# REPORT OF THE AUDITOR GENERAL ON THE ACCOUNT OF

## Kiribati Provident Fund

## FOR THE YEAR ENDED 31 March 2023.

**KIRIBATI AUDIT OFFICE**

**November 2024**

**KIRIBATI AUDIT OFFICE**

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**Audit for an impact for the public**

**INDEPENDENT AUDITOR'S REPORT**

**To the Readers Of**

**Kiribati Provident Fund**

FOR THE YEAR ENDED 31 March 2023

I have audited the Financial Statements of Kiribati Provident Fund (KPF) for the year ended 31 March 2023 as required under sec 114 (2) of the Constitution, Part VII, Sec 42(4) of the Public Finances (Control and Audit) 1981 and Sec 22(1) of the Kiribati Audit Act, 2017. The Financial Statements comprise of the following:

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

## Qualified Opinion

In my opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion:

1. During our audit, we noted non-compliance with the KPF Act by several employers mostly private firm who had failed to remit employee contributions to the Kiribati Provident Fund.

- The audit noted that certain employers deducted KPF contributions totalling $645,676.31 from employees' wages but failed to remit these amounts to KPF. These cases have been referred to the KPF lawyer, and further legal action is being pursued against the non-compliant employers. (Refer Appendix 1)
- The audit noted that KPF did not include contingent asset in the notes to the financial statements disclosing the nature of the asset and the estimated financial impact. This omission indicates non-compliance with IAS 37 (Provisions, Contingent Assets, and Liabilities).

2. The audit noted that the signed contract for the construction of the KPF complex building was valued at $6,580,304 (refer to the appendix 2 Section 4). The audit revealed indicate that the total payments amounted to $6,838,785 (refer to appendix 4) had result in an excess payment of $258,481. While the contract includes a clause on variations (refer to the appendix 3 Section 12), which permits the contractor to issue instructions requiring additional costs. However, our review highlighted the following issues related to breaches of procurement policies and inadequate budgeting.

   - Violates procurement policies by submitting an intentionally low bid to undercut competitors and secure the contract.
   - The actual cost exceeding the contract amount indicates potential weaknesses in budgeting,forecasting and project management processes which affect the future project planning and resource allocation.
   - Lack of transparency regarding how and why the excess costs were incurred.

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

### Board's and Management's Responsibilities for the Financial Statements.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs & ISSAI, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission. ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

## 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 KPF.

........................................................ Date:28/11/2024

**Mr Eriati Tauma Manaima**

**Auditor General**

# Appendix 1

| KPF LIST OF EMPLOYERS- NON COMPLIANCE | | | | |
|---|---|---|---|---|
| | | | | |
| **A** | **HIGH COURT** | | | |
| **Nos** | **Employer** | **Particular** | **O/s bal** | **Status** |
| **1** | Nanotasi | 1997-2004 | 51,281.95 | Prior years outstanding |
| **2** | Onotoa Shipping | 2008 | 10,142.00 | Prior years outstanding |
| **3** | KIITO (KPC 1256) | 2008-2009, 2010 | 7,871.17 | Prior years outstanding |
| **4** | Nei Tabera Ni kai | 2007 to 2012 | 4,366.67 | Prior years outstanding |
| **5** | New Air Fm 89 | 2008 to 2011 | 7,575.98 | Prior years outstanding |
| **6** | JTT | 2013 to 2014 | 16,939.79 | Prior years outstanding |
| **7** | Beru Café | 2009-2011 | 32,037.59 | Prior years outstanding |
| **8** | Imprtek Co | 2013-2017 (Jan-Dec) | 18,836.44 | Prior years outstanding |
| **9** | Bairiki Holding | | 59,531.69 | Prior years outstanding |
| **10** | Evergreen | 2017 to 2020 | 16,258.04 | Prior years outstanding |
| **11** | Neways Bus Services | 2017 to 2020 | 106,187.46 | Prior years outstanding |
| **12** | Mauri Marine Shipping | 2021 to 2023 | 41,759.16 | Prior years outstanding |
| | | | **372,787.94** | |
| **B** | **LOW COURT** | | | |
| **13** | Betio Town Council | SDs 2010-2912 | 15.00 | Prior years outstanding |
| **14** | Tebaariki Loan Agency | SDs 2010-2013 | 5.00 | Prior years outstanding |
| **15** | KANGO | SDs 2010-2012 | 320.19 | Prior years outstanding |
| **16** | Just Dance Bus | SDs 2009-2010 | 1,990.69 | Prior years outstanding |
| **17** | Betio Saloon (Taterake store) | | 60.87 | Prior years outstanding |
| **18** | PSST Hanan Security | Cont 2015 | 2,273.24 | Prior years outstanding |
| **19** | Parinisa Trading | Cont 2016 | 4,646.15 | Prior years outstanding |
| **20** | Tungaru Security Service | Cont 2016 | 4,591.01 | Prior years outstanding |
| **21** | Mauri Marine Shipping Services | Cont 2016 | 1,373.18 | Prior years outstanding |
| | | | **15,275.33** | |
| **C** | **OUT OF COURT** | | | |
| **22** | Auesa Trading | 2022 to 2023 | 1,144.35 | Prior years outstanding |
| **23** | Auesa Trading | 2012 to 2013 | 945.00 | Prior years outstanding |
| **24** | Bairiki Hoildings (Tarawa Motors) | 2013 to 2013 | 875.60 | Prior years outstanding |
| **25** | BTT Tawita Security Service | 2014 | 32.40 | Prior years outstanding |
| **26** | CVC | 2013 | 298.50 | Prior years outstanding |
| **27** | Domino | 2015-2016 | 761.00 | Prior years outstanding |
| **28** | Eco-farm | 2018 | 2,072.51 | Prior years outstanding |
| **29** | GEHS | Oct-Dec 2013 | 2,620.98 | Prior years outstanding |
| **30** | Inta Enterprice | Apr-Aug'23 | 376.50 | Prior years outstanding |
| **31** | Island Champion Security Services | Jan'2018-Feb'2019 | 8,431.15 | Prior years outstanding |
| **32** | JBO video | 2011-2012 | 14,526.93 | Prior years outstanding |
| **33** | KCCS | Mar-Jun'2014 | 17.20 | Prior years outstanding |
| **34** | KFHA | 2018 | 2,875.44 | Prior years outstanding |
| **35** | KGES(Solar) | | 2,000.00 | Prior years outstanding |
| **36** | Kiribati Garment | 2018 | 5,872.55 | Prior years outstanding |
| **37** | KNUT | 2015 | 1,016.40 | Prior years outstanding |
| **38** | Mauri Marine Shipping | 2023 | 26,414.98 | Prior years outstanding |
| **39** | Maurinteraoi Shipping | 2012-2013 | 3,274.50 | Prior years outstanding |
| **40** | PSST Hannan | 2016-2019 | 95,776.38 | Prior years outstanding |
| **41** | Shiu Kam hoo | No payrolls | 1,450.00 | Prior years outstanding |
| **42** | Tarieta(new Employer) | 2018 | 9,896.85 | Prior years outstanding |
| **43** | TSS | | 5,120.28 | Prior years outstanding |
| **44** | Tuen (Jbo arreats for rents and Bill) | 2019 | 2,764.26 | Prior years outstanding |
| **45** | Uncle Bill | 2018-2022 | 18,646.11 | Prior years outstanding |
| | | | **207,209.87** | |

| | | | | | |
|---|---|---|---|---|---|
| **D.** | **CRIMINAL CASES** | | | | |
| | **46** | Aranuka Friendly services | 2022-2023 | - | **Payrolls/Lists unsubmitted** |
| | **47** | Betio Saloon | 2015 to 2023 | - | **Payrolls/Lists unsubmitted** |
| | **48** | K-Two Enterprises | 2020-2023 | - | **Payrolls/Lists unsubmitted** |
| | **49** | Tarawa Kiribati Security Services | 2021-2024 | - | **Payrolls/Lists unsubmitted** |
| | **50** | Temitiko Trading | 2021-2024 | - | **Payrolls/Lists unsubmitted** |
| | **51** | Christopher Columbus Pilot | 2019-2021 | - | **Payrolls/Lists unsubmitted** |
| | **52** | Kiribati Shipping Management | 2020-2024 | - | **Payrolls/Lists unsubmitted** |
| | **53** | Kems | 2022-2023 | - | **Payrolls/Lists unsubmitted** |
| | **54** | Hemwa Store | Mar-Jun'23 | - | **Payrolls/Lists unsubmitted** |
| | **55** | St Leo College | 2017-2020 | - | **Payrolls/Lists unsubmitted** |
| | **56** | 10 Kids Services | 2020-2024 | - | **Payrolls/Lists unsubmitted** |
| | **57** | Destiny Bus Services- Ituaa Binataake | Partuculars tbc | - | **Payrolls/Lists unsubmitted** |
| | **58** | Niwa Pacific- Luisa Bitamatang | Partuculars tbc | - | **Payrolls/Lists unsubmitted** |
| | **59** | Tet & Bet Bus Services- Kobebe Taitai | Partuculars tbc | - | **Payrolls/Lists unsubmitted** |
| | **60** | Dojin | Partuculars tbc | - | **Payrolls/Lists unsubmitted** |
| | **61** | Oceanic Shipping | Partuculars tbc | - | **Payrolls/Lists unsubmitted** |
| | **62** | AGT Money Lender | Partuculars tbc | - | **Payrolls/Lists unsubmitted** |
| | **63** | AT3R Marine Services | Partuculars tbc | - | **Payrolls/Lists unsubmitted** |
| | **64** | Oriental Restraunt | Partuculars tbc | - | **Payrolls/Lists unsubmitted** |
| | | | | | |
| **E.** | **DETECTED EMPLOYERS DURING INSPECTIONS 2024** | | | | |
| | **65** | Big D Enterprises | Nov-Dec21&Jan-Aug 22 | 2,810.00 | **Payrolls/Lists unsubmitted** |
| | **66** | Live & Learn | Jan22-Feb22 & Apr22-Aug22 | 16,118.48 | **Payrolls/Lists unsubmitted** |
| | **67** | Terry smart shop | Aug-Sep22 | 2,520.00 | **Payrolls/Lists unsubmitted** |
| | **68** | Betio Hardware(Uncle Bill) | Oct 2018 to Sep 2022 | 28,954.69 | **Payrolls/Lists unsubmitted** |
| | **69** | Kiribati Motor Co operation | Mar 22 & May 22 | - | **C[eared** |
| | **70** | RRT Store | Apr 22 & July 22- Oct 22 | - | **Payrolls/Lists unsubmitted** |
| | | | | **50,403.17** | |
| | | | | | |
| | | | **Grand Total for Outstanding** | **$645,676.31** | |

## 4. Contract Price

4.1 The contract price for this project is **$6,580,304 (VAT inclusive)**

4.2 Unless otherwise specified in this Agreement, the Price shall be deemed to be inclusive of all labour, plant, materials, equipment, machinery, vehicle, tools, facilities and services, overheads, profits and all ancillary and other works expenditure, risks, overtime and contingencies required or necessary to be undertaken for the completion of the work.

4.3 The Owner guarantees that all statutory taxes, import duties and tariffs in relation to this project are to be exempted.

4.4 Unless otherwise indicated in the Agreement, the Price shall be firm and fixed and no adjustment in the Price shall be made on account of change in any legislation, increased costs of labour, materials or transportation or fluctuation in rates of exchange or otherwise.

## 12. Variations

The Contractor's Manager shall issue instructions requiring an addition to, omission from or other change in the Work in the order or period in which they are to be carried out. An instruction for a variation may include an instruction to provide one or more of the following:

- an estimate of the whole or any part of the cost of the variations;
- an estimate of the effect of the variation on the date for practical completion;
- change the character or quality of any material or goods;
- order of precedence;
- details or scope of the Work or other aspect

If the instruction will result in an adjustment to the total contract price or require an adjustment to the date for practical completion or both, the Contractor shall within 20 working days notify the Owner's Agent in writing. The Owner's Agent shall within 5 working days of receiving the notification, instructs the Contractor whether or not to proceed and indicate whether the quotation is accepted or rejected. If the instruction to proceed includes acceptance of the quotation, the total contract price will be adjusