177,407.00**
Provision for doubtful debt	8,870.35
Provisions for previous years	32,600.00
Net Corporation rent receivable balance	**$135,936.65**
TOTAL RENT RECEIVABLE	**$313,436.18**

11. Auditors Remuneration

Accrued Auditing Services	**$15,000.00**

12. House Fees

Opening Balance	134,899.55
Add: Collection during the year	10,229.51
Less: Payments during the year	-3,867.65
Balance during the year	**$141,261.41**
(i) Current Liability (5%)	$7,063.07
(ii) Long term Liability (95%)	$134,198.34

13. Housing Loans

1 Opening Balance	825,198.00
2 PPI Items	0.00
3 Add: House Loan - Finance Dept	0.00
4 Add: Refund	4,672.84
5 Less: Collection	-184,137.32
6 Add: Interest during the year	85,175.58
Add: Admin & other loan charges	10,471.60
Closing Balance	**$741,380.70**
Provision for doubtful debts	37,069.04
Previous Years Provision	472,601.63
Total House Loan Receivable	**$231,710.04**

14. SAPHE Loans

SAPHE Opening Balance	463,614.15
Disbursement	14,136.44
Adjustment	1,275.00
Refund	5,924.80
Less: Collection	-104,445.23
Add: Interest during the year	21,072.30
Add: Admin & other loan charges	13,838.50
Closing Balance	**$415,415.96**
Less Provision for doubtful debts	20,770.75
Previous Years Provision	128,443.85
Total SAPHE Loan Receivable	**$266,201.36**

15. Interest Payable (LT Loan from GOK)	**$4,000.00**

16. Long Term Loan from GOK - SAPHE

At 31st December	**$600,000.00**

17. Accumulated Fund

At 31st December 2011	2,487,011.00
Profit (Loss) Retained for the year	228,931.15
At 31st December	**$2,715,942.15**

18. Capital Reserve

At 1st January	2,807,004.00
Asset - Aid Reserve	832,000.00
	$3,639,004.00

19. Rent Income (Billing)

Economic Rent (New & Old)	717,286.56
Local Rent - Corporations	82,399.08
Local Rent - Ministry	175,348.18
House Rent Subsidy	331,730.24
	$1,306,764.06

20. Other Income

Establishment Fee	80.00
Tank Fee	6,254.33
Tender Fee	320.00
Building & Site	1,220.00
KPF Pledge Fees	160.00
Return Payment	0.00
Food Cabinet Sales	150.00
Scaffolding	0.00
Late Fees Collected	28,679.18
Miscellaneous Income	670.00
Statement Fees & Other Loan charges	376.60
Stamp Fees	1,640.00
Reconciliation Fees	20.00
Tools and Machinery	27.00
Disposal of Fixed Assets	2,130.90
	$41,728.01

21. Payroll Liabilities & Others

PAYE Tax Clearance	251.46
KPF Clearing	-357.13
Tax Arrears	2,893.06
ANZ Bank Clearing	107.85
SAPHE Loan Clearing	-75.01
House Loan Clearing	-120.36
DBK Loan Clearing	54.99
KPF Loan Clearing	2,461.05
Social Club Clearing	478.48
Contractors Withholding Tax Clearing	281.87
Union Subscriptions	582.00
Staff Salary Advances	-1,535.51
	$5,022.75

22. Personal Emolument

Wages & Salaries	374,115.89
Temporary Assistance	93,196.07
Allowances	14,446.76
KPF Expenses	34,971.73
Overtime	36,486.65
Leave Grants	14,213.13
L/Passage & Commutation	12,842.42
House Rent Subsidy	**$580,272.65**

23. Operating Expenses	
Electricity	36,035.30
Telephone & Internet	12,143.09
Audit Fees	4,000.00
Insurance Premium	0.00
Service Charge	3,200.00
Stationery & Postage	9,353.00
Travel	14,658.02
Transport	11,716.80
Advertisement	0.00
Promotions	2,490.00
Vehicles Repair	10,443.05
Fuel	27,390.85
Court & Legal Fees	368.00
Training	16,315.54
	$148,113.65
24. Office Support	0.00
Land Rent	1,169.46
Specialist Books/Forms	3,258.00
Office Incidentals	11,800.95
Bank Charges	3,647.63
Board of Directors Expenses	14,587.00
Entertainment	7,503.45
Subscription & Fees	1,837.04
	$43,803.53
25. Miscellaneous	0.00
Retirement Benefit	3,000.00
Coffin Benefit	672.55
Sick Leave Benefit	0.00
Uniform Benefit	630.17
Housing Allowance	14,534.15
Safety & Protective Gears Costs	0.00
	$18,836.87
26. Repair & Maintenance	
Machin.& Equip. Repair	4,252.40
Office Building Repair	10,037.85
Office Equipment Repair	6,627.40
Tools Allowance	240.00
	$21,157.65
27 PPI	
Provision for Doubtful Debts	374,832.04
Others	-5,840.92
	$368,991.12

The Board agreed (Meeting No.3/14 of 17/10/14) that the Accumulated Provision for Doubtful Debts is too excessive after consistent addition by 5% per annum and that it should be reduced to a more realistic level according to a review of each account.

