REPORT OF THE AUDITOR GENERAL ON THE ACCOUNT OF

KIRIBATI OIL COMPANY LIMITED FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2020-2022

KIRIBATI AUDIT OFFICE

December 2025

KIRIBATI AUDIT OFFICE

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Audit for an impact for the public

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INDEPENDENT AUDITOR'S REPORT

To the Readers of
KIRIBATI OIL COMPANY LIMITED FINANCIAL STATEMENT
For the year ended 31st December 2020-2022

I have audited the Financial Statements of Kiribati Oil Company limited for the year ended 31st December 2020-2022 as required under sec 114 (2) of the Constitution, Part VII, Sec 42(4) of the Public Finances (Control and Audit) 1981, Part IV Sec 23 of the SOE Act, 2013 and Sec 22(1) of the Kiribati Audit Act, 2017. The Financial Statements comprise of the following:

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

Adverse Audit Opinion

In my opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion* section of my report, the accompanying financial statements do not present fairly (or *do not give a true and fair view of*) the financial position of the Entity as at *December 31, 202 up to 2022*, and (*of*) their financial performance and its cash flows for the year then ended in accordance with ***Generally Accounting Accepted Principles. (GAAP)***

Basis for Adverse Opinion:

During our audit, we noted that for the year 2022 Term Deposit #1173165 amounting to $38,369.24 and Term Deposit #1179666 amounting to $1,681,234.28 were not included in the bank certificate or bank confirmation obtained directly from ANZ Bank (Kiribati) Ltd for verification purposes. As a result, we were unable to confirm the existence, accuracy and ownership of these balances. In addition to that, the Kiritimati Imprest Account (Account No. 737022) was reported with a zero balance in the financial statements. However, the bank certificate showed a balance of $150,416.43 as at year-end. This indicates an understatement of cash and incomplete reporting of financial assets.

Furthermore, we are unable to confirm the accuracy and completeness of Kiritimati PPE net book value that reported in the financial statement due to the absence (entirely missing) of the Fixed Asset Register for the year ended 2020, 2021 and 2022.

Last but not least, the audit identified and also confirmed by the auditee that $1,268,375.35 or 26% of their account receivable reported are unrecoverable due to the lack of supporting documentation and the debtors' inability to repay the debts. This results in the overstatement of KOIL's Assets (account receivable), the understatement of Expenditure resulting in inflated profit and the corresponding Shareholders Equity.

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

Emphasize of Matter:

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

- Outstanding Debt from PUB and Related Contradictions: PUB owes KOIL $7 million in dishonored cheques dating back to 2010. Despite a board resolution indicating PUB's approval to write off the debt, KOIL continued to report PUB debts on it financial statements based on the ground that PUB debts have not been approved since there's no concrete evidence supported by higher authorities such as Minister or cabinet even Parliament.

- In notes 10, 13, and 15 to the financial statements, which disclose the balances of dishonored cheques and related provisions for doubtful debts. The notes currently provide numerical breakdowns only and do not explain the nature of the dishonored cheques, the basis and judgment applied in estimating the provisions, or the offsetting arrangements with PUB.
- KOIL has a long-term loan that has remained on its books amounting $1.9m from the previous year. Because this loan was still unpaid, it raises doubts about whether KOIL will be able to pay back its debts in the future. This uncertainty affects the confidence we can have about KOIL's financial health and ability to meet its obligations.
- Dividend payable balance was transferred to specific reserve in 2020, 2021 and 2022, when cabinet approved for dividend to be used to offset SOE's debts. Without cabinets approval for KOIL to change previous arrangement for dividend payable, such transfer of Dividend balance to specific reserve was improper. Further to this, none of the SOE debts in 2018 and 2019 were cleared using the dividend balance.

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 GAAP, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other Legal and Regulatory Requirements

KOIL lodged its Financial Statement 2020-2022 on 7th September 2023 which indicate that KOIL had not comply with Section 20 of the SOE Act 2013.

Independence

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

………………………… Date: 03/12/2025

Mr. Eriati Tauma Manaima
Auditor General.

KOIL
Driving Kiribati with quality fuel

KIRIBATI OIL COMPANY LTD

FINANCIAL REPORTS

FOR THE YEAR ENDED 31st DECEMBER 2020

KIRIBATI OIL COMPANY LIMITED
DIRECTORS REPORT ON THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31ST DECEMBER, 2020

Directors of the Kiribati Oil Company Limited present their report on the financial statements of the company for the year ended 31st December, 2020 as follows.

1. State of Affairs

In the opinion of directors, the accompanying balance sheet gives a true and fair view of the state of affairs of the company as at 31st December 2020 and the accompanying income statement and cash flow statement give a true and fair view of the operating result and cash flow of the company for the year ended 31st December, 2020.

2. Dividend

There was no dividend declared for the financial year ended 31st December 2020.

3. Certificate of Solvency

In accordance with section 143 of the Companies Act 2021, directors of the Kiribati Oil Company Limited confirm that:-

(a) As at 31st December 2020, the company owned fixed assets at the value of $10,307,772.79 and current assets valued at $32,318,001.39.

(b) As at 31st December 2020, the company had its total accounts receivables of $6,652,896.07. The Domestic Airlines owed $4,852,955.56 which equals to 73%, International Airlines owed $529,653.15 equivalent to 8% while Un-scheduled Airlines owed $32,804.66 or 0%. The government ministries owed the company by $389,279.53 which equals to 6%, the SOE owed $321,676.08 or 5%, and the other 8% component equals to $526,527.09 comprised of private business.

A total cumulative provision of doubtful debt of $10,597,019.90 has been estimated as doubtful at year ended 31st December 2020 based on accounts receivables and dishonored cheques thus giving net book value of $3,853,238.76.

(c) As at 31st December 2020, the company had its total dishonored cheque worth $7,797,362.59. The dishonored checks comprised mainly of PUB at the amount of $7,592,871.47 or 97%, 2% is owed by KSSL at the amount of $123,958.98 and 1% which equals to $80,496.14 is owed by private business.

(d) As at 31st December 2020, the company did not have any loans with ANZ bank and neither from other banks.

(e) As at 31st December 2020, a sum owed to the Japanese Non-Project Grant Aid scheme amounting to $1,973,908.70.

(f) As at 31st December 2020, the company had tax liability of $371,726.30 and nothing was owed by the company to directors or shareholders of the company as at that date.

(g) In the opinion of directors of the company, the company was able to pay its debts and liabilities as at 31st December 2020

4. Subsequent Events

Since the date of the financial statements, there has been no significant event with material effect on the financial position or prospect of the company.

Signed for and on behalf of the Board and in accordance with a resolution of directors dated on the 31st day of August, 2023.

Vice Chairlady

Director

KIRIBATI OIL COMPANY LTD
Summary of Income Statement
for month ended 31st December, 2020

	2020 Consolidated	Tarawa	Kiritimati	2019 Consolidated
Income				
Net Sales	40,178,411.52	36,403,095.82	3,775,315.70	42,801,631.02
Less COS	29,063,377.78	26,184,312.99	2,879,064.79	35,890,313.81
Gross Profit	11,115,033.74	10,218,782.83	896,250.91	6,911,317.21
CSO Grant from GoK	0.00	0.00	0.00	0.00
Other Income	643,557.33	488,680.78	154,876.55	1,024,030.19
Interest	62,218.83	62,218.83		0.00
Gain/(Loss) on Disposal	0.00	0.00	0.00	
Deferred Grant Income (ROC)	115,766.64	115,766.64		115,516.64
Total Income	11,936,576.54	10,885,449.08	1,051,127.46	8,050,864.04
Expenses				
Depreciation	970,760.51	741,563.95	229,196.56	1,026,864.79
Interest	0.00	0.00	0.00	0.00
Other Expenses	5,336,866.38	4,408,737.74	928,128.64	5,902,835.74
Total Expenses	6,307,626.89	5,150,301.69	1,157,325.20	6,929,700.53
PPI	-33,506.83	-33,506.83	0.00	-11,542.13
Profit/(Loss) before I/Tax	5,595,442.82	5,701,640.56	-106,197.74	1,109,621.39
Provision for I/Tax	1,953,404.99	1,953,404.99	0.00	383,367.48
Net Profit/(Loss)	3,642,037.83	3,748,235.57	-106,197.74	726,253.90

Vice Chairlady.

Director.

KIRIBATI OIL COMPANY LTD
Consolidated Income Statement
For the Year Ended 31st December 2020

	Notes	2020 Consolidated	Tarawa	Kiritimati	2019 Consolidated
Revenue	3	**40,178,411.52**	**36,403,095.82**	**3,775,315.70**	**42,801,631.02**
less Cost of Sales	4	29,063,377.78	26,184,312.99	2,879,064.79	35,890,313.81
Gross Profit		**11,115,033.74**	**10,218,782.83**	**896,250.91**	**6,911,317.21**
Deferred Grant Income		115,766.64	115,766.64	0.00	115,516.64
Interest Income		62,218.83	62,218.83	0.00	0.00
Other Income	5	643,557.33	488,680.78	154,876.55	1,024,030.19
Total Income		**11,936,576.54**	**10,885,449.08**	**1,051,127.46**	**8,050,864.04**
Expenses:					
Staff Costs	6	2,148,837.67	1,750,249.96	398,587.71	2,092,207.87
Travelling		135,634.11	88,211.11	47,423.00	279,071.58
Motor Vehicle Expenses		49,439.32	29,962.14	19,477.18	22,930.25
Vehicle Hire		87,427.51	56,708.92	30,718.59	71,832.55
Freight & Handling		205,380.47	10,175.05	195,205.42	649,209.14
Outer Island Agency Costs		752,062.73	742,461.88	9,600.85	168,448.02
Directors Expenses		10,603.67	10,603.67	0.00	18,251.47
Office & Computer Supplies		15,912.65	14,311.55	1,601.10	17,046.50
Office Stationery		28,250.06	21,978.01	6,272.05	28,292.93
Office Repairs		41,316.60	36,901.81	4,414.79	20,535.72
Telecom Charges		40,247.10	33,862.44	6,384.66	42,173.23
Electricity & Water		81,386.33	72,841.20	8,545.13	77,587.54
LPG Sales Commission		41,444.65	41,444.65	0.00	44,650.15
Management Expense		9,443.11	9,225.31	217.80	9,972.26
Training		14,052.90	10,992.90	3,060.00	255,665.81
Depreciation	7	970,760.51	741,563.95	229,196.56	1,028,664.79
Advertisement/Promotion		32,723.08	28,853.08	3,870.00	28,476.42
General Repairs & Maintenance		210,814.07	101,426.12	109,387.95	158,915.63
Uniform & Safety Wears		26,914.26	26,334.26	580.00	39,406.91
Fees & License	8	392,438.22	385,650.12	6,788.10	157,680.57
Land Lease		5,660.95	385.00	5,275.95	5,632.35
Insurance		112,660.79	112,660.79	0.00	105,907.47
Security Services		13,095.40	13,095.40	0.00	12,164.02
Miscellaneous Expenses	9	195,843.67	195,843.62	0.05	215,252.35
Doubtful Debts	10	74,330.30	16,278.33	58,051.97	611,320.35
Bank Charges		13,880.13	11,633.99	2,246.14	15,818.10
AGM		1,568.68	1,568.68	0.00	0.00
Charter		34,812.14	34,812.14	0.00	0.00
Empty Drums		650,647.23	641,227.63	9,419.60	726,395.53
Total Expenses		**6,307,626.89**	**5,150,301.69**	**1,157,325.20**	**6,929,700.53**
Operating Profit for the year		**5,628,949.65**	**5,735,147.39**	**-106,197.74**	**1,121,163.51**
PPI		-33,506.83	-33,506.83	0.00	-11,542.13
Gain/(Loss) on Disposal		0.00	0.00	0.00	0.00
Profit/(Loss) Before I/Tax		**5,595,442.82**	**5,701,640.56**	**-106,197.74**	**1,109,621.38**
Less I/Tax		1,953,404.99	1,953,404.99	0.00	383,367.45
Net Profit/(Loss) After I/Tax		3,642,037.83	3,748,235.57	-106,197.74	726,253.93

Vice Chairlady.

Director.

KIRIBATI OIL COMPANY LTD
Consolidated Statement of Financial Position
As at 31st December, 2020

	Notes	2020 Consolidated	Tarawa	Kiritimati	2019 Consolidated
Current Assets					
Cash & Cash Equivalents	11	17,993,665.50	18,010,868.35	-17,202.85	15,514,203.58
Account Receivables	12	6,652,896.04	5,596,678.52	1,056,217.52	7,278,484.60
Dishonored Cheques	13	7,797,362.59	7,797,000.59	362.00	7,869,987.79
Prepayments and Other Receivables	14	1,823,598.58	1,417,996.55	405,602.03	1,495,961.84
Less Provin for Doubtful Debts	15	-10,597,019.90	-9,804,782.94	-792,236.96	-10,776,444.77
Inventory	16	8,334,780.97	5,762,832.65	2,571,928.32	8,079,327.43
Spare Parts		312,747.61	230,591.89	82,155.72	246,396.72
Total Current Assets		**32,318,001.39**	**29,011,175.61**	**3,306,825.78**	**29,707,917.19**
Current Liabilities					
Account Paybles	17	2,071,688.19	1,950,314.24	121,373.95	5,006,003.07
Accuals and Other Payables	18	733,649.62	567,612.75	166,036.87	562,447.37
Company Tax Payable		371,726.30	371,726.30	0.00	304,637.00
Dividend Payable	19	2,447,070.58	2,447,070.58	0.00	0.00
Specific Reserve	20	0.00	0.00	0.00	2,447,070.58
ROC Taiwan Grant	21	8,504,601.49	8,504,601.49	0.00	8,504,601.49
Deferred Grant Income (ROC)		-424,827.68	-424,827.68	0.00	-309,061.04
Total Current Liabilities		**13,703,908.50**	**13,416,497.68**	**287,410.82**	**16,515,698.47**
Working Capital		**18,614,092.89**	**15,594,677.93**	**3,019,414.96**	**13,192,218.72**
Long Term Assets					
Property, Plants and Equipments	7	10,307,772.79	9,485,229.33	822,543.46	11,087,480.37
WIP - Projects	22	837,043.55	394,354.39	442,689.16	267,134.80
Total Long Term Assets		**11,144,816.34**	**9,879,583.72**	**1,265,232.62**	**11,354,615.17**
Long Term Liabilities					
NPGA Loan	23	1,973,908.70	1,973,908.70	0.00	1,973,908.70
Total Long Term Liabilities		**1,973,908.70**	**1,973,908.70**	**0.00**	**1,973,908.70**
NET WORTH		**27,785,000.53**	**23,600,352.95**	**4,284,647.58**	**22,572,925.19**
Shareholders Equity:					
Paid up Capital		500.00	500.00	0.00	500.00
Reserves		1,033,548.00	1,033,548.00	0.00	1,033,548.00
Asset Revaluation Reserve		318,620.51	318,620.51	0.00	318,620.51
Retained Earnings	24	26,432,332.02	20,292,084.27	6,140,247.75	21,220,256.68
Total Equity		**27,785,000.53**	**21,644,752.78**	**6,140,247.75**	**22,572,925.19**

Vice Chairlady.

Director.

KIRIBATI OIL COMPANY LTD
Consolidated Cash Flow Statement
Year ended 31st December, 2020

	2020	2019
Cash flows from Operating Activities:		
Cash receipts from Customers	41,765,257.38	43,648,597.27
Cash paid to Suppliers & Employees	-38,524,843.78	-42,680,913.69
Trade Loan Interest Payment		
Payment of Income Tax	0.00	
Net Cash flow from Operating Activities	**3,240,413.60**	**967,683.58**
Cash flows from Financing Activities:		
Gov't Soft Loan - ROC Taiwan	0.00	0.00
Net Cash flow from Financing Activities	**0.00**	**0.00**
Cash flows from Investing Activities:		
Acquisition of fixed assets	-760,961.68	-307,666.62
Net Cash flow fromInvesting Activities	**-760,961.68**	**-307,666.62**
Movement in Cash and Cash Equivalents	2,479,451.92	660,016.96
Cash and Cash Equivalents, 1st January	15,514,203.58	14,854,186.62
Cash and Cash Equivalents, 31st Dec	**17,993,655.50**	**15,514,203.58**

Reconciliation of cash flows from Operating Activities:

	2,020.00	2,019.00
Net Profit (Loss) for the year	5,595,442.82	1,109,621.38
Add: Depreciations	970,760.51	1,026,864.79
Decrease/-Increase in Current Assets	-130,632.28	210,128.62
Increase/-Decrease in Current Liabilities	-2,696,023.33	-337,066.63
Adjustment to Retained Earnings	-499,134.12	-1,041,864.58
	3,240,413.60	**967,683.58**

Vice Chairlady.

Director.

KIRIBATI OIL COMPANY LTD
Statement of Movement of Equity
FOR JANUARY TO DECEMBER, 2020

	Dec 2020	Dec 2019
Net Profit for the Year	5,595,442.82	1,109,621.38
Total Recognised Earnings	**5,595,442.82**	**1,109,621.38**
Adjustment	-383,367.48	-926,347.94
Dividend		
Revaluation Reserve		
Movement in Equity for the Year	5,212,075.34	183,273.44
Equity at start of the year	22,572,925.19	22,389,651.75
Equity at end of the year	**27,785,000.53**	**22,572,925.19**

Vice Chairlady.

Director.

KIRIBATI OIL COMPANY LTD
Notes to the Financial Statements
Year ended 31st December 2020

1. GENERAL

The Kiribati Oil Company is a private company owned by the Government of Kiribati registered on 9th December 1986 under the Companies Ordinance with Registration No.21. Its authorized and paid-up capital is 500 shares of $1 each.

The main activities of the company are the importing, wholesaling and retailing of all petroleum products in Kiribati including lubes and all gas products.

The accounting period for the company is from January to December of each year or a calender year and the official currency used is the Australian dollar.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention in accordance with generally accepted accounting principles, standards and relevant legislations applicable in Kiribati and the principal accounting policies adopted by the company are set out below.

2.1 Depreciation

Depreciation is calculated to distribute the cost of an asset over its useful life (less scrap value if any) using the straight line method.

Plant & Machinery	25%
Office Equipment	25%
Fuel Tanks	10%
Fuel Pipes	10%
Water Tanks	10%
Outer Islands Projects	5%
Motor Vehicles	20%
Buildings	5%
Furniture & Fittings	25%

Any asset is being disposed, gain or loss is recognized as income and expense in the income statement and a write off is made to the Fixed Asset and Accumulated Depreciation on the balance sheet.

2.2 Trade Receivables

Trade Receivables are recognised at invoice amount. A provision for impairment of trade receivables is established when the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization and default or deliquency in payments are considered indicators that the trade receivable is impaired.

The basis of estimates of provision used is Accounts Receivable Aging Method for which the receivables are categorized into multiple terms and in the company case we allow payment on term of n/30, and the typical classification in aging schedule will be 0 - 30, 31 - 60, 61 - 90 and above 90 days. The percentages used have been increased in 2016 from 1%, 10%, 30% and 50% to 5%, 20%, 50% and 75% respectively in calculating the allowance impaired.

The carrying amount of the asset is reduced through the use of a provision account and the amount of loss is recognised in the income statement within other operating expenses.

Vice Chairlady.

Director.

When the trade receivable is uncollectible, it is written off against the provision of doubtful debts for trade receivables and subsequent recoveries of amounts perviously written off are credited to other operating income in the income statement.

2.3 Inventory

Inventory is valued at the lower of cost and net realisable value and recorded using the FIFO cost flow method.

2.5 Financial and Market Risk

The Company is exposed to foreign exchange risk arising from various currency exposures in respect to purchase of inventory particularly to the US dollar. Foreign exchange risk arises from future commercial transactions. The loss and gain are recognized in the income statement when the loss and gain occurs.

Management has looked into the future that the US dollar is suddenly becoming more strong against the AUD dollar, therefore we are looking for available options with our local bank in order to reduce risk from foreign exchange transactions. The company, however, has not yet proceeding with forward exchange agreement to hedging with bank on the US currency. KOIL may either take one of the two options or both such as 'Forward Exchange Contract to lock US dollar rate' or 'Establishing USD bank account'. The arrangements will have implications in our current accounting procedures and policies should we opt for the Forward Contract then hedge accounting will be adopted.

2.6 USD Bank Account

KOIL has initially establish its USD Bank Account toward end of 2015 as a means to help mitigate possible risk occurs from the exchange of AUD with USD currency. The value of the USD dollar ($) is converted using the exchange rate and recorded as AUD currency. Any gains or losses during the period of transactions and period of financial reporting are recognized as gains or losses from foreign exchange in the income statement and contra to the USD bank account in the Cash and Cash Equivalents in the Current Asset of the balance sheet.

2.7 Government Grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systmatic basis to the cost that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to the cost of the asset and is released to the income statement over the expected useful life in a consistent manner with the depreciation method for the relevant asset.

The economic life of the asset or new tanks is estimated to 50 - 60years without a residue book value and amortized and depreciated on a straight line basis

2.8 Dividend Pay Out Ratio

The Dividend Pay Out Ratio as approved by KOIL's Board of Directors is 20% of Net Profit After Tax and 80% will be retained and re-invested in the Company to increase returns and boost wealth of the Company.

3. Revenues

Sales:	2020	Tarawa	Kiritimati	2019
ADO	20,219,723.98	18,287,945.81	1,931,778.17	20,909,116.78
ULP	13,204,488.44	12,043,184.64	1,161,303.80	12,188,025.90
DPK	1,886,978.95	1,770,197.95	116,781.00	1,908,618.20
AvGas	0.00		0.00	17,120.00
JetA1	2,590,884.22	2,202,704.52	388,179.70	5,550,468.02
Premix (ULP)	0.00	0.00	0.00	0.00
Lubes	1,157,021.99	1,060,091.61	96,930.38	1,091,119.72
LPG	1,074,593.39	1,003,856.74	70,736.66	1,107,902.45
Other - Sales	18,820.86	9,214.86	9,606.00	11,305.20
Gas Stove	25,919.70	25,919.70		17,954.75
	40,178,411.52	36,403,095.82	3,775,315.70	42,201,631.02

Vice Chairlady.

Director.

4. Cost of Sales

	2020	Tarawa	Kiritimati	2019
ADO	13,014,496.35	11,703,731.79	1,310,764.58	16,684,860.41
ULP	10,944,725.67	9,959,848.27	984,877.40	11,450,943.48
DPK	1,797,850.37	1,851,021.76	116,828.61	2,188,677.38
AvGas	0.00	0.00	0.00	14,433.79
JetA1	1,745,991.33	1,394,064.73	351,926.60	3,867,512.62
Lubes	828,584.96	761,408.83	67,176.13	840,549.86
LPG	724,727.57	684,305.97	40,421.60	825,838.58
Others	12,805.91	5,736.02	7,069.89	3,174.21
Gas Stove	24,195.62	24,195.62	0.00	14,323.48
	29,063,377.78	26,184,312.99	2,879,064.79	35,890,313.81

5. Other Income:

	2020	Tarawa	Kiritimati	2019
Doubtful Debts Decrease	0.00	0.00	0.00	0.00
Freight on Sales	360.00	360.00	0.00	56,719.41
Drums	50,796.60	38,478.00	12,318.60	71,934.17
Cylinders	27,170.00	24,390.00	2,780.00	25,303.00
Overtime Charges	70,072.05	54,399.70	15,672.35	57,113.00
Rent	1,667.69	510.00	1,157.69	1,778.20
Interest Earned	62,218.83	62,218.83	0.00	63,067.45
Gain from Foreign Exchange	0.00	0.00	0.00	5,391.78
Documentation Fees	1,747.30	1,697.00	50.30	2,167.00
Others	346,157.10	223,259.69	122,897.41	741,565.38
Reduction in Prov of Ddebts	173,690.73	173,690.73	0.00	0.00
Waste Oil Sales	0.00	0.00	0.00	0.80
Agencies Other Income	87,662.30	87,662.30		
	821,542.90	666,666.25	154,876.65	1,024,039.19

6. Staff Cost

	2020	Tarawa	Kiritimati	2019
Executive Renumarations Package				
Salaries & Wages	182,058.15	151,808.03	30,250.12	183,630.13
KPF	13,668.91	11,400.15	2,268.76	13,771.90
Allowances	30,815.99	25,815.92	5,000.07	31,183.10
L/Grant	8,500.00	6,500.00	2,000.00	24,621.04
L/Commutation	7,916.06	7,916.05		
	242,957.10	203,438.15	39,518.95	253,206.17
Staff Emoluments				
Salaries & Wages	895,167.84	659,968.65	225,199.19	1,007,335.47
KPF	65,409.32	47,365.50	18,043.62	76,528.20
Allowances	84,801.25	57,838.12	26,963.14	82,029.06
Overtime	295,544.22	261,876.84	34,685.38	323,921.66
L/Grant & Passage	147,500.00	111,500.00	36,000.00	169,932.67
House Subisdy	46,359.00	46,359.00		48,119.00
Temporary Assistance	152,224.63	135,237.40	16,987.23	97,247.98
Retirement Benefit	6,239.04	5,029.04	1,210.00	4,820.00
Passage & Baggage	0.00	0.00	0.00	0.00
Casuals				25,767.86
	1,684,245.31	1,325,176.55	359,068.76	1,839,001.70
Agencies staff costs	221,635.26	221,635.26		
	221,635.26	221,635.26	0.00	0.00
	2,148,837.67	1,750,249.96	398,587.71	2,092,207.87

7. Property, Plant and Equipment Appendix 1 attached - Page 14

Vice Chairlady. Director.

8. Fees

	2020	Tarawa	Kiritimati	2019
Consultancy Fee	297,635.27	297,635.27	0.00	83,234.60
Audit Fee	3,000.00	3,000.00	0.00	3,000.00
Licence Fee	9,694.05	2,905.95	6,788.10	4,598.15
Vsat Licence & Fees	22,771.55	22,771.55	0.00	66,847.57
Subscription & member fees	59,337.35	59,337.35	0.00	0.00
	392,438.22	385,650.12	6,788.10	**157,680.32**

9. Miscellaneous Expenses

	2,020.00	Tarawa	Kiritimati	**2,019.00**
Recruitment	432.45	432.45	0.00	1,160.80
Reference Materials	0.00	0.00	0.00	27.50
Waste Oil, Spills & Leakage	7,357.90	7,357.90	0.00	38,071.73
Sundries	6,714.85	6,714.80	0.05	1,691.31
Joint Consultative Meeting	91,338.47	91,338.47	0.00	74,090 54
Recruitments	0.00	0.00		2,300.30
Charter	0.00	0.00	0.00	97,910.20
	105,843.67	106,843.62	0.05	**216,252.38**

10. Doubtful Debts & Accumulated Provisions of Doubtful Debts

Ageing	Rate	A/C Receivables Tarawa	A/C Receivables Xmas	Dishonored Cheques	2019
0 - 30	5%	24,405.00	29,555.65	216.00	14,007.10
31 - 60	20%	5,093.00	1,885.00	0.00	51,135.66
61 - 90	50%	1,413.00	16,616.40	0.00	55,656.43
90+	75%	5,566,767.55	1,106,394.06	7,796,784.69	4,973,513.57
Cumm Provisions		5,596,678.55	1,154,450.10	7,797,000.59	5,094,312.76
Add Reduction in Provision of Ddebts		118,490.63	52,064.98	54,620.90	44,222.44
Cumm Prov B/F		5,699,890.85	1,147,463.11	5,902,219.34	4,527,205.87
Net Increase Impaired		15,278.33	59,051.97	19.83	611,320.33

11. Cash and Cash Equivalents

	2020	Tarawa	Kiritimati	2019
Cheque A/c - Tarawa	6,677,914.07	6,677,914.07	0.00	5,229,349.22
Petty Cash - Tarawa/Xmas	504.70	498.80	5.90	276.20
Cash in transit	1,575,538.78	1,557,606.10	17,932.68	1,234,753.07
Term Deposit	21,050.87	21,050.87	0.00	20,969.23
Koil No# 2 Bank A/C - Tank Projects	66,977.64	66,977.64	0.00	67,097.64
USD Bank Account	905,921.78	905,921.78	0.00	906,012.74
Xmas Imprest Account - 737022	-35,141.43	0.00	-35,141.43	-7,166.42
Un-deposited Funds	0.00	0.00	0.00	0.00
Tarawa Deposits Account	8,780,889.09	8,780,889.09	0.00	8,062,911.90
	17,993,655.50	18,010,858.35	-17,202.85	15,514,203.58

12. Account Receivables

	%	2020	Tarawa	Kiritimati	2019
Airlines - Domestic	73%	4,852,955.56	4,430,843.20	422,112.36	4,912,741.56
- Schedule Flights	8%	529,653.15	529,548.15	105.00	1,018,406.53
- Un-schedule Flights	0%	32,804.66	30,652.49	2,152.17	142,551.52
Gov't Ministries	6%	389,279.53	180,687.48	208,592.05	423,015.45
SOEs	5%	321,676.08	198,997.97	122,678.11	332,091.01
Others	8%	526,527.09	225,949.26	300,577.83	449,678.53
	100%	6,652,896.07	5,596,678.55	1,056,217.52	**7,278,484.60**

Vice Chairlady.

Director.

13. Dishonored Cheques

	%	2020	Tarawa	Kiritimati	2019
PUB	97%	7,592,871.47	7,592,871.47	0.00	7,665,712.67
KSSL	2%	123,958.98	123,958.98	0.00	123,958.98
Private	1%	80,532.14	80,170.14	362.00	80,316.14
	100%	7,797,362.59	7,797,000.59	362.00	7,869,987.79

14 Prepayment and Other Receivables

	2020	Tarawa	Kiritimati	2019
Agencies - Northern	28,891.81	28,891.81	0.00	29,145.02
Agencies - Central	60,497.36	60,497.36		63,528.28
Agencies - Southern	2,258.64	2,258.64	0.00	5,393.74
Agency - Teraina	-3,954.40	0.00	-3,954.40	81.20
Agency - Tabuaeran	4,697.55	0.00	4,697.55	96.58
Deposit to Vendors	801,820.14	624,770.36	177,049.78	762,624.45
Freight Refundable - Tarawa	487,039.13	487,039.13	0.00	357,518.13
Staff Imprest	29,456.12	26,630.31	2,825.81	52,379.17
Salary Advance - Tarawa	3,420.78	2,970.98	449.80	3,707.08
Sundry Debtors	228,828.70	8,222.46	220,606.24	74,849.96
Prepayments	187,281.04	187,281.04	0.00	147,103.87
Prepayments of Tax Arrears	-565.54	-565.54	0.00	-455.54
Suspense Account	4,127.25	0.00	4,127.25	0.00
	1,823,598.68	1,417,996.65	405,602.03	1,495,961.84

15 Accumulated Provision of Doubtful Debts

	2020	2019	2018	2017
Operning Balance	-10,776,444.77	-10,822,382.09	-9,659,557.43	-9,195,434.70
Add Net Increase Impaired	179,424.87	45,937.32	-1,162,815.66	-540,442.95
Less Provision Written Off		0.00	-9.00	76,320.22
	-10,597,019.90	-10,776,444.77	-10,822,382.09	-9,659,557.43

16. Inventory

	2020	Tarawa	Kiritimati	2019
ADO	1,657,665.31	1,091,753.44	565,911.87	1,351,354.23
ULP	2,175,801.60	1,490,304.16	685,497.44	2,186,228.14
DPK	436,676.33	425,289.12	11,387.21	427,633.34
JetA1	1,781,971.57	940,200.64	841,770.93	2,261,985.40
AvGAs	59,558.32	0.00	59,558.32	59,558.32
Lubes	1,565,869.30	1,356,504.53	209,364.77	1,494,463.12
LPG	176,948.84	52,067.33	126,881.51	137,396.84
Gas Stove	212,753.35	212,753.36	0.00	25,592.27
Others	265,616.35	193,960.08	71,556.27	136,215.77
	8,334,760.97	5,762,832.65	2,571,928.32	8,079,327.43

17. Account Payble

	2020	Tarawa	Kiritimati	2019
Kiribati Custom Service	151,886.29	151,886.29	0.00	191,776.51
Pacific Bulk Fuel	-61,017.23	10,519.23	-71,536.46	-17,290.00
ATHKL	0.00		0.00	3,407.77
Independent Petroleum Limited	0.00	0.00	0.00	5,098.80
KOIL Tarawa	6,047.50		6,047.50	-46,709.01
King Holding LtD	622.11	622.11	0.00	0.00
Refuel International	0.00	0.00	0.00	0.00
Bondwell	5,004.22	5,004.22		0.00
Racer	567.60	567.60		-319.90
Liquip Internationa	1,185.46	0.00	1,185.46	1,185.46
Winson Oil International (KI-L)	1,973,290.65	1,787,613.20	185,677.45	4,868,853.74
TOTAL	-5,798.41	-5,798.41		0.00
	2,071,688.19	1,950,314.24	121,373.95	5,006,003.07

Vice Chairlady. Director.

18. Accruals and Other Payables

	2020	Tarawa	Kiritimati	2019
Deposits from Customers	526,543.51	359,566.93	166,976.58	439,277.25
AKL Deposit	118,205.22	118,205.22	0.00	37,657.14
Sundry Creditors	22,758.25	22,162.03	596.22	26,308.54
Payroll Payables - Tarawa	55,394.07	55,394.07	0.00	43,473.54
Payroll Payables - Kiritimati	-1,535.93	0.00	-1,535.93	2,086.86
Directors Tax Payable	11,880.47	11,880.47	0.00	10,373.73
Withholding Tax - Tarawa	21,857.98	21,857.98	0.00	24,724.26
PIPA - Tank Deposit	-21,453.95	-21,453.95	0.00	-21,453.95
Suspense Accounts	0.00	0.00	0.00	0.00
	733,649.62	567,612.75	166,036.87	**562,447.37**

19. Dividend Payable

There was no payment of dividend in year 2018 and that the balance in the Dividend Payable Account of $2,008,840.85 was transferred to the Specific Reserve Fund to initiate the establishment.

20. Specific Reserve

	2020	2019	2018
Less 20% rate of appropriatiuon	0.00	145,250.78	292,978.95
Transfer of Dividend Payable	2,447,070.58	2,301,819.80	2,008,840.85
	2,447,070.58	2,447,070.58	2,301,819.80

21. ROC Taiwan Grant

This is a Grant Aid from the ROC Government of Taiwan with free interest for conatruction of three new storage tanks in Betio. The tanks capacity is doubling the existing storage tanks. The ROC Taiwan had released final payment of $1,504,601.49 in 2018 as a reimbursement for fund which KOIL utilized from its own resource to completing the constructions of the three new fuel storage tanks in 2017.

22. WIP Betio Projects

The WIP or Work in Progress relates project mainly on the three new storgae tanks in Betio, in the outer islands including Kiritimati. The Work in progress would be treated as Fixed Asset once the WIP works, etc is complete and whole. No depreciation allowed at this stage until the date the tanks and other projects are all complete.

23. Non-Project Grant Aid (NPGA)

Non-Project Grant Aid is a form of Aid with no interest charged which was funded by Japan Government to the Government of Kiribati (GoK) where Japan made directs payment for a purchased of Diesel fuel direct from Exxon Mobil Ltd in Fiji. KOIL meet all the landing cost and other local charges once the Diesel Fuel arrived Tarawa. KOIL sell the Diesel Oil on behalf of GoK to the public and all the proceeds from the sale of Diesel Oil, KOIL is required to return the money to the Kiribati Government Counter Part Fund account on certain periods in line with the agreement between GoK and Japan Government. KOIL thus recognized the grant aid as a kind of loan or a liability where KOIL has the liability to reimbursed the Government for value of Diesel Purchased. The Japan's Aid to KOIL ceased several years back and the amount stands payable in the Account of KOIL as at 31st December 2018 was $1,973,906.70.

24. Retained Earnings

	2020	Tarawa	Kiritimati	2019
Opening Balance	20,836,889.20	14,590,443.71	6,246,445.49	20,110,635.30
Current Earnings	5,595,442.82	5,701,640.56	-106,197.74	1,109,621.38
Closing Balance	26,432,332.02	20,292,084.27	6,140,247.75	21,220,256.68

Vice Chairlady.

Director.

7. Property, Plant and Equipment

PPE - TARAWA 31/12/20	01/01/2020	Addition	Acc Dep	Dep	Disposal	NBV
PLANTS, PROPERTIES & MACH	14,844,106.39	47,229.95	6,293,245.67	266,786.39	-22,641.45	8,575,449.22
TANKS	1,417,738.60	3,632.06	1,366,842.99	4,200.91	-399.00	54,128.68
LAND & BUILDING	1,618,175.05	1,358.45	1,193,759.85	75,328.49	0.00	425,773.65
MOTOR VEHICLE	4,629,079.64	21,391.88	4,406,174.63	301,310.41	0.00	244,296.90
FURNITURE & FITTINGS	201,077.17	31,145.03	199,749.83	12,086.97	0.00	32,472.37
TOOLS & EQUIPMENTS	1,223,918.03	81,716.40	1,152,525.31	81,850.83	0.00	153,109.12
PPE TARAWA 31/12/19	23,934,094.88	186,473.77	14,612,298.27	741,564.00	-23,040.45	9,485,229.93

PPE - KIRITIMATI 31/12/20	01/01/2020	Addition	Acc Dep	Dep	Disposal	NBV
PLANTS, PROPERTIES & MACH	2,173,836.11	0.00	2,108,597.88	60,344.58	0.00	65,238.23
TANKS	853,659.79	0.00	825,789.55	3,671.79	0.00	27,870.23
LAND & BUILDING	980,288.42	0.00	384,157.58	45,467.82	0.00	596,130.84
MOTOR VEHICLE	1,774,477.56	0.00	1,659,861.76	100,433.22	0.00	114,615.80
FURNITURE & FITTINGS	52,352.67	2,274.46	51,031.99	2,592.76	0.00	3,595.14
TOOLS & EQUIPMENTS	269,507.31	2,703.70	257,112.82	16,686.42	0.00	15,098.19
PPE - KIRITIMATI 31/12/19	6,104,121.86	4,978.16	5,286,551.58	229,196.58	0.00	822,548.44
TOTAL	30,038,216.74	191,451.93	19,898,849.85	970,760.58	-23,040.45	10,307,778.36

Vice Chairlady

Director

KOIL
Driving Kiribati with quality fuel

KIRIBATI OIL COMPANY LTD

FINANCIAL REPORTS

FOR THE YEAR ENDED
31st DECEMBER 2021

KIRIBATI OIL COMPANY LIMITED
DIRECTORS REPORT ON THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31ST DECEMBER, 2021

Directors of the Kiribati Oil Company Limited present their report on the financial statements of the company for the year ended 31st December, 2021 as follows.

1. State of Affairs

In the opinion of directors, the accompanying balance sheet gives a true and fair view of the state of affairs of the company as at 31st December 2021 and the accompanying income statement and cash flow statement give a true and fair view of the operating result and cash flow of the company for the year ended 31st December, 2021.

2. Dividend

There was no dividend declared for the financial year ended 31st December 2021.

3. Certificate of Solvency

In accordance with section 143 of the Companies Act 2021, directors of the Kiribati Oil Company Limited confirm that:-

(a) As at 31st December 2021, the company owned fixed assets at the value of $9,829,892.96 and current assets valued at $35,763,749.40.

(b) As at 31st December 2021, the company had its total accounts receivables of $6,767,201.24. The Domestic Airlines owed $5,289,234.85 which equals to 78%, International Airlines owed $86,869.96 equivalent to 1% while Un-scheduled Airlines owed $31,706.45 or 0%. The government ministries owed the company by $415,283.80 which equals to 6%, the SOE owed $327,400.77 or 5%, and the other 9% component equals to $616,705.41 comprised of private business.

A total cumulative provision of doubtful debt of $10,586,738.08 has been estimated as doubtful at year ended 31st December 2021 based on accounts receivables and dishonored cheques thus giving net book value of $3,892,180.05.

(c) As at 31st December 2021, the company had its total dishonored cheque worth $7,711,680.89. The dishonored checks comprised mainly of PUB at the amount of $7,520,523.77 or 98%. 2% is owed by KSSL at the amount of $123,958.98 and 1% which equals to $67,198.14 is owed by private business.

(d) As at 31st December 2021, the company did not have any loans with ANZ bank and neither from other banks.

(e) As at 31st December 2021, a sum owed to the Japanese Non-Project Grant Aid scheme amounting to $1,973,908.70.

(f) As at 31st December 2021, the company had tax liability of $269,821.13 and nothing was owed by the company to directors or shareholders of the company as at that date.

(g) In the opinion of directors of the company, the company was able to pay its debts and liabilities as at 31st December 2021.

4. Subsequent Events

Since the date of the financial statements, there has been no significant event with material effect on the financial position or prospect of the company.

Signed for and on behalf of the Board and in accordance with a resolution of directors dated on the 31st day of August, 2023.

....
Vice Chairlady

....
Director

KIRIBATI OIL COMPANY LTD
Summary of Income Statement
for month ended 31st December, 2021

	Notes	2021 Consolidated	Tarawa	Kiritimati	2020 Consolidated
Income					
Net Sales		42,052,041.01	38,182,626.94	3,869,414.07	**40,178,411.62**
Less COS		33,699,245.00	31,263,055.66	2,436,189.34	29,063,377.78
Gross Profit		8,352,796.01	6,919,571.28	1,433,224.73	**11,115,033.74**
CSO Grant from GoK		0.00	0.00	0.00	
Other Income		463,214.87	412,262.43	50,952.44	643,667.33
Interest		15,522.08	15,522.08		62,218.81
Gain/(Loss) on Disposal		-409.84	-409.84	0.00	
Deferred Grant Income (ROC)		126,413.86	126,413.86		115,766.64
Total Income		8,956,536.98	7,472,359.81	1,484,177.17	**11,936,676.64**
Expenses					
Depreciation		860,164.27	660,021.72	200,142.55	970,760.61
Interest		0.00	0.00	0.00	0.00
Other Expenses		5,734,519.56	4,701,812.48	1,032,707.08	5,336,866.38
Total Expenses		6,594,683.83	5,361,834.20	1,232,849.63	**6,307,626.89**
PPI		20.00	20.00	0.00	-33,506.83
Profit/(Loss) before I/Tax		2,361,873.15	2,110,545.61	251,327.54	**5,595,442.82**
Provision for I/Tax		909,620.24	821,655.60	87,964.64	1,953,404.99
Net Profit/(Loss)		1,452,252.91	1,288,890.01	163,362.90	**3,642,037.83**

Vice Chairlady.

Director.

KIRIBATI OIL COMPANY LTD

Consolidated Income Statement

For the Year Ended 31st December 2021

	Notes	2021 Consolidated	Tarawa	Kiritimati	2020 Consolidated
Revenue	3	42,052,041.01	38,182,626.94	3,869,414.07	40,178,411.52
less Cost of Sales	4	33,699,245.00	31,263,055.66	2,436,189.34	29,063,377.78
Gross Profit		**8,352,796.01**	**6,919,571.28**	**1,433,224.73**	**11,115,033.74**
Deferred Grant Income		125,413.86	125,413.86	0.00	115,766.64
Interest Income		15,522.08	15,522.08	0.00	62,218.83
Other Income	5	463,214.67	412,262.43	50,952.44	643,557.33
Total Income		**8,956,946.82**	**7,472,769.65**	**1,484,177.17**	**11,936,576.54**
Expenses:					
Staff Costs	6	2,501,438.28	2,024,613.77	476,824.48	2,148,837.67
Travelling		160,112.84	152,640.04	7,472.60	135,634.11
Motor Vehicle Expenses		57,644.82	38,254.63	19,390.19	49,439.32
Vehicle Hire		100,424.38	64,205.43	36,218.95	87,427.51
Freight & Handling		79,859.72	5,086.57	74,773.15	205,380.47
Outer Island Agency Costs		813,530.27	805,910.67	7,619.60	752,062.73
Directors Expenses		31,756.38	31,756.38	0.00	10,603.67
Office & Computer Supplies		17,778.48	14,360.61	3,415.85	15,912.65
Office Stationery		35,294.44	23,801.80	11,492.64	28,250.66
Office Repairs		26,902.07	18,902.75	7,999.32	41,316.60
Telecom Charges		62,174.75	43,461.56	18,719.19	40,247.10
Electricity & Water		85,434.03	76,357.70	9,076.33	61,388.33
LPG Sales Commission		48,509.65	48,509.65	* 0.00	41,444.65
Management Expense		59,323.65	43,619.55	15,704.10	9,443.11
Training		115,141.78	113,679.88	1,461.90	14,052.90
Depreciation	7	880,164.27	660,021.72	200,142.55	970,760.51
Advertisement/Promotion		35,670.21	31,083.83	4,596.38	32,723.06
General Repairs & Maintenance		242,960.67	104,163.47	138,797.20	210,814.07
Uniform & Safety Wears		66,735.07	50,753.68	15,981.39	28,914.28
Lab Testing		6,671.82	6,671.82	0.00	0.00
Fees & License	8	130,851.78	129,261.28	1,590.50	392,438.22
Land Lease		5,275.95	0.00	5,275.95	5,660.95
Insurance		84,665.70	84,665.70	0.00	112,680.79
Security Services		13,492.39	13,492.39	0.00	13,095.40
Miscellaneous Expenses	9	97,106.95	96,643.00	462.95	105,943.67
Doubtful Debts	10	60,687.38	4,726.60	55,960.78	74,330.30
Bank Charges		13,335.56	10,609.23	2,726.33	13,880.13
Loss on Foreign Exchange		605.15	605.15		0.00
Anniversary		32,063.65	32,063.65		0.00
AGM		0.00	0.00	0.00	1,585.88
Charter		124,572.50	124,572.50		34,612.14
Empty Drums		624,467.29	507,304.19	117,163.10	650,647.23
Total Expenses		**8,594,683.83**	**5,361,834.20**	**1,232,849.63**	**6,307,626.89**
Operating Profit for the year		**2,362,262.99**	**2,110,935.45**	**251,327.54**	**5,628,949.65**
PPI		20.00	20.00	0.00	-33,506.83
Gain/(Loss) on Disposal		-409.84	-409.84	0.00	0.00
Profit/(Loss) Before I/Tax		**2,361,873.15**	**2,110,545.61**	**251,327.54**	**5,595,442.82**
Less I/Tax		909,620.24	821,655.60	87,964.64	1,953,404.99
Net Profit/(Loss) After I/Tax		**1,452,252.91**	**1,288,890.01**	**163,362.90**	**3,642,037.83**

Vice Chairlady.

Director.

KIRIBATI OIL COMPANY LTD
Consolidated Statement of Financial Position
As at 31st December, 2021

	Notes	2021 Consolidated	Tarawa	Kiritimati	2020 Consolidated
Current Assets					
Cash & Cash Equivalents	11	20,094,481.71	20,136,831.84	-42,350.13	17,993,665.50
Account Receivables	12	6,767,201.24	5,612,751.14	1,154,450.10	6,652,896.04
Dishonored Cheques	13	7,711,716.89	7,711,354.89	362.00	7,797,362.59
Prepayments and Other Receivables	14	1,834,051.12	1,426,594.24	408,456.88	1,823,598.58
Less Provin for Doubtful Debts	15	-10,586,738.08	-9,742,463.62	-844,274.46	-10,597,019.90
Inventory	16	9,589,637.66	6,205,497.92	3,384,139.74	8,334,760.97
Spare Parts		353,398.86	254,760.23	98,638.63	312,747.61
Total Current Assets		**35,763,749.40**	**31,604,326.64**	**4,159,422.76**	**32,318,001.39**
Current Liabilities					
Account Payables	17	6,394,462.81	4,213,761.07	2,180,701.74	2,071,688.19
Accuals and Other Payables	18	868,256.08	723,240.53	145,015.55	733,649.62
Company Tax Payable		269,821.13	269,821.13	0.00	371,726.30
Dividend Payable	19	1,447,070.58	1,447,070.58	0.00	2,447,070.58
Specific Reserve	20	0.00	0.00	0.00	0.00
ROC Taiwan Grant	21	8,504,601.49	8,504,601.49	0.00	8,504,601.49
Deferred Grant Income (ROC)		-550,241.54	-550,241.54	0.00	-424,827.68
Total Current Liabilities		**16,931,976.55**	**14,608,253.26**	**2,323,717.29**	**13,703,908.50**
Working Capital		**18,831,772.85**	**16,996,073.38**	**1,835,705.47**	**18,614,092.89**
Long Term Assets					
Property, Plants and Equipments	7	9,829,892.96	9,145,164.85	684,728.11	10,307,772.79
WIP - Projects	22	1,505,705.58	607,148.04	898,557.54	837,043.55
Total Long Term Assets		**11,335,598.54**	**9,752,312.89**	**1,583,285.65**	**11,144,816.34**
Long Term Liabilities					
NPGA Loan	23	1,973,908.70	1,973,908.70	0.00	1,973,908.70
Total Long Term Liabilities		**1,973,908.70**	**1,973,908.70**	**0.00**	**1,973,908.70**
NET WORTH		**28,193,468.69**	**24,774,477.57**	**3,418,991.12**	**27,785,000.53**
Shareholders Equity:					
Paid up Capital		500.00	500.00	0.00	500.00
Reserves		1,033,548.00	1,033,548.00	0.00	1,033,548.00
Asset Revaluation Reserve		318,620.51	318,620.51	0.00	318,620.51
Retained Earnings	24	26,840,800.18	20,449,224.89	6,391,575.29	26,432,332.02
Total Equity		**28,193,468.69**	**21,801,893.40**	**6,391,575.29**	**27,785,000.53**

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Vice Chairlady.

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Director.

KIRIBATI OIL COMPANY LTD
Consolidated Cash Flow Statement
Year ended 31st December, 2021

	2021	2020
Cash flows from Operating Activities:		
Cash receipts from Customers	40,663,694.79	41,765,257.38
Cash paid to Suppliers & Employees	-36,410,016.94	-38,524,843.78
Dividend Paid	-1,000,000.00	0.00
Trade Loan Interest Payment		
Payment of Income Tax	-101,905.17	0.00
Net Cash flow from Operating Activities	3,151,772.68	3,240,413.60
Cash flows from Financing Activities:		
Gov't Soft Loan - ROC Taiwan		0.00
Net Cash flow from Financing Activities	0.00	0.00
Cash flows from Investing Activities:		
Acquisition of fixed assets	-1,050,946.47	-760,961.68
Net Cash flow from Investing Activities	-1,050,946.47	-760,961.68
Movement in Cash and Cash Equivalents	2,100,826.21	2,479,451.92
Cash and Cash Equivalents, 1st January	17,993,655.60	15,514,203.58
Cash and Cash Equivalents, 31st December	20,094,481.71	17,993,655.60

Reconciliation of cash flows from Operating Activities:

	2021	2020
Net Profit (Loss) for the year	2,361,673.15	5,557,034.31
Add: Depreciations	860,164.27	1,006,089.63
Decrease/-Increase in Current Assets	-1,344,921.80	-127,552.89
Increase/-Decrease in Current Liabilities	3,353,475.91	-2,696,023.33
Adjustment to Retained Earnings	-2,078,618.85	-499,134.12
	3,151,772.68	3,240,413.60

Vice Chairlady.

Director.

KIRIBATI OIL COMPANY LTD
Statement of Movement of Equity
FOR JANUARY TO DECEMBER, 2021

	Dec 2021	Dec 2020
Net Profit for the Year	2,361,873.15	5,595,442.82
Total Recognised Earnings	**2,361,873.15**	**5,595,442.82**
Adjustment	-1,953,404.99	-383,367.48
Dividend	0.00	
Revaluation Reserve	0.00	
Movement in Equity for the Year	408,468.16	5,212,075.34
Equity at start of the year	27,785,000.53	22,572,926.19
Equity at end of the year	**28,193,468.69**	**27,785,000.53**

Vice Chairlady.

Director.

KIRIBATI OIL COMPANY LTD
Notes to the Financial Statements
Year ended 31st December 2021

1. GENERAL

The Kiribati Oil Company is a private company owned by the Government of Kiribati registered on 9th December 1986 under the Companies Ordinance with Registration No.21. Its authorized and paid-up capital is 500 shares of $1 each.

The main activities of the company are the importing, wholesaling and retailing of all petroleum products in Kiribati including lubes and all

The accounting period for the company is from January to December of each year or a calender year and the official currency used is the

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention in accordance with generally accepted accounting principles, standards and relevent legislations applicable in Kiribati and the principal accounting policies adopted by the company are set out below.

2.1 Depreciation

Depreciation is calculated to distribute the cost of an asset over its useful life (less scrap value if any) using the straight line method.

Plant & Machinery	25%
Office Equipment	25%
Fuel Tanks	10%
Fuel Pipes	10%
Water Tanks	10%
Outer Islands Projects	5%
Motor Vehicles	20%
Buildings	5%
Furniture & Fittings	25%

Any asset is being disposed, gain or loss is recognized as income and expense in the income statement and a write off is made to the Fixed Asset and Accumulated Depreciation on the balance sheet.

2.2 Trade Receivables

Trade Receivables are recognised at invoice amount. A provision for impairment of trade receivables is established when the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization and default or deliquency in payments are considered indicators that the trade receivable is impaired.

The basis of estimates of provision used is Accounts Receivable Aging Method for which the receivables are categorized into multiple terms and in the company case we allow payment on term of n/30, and the typical classification in aging schedule will be 0 - 30, 31 - 60, 61 - 90 and above 90 days. The percentages used have been increased in 2016 from 1%, 10%, 30% and 50% to 5%, 20%, 50% and 75% respectively in calculating the allowance impaired.

The carrying amount of the asset is reduced through the use of a provision account and the amount of loss is recognised in the income statement within other operating expenses.

Vice Chairlady.

Director.

When the trade receivable is uncollectible, it is written off against the provision of doubtful debts for trade receivables and subsequent recoveries of amounts perviously written off are credited to other operating income in the income statement.

2.3 Inventory

Inventory is valued at the lower of cost and net realisable value and recorded using the FIFO cost flow method.

2.5 Financial and Market Risk

The Company is exposed to foreign exchange risk arising from various currency exposures in respect to purchase of inventory particularly to the US dollar. Foreign exchange risk arises from future commercial transactions. The loss and gain are recognized in the income statement when the loss and gain occurs.

Management has looked into the future that the US dollar is suddenly becoming more strong against the AUD dollar, therefore we are looking for available options with our local bank in order to reduce risk from foreign exchange transactions. The company, however, has not yet proceeding with forward exchange agreement to hedging with bank on the US currency. KOIL may either take one of the two options or both such as 'Forward Exchange Contract to lock US dollar rate' or 'Establishing USD bank account'. The arrangements will have implications in our current accounting procedures and policies should we opt for the Forward Contract then hedge accounting will be adopted.

2.6 USD Bank Account

KOIL has initially establish its USD Bank Account toward end of 2015 as a means to help mitigate possible risk occurs from the exchange of AUD with USD currency. The value of the USD dollar ($) is converted using the exchange rate and recorded as AUD currency. Any gains or losses during the period of transactions and period of financial reporting are recognized as gains or losses from foreign exchange in the income statement and contra to the USD bank account in the Cash and Cash Equivalents in the Current Asset of the balance sheet.

2.7 Government Grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systmatic basis to the cost that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to the cost of the asset and is released to the income statement over the expected useful life in a consistent manner with the depreciation method for the relevant asset.

The economic life of the asset or new tanks is estimated to 50 - 60years without a residue book value and amortized and depreciated on a straight line basis.

2.8 Dividend Pay Out Ratio

The Dividend Pay Out Ratio as approved by KOIL's Board of Directors is 20% of Net Profit After Tax and 80% will be retained and re-invested in the Company to increase returns and boost wealth of the Company.

2.9 Specific Reserve

Specific Reserve is established in the accounts based on the authorization and mandate by the Board. Specific Reserve is profits that have been appropriated for a particular purpose to keep funds from being used for other purposes. The purpose of the Specific Reserve is to retain a five year plan of dividend payable to Shareholder in line with the Cabinet's approval to fund KOIL's Major Development Projects and payments can be converted to KOIL as in a form of either grant, financial assistance or donation etc when the projects are completed or done.

The appropriation rate of provisions that was charged in year 2018 was 20% from the profit after tax. A reductions at the rate of 20% from Retained Earnings is made and crediting Specific Reserve in the liability account equal to the same rate that debited the Retained Earnings. When the company make losses there would be no appropriation to the Retained Earnings.

The Specific Reserve would exist until the project was completed whereby the initial entry would be reversed to bring back the Specific Reserve balance to the Retained Earnings upon completion of project activity that Board of Directors may have instruct in a particular financial year within 5 year plan.

Vice Chairlady. **Director.**

3. Revenues

Sales:

	2021	Tarawa	Kiritimati	2020
ADO	19,872,526.07	17,783,751.57	2,088,774.50	20,219,723.98
ULP	15,545,257.29	14,333,356.04	1,211,901.25	13,204,252.44
DPK	1,816,037.40	1,704,981.40	111,056.00	1,896,978.95
JetA1	2,200,196.72	2,031,423.42	168,773.30	2,590,884.22
Lubes	1,271,697.99	1,124,399.67	147,298.32	1,157,021.99
LPG	1,209,827.69	1,092,341.94	117,485.75	1,074,593.39
Other - Sales	110,363.85	86,238.90	24,124.95	18,820.85
Gas Stove	26,134.00	26,134.00	0.00	25,919.70
	42,052,041.01	38,182,626.94	3,868,414.07	40,178,195.52

4. Cost of Sales

	2021	Tarawa	Kiritimati	2020
ADO	14,216,273.31	12,925,609.97	1,290,663.34	13,014,498.35
ULP	14,420,155.83	13,702,285.05	717,870.78	10,944,725.67
DPK	1,811,527.95	1,701,042.18	110,485.77	1,767,850.37
JetA1	1,356,847.91	1,240,435.53	116,412.38	1,745,991.33
Lubes	870,007.30	773,422.11	96,585.19	828,884.96
LPG	883,246.26	804,528.26	78,718.00	724,727.57
Others	44,540.51	19,086.63	25,453.88	12,805.91
Gas Stove	96,645.93	96,645.93	0.00	24,195.62
	33,699,245.00	31,263,055.66	2,436,189.34	29,063,377.78

5. Other Income:

	2021	Tarawa	Kiritimati	2020
Operation Freight on Sales	964.91	964.91	0.00	360.00
Operation Drums sales	41,351.00	36,730.00	4,621.00	50,686.80
Operation Cylinders	40,785.00	32,450.00	8,335.00	27,170.00
Overtime Charges	73,092.82	54,992.30	18,100.52	70,072.05
Rent	1,588.27	405.00	1,183.27	1,867.69
Interest Earned	15,522.08	15,522.08	0.00	62,218.83
Gain from Foreign Exchange	60,422.54	60,422.54	0.00	0.00
Documentation Fees	1,329.00	1,292.00	37.00	1,747.30
Others	243,614.51	224,938.86	18,675.65	346,157.10
Reduction in Prov of Ddebts	13,000.15	13,000.15	0.00	173,690.73
Agencies other Income	112,480.53	112,480.53	0.00	87,662.30
	604,150.81	553,198.37	50,952.44	821,432.80

6. Staff Cost

	2021	Tarawa	Kiritimati	2020
Executive Renumerations Package				
Salaries & Wages	192,183.52	160,685.24	31,498.28	182,056.15
KPF	14,399.33	12,036.96	2,362.37	13,668.91
Allowances	45,001.22	39,808.84	5,192.38	30,815.99
L/Grant	13,000.00	10,000.00	3,000.00	8,500.00
L/Commutation	7,609.70	7,609.70		7,916.05
	272,193.77	230,140.74	42,053.03	242,957.10
Staff Emoluments				
Salaries & Wages	954,484.81	716,112.97	238,371.84	885,167.81
KPF	71,892.08	53,249.04	18,343.04	65,409.32
Allowances	93,801.04	68,708.01	25,093.03	84,801.26
Overtime	345,259.16	282,823.44	62,435.72	296,544.22
L/Grant & Passage	225,700.70	171,333.39	54,367.40	147,500.00
House Subisdy	48,784.55	48,784.55	0.00	46,359.00
Temporary Assistance	209,038.82	198,523.74	10,515.08	152,224.63
Retirement Benefit	0.00	0.00	0.00	6,239.04
Recuritment	5,385.71	0.00	5,385.71	0.00
	1,954,146.87	1,539,535.05	414,611.82	1,684,245.28
Agencies staff Costs	275,097.61	254,837.98	20,259.63	221,535.26
	2,501,438.25	2,024,613.77	476,824.48	2,148,837.64

Vice Chairlady.

Director.

7. Property, Plant and Equipment — Appendix 1 attached - Page 14

8. Fees

	2021	Tarawa	Kiritimati	2020
Consultancy Fee	50,003.96	50,003.96	0.00	297,635.27
Audit Fee	3,000.00	3,000.00	0.00	3,000.00
Licence Fee	6,977.70	5,387.20	1,590.50	9,694.06
Vsat Licence & Fees	70,870.12	70,870.12	0.00	22,771.56
Subscription & member fees	0.00	0.00	0.00	59,337.33
	130,851.78	129,261.28	1,590.50	**392,438.22**

9. Miscellaneous Expenses

	2021	Tarawa	Kiritimati	2020
Recruitment	14,551.55	14,551.55	0.00	432.45
Reference Materials	268.51	268.51	0.00	0.00
Waste Oil, Spills & Leakage	3,105.00	3,105.00	0.00	7,357.90
Sundries	1,223.20	760.25	462.95	6,714.85
Joint Consultative Meeting	77,937.69	77,937.69	0.00	91,338.47
	97,105.95	96,643.00	462.95	**105,843.67**

10. Doubtful Debts & Accumulated Provisions of Doubtful Debts

Ageing	Rate	A/C Receivables Tarawa	A/C Receivables Xmas	Dishonored Cheques	2020
0 - 30	5%	56,096.12	29,555.65		53,960.65
31 - 60	20%	1,489.45	1,885.00	0.00	6,978.00
61 - 90	50%	897.00	16,615.40	0.00	18,028.40
90+	75%	5,554,268.57	1,106,394.95	5,793,327.67	6,672,161.60
Cumm Provisions		5,612,751.14	1,154,469.10	5,793,327.67	6,751,128.65
Add Reduction in Provision of Ddebts		12,785.15	3,923.28	54,260.77	170,565.61
Cumm Prov B/F		5,620,809.69	1,102,421.60	5,847,588.44	6,847,353.96
Net Increase Impaired		4,726.60	55,960.78	0.00	74,330.30

11. Cash and Cash Equivalents

	2021	Tarawa	Kiritimati	2020
Cheque A/c - Tarawa	6,898,180.39	6,898,180.39	0.00	6,677,914.07
Petty Cash - Tarawa/Xmas	698.80	498.80	200.00	504.70
Cash in transit	1,841,460.52	1,843,761.04	-2,300.52	1,575,538.78
Term Deposit	87,976.48	87,976.48	0.00	21,050.87
Koil No# 2 Bank A/C - Tank Projects	0.00	0.00	0.00	66,977.64
USD Bank Account	1,070,560.93	1,070,560.93	0.00	905,921.78
Xmas Imprest Account - 737022	-40,249.61	0.00	-40,249.61	-35,141.43
Un-deposited Funds	0.00	0.00	0.00	0.00
Tarawa Deposit Account	10,235,864.20	10,235,864.20	0.00	8,780,889.09
	20,094,481.71	20,136,831.84	-42,350.13	**17,993,655.50**

12. Account Receivables

	%	2021	Tarawa	Kiritimati	2020
Airlines - Domestic	78%	5,289,234.85	4,867,122.49	422,112.36	4,852,955.56
- Schedule Flights	1%	86,869.96	86,764.96	105.00	529,653.15
- Un-schedule Flights	0%	31,706.45	30,637.49	1,068.96	32,804.66
Gov't Ministries	6%	415,283.80	178,851.15	236,432.65	389,279.53
SOEs	5%	327,400.77	198,893.66	128,507.11	321,676.08
Others	9%	616,705.41	250,481.39	366,224.02	526,527.09
	100%	6,767,201.24	**5,612,751.14**	1,164,469.10	6,652,896.07

Vice Chairlady.

Director.

13. Dishonored Cheques

	%	2021	Tarawa	Kiritimati	2020
PUB	98%	7,520,523.77	7,520,523.77	0.00	7,592,871.47
KSSL	2%	123,958.98	123,958.98	0.00	123,958.98
Private	1%	67,234.14	66,872.14	362.00	80,532.14
	100%	7,711,716.89	7,711,354.89	362.00	7,797,362.59

14 Prepayment and Other Receivables

	2021	Tarawa	Kiritimati	2020
Agencies - Northern/	-6,206.99	-6,206.99	0.00	28,691.81
Agencies - Central	57,344.74	57,344.74		50,171.36
Agencies - Southern	-4,325.61	-3,211.61	-1,114.00	2,258.64
Agency - Teraina	0.00	0.00	0.00	-3,954.40
Agency - Tabuaeran	21,090.24	0.00	21,090.24	4,697.55
Deposit to Vendors	1,064,050.08	887,000.30	177,049.78	801,820.14
Freight Refundable - Tarawa	283,986.54	283,986.54	0.00	487,039.13
Staff Imprest	37,165.66	34,577.62	2,588.04	29,456.12
Salary Advance - Tarawa	2,866.53	2,866.53	0.00	3,420.78
Sundry Debtors	51,828.61	9,169.66	42,658.95	228,828.70
Prepayments	160,067.45	160,067.45	0.00	187,281.04
Prepayments of Tax Arrears	0.00	0.00	0.00	-565.54
Suspense Account	166,183.87	0.00	166,183.87	4,127.25
	1,834,051.12	1,425,594.24	408,456.88	1,823,272.58

15 Accumulated Provision of Doubtful Debts

	2021	2020	2019	2018
Operning Balance	-10,597,019.90	-10,776,444.77	-10,822,382.09	-9,659,557.43
Add Net Increase Impaired	10,281.82	179,424.87	45,937.32	-1,162,815.66
Less Provision Written Off		0.00	0.00	-9.00
	-10,586,738.08	-10,597,019.90	-10,776,444.77	-10,822,382.09

16. Inventory

	2021	Tarawa	Kiritimati	2020
ADO	1,846,079.36	825,779.64	1,020,299.72	1,657,665.31
ULP	3,322,018.32	2,114,195.04	1,207,823.28	2,175,801.60
DPK	-246,167.18	-250,677.98	4,510.80	436,676.33
JetA1	2,714,018.37	2,052,009.22	662,009.15	1,781,971.57
AvGAs	67,683.59		67,683.59	59,558.32
Lubes	1,481,768.28	1,252,671.03	229,097.25	1,565,869.30
LPG	189,632.34	73,548.63	116,083.71	178,948.84
Gas Stove	113,131.86	113,131.86	0.00	212,753.35
Others	301,472.72	224,840.48	76,632.24	265,516.35
	9,589,637.66	6,205,497.92	3,384,139.74	8,334,760.97

17. Account Payble

	2021	Tarawa	Kiritimati	2020
Kiribati Custom Service	269,518.81	269,518.81	0.00	151,886.29
Pacific Bulk Fuel	-48,502.32	10,519.23	-59,021.55	-61,017.23
King Holding Ltd	0.00		0.00	522.11
KOIL Tarawa	6,047.50		6,047.50	6,047.50
Racer	0.00		0.00	567.60
Bondwell	0.00			5,004.22
Liquip Internationa	1,185.46	0.00	1,185.46	1,185.46
Winson Oil International (KHL)	2,239,958.87	7,608.54	2,232,350.33	1,973,290.65
TOTAL	0.00	0.00		-5,798.41
Matientaake Store	140.00		140.00	0.00
Capital Restaurant	272.00	272.00		
K/Agent Nikunau	377.00	377.00		
Kiribati Port Authority	32.42	32.42		
Kiribati Provident Fund	6,314.46	6,314.46		
MOEL Trading	315.00	315.00		
Mwareti Akai	9.60	9.60		
Nice Art & Design	70.00	70.00		
Once Stop Shipping Agency	44.23	44.23		
The George Hotel	186.30	186.30		
Tietita Store	26.90	26.90		
Tranzam Pte Ltd	335.63	335.63		
Union Petrochemical (HK)	3,917,680.96	3,917,680.96		
Vodafone Kiribati	499.99	499.99		
	6,394,462.81	4,213,761.07	2,180,701.74	2,071,688.19

18. Accruals and Other Payables

	2021	Tarawa	Kiritimati	2020
Deposits from Customers	333,366.87	194,036.54	139,330.33	526,543.51
AKL Deposit	-96,760.70	-96,760.70	0.00	118,205.22
Sundry Creditors	123,185.63	117,964.48	5,221.15	22,753.25
Payroll Payables - Tarawa	92,247.29	92,247.29	0.00	55,394.07
Payroll Payables - Kiritimati	-1,535.93	0.00	-1,535.93	-1,535.93
Directors Tax Payable	13,267.37	13,267.37	0.00	11,888.47
Withholding Tax - Tarawa	23,698.59	23,698.59	0.00	21,857.98
PIPA - Tank Deposit	-21,453.95	-21,453.95	0.00	-21,453.95
International Airlines Deposit	294,073.71	294,073.71	0.00	0.00
$5k/l Contribution Renewable Energy	106,187.20	106,187.20		
	866,256.08	723,240.53	143,015.55	733,649.62

19. Dividend Payable

There was no payment of dividend in year 2018 and that the balance in the Dividend Payable Account of $2,008,840.85 was transferred to the Specific Reserve Fund to initiate the establishment.

20. Specific Reserve

	2021	2020	2019
Less 20% rate of appropriation			145,250.78
Transfer of Dividend Payable	2,447,070.58	2,447,070.58	2,301,819.80
	2,447,070.58	2,447,070.58	2,447,070.58

21. ROC Taiwan Grant

This is a Grant Aid from the ROC Government of Taiwan with free interest for construction of three new storage tanks in Betio. The tanks capacity is doubling the existing storage tanks. The ROC Taiwan had released final payment of $1,504,801.49 in 2018 as a reimbursement for fund which KOIL utilized from its own resources to completing the constructions of the three new fuel storage tanks in 2017.

Vice Chairlady.

Director.

22. WIP Betio Projects

The WIP or Work in Progress relates project mainly on the three new storgae tanks in Betio, in the outer islands including Kiritimati. The Work in progress would be treated as Fixed Asset once the WIP works, etc is complete and whole. No depreciation allowed at this stage until the date the tanks and other projects are all complete.

23. Non-Project Grant Aid (NPGA)

Non-Project Grant Aid is a form of Aid with no interest charged which was funded by Japan Government to the Government of Kiribati (GoK) where Japan made directs payment for a purchased of Diesel fuel direct from Exxon Mobil Ltd in Fiji. KOIL meet all the landing cost and other local charges once the Diesel Fuel arrived Tarawa. KOIL sell the Diesel Oil on behalf of GoK to the public and all the proceeds from the sale of Diesel Oil, KOIL is required to return the money to the Kiribati Government Counter Part Fund account on certain periods in line with the agreement between GoK and Japan Government. KOIL thus recognized the grant aid as a kind of loan or a liability where KOIL has the liability to reimbursed the Government for value of Diesel Purchased. The Japan's Aid to KOIL ceased several years back and the amount stands payable in the Account of KOIL as at 31st December 2018 was $1,973,908.70.

24. Retained Earnings

	2021	Tarawa	Kiritimati	2020
Opening Balance	24,478,927.03	18,338,679.28	6,140,247.75	20,836,889.20
Current Earnings	2,361,873.15	2,110,545.61	251,327.54	5,559,787.73
Closing Balance	**26,840,800.18**	**20,449,224.89**	**6,391,575.29**	**26,396,676.93**

Vice Chairlady.

Director.

7. Property, Plant and Equipment

PPE - TARAWA 31/12/21	01/01/2019	Addition	Acc Dep	Dep	Disposal	NBV
PLANTS, PROPERTIES & MACH	14,868,694.89	190,075.37	6,544,179.76	250,948.93	-720.00	8,513,870.50
TANKS	1,420,971.66	7,180.00	1,371,184.66	4,341.67	0.00	56,917.61
LAND & BUILDING	1,619,533.50	3,666.15	1,269,234.28	75,474.43	0.00	353,965.37
MOTOR VEHICLE	4,650,471.52	47,356.50	4,552,941.43	237,393.69	-91,270.00	53,616.59
FURNITURE & FITTINGS	232,222.20	12,668.22	209,217.27	12,776.78	-3,352.50	32,320.65
TOOLS & EQUIPMENTS	1,305,634.43	60,609.81	1,229,595.62	79,358.45	-2,450.50	134,198.12
PPE TARAWA 31/12/20	24,097,528.20	321,596.05	15,176,353.02	660,293.95	-97,793.00	9,145,164.85

PPE - KIRITIMATI 31/12/21	01/01/2019	Addition	Acc Dep	Dep	Disposal	NBV
PLANTS, PROPERTIES & MACH	2,173,836.11	0.00	2,151,355.75	42,757.88	-	22,480.36
TANKS	853,659.79	0.00	829,461.34	3,671.79	-	24,198.45
LAND & BUILDING	980,288.42	0.00	424,914.56	40,756.98	-	555,373.86
MOTOR VEHICLE	1,774,477.56	55,332.40	1,760,400.94	100,539.18	-	69,409.02
FURNITURE & FITTINGS	54,627.13	731.00	52,957.15	1,925.16	-	2,400.98
TOOLS & EQUIPMENTS	272,211.01	6,264.70	267,604.37	10,491.55	-	10,871.34
PPE - KIRITIMATI 31/12/20	6,109,100.02	62,328.10	5,486,694.12	200,142.54	0.00	684,733.99
TOTAL	30,206,628.22	383,834.15	20,663,047.14	860,436.49	-97,793.00	9,829,898.84

Vice Chairlady

Director

KOIL
Driving Kiribati with quality fuel

Kiritu & team
Figures
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KIRIBATI OIL COMPANY LTD

FINANCIAL REPORTS

FOR THE YEAR ENDED
31st DECEMBER 2022

KIRIBATI OIL COMPANY LIMITED
DIRECTORS REPORT ON THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31ST DECEMBER, 2022

Directors of the Kiribati Oil Company Limited present their report on the financial statements of the company for the year ended 31st December, 2022 as follows.

1. State of Affairs

In the opinion of directors, the accompanying balance sheet gives a true and fair view of the state of affairs of the company as at 31st December 2022 and the accompanying income statement and cash flow statement give a true and fair view of the operating result and cash flow of the company for the year ended 31st December, 2022.

2. Dividend

There was no dividend declared for the financial year ended 31st December 2022.

3. Certificate of Solvency

In accordance with section 143 of the Companies Act 2021, directors of the Kiribati Oil Company Limited confirm that:-

(a) As at 31st December 2022, the company owned fixed assets at the value of $9,696,910.31 and current assets valued at $32,603,365.12.

(b) As at 31st December 2022, the company had its total accounts receivables of $7,685,440.80. The Domestic Airlines owed $5,272,272.33 which equals to 69%, International Airlines owed $86,869.96 equivalent to 1% while Un-scheduled Airlines owed $100,093.33 or 1%. The government ministries owed the company by $270,351.47 which equals to 4%, the SOE owed $862,407.77 or 11%, and the other 14% component equals to $1,093,445.94 comprised of private business.

A total cumulative provision of doubtful debt of $10,461,115.60 has been estimated as doubtful at year ended 31st December 2022 based on accounts receivables and dishonored cheques thus giving net book value of $4,750,202.01.

(c) As at 31st December 2022, the company had its total dishonored cheque worth $7,525,274.81. The dishonored checks comprised mainly of PUB at the amount of $7,458,402.67 or 99% and 1% which equals to $67,234.14 is owed by private business.

(d) As at 31st December 2022, the company did not have any loans with ANZ bank and neither from other banks.

(e) As at 31st December 2022, a sum owed to the Japanese Non-Project Grant Aid scheme amounting to $1,973,908.70.

(f) As at 31st December 2022, the company had tax liability of $840,734.99 and nothing was owed by the company to directors or shareholders of the company as at that date.

(g) In the opinion of directors of the company, the company was able to pay its debts and liabilities as at 31st December 2022.

4. Subsequent Events

Since the date of the financial statements, there has been no significant event with material effect on the financial position or prospect of the company.

Signed for and on behalf of the Board and in accordance with a resolution of directors dated on the 31st day of August, 2023.

Vice Chairlady

Director

KIRIBATI OIL COMPANY LTD

Summary of Consolidated Income Statement (Un-audited)

for the year ended 31st December, 2022

	2022 Consolidated	Tarawa	Kiritimati	2021 Consolidated
Income				
Net Sales	48,629,052.45	44,580,534.66	4,048,517.79	42,052,041.01
Less COS	50,708,639.61	48,370,370.25	2,338,269.36	33,699,245.00
Gross Profit	-2,079,587.16	-3,789,835.59	1,710,248.43	8,352,796.01
Other Income	2,576,917.78	2,535,692.16	41,225.62	463,214.87
Interest	8,783.62	8,783.62	0.00	15,522.08
Gain/(Loss) on Disposal	-983.44	-983.44	0.00	-409.84
Deferred Grant Income (ROC)	115,767.64	115,767.64	0.00	125,413.86
Total Income	620,898.44	-1,130,575.61	1,751,474.05	8,956,536.98
Expenses				
Depreciation	550,228.21	453,322.86	96,905.35	860,164.27
Interest	0.00	0.00	0.00	0.00
Other Expenses	5,976,335.74	4,890,909.89	1,085,423.85	5,734,519.56
Total Expenses	6,526,563.95	5,344,232.75	1,182,329.20	6,594,683.83
PPI	0.00	0.00	0.00	20.00
Profit/(Loss) before I/Tax	-5,905,665.51	-6,474,808.36	569,144.85	2,361,873.15
Provision for I/Tax	199,200.70	0.00	199,200.70	909,620.24
Net Profit/(Loss)	-6,104,866.21	-6,474,808.36	369,944.15	1,452,252.91

Vice Chairlady.

Director.

KIRIBATI OIL COMPANY LTD
Consolidated Income Statement (Un-audited)
For the year ended 31st December, 2022

	Notes	2022 Consolidated	Tarawa	Kiritimati	2021 Consolidated
Revenue	3	48,629,052.45	44,580,534.66	4,048,517.79	42,052,041.01
less Cost of Sales	4	50,708,639.61	48,370,370.25	2,338,269.36	33,699,245.00
Gross Profit		-2,079,587.16	-3,789,835.59	1,710,248.43	8,352,796.01
Deferred Grant Income		115,767.64	115,767.64	0.00	125,413.86
Interest Income		8,783.62	8,783.62	0.00	15,522.08
Other Income	5	2,576,917.78	2,535,692.16	41,225.62	463,214.87
Total Income		621,881.88	-1,129,592.17	1,751,474.05	8,956,946.82
Expenses:					
Staff Costs	6	2,674,101.98	2,166,190.83	507,911.15	2,501,438.25
Travelling		212,090.24	186,319.71	25,770.53	160,112.84
Staff Recruitment		38,111.92	19,396.15	18,715.77	
Motor Vehicle Expenses		94,476.14	85,507.62	8,968.52	57,644.82
Vehicle Hire		63,287.31	46,423.67	16,863.64	100,424.38
Freight & Handling		259,880.74	171,964.95	87,915.79	79,869.72
Outer Island Agency Costs		723,854.70	662,320.21	61,534.49	813,530.27
Directors Expenses		40,467.26	34,367.66	6,099.60	31,756.38
Office & Computer Supplies		25,027.03	22,446.11	2,580.92	17,776.46
Office Stationery		29,730.85	21,677.20	8,053.65	35,294.44
Office Repairs		26,299.11	22,989.73	3,309.38	26,902.07
Telecom Charges		49,041.96	34,927.53	14,114.43	62,174.75
Electricity & Water		74,868.88	67,471.10	7,397.78	85,434.03
LPG Sales Commission		31,410.35	30,697.75	712.60	48,509.65
Management Expense		44,908.34	32,588.70	12,319.64	59,323.65
Training		97,481.97	94,474.07	3,007.90	115,141.78
Depreciation	7	550,228.21	453,322.86	96,905.35	860,164.27
Advertisement/Promotion		40,582.30	33,653.10	6,929.20	35,670.21
General Repairs & Maintenance		177,698.38	51,506.18	126,192.20	242,980.67
Uniform & Safety Wears		41,806.03	31,686.57	10,119.46	66,735.07
Lab Testing		3,036.54	3,036.54	0.00	6,671.82
Fees & License	8	85,461.71	83,451.11	2,010.60	130,851.78
Land Lease		32,560.65	31,820.00	740.65	5,275.95
Insurance		110,747.15	110,747.15	0.00	84,665.70
Security Services		24,111.76	12,590.01	11,521.75	13,492.39
Miscellaneous Expenses	9	89,005.39	87,255.39	1,750.00	97,105.95
Tanker Discharge		920.10	920.10	0.00	0.00
Doubtful Debts	10	111,081.25	66,402.25	44,679.00	60,687.38
Bank Charges		12,444.59	10,135.55	2,309.04	13,335.56
Loss on Foreign Exchange		62,902.55	62,902.55	0.00	605.15
Anniversary		0.00	0.00	0.00	32,068.65
Charter		13,076.92	13,076.92	0.00	124,572.50
Empty Drums		685,859.64	591,963.48	93,896.16	624,467.29
Total Expenses		6,526,561.95	5,344,232.75	1,182,329.20	6,594,683.83
Operating Profit for the year		-5,904,680.07	-6,473,824.92	569,144.85	2,362,262.99
PPI		0.00	0.00	0.00	20.00
Gain/(Loss) on Disposal		-983.44	-983.44	0.00	-409.84
Profit/(Loss) Before I/Tax		-5,905,663.51	-6,474,808.36	569,144.85	2,361,873.15
Less I/Tax		199,200.70	0.00	199,200.70	909,620.24
Net Profit/(Loss) After I/Tax		-6,104,864.21	-6,474,808.36	369,944.15	1,452,252.91

Vice Chairlady.

Director.

KIRIBATI OIL COMPANY LTD
Consolidated Statement of Financial Position (Un-audited)
As at 31st December, 2022

	Notes	2022 Consolidated	Tarawa	Kiritimati	2021 Consolidated
Current Assets					
Cash & Cash Equivalents	11	13,150,252.05	13,189,887.28	-39,635.23	20,094,481.71
Account Receivables	12	7,685,440.80	6,521,639.52	1,163,801.28	6,767,201.24
Dishonored Cheques	13	7,525,636.81	7,525,274.81	362.00	7,711,716.89
Other Receivables & Prepayment	14	1,601,635.76	1,334,491.21	267,144.55	1,894,051.12
Less Provin for Doubtful Debts	15	-10,461,115.60	-9,576,311.77	-884,803.83	-10,586,758.08
Inventory	16	12,628,916.76	7,208,218.47	5,420,598.29	9,589,637.66
Spare Parts		472,598.54	358,677.63	113,920.91	353,398.86
Total Current Assets		32,603,365.12	26,561,877.15	6,041,487.97	35,763,749.40
Current Liabilities					
Account Payables	17	10,122,317.77	8,195,275.15	1,927,042.62	6,394,462.81
Other Payables & Accruals	18	998,627.05	842,898.14	155,728.91	866,256.08
Company Tax Payable		840,734.99	840,734.99		269,821.13
Dividend Payable	19	1,447,070.58	1,447,070.58		1,447,070.58
Specific Reserve	20	0.00	0.00		0.00
ROC Taiwan Grant	21	8,504,601.49	8,504,601.49		8,504,601.49
Deferred Grant Income (ROC)		-666,009.18	-666,009.18		-550,241.54
Total Current Liabilities		21,247,342.70	19,164,571.17	2,082,771.53	16,931,970.55
Working Capital		11,356,022.42	7,397,305.98	3,958,716.44	18,831,778.85
Long Term Assets					
Property, Plents and Equipments	7	9,696,910.31	9,087,167.50	609,742.81	9,829,892.96
WIP - Projects	22	2,298,888.73	527,107.51	1,771,781.22	1,505,705.58
Total Long Term Assets		11,995,799.04	9,614,275.01	2,381,524.03	11,335,598.54
Long Term Liabilities					
NPGA Loan	23	1,973,908.70	1,973,908.70	0.00	1,973,908.70
Total Long-Term Liabilities		1,973,908.70	1,973,908.70	0.00	1,973,908.70
NET WORTH		21,377,912.76	15,037,672.29	6,340,240.47	28,193,468.69
Shareholders Equity:					
Paid up Capital		500.00	500.00	0.00	500.00
Reserves		1,033,548.00	1,033,548.00	0.00	1,033,548.00
Asset Revaluation Reserve		318,620.51	318,620.51	0.00	318,620.51
Retained Earnings	24	20,025,244.25	13,064,524.11	6,960,720.14	26,840,800.18
Total Equity		21,377,912.76	14,417,192.62	6,960,720.14	28,193,468.69

Vice Chairlady.

Director.

KIRIBATI OIL COMPANY LTD

Consolidated Cash Flow Statement (Un-audited)

For the year ended 31st December, 2022

	2022	2021
Cash flows from Operating Activities:		
Cash receipts from Customers	50,830,777.37	40,663,694.79
Cash paid to Suppliers & Employees	-56,564,578.32	-36,410,016.94
Payment of Dividend	0.00	-1,000,000.00
Payment of Income Tax	0.00	-101,905.17
Net Cash flow from Operating Activities	**-5,733,800.95**	**3,151,772.68**
Cash flows from Financing Activities:		
Gov't Soft Loan - ROC Taiwan	0.00	0.00
Net Cash flow from Financing Activities	**0.00**	**0.00**
Cash flows from Investing Activities:		
Acquisition of fixed assets	-1,210,428.71	-1,060,946.47
Net Cash flow fromInvesting Activities	**-1,210,428.71**	**-1,050,946.47**
Movement in Cash and Cash Equivalents	-6,944,229.66	2,100,826.21
Cash and Cash Equivalents, 1st January	20,094,481.71	17,993,655.50
Cash and Cash Equivalents, 31st December	**13,150,252.05**	**20,094,481.71**

Reconciliation of cash flows from Operating Activities:

	2022	2021
Net Profit (Loss) for the year	-5,905,663.81	2,294,487.35
Add: Depreciations	650,228.21	927,650.07
Decrease/-Increase in Current Assets	-3,263,845.38	-1,845,247.77
Increase/-Decrease in Current Liabilities	4,431,139.79	3,340,996.63
Adjustment to Retained Earnings	-1,025,660.06	-2,066,013.60
	-5,733,800.96	3,151,772.68

Vice Chairlady.

Director.

KIRIBATI OIL COMPANY LTD
Statement of Movement of Equity
For the year ended 31st Dec. 2022

	2022	2021
Net Profit for the Year	-5,905,663.51	2,361,873.15
Total Recognised Earnings	-5,905,663.51	2,361,873.15
Adjustment	-909,892.42	-1,953,404.99
Dividend		0.00
Revaluation Reserve	0.00	0.00
Movement in Equity for the Year	-6,815,555.93	408,468.16
Equity at start of the year	28,193,468.69	27,785,000.53
Equity at end of the year	21,377,912.76	28,193,468.69

Vice Chairlady.

Director.

KIRIBATI OIL COMPANY LTD
Notes to the Financial Statements - (Un-audited)
Year ended 31st December 2022

1. GENERAL

The Kiribati Oil Company is a private company owned by the Government of Kiribati registered on 9th December 1986 under the Companies Ordinance with Registration No.21. Its authorized and paid-up capital is 500 shares of $1 each.

The main activities of the company are the importing, wholesaling and retailing of all petroleum products in Kiribati including lubes and all gas products.

The accounting period for the company is from January to December of each year or a calender year and the official currency used is the Australian dollar.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention in accordance with generally accepted accounting principles, standards and relevant legislations applicable in Kiribati and the principal accounting policies adopted by the company are set out below.

2.1 Depreciation

Depreciation is calculated to distribute the cost of an asset over its useful life (less scrap value if any) using the straight line method.

Plant & Machinery	25%
Office Equipment	25%
Fuel Tanks	10%
Fuel Pipes	10%
Water Tanks	10%
Outer Islands Projects	5%
Motor Vehicles	20%
Buildings	5%
Furniture & Fittings	25%

Any asset is being disposed, gain or loss is recognized as income and expense in the income statement and a write off is made to the Fixed Asset and Accumulated Depreciation on the balance sheet.

2.2 Trade Receivables

Trade Receivables are recognised at invoice amount. A provision for impairment of trade receivables is established when the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization and default or deliquency in payments are considered indicators that the trade receivable is impaired.

The basis of estimates of provision used is Accounts Receivable Aging Method for which the receivables are categorized into multiple terms and in the company case we allow payment on term of n/30, and the typical classification in aging schedule will be 0 - 30, 31 - 60, 61 - 90 and above 90 days. The percentages used have been increased in 2016 from 1%, 10%, 30% and 50% to 5%, 20%, 50% and 75% respectively in calculating the allowance impaired.

The carrying amount of the asset is reduced through the use of a provision account and the amount of loss is recognised in the income statement within other operating expenses.

Vice Chairlady.

Director.

When the trade receivable is uncollectible, it is written off against the provision of doubtful debts for trade receivables and subsequent recoveries of amounts perviously written off are credited to other operating income in the income statement.

2.3 Inventory

Inventory is valued at the lower of cost and net realisable value and recorded using the FIFO cost flow method.

2.5 Financial and Market Risk

The Company is exposed to foreign exchange risk arising from various currency exposures in respect to purchase of inventory particularly to the US dollar. Foreign exchange risk arises from future commercial transactions. The loss and gain are recognized in the income statement when the loss and gain occurs.

Management has looked into the future that the US dollar is suddenly becoming more strong against the AUD dollar, therefore we are looking for available options with our local bank in order to reduce risk from foreign exchange transactions. The company, however, has not yet proceeding with forward exchange agreement to hedging with bank on the US currency. KOIL may either take one of the two options or both such as 'Forward Exchange Contract to lock US dollar rate' or 'Establishing USD bank account'. The arrangements will have implications in our current accounting procedures and policies should we opt for the Forward Contract then hedge accounting will be adopted.

2.6 USD Bank Account

KOIL has initially establish its USD Bank Account toward end of 2015 as a means to help mitigate possible risk occurs from the exchange of AUD with USD currency. The value of the USD dollar ($) is converted using the exchange rate and recorded as AUD currency. Any gains or losses during the period of transactions and period of financial reporting are recognized as gains or losses from foreign exchange in the income statement and contra to the USD bank account in the Cash and Cash Equivalents in the Current Asset of the balance sheet.

2.7 Government Grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systmatic basis to the cost that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to the cost of the asset and is released to the income statement over the expected useful life in a consistent manner with the depreciation method for the relevant asset.

The economic life of the asset or new tanks is estimated to 50 - 60years without a residue book value and amortized and depreciated on a straight line basis.

2.8 Dividend Pay Out Ratio

The Dividend Pay Out Ratio as approved by KOIL's Board of Directors is 20% of Net Profit After Tax and 80% will be retained and re-invested in the Company to increase returns and boost wealth of the Company.

2.9 Specific Reserve

Specific Reserve is established in the accounts based on the authorization and mandate by the Board. Specific Reserve is profits that have been appropriated for a particular purpose to keep funds from being used for other purposes. The purpose of the Specific Reserve is to retain a five year plan of dividend payable to Shareholder in line with the Cabinet's approval to fund KOIL's Major Development Projects and payments can be converted to KOIL as in a form of either grant, financial assistance or donation etc when the projects are completed or done.

The appropriation rate of provisions that was charged in year 2018 was 20% from the profit after tax. A reductions at the rate of 20% from Retained Earnings is made and crediting Specific Reserve in the liability account equal to the same rate that debited the Retained Earnings. When the company make losses there would be no appropriation to the Retained Earnings.

The Specific Reserve would exist until the project was completed whereby the initial entry would be reversed to bring back the Specific Reserve balance to the Retained Earnings upon completion of project activity that Board of Directors may have instruct in a particular finansial year within 5 year plan.

Vice Chairlady.

Director.

3. Revenues

Sales:	2022	Tarawa	Kiritimati	2021
ADO	23,494,318	21,401,928	2,092,390	19,872,526
ULP	17,705,125	16,426,018	1,279,107	15,845,257
DPK	1,848,107	1,750,299	97,808	1,816,037
AvGas	0	0	0	
JetA1	3,107,640	2,823,031	284,609	2,200,197
Lubes	1,217,835	1,046,275	171,560	1,271,698
LPG	1,159,864	1,047,069	112,795	1,209,828
Fuel Dispensers	16,890	16,890		
Other - Sales	33,136	22,887	10,249	110,364
Gas Stove	47,137	47,137	0	26,134
	48,629,052	44,580,535	4,048,618	42,052,041

4. Cost of Sales

	2022	Tarawa	Kiritimati	2021
ADO	23,952,279	22,916,016	1,036,265	14,216,273
ULP	19,892,787	19,025,012	867,775	14,420,156
DPK	2,536,888	2,477,259	89,629	1,611,528
AvGas	0	0	0	
JetA1	2,424,378	2,240,347	184,031	1,356,848
Lubes	878,865	787,658	91,207	870,007
LPG	877,515	815,773	61,742	883,246
Fuel Dispensers	9,638	9,638		
Others	25,762	18,160	7,623	44,541
Gas Stove	89,506	60,508	0	96,646
	50,708,540	48,379,370	2,338,269	33,699,245

5. Other Income:

	2022	Tarawa	Kiritimati	2021
Government Grant	1,906,872	1,906,872	0	0
Freight on Sales	629	629	0	965
Drums	78,163	70,720	7,443	41,351
Cylinders	37,870	32,510	5,360	40,785
Overtime Charges	59,713	45,422	14,292	73,093
Rent	1,762	396	1,366	1,558
Interest Earned	8,784	8,784	0	15,522
Gain from Foreign Exchange	79,599	79,599	0	60,423
Documentation Fees	1,671	1,655	16	1,329
Others	181,382	168,633	12,749	243,615
Reduction in Prov of Ddebts	232,564	232,564		18,000
Ol Angecles Other Income	112,471	112,471	0	112,481
	2,701,469	2,660,243	41,226	604,151

6. Staff Cost

	2022	Tarawa	Kiritimati	2021
Executive Renumerations Package				
Salaries & Wages	185,394	154,914	30,479	192,184
KPF	13,904	11,618	2,286	14,399
Allowances	51,077	46,077	5,000	45,001
Leave Grant	19,000	16,000	3,000	13,000
Leave Commutation	9,834	9,834	0	7,610
Housing Assistance	0	0	0	
Entertainment Allowance	3,072	3,072		
	282,281	241,516	40,765	272,194
Staff Emoluments		0		
Salaries & Wages	989,430	740,273	249,157	954,485
KPF	82,005	62,074	19,931	71,692

Vice Chairlady.

Director.

Allowances	90,986	57,365	22,891	93,801
Overtime	335,725	263,338	72,387	345,259
L/Grant & Passage	247,500	185,750	61,750	225,701
House Subisdy	48,410	48,410	0	48,785
Temporary Assistance	277,112	263,309	13,804	209,039
Retirement Benefit	3,480	3,480	0	0
Passage & Baggage	0	0	0	0
Recruitment				6,396
Ol Angecies Emoluments	317,902	290,676	27,226	275,098
	2,391,321	1,924,075	467,146	2,229,244
	2,674,102	2,166,191	507,911	2,501,438

7. **Property, Plant and Equipment** — Appendix 1 attached - Page 14

8. Fees

	2022	Tarawa	Kiritimati	2021
Consultancy Fee	49,935	49,935	0	50,004
Audit Fee	3,000	3,000	0	3,000
Licence Fee	3,139	1,128	2,011	6,978
Vsat Licence & Fees	29,388	29,388	0	70,870
	0	0	0	0
	85,462	83,451	2,011	130,852

9. Miscellaneous Expenses

	2022	Tarawa	Kiritimati	2021
Recruitment	0		0	14,552
Reference Materials	0	0	0	269
Waste Oil, Spills & Leakage	0	0	0	3,106
Sundries	1,770	20	1,760	1,223
Joint Consultative Meeting	87,235	87,235	0	77,938
Management Meeting Expense	0	0	0	0
	89,005	87,255	1,760	97,106

10. Doubtful Debts & Accumulated Provisions of Doubtful Debts

Ageing	Rate	A/C Receivables Tarawa	A/C Receivables Xmas	Dishonored Cheques	2021
0 - 30	5%	1,043,859	107	0	85,652
31 - 60	20%	14,182	0	0	3,374
61 - 90	50%	20,747	149	0	17,512
90+	75%	5,442,851	871,024	5,644,136	12,453,990
Cumm Provisions		6,521,640	871,280	5,644,136	12,560,529
Add Reduction in Provision of Ddebts		83,363	4,150	149,192	70,969
Cumm Prov B/F		6,538,600	830,751	5,793,328	12,570,820
Net Increase Impaired		66,402	44,679	0	60,678
		66,402			

11. Cash and Cash Equivalents

	2022	Tarawa	Kiritimati	2021
Cheque A/c - Tarawa	2,695,805	2,695,805	0	5,898,180
Petty Cash - Tarawa/Xmas	684	499	185	699
Cash in transit	2,058,833	2,030,599	28,234	1,841,461
Term Deposit	88,008	88,008	0	87,976
Koil No# 2 Bank A/C - Tank Projects	0	0	0	0
USD Bank Account	67,146	135,200	-68,054	1,070,561
Xmas Imprest Account - 737022	0	0	0	-40,250

Vice Chairlady. Director.

Un-deposited Funds	0	0	0	0
Tarawa Deposit Account	8,239,777	8,239,777	0	10,235,854
	13,150,252	13,189,887	-39,635	20,094,452

12. Account Receivables

	%	2022	Tarawa	Kiritimati	2021
Airlines - Domestic	69%	5,272,272	4,850,160	422,112	5,289,235
- Schedule Flights	1%	86,870	86,765	105	86,870
- Un-schedule Flights	2%	116,481	50,277	66,204	31,706
Gov't Ministries	5%	362,366	165,623	196,743	415,284
SOEs	11%	861,757	736,162	125,594	327,401
Others	13%	985,895	632,853	353,042	616,705
	100%	7,685,441	6,521,840	1,163,801	6,767,201

13. Dishonored Cheques

	%	2022	Tarawa	Kiritimati	2021
PUB	99%	7,458,403	7,458,403	0	7,520,524
KSSL	0%	0		0	123,959
Private	1%	67,234	66,872	362	67,234
	100%	7,525,637	7,525,275	362	7,711,717

14 Prepayment and Other Receivables

	2022	Tarawa	Kiritimati	2021
Agencies - Northern	-10,032	-10,032	0	-6,207
Agencies - Central	53,255	53,255		57,346
Agencies - Southern	-3,292	-3,292	0	-4,326
Agency - Teraina	10,056	0	10,056	0
Agency - Tabuaeran	27,349	0	27,349	21,090
Deposit to Vendors	1,152,910	975,860	177,050	1,064,060
Freight Refundable - Tarawa	181,934	181,934	0	283,987
Staff Imprest	43,863	41,059	2,804	37,166
Salary Advance - Tarawa	26,357	26,367	-10	2,867
Sundry Debtors	58,619	8,724	49,895	51,829
Prepayments	58,282	58,282	0	160,067
Prepayments of Tax Arrears	0	0	0	0
Container & Security Deposit	2,333	2,333	0	0
Provisional Tax	0	0	-	0
Suspense Account				166,184
	1,601,636	1,334,491	267,146	1,834,061

15 Accumulated Provision of Doubtful Debts

	2022	2021	2020	2019
Operning Balance	-10,586,738	-10,597,020	-10,776,445	-10,822,382
Add Net Increase Impaired	125,622	10,282	179,425	45,937
Less Provision Written Off		0	0	0
	-10,461,116	-10,586,738	-10,597,020	-10,776,445

16. Inventory

	2022	Tarawa	Kiritimati	2021
ADO	3,430,590	917,106	2,513,484	1,646,079
ULP	3,752,286	2,096,895	1,655,391	3,322,018
DPK	300,274	288,774	11,500	-246,167
JetA1	2,255,096	1,867,142	387,954	2,714,016
AvGAs	67,684	0	67,684	67,684
Lubes	1,915,748	1,472,532	443,216	1,481,766
LPG	447,237	218,301	228,936	189,632
Fuel Dispenser	97,992	97,992		

Vice Chairlady.

Director.

	2022	Tarawa	Kiritimati	2021
Gas Stove	35,394	35,394	0	113,132
Others	326,617	214,083	112,534	361,473
	12,628,917	7,208,218	5,420,698	9,589,633

17. Account Payble

	2022	Tarawa	Kiritimati	2021
Angirlin Hardware	760	760		
ASAP Service	59	59		
Banria LPG	54	54		
Barry's Kitchen	402	402		
Botara LPG	54	54		
Bruno LPG	54	54		
Capital Resturant	709	709		272
Communication Commission OF Kiribati (CCK)	250	250		
Equapac Shipping	3,316	3,316		
HST Hire	950	950		
Kabwea Hire	135	135		
Kiribati Custom Services	257,638	257,638		269,619
Kiribati National Shipping Line Limited (KNSL)	1,879	1,879		
Kiribati Port Authority	2,120	2,120		32
Kiribati Provident Fund	-			6,314
Kitna LPG	54	54		
KOIL Agent Nikunau	-			377
KOIL Social Committee	230	230		
KOIL Tarawa	6,048		6,048	6,048
Levett Print	1,000	1,000		
Liquip International	1,185		1,185	1,185
Lucky Mart	162	162		
Lucy LPG	378	378		
Maaria Henry	40	40		
Manoraki LPG	54	54		
Matientaake Store	140		140	140
MOEL Trading	458	458		315
Mwareti Akai	-			10
Nice Art & Design	-			70
Om Sai Export Inc	-	-		
One Stop Shipping Agency	-			44
Pacific Bulk Fuel	297,938	111,113	186,825	-48,602
Racer Australia Pty Ltd	66,436	66,436		
Ruatara LPG	54	54		
Santa Biritta Brick Firm	600	600		
Seanan shipping	728	728		
Taake LPG	54	54		
Taotin Trading Company	4,160	4,160		
Tarawa Shipyard Company Limited	2,213	2,213		
Tauranga LPG	54	54		
Tebanna LPG	162	162		
Tebikeiti Kaisa	140	140		
Tietita Store				27
Tiketai Trading	1,322	1,322		
The George Hotel				186
Tokannuka Hire	191	191		
Tranzam Pte Ltd				338
Union Petrochemical (HK) Co. Ltd	7,729,524	7,729,524		3,917,631
Vodafone Kiribati				500
Winson Oil Bunkering Ltd	1,740,453	7,609	1,732,845	2,239,659
Wishing Star	160	160		
	10,122,318	8,195,275	1,927,043	6,394,463

18. Accruals and Other Payables

	2022	Tarawa	Kiritimati	2021

Vice Chairlady.

Director.

Deposits from Customers	294,254	146,827	147,428	333,367
AKL Deposit				-96,781
Sundry Creditors	13,102	7,164	5,937	123,186
Payroll Payables - Tarawa	125,560	125,560	0	92,247
Payroll Payables - Kiritimati	2,364	0	2,364	-1,536
Directors Tax Payable	14,705	14,705	0	13,267
Withholding Tax - Tarawa	22,811	22,811	0	23,699
PIPA - Tank Deposit	-21,454	-21,454	0	-21,454
$5/kl Contribution Ren-Energy	279,336	279,336		106,187
International Customer Deposit	267,949	267,949		294,074
	998,627	842,898	155,729	866,256

19. Dividend Payable

There was no payment of dividend in year 2022 and that the balance in the Dividend Payable Account of $1,447,070,.58 was trsnsferred to the Specific Reserve Fund to initiate the establishment.

20. Specific Reserve

	2022	2021	2020
Less 20% rate of appropriatiuon			-
Transfer of Dividend Payable	1,447,070.58	2,447,070.58	2,447,070.58
	1,447,070.58	**2,447,070.58**	**2,447,070.58**

21. ROC Taiwan Grant

This is a Grant Aid from the ROC Government of Taiwan with free interest for construction of three new storage tanks in Betio. The tanks capacity is doubling the existing storage tanks. The ROC Taiwan had released final payment of $1,504,601.49 in 2018 as a reimbursement for fund which KOIL utilized from its own resource to completing the constructions of the three new fuel storage tanks in 2017.

22. WIP Betio Projects

The WIP or Work in Progress relates project mainly on the three new storgae tanks in Betio, in the outer islands including Kiritimati. The Work in progress would be treated as Fixed Asset once the WIP works, etc is complete and whole. No depreciation allowed at this stage until the date the tanks and other projects are all complete.

23. Non-Project Grant Aid (NPGA)

Non-Project Grant Aid is a form of Aid with no interest charged which was funded by Japan Government to the Government of Kiribati (GoK) where Japan made directs payment for a purchased of Diesel fuel direct from Exxon Mobil Ltd in Fiji. KOIL meet all the landing cost and other local charges once the Diesel Fuel arrived Tarawa. KOIL sell the Diesel Oil on behalf of GoK to the public and all the proceeds from the sale of Diesel Oil, KOIL is required to return the money to the Kiribati Government Counter Part Fund account on certain periods in line with the agreement between GoK and Japan Government. KOIL thus recognized the grant aid as a kind of loan or a liability where KOIL has the liability to reimbursed the Government for value of Diesel Purchased. The Japan's Aid to KOIL ceased several years back and the amount stands payable in the Account of KOIL as at 31st December 2022 was $1,973,908.70.

24. Retained Earnings

	2022	Tarawa	Kiritimati	2021
Opening Balance	25,930,907.76	19,539,332.47	6,391,575.29	24,478,927.03
Current Earnings	-5,905,663.51	-6,474,808.36	569,144.85	2,361,873.15
Closing Balance	**20,025,244.25**	**13,064,524.11**	**6,960,720.14**	**26,840,800.18**

Vice Chairlady.

Director.

7. Property, Plant and Equipment

PPE - TARAWA 31/12/22	01/01/2022	Addition	Acc Dep	Dep	Disposal	NBV
PLANTS, PROPERTIES & MACH	15,058,050.26	288,279.91	6,815,850.26	272,141.39	-1,038.00	8,529,441.91
TANKS	1,428,101.66	0.00	1,375,853.14	4,668.48	-	52,248.53
LAND & BUILDING	1,623,199.65	4,547.63	1,344,929.23	75,694.95	-	282,818.05
MOTOR VEHICLE	4,606,558.02	56,402.87	4,572,897.57	19,856.14	-	90,063.32
FURNITURE & FITTINGS	241,537.92	10,651.16	223,536.05	14,544.38	-331.60	28,321.43
TOOLS & EQUIPMENTS	1,363,793.74	36,699.56	1,286,244.54	66,317.57	-9,978.97	104,269.79
PPE TARAWA 31/12/21	24,321,241.25	396,581.13	15,619,310.79	453,322.90	-11,348.57	9,087,163.02

PPE - KIRITIMATI 31/12/22	01/01/2022	Addition	Acc Dep	Dep	Disposal	NBV
PLANTS, PROPERTIES & MACH	2,175,186.11	2,825.00	2,172,196.22	20,812.33	-	5,814.89
TANKS	855,859.79	0.00	833,133.12	3,671.79	-	20,526.66
LAND & BUILDING	980,268.42	1,600.90	489,854.46	34,739.92	-	522,235.94
MOTOR VEHICLE	1,829,664.06	728.60	1,788,380.66	27,984.58	-	42,012.00
FURNITURE & FITTINGS	59,412.43	7,638.45	57,629.02	3,481.02	-	9,421.86
TOOLS & EQUIPMENTS	273,217.31	8,798.00	272,605.99	6,215.73	-	9,409.32
PPE - KIRITIMATI 31/12/21	6,171,428.12	21,590.95	5,583,599.49	96,905.36		609,418.68
TOTAL	30,492,669.37	418,171.18	21,202,910.28	550,228.27	-11,348.57	9,696,581.70

Vice Chairlady

Director