28 Sundry Creditors

Recoverable cost from Employees	604.00
Staff Uniform	149.00
Govt Prepaid House Rent Subsidy	22,307.29
Customers Deposit	779.55
Suspense Account	1,715.39
	$25,555.23

29 Accrued Expenses - Commitments **$23,079.82**

30 Internal Amount Dues

Dues to HLAC from Maintenance	-2,512.30
Dues to SAPHE from Maintenance	0.00
Cash Inter Ledger Clearing	4,224.56
Dues to Maintenance From SAPHE	515.76
Dues to HLAC from SAPHE	12,639.13
Dues to SAPHE from HLAC	-582.25
	$14,284.90

(AF)
(15)

HOUSING

KIRIBATI HOUSING CORPORATION

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

3 December 2013

Auditor General
Kiribati National Audit Office
Bairiki
Tarawa

Dear Madam

Re: KHC Draft Accounts 2010 & 2011

Please find enclosed the above for your information and necessary actions. KHC is still working on the 2012 account and will be submitted once completed.

KHC apologies for the belated submission however KHC need to work on several issues per your good office's report for 2006-2009 audited accounts.

Looking forward to auditing work.

Ko rabwa,

Yours faithfully,

N Baitongo
Finance Control Manager

KIRIBATI NATIONAL AUDIT OFFICE
RECEIVED
04 DEC 2013

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 two years ended 31 December 2010 to 2011. These are now attached and comprise the Statement of Financial Position, Statement of Financial Performance, and Statement of Cash Flows.

1.2 KHC's principal function is to provide housing for Government Civil servants including related support services. These include Technical services associated with repair and maintenance and with new Housing construction, Provide Housing and SAPHE Loan schemes to encourage private home construction and ease housing demand and also improve hygienic water and sanitation practices, etc.

2. HOUSING DEVELOPMENTS

2.1 Recognising that the bulk of KHC's housing stock were inherited from colonial times with limited remaining life spans, KHC Board has consequently adopted a deliberate policy to emphasise new housing construction rather than Repair and Maintenance.

2.2 Duplex Project ceased at end of 2009, its progression to the main construction program requires extensive capital investment which would certainly require support from GoK and donors. However, in 2011 conversion of local thatch housing to galvanized roofing was carried out. Addressing maintenance for economic housing and across the board for non-economic is reflected in the maintenance and program budgets.

3. FINANCIAL RESULT

3.1 These annual financial report have been prepared in line with the Board approved policies to give a true and fair view of the corporation financial position and performance, and to eliminate issues noted by KNAO in the 2006-2009 audit.

3.1.1 The new policies include expensing part of the routine maintenance expenses to the cost of sales and new depreciation rates for capitalised maintenance respective categories. This practice will only be applied to the 2010 to 2013 financial reports and thereafter KHC will identify capital and operation expenditures as and when repair and maintenance works are carried out. This policy has a significant impact on the financial performance of the corporation.

3.1.2 Maintain separate Depreciation schedules for the Old housing stock which were fully depreciated effective from 2006 from the New housing stock.

3.2 In 2009 a net profit of $275,363 changed dramatically to a net loss of -$17,196 in 2010 and -$25,525 for year 2011 respectively. The net profit decreased by negative 106% in 2010 and negative 109% for year 2011 as a result of the new capitalisation policy. Despite the above it is pleasing to note that the corporation is financially healthy with working capital ratio of $32.15:1

3.3 In spite of these improvements, KHC Board notes with concern that a substantial proportion of the Corporation's House Rent billing is still being tied up in Receivables. This indicates that the timely collection or payment of House Rent billing is still a major challenge and that the various strategies proposed in the past by Management are still ineffective in improving the collection ratio. The Corporation will prioritise this area and work closely with respective employers towards a more effective mechanism for timely payments.

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 two years 2010 and 2011.

4.2 The Board is 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,

....

ENOTA INGINTAU
CHAIRMAN

Kiribati Housing Corporation

Income and Expenditure Statement

for the Year ended 31 December 2010 - 2011

	NOTES	2011	2010	2009
INCOME				
Rental Income (Billing)	16 & 17	$1,226,613	$1,244,045	$1,228,888
Interest on House Loan	18	$81,655	$109,779	$104,317
Interest on SAPHE Loan	19	$22,571	$38,450	$50,811
Net Income		**$1,330,839**	**$1,392,274**	**$1,384,016**
Less Cost of Sales (Routine Maintenance)	5	$136,376	$217,520	$0
Gross Profit		**$1,194,463**	**$1,174,753**	**$1,384,016**
EXPENSES				
Personal Emoluments	20	$575,397	$601,038	$556,450
Operating Expenses	21	$153,335	$183,909	$146,898
Office Support Expenses	22	$31,873	$38,716	$25,272
Repair & Maintenance Expenses	23	$10,760	$12,072	$6,651
Miscellaneous Expenses	25	$18,345	$20,779	$68,353
Depreciation Property, Plant & Equipment	4	$223,322	$215,542	$239,569
Depreciation-Capitalized repairs & maintenance	5	$148,027	$123,006	$86,984
Bad and Doubtful Debts	25	$85,562	$96,143	$73,088
Total		**$1,246,621**	**$1,291,205**	**$1,203,265**
Operating Profit		**($52,158)**	**($116,452)**	**$180,751**
Add Other Income				
Interest on Short Term Deposits	9	$6,590	$5,265	$4,513
Other Interest Received (loan and admin charge)	18 & 19	$31,437	$44,343	$34,384
Prior Period Items	27	($28,164)	$20,378	$0
Other Income	26	$16,770	$29,270	$55,712
		$26,633	**$99,256**	**$94,609**
Net Profit / (Loss)		**($25,525)**	**($17,196)**	**$275,363**

Approved and Signed by:

Chairman:.................................... Dates: 03/12/13

Director:.................................... Dates: 03/12/13

KIRIBATI HOUSING CORPORATION

BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2010 - 2011

	NOTES	2011	2010	2009
CURRENT ASSETS				
Cash at Bank	6	$747,403	$319,709	$143,664
Cash on hand	7	$15	$15	$17
Petty cash reimbursement	8	$469	$469	$469
Short Term Deposit (IBD)	9	$410,044	$403,454	$396,838
Base Stock	10	$237,375	$137,250	$224,958
Sundry Debtors		$0.00	$520	$0
Trade Receivables	25	$319,111	$279,955	$236,710
Total		**$1,714,417**	**$1,141,372**	**$1,002,656**
CURRENT LIABILITIES				
Auditors' Remuneration	11	$13,500	$12,000	$10,500
Security Deposits	12	$6,745	$6,347	$5,992
Accrued Expenses		$22,463	$8,550	2-1290 ?
Payroll Liabilities & Others	27	$6,614	($3,629)	$0
Interest Payable	13	$4,000	$4,000	$4,000
Total		**$53,322**	**$27,268**	**$20,492**
WORKING CAPITAL		**$1,661,095**	**$1,114,104**	**$982,164**
NON-CURRENT ASSETS				
Property, Plant and Equipment	4	$2,120,565	$2,310,778	$2,284,959
Housing Loan	18	$53,849	$297,430	$456,292
SAPHE Loan	19	$260,863	$353,630	$336,390
Capitalized Repair/Maintenance	5	$1,925,796	$1,964,198	$1,990,772
Total		**$4,361,075**	**$4,926,036**	**$5,068,413**
LONG TERM LIABILITIES				
Loan from GOK-SAPHE		$600,000	$600,000	$600,000
Security Deposits	12	$128,155	$120,601	$113,841
Total		**$728,155**	**$720,600**	**$713,841**
NET WORTH		**$5,294,016**	**$5,319,541**	**$5,336,737**
REPRESENTED BY				
Accumulated Fund	14	$2,487,012	$2,512,537	$2,529,733
Capital Reserve	15	$2,807,004	$2,807,004	$2,807,004
TOTAL ASSET		**$5,294,016**	**$5,319,541**	**$5,336,737**

Approved and Signed by;

Chairman:...................................... Dates: ....

Director:.. Dates: ....

KIRIBATI HOUSING CORPORATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2010-2011

	Notes	2011		2,010.00 Inflow (Outflow)		2009 Inflow (Outflow)	
						$	$
Cash flow from Operating Activities							
Cash rece'pt from Customers	25	1,168,817.34		1,224,257.06		1,192,335.00	
Cash paid to suppliers and employees	20-24	-970,197.00		-973,693.26		-796,439.00	
Net cash flow from Operating Activities			**198,620.34**		**250,563.80**		**$395,896.00**
Cash flow from Investing Activities							
Net House loan collection and disbursement	18	295,571.04		232,449.35		124,434.00	
Net House fees collected and paid during the year	12	7,951.30		7,115.25		8,522.00	
Net SAPHE loan collection and disbursement	14	111,998.19		23,708.69		8,435.00	
Purchase of Property, Plant and Equipment	4	-76,822.05		-241,360.04		-738,933.00	
Capitalized Repair and Maintenance		-109,625.06		-96,432.16		-327,442.00	
Net cash flow from Investing Activities			**229,073.42**		**-74,518.91**		**($924,984.00)**
Cash flow from Financing Activities							
IBD Drawn	8	0.00		0.00		310,231.00	
Net cash flow from Financing Activities		**0.00**					**$310,231.00**
Net Increase (decrease) in cash held			**427,693.76**		**176,044.89**		**($218,857.00)**
Add: Cash at Bank at beginning of the year	5		319,709.00		143,664.11		**$362,521.11**
Net Cash at Bank at the end of the year	5		**747,402.76**		**319,709.00**		**$143,664.11**
Reconciliation of net cash provided by operating activities to operating profit/loss							
Operating Profit/loss		-25,524.84		-17,196.03		**275,362.55**	
PPI expense		28,164.00				5,683.09	
PPI revenue		0.00		20,378.00			
Depreciation expense on repair & Maintanance		223,322.00		215,541.85		86,984.11	
Depreciati:n on Property, Plant and Eqmt expense		148,026.85		123,005.90		239,569.00	
Doubtful house loan		41,259.91		51,375.92		55,351.52	
Doubtful SAPHE loan		-23,180.71		-26,660.01		21,270.88	
Doubtful rent receivable		#REF!		#REF!		-3,534.06	
Interest due from IBD		0.00		0.00		-4,513.46	
Interest due from House loan		81,654.69		109,778.84		-104,317.00	
Interest due from SAPHE loan		22,571.22		38,449.81		-50,811.00	
Other interest received		31,437.00		44,343.00		-34,384.00	
Increase/decrease in rent collection against billing		-222,441.83		-237,850.40		#REF!	
Increase in audit fee payable		**1,500.00**		**1,500.00**		1,500.00	
		#REF!		**#REF!**	**0.00**	**#REF!**	

Approved and Signed by;

Chairman:...................................... Dates: ....

Director:...................................... Dates: ....

KIRIBATI HOUSING CORPORATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2010-2011

	Notes	2011		2,010.00 Inflow (Outflow)		2009 Inflow (Outflow)	
						$	$
Cash flow from Operating Activities							
Cash receipt from Customers	25	1,168,817.34		1,224,257.06		1,192,335.00	
Cash paid to suppliers and employees	20-24	-970,197.00		-973,693.26		-796,439.00	
Net cash flow from Operating Activities			198,620.34		250,563.80		$395,896.00
Cash flow from Investing Activities							
Net House loan collection and disbursement	18	295,571.04		232,449.35		124,434.00	
Net House fees collected and paid during the year	12	7,951.30		7,115.25		8,522.00	
Net SAPHE loan collection and disbursement	14	111,998.19		23,708.69		8,435.00	
Purchase of Property, Plant and Equipment	4	-76,822.05		-241,360.04		-738,933.00	
Capitalized Repair and Maintenance		-109,625.06		-96,432.16		-327,442.00	
Net cash flow from Investing Activities			229,073.42		-74,518.91		($924,984.00)
Cash flow from Financing Activities							
IBD Drawn	8	0.00		0.00		310,231.00	
Net cash flow from Financing Activities		0.00					$310,231.00
Net Increase (decrease) in cash held			427,693.76		176,044.89		($218,857.00)
Add: Cash at Bank at beginning of the year	5		319,709.00		143,664.11		$362,521.11
Net Cash at Bank at the end of the year	5		747,402.76		319,709.00		$143,664.11
Reconciliation of net cash provided by operating activities to operating profit/loss							
Operating Profit/loss		-25,524.84		-17,196.03		275,362.56	
PPI expense		28,164.00				5,683.09	
PPI revenue		0.00		20,378.00			
Depreciation expense on repair & Maintanance		223,322.00		215,541.85		86,984.11	
Depreciation on Property, Plant and Eqmt expense		148,026.85		123,005.90		239,569.00	
Doubtful house loan		41,259.91		51,375.92		55,351.52	
Doubtful SAPHE loan		-23,180.71		-26,660.01		21,270.88	
Doubtful rent receivable		#REF!		#REF!		-3,534.06	
Interest due from IBD		0.00		0.00		-4,513.46	
Interest due from House loan		81,654.69		109,778.84		-104,317.00	
Interest due from SAPHE loan		22,571.22		38,449.81		-50,811.00	
Other interest received		31,437.00		44,343.00		-34,384.00	
Increase/decrease in rent collection against billing		-222,441.83		-237,850.40		#REF!	
Increase in audit fee payable		1,500.00		1,500.00		1,500.00	
		#REF!		#REF!	0.00	#REF!	

Approved and Signed by;

Chairman:... Dates: ....

Director:... Dates: ....

Kiribati Housing Corporation
Notes to the Financial Statements
for the year ended 31 December 2010

Notes 4: NON-CURRENT ASSETS

	Old Housing Buildings	New Housing Buildings	Office Building	Housing Furniture	Housing Equipment	Motor Vehicles	Office Equipment	Office Furniture	Water Tank Replacement	Warehouse Building	Container Storage	Tools & Machineries	Seawall	TOTAL
COST														
Balance at 1 January 2009	7,573,383	2,550,586	248,990	467,739	461,811	443,457	401,812	29,153	68,830	107,986	3,800	166,383	155,429	12,679,359
Additions 2010		173,555					19,988		6,573			358	40,886	241,360
Transfers 2010														-
Disposal 2010														-
Balance at 31 December 2010	7,573,383	2,724,141	248,990	467,739	461,811	443,457	421,800	29,153	75,403	107,986	3,800	166,741	196,315	12,920,719
ACCUMULATED DEPRECIATION														
Balance at 1 January 2009	7,573,382	435,664	88,658	467,739	461,811	443,457	399,989	23,320	68,830	107,986	3,800	164,334	155,429	10,394,399
Depreciation per year 2010		190,690	6,254				5,821	2,915	1,315			370	8,177	215,542
Transfers 2010														-
Disposal 2010														-
Balance at 31 December 2010	7,573,382	626,354	94,912	467,739	461,811	443,457	405,810	26,235	70,145	107,986	3,800	164,704	163,606	10,609,941
Depreciation Rate	7%	7%	3%	10%	33%	25%	20%	10%	20%	20%	20%	20%	20%	
NET BOOK VALUE														
Balance at 31/12/2010	1	2,097,787	154,078	-	-	-	15,990	2,918	5,258	-	-	2,037	32,709	2,310,778
Balance at 31/12/2009	1	2,114,922	160,332	-	-	-	1,823	5,833	-	-	-	2,049	-	2,284,960
DEPRECIATION LAST YR (2009)														
Previous set Charge		178,541	6,254	-	-	1,890	23,837	2,915	-	-	-	298	25,834	239,569

Kiribati Housing Corporation
Notes to the Financial Statements
for the year ended 31 December 2011

Notes 4: NON-CURRENT ASSETS

	Old Housing Buildings	New Housing Buildings	Office Building	Housing Furniture	Housing Equipment	Motor Vehicles	Office Equipment	Office Furniture	Water Tank Replacement	Warehouse Building	Container Storage	Tools & Machineries	Seawall	TOTAL
COST														
Balance at 1 January 2010	7,573,383	2,724,141	248,990	467,739	461,811	443,457	421,800	29,153	75,403	107,986	3,800	166,741	196,315	12,920,719
Additions 2011						18,267	12,504					3,562		34,333
Transfers 2011														-
Disposal 2011							1,530							1,530
Balance at 31 December 2011	**7,573,383**	**2,724,141**	**248,990**	**467,739**	**461,811**	**461,724**	**432,774**	**29,153**	**75,403**	**107,986**	**3,800**	**170,303**	**196,315**	**12,953,522**
														-
ACCUMULATED DEPRECIATION														-
Balance at 1 January 2011	7,573,382	626,354	94,912	467,739	461,811	443,457	405,810	26,235	70,145	107,986	3,800	164,704	163,606	10,609,941
Depreciation per year 2010	-	190,690	6,254	-	-	4,567	8,322	2,915	1,315	-	-	1,082	8,177	223,322
Transfers 2011														-
Disposal 2011							306							306
Balance at 31 December 2011	**7,573,382**	**817,044**	**101,166**	**467,739**	**461,811**	**448,024**	**413,826**	**29,150**	**71,460**	**107,986**	**3,800**	**165,786**	**171,783**	**10,832,957**
Depreciation Rate	7%	7%	3%	10%	33%	25%	20%	10%	20%	20%	20%	20%	20%	
NET BOOK VALUE														
Balance at 31/12/2011	1	1,907,097	147,824	-	-	13,700	18,948	3	3,943	-	-	4,517	24,532	2,120,565
Balance at 31/12/2010	1	2,097,787	154,078	-	-	-	15,990	2,918	5,258	-	-	2,037	32,709	2,310,778
DEPRECIATION LAST YR (2010)														
Previous set Charge		190,690	6,254	-	-	-	5,821	2,915	1,315	-	-	370	8,177	215,542

Kiribati Housing Corporation
Notes to the Financial Statements
for the year ended 31 December 2010

Notes 5: CAPITALISED MAINTENANCE & COST OF SALES

	2009 Uncaterogised Capitalised Maintenance	Contingent Repair Costs	Redecoration Maintenance Costs	Roofing Maintenance Costs	Rethatching Repair Costs	Electrical Repair Costs	Plumbing Repair Costs	Water Tank Repair Costs	Cleaning Felling Trees Costs	TOTAL
COSTS										
Balance at 1 January 2009	1,990,772	-	-	-	-		-	-	-	1,990,772
Additions 2010	-	103,925	7,101	24,367	75,124	45,641	29,485	10,707	17,603	313,953
Capitalisation Rate	0%	25%	100%	75%	60%	0%	0%	0%	0%	
Amount to Capitalise	-	25,981	7,101	18,276	45,074	-	-	-	-	96,432
Cost of Sales	-	77,944	-	6,092	30,050	45,641	29,485	10,707	17,603	217,520
DEPRECIATION										
Balance at 1 January 2010	1,990,772	-	-	-	-	-	-	-	-	1,990,772
Additions 2010	-	25,981	7,101	18,276	45,074	-	-	-	-	96,432
Amortisation 2010	99,539	5,196	1,420	1,828	15,023	-	-	-	-	123,006
										-
Balance at 31 December 2010	1,891,233	20,785	5,681	16,448	30,051	-	-	-	-	1,964,198
Depreciation Rate	5%	20%	20%	10%	33%	0%	0%	0%	0%	
CAPITALISED MAINTENANCE BALANCE										
Balance at 31/12/2010	1,891,233	20,785	5,681	16,448	30,051	-	-	-	-	1,964,198
Balance at 31/12/2009	1,990,772	-	-	-	-		-	-	-	1,990,772
AMORTSATION LAST YR (2009)										
Previous set Charge	86,984	-	-	-	-		-	-	-	86,984

Kiribati Housing Corporation
Notes to the Financial Statements
for the year ended 31 December 2011

Notes 5: CAPITALISED MAINTENANCE & COST OF SALES

	2010 Uncaterogised Capitalised Maintenance	Contingent Repair Costs	Redecoration Maintenance Costs	Roofing Maintenance Costs	Rethatching Repair Costs	Electrical Repair Costs	Plumbing Repair Costs	Water Tank Repair Costs	Cleaning Felling Trees Costs	Identified Maintenance Programs	TOTAL
COSTS											
Balance at 1 January 2010	1,891,233	20,785	5,681	16,448	30,051	-	-	-	-	-	1,964,198
Additions 2011	-	67,248	22,703	6,204	44,527	30,964	18,747	4,321	12,545	38,741	246,001
Capitalisation Rate	0%	25%	100%	75%	60%	0%	0%	0%	0%	100%	
Amount to Capitalise	-	16,812	22,703	4,653	26,716	-	-	-	-	38,741	109,625
Cost of Sales	-	50,436	0	1,551	17,811	30,964	18,747	4,321	12,545	-	136,376
DEPRECIATION											
Balance at 1 January 2010	1,891,233	20,785	5,681	16,448	30,051	-	-	-	-	-	1,964,198
Additions 2011	-	16,812	22,703	4,653	26,716	-	-	-	-	38,741	109,625
Amortisation 2011	99,539	8,559	5,961	2,293	23,928	-	-	-	-	7,748	148,027
											-
Balance at 31 December 2011	1,791,695	29,038	22,423	18,808	32,839	-	-	-	-	30,993	1,925,796
Depreciation Rate	5%	20%	20%	10%	33%	0%	0%	0%	0%	20%	
CAPITALISED MAINTENANCE BALANCE											
Balance at 31/12/2011	1,791,695	29,038	22,423	18,808	32,839	-	-	-	-	30,993	1,925,796
Balance at 31/12/2010	1,891,233	20,785	5,681	16,448	30,051	-	-	-	-		1,964,198
AMORTSATION LAST YR (2010)											
Previous set Charge	99,539	5,196	1,420	1,828	15,023	-	-	-	-		123,006

KIRIBATI HOUSING CORPORATION

NOTES TO FINANCIAL REPORT 2010

NOTES 6-25

	2011	2010	2009
6. Bank			
Maintenance A/C # 551358-01	$267,508	$98,934	$56,758
HLAC A/C # 594278-01	$259,769	$134,607	$77,541
SAPHE Revolving Fund A/C # 265714-01	$220,126	$86,168	$9,365
	$747,403	**$319,709**	**$143,664**
7. Cash on hand	**$15**	**$15**	**$17**
8. Petty cash reimbursement	**$469**	$469	**$469**
9. Interest Bearing Deposits			
KHC Maintenance A/C # 551331-41 (268741)	$140,688	$138,557	$96,043
KHC Maintenance A/C # 551331-40 (268730)	$182,686	$179,921	$177,578
KHC Maintenance A/C # 551331-43 (268763)	$86,670	$84,976	$123,217
	$410,044	**$403,454**	**$396,838**
10. Base Stock			
Central Stores			
Opening Balance	$24,754	$112,462	**$123,094**
Add Purchases during the year	$231,597	**$164,652**	**$0**
Less Issue Stock during the year	$131,472	$252,360	$10,632
	$124,879	**$24,754**	**$112,462**
Add Project material	$112,496 ?	$112,496 ?	$112,496
	$237,375	**$137,250**	**$224,958.00**
11. Auditors Renumerations			
Accrued Auditing Services	$13,500	$12,000	$10,500
12. House Fees			
Opening Balance	$126,948	$119,833	$111,311
Add Collections during the year	$10,400	$10,650	$14,145
Less Payment during the year	$2,449	$3,535	$5,623
Balance	**$134,900**	**$126,948**	**$119,833**
(i) Current Liability (5%)	$6,745	$6,347	$5,992
(ii) Long Term Liability (95%)	$128,155	$120,601	$113,841
13. Interest Payable (LT Loan from GOK)	**$4,000**	**$4,000**	**$4,000**
14.Accumulated Funds			
As at December	$2,512,537	$2,529,733	$2,254,370
Profit (Loss) Retained for the year	($25,525)	($17,196)	$275,363
	$2,487,012	**$2,512,537**	**$2,529,733**
15. Capital Reserve			
At 1 January	$2,807,004	$2,807,004	$2,807,004
Realised reserve to Accumulated Funds	$0	$0	$0
	$2,807,004	**$2,807,004**	**$2,807,004**
16. Rent Income (Billing)		**2010**	**2009**
Economic Rent	$649,163	$648,244	$605,329
Local Rent - Corporation	$195,199	$217,749	$211,636
Local Rent - Ministry	$162,290	$161,633	$161,923
House Rent Subsidy	$219,961	$216,419	$250,000
	$1,226,613	**$1,244,045**	**$1,228,888**

	2011	2010	2009
17. Rent Income (cash basis)			
Economic Rent	$650,630	$619,350	$507,343
Local Rent- Corporation	$196,213	$213,123	$167,349
Local rent- Ministry	$382,251	$399,423	$211,930
House Rent Subsidy	$219,961	$250,000	$250,000
	$1,449,055	**$1,481,895**	**$1,136,622**

18. Housing Loans

Opening balance	$1,027,518	$1,135,005	$1,107,030
PPI item	$0	$0	$35,215
Add: House loan - Finance department	$0	$0	$0
Add: Disbursement *	$0	$116,264	$220,412
Less: Collection *	$300,951	$356,149	$344,846
Add: Interest during the year	$81,655	$109,779	$104,317
Add: Admin and other loan charge	$11,596	$15,184	$12,877
Add back refunds for the year	$5,380	$7,436	$0
Closing balance	**$825,198**	**$1,027,518**	**$1,135,005**
Provision for Doubtful Debts for the year	$41,260	$51,376	$678,713
Previous Years Provisions	$730,089	$678,713	$0
Total Net House loans Receivable	**$53,849**	**$297,430**	**$456,292**

19. SAPHE Loans

SAPHE stands for Sanitation and Public Health Environment Improvement Project. The project was funded by Asia Development Bank Fund amounting to $600,000 as working capital to provid small loans for home sanitations assistance.

Asia Development Bank requires reporting of SAPHE loanees to be catergoried into two groups, i.e High Income Earners and Low Income Earners. This report cannot provide the requirement as there is insufficient data to do so.

HIE SAPHE opening balance	$533,200	$489,300	$193,664
PPI item			
Add: Disbursement *	$0	$119,239	$70,116
Less: Collection *	$118,322	$150,217	$75,121
Add: Interest during the year	$22,571	$38,450	$19,308
Add: Admin and other loan charge	$19,841	$29,159	$8,173
Add back refunds for the year	$6,324	$7,270	
Closing balance	$463,614	$533,200	$216,140
Provision for Doubtful Debts for the year	($23,181)	($26,660)	($68,572)
Previous Years Provisions	($179,570)	($152,910)	$0
HIE SAPHE account balance	**$260,863**	**$353,630**	**$147,568**
LIE SAPHE opening balance	$0	$0	$231,753
PPI item	$0	$0	$0
Add: Disbursement *	$0	$0	$148,997
Less: Collection *	$0	$0	$152,427
Add: Interest during the year	$0	$0	$31,503
Add: Admin and other loan charge	$0	$0	$13,334
Closing balance	**$0**	**$0**	**$273,160**
Less Provision for Doubtful Debts	$0	$0	($84,338)
LIE SAPHE account balance	$0	$0	**$188,822**
Total Net SAPHE loans Receivable	**$260,863**	**$353,630**	**$336,390**

	11	10	09
20. Personal Emoluments			
Wages & Salaries	$478,297	$505,877	$453,059
Allowances	$10,891	$7,992	$5,414
KPF Expenses	$35,829	$37,927	$48,890
Overtime	$23,026	$19,282	$18,869
Baggage & Leave Grants	$27,354	$28,564	$30,218
House Rent Subsidy	$0	$1,396	$0
	$575,397	**$601,038**	**$556,450**
21. Operating Expenses			
Electricity	$46,747	$53,358	$38,354
Telephone & Internet	$27,276	$42,291	$21,619
Audit Fees	* $1,500	$1,700 ?	$1,500
Service Charge	$3,100	$5,600	$2,550
Stationery & Postage	$8,015	$10,729	$11,027
Travelling	$11,311	$6,974	$994
Transport	$5,512	$4,683	$5,347
Advertisement	$864	$1,610	$540
Promotions	$1,120	$0	$1,320
Vehicles Repair	$13,882	$17,956	$18,233
Fuel	$22,390	$23,398	$24,381
Court & Legal Fees	$1,002	$1,342	$4,763
Training	$10,616	$14,268	$16,270
	$153,335	**$183,909**	**$146,898**
22. Office Support			
Land Rent	$1,304	$1,198	$1,080
Specialist Books/Forms	$4,542	$4,152	$3,998
Office Incidentals	$2,883	$3,461	$1,241
Bank Charges	$4,144	$3,982	$5,834
Board of Directors Expenses	$14,807	$20,233	$10,219
Entertainment	$4,043	$5,690	$2,900
Subscriptions	$150	$0	$0
	$31,873	**$38,716**	**$25,272.00**
23. Repair & Maintenance			
Office Building Repair	$7,198	$2,355	$1,414
Office Equipment Repair	$3,562	$9,717	$5,237
	$10,760	**$12,072**	**$6,651**
24. Miscellaneous Expenses			
Coffin & Death Benefit	$1,075	$509	$250
Retirement Benefit	$0	$0	$1,265
Sick Leave Benefit	$0	$2,548	$0
Uniform Benefit	$768	$272	$1,685
Housing Allowance	$16,072	$17,450	$0
Sundry Expenses - Cancelled Chqs	$0	$0	$1,736
Refundable Accounts	$0	$0	$13,058
Petty Cash Expenses	$0	$0	$854
Tender Fees Refund	$0	$0	$620
Comittments	$0	$0	$43,202
Furiture Production Costs	$430	$0	$0
Prior Period Items	$0	$0	$5,683
	$18,345	**$20,779**	**$68,353**

25. Trade Receivables

Ministry rent receivable			
Opening balance	$26,067	**($4,991)**	**$45,686**
Add : Ministry rent billing	$382,251	$378,302	$411,923
Less: Ministry rent revenue*	$391,584	$399,423	$461;929
PPI item adjustment	$0	$44,994	$671
Add back rent refunds*	$4,199	$7,186	$0
Closing balance	**$20,933**	**$26,067**	**($4,991)**
Provision for doubtful debt	$1,047	$1,303	$0
Provisions for previous years	$1,303		
Net Ministry rent receivable balance	**$18,583**	**$24,764**	**($4,991)**
Economic rent receivable			
Opening balance	$225,261	$211,898	$146,958
Add : Economic rent billing	$650,630	$670,041	$605,329
Less: Economic rent revenue*	$626,137	$619,350	$507,344
PPI item adjustment	$0	($37,359)	($33,045)
Add back rent refunds*	$0	$30	$0
Closing balance	**$249,755**	**$225,261**	$211,898
Provision for doubtful debt for the year	**$12,488**	**$11,263**	**$44,610**
Provisions for previous years	**$55,873**	**$44,610**	**$0**
Net Economic rent receivable balance	**$181,394**	**$169,388**	**$167,288**
Corporation rent receivable			
Opening balance	$110,816	$93,885	$56,781
Add : Corporation rent billing	$196,213	$217,749	$211,636
Less: Corporation rent revenue*	$157,328	$213,123	$167,349
PPI item adjustment	$0	$11,883	($7,183)
Add back rent refunds*	$2,033	$422	$0
Closing balance	**$151,734**	**$110,816**	**$93,885**
Provision for doubtful debt	**$7,587**	**$5,541**	**$19,472**
Provisions for previous years	$25,013	**$19,472**	**$0**
Net Corporation rent receivable balance	**$119,134**	**$85,803**	**$74,413**
Government Excess on House Rent Subsidy			
Total Rent Receivable	**$319,111**	**$279,955**	**$236,710**

26. Other Income

Establishment Fee	$0	$5,282	$9,861
Tank Fee	$7,836	$4,680	$4,487
Tender Fee	$0	$67	$800
Second Hand Sales		$400	$4,151
KPF Pledge Fee	$110	$1,540	$3,304
Return Payment		$0	$14,505
Basestock sales and others	$521	$3,339	$2,874
Scafolding	$0	$865	$2,925
Rent penalty income	$847	$4,387	$2,642
Miscellenous revenue	$1,125	$2,703	$6,443
Cancelled cheque & Stop payment		$0	$3,720
Disposal of Fixed Asset	$643	$0	$0
Statement Fees & Other Loan Charges	$1,013	$532	$0
Stamp Fees	$4,665	$5,475	$0
Reconciliation Fees	$10	$0	$0
	$16,770	**$29,270**	**$55,712.00**

27. Payroll Liabilities & Others

PAYE Tax Clearing	($529)	($3,884)	$0
KPF Clearing	$2,078	($395)	$0
Tax Arrears	$2,136	$728	$0
ANZ Bank Clearing	$68	$0	$0
SAPHE Loan Clearing	$596	($75)	$0
House Loan Clearing Account	($120)	($120)	$0
Social Club Clearing Account	($91)	($111)	$0
Contractors Witholding Tax Clearing	$848	$1,351	$0
Union Subscription	$224	($9)	$0
Staff Salary Advances	($1,067)	($884)	$0
Cash Interledger Clearing Account	$271	$176	$0
Suspense Account	($261)	($406)	$0
KPF Loan Clearing	$2,461	$0	$0
	$6,614	**($3,629)**	**$0**

28. Prior Period Items

2009 Accrued Expenses	$526	$33,067
IBD Adjustments	$0	($1,350)
Cancelled Cheques	($2,399)	($14,263)
Housing Trade Debtors Accounts Adjustments	$0	($37,260)
Contractors Wages	$90	$0
HLAC Misposted Deposit	$0	($571)
	$28,164 ??	**($20,378)**

s/b ($1,783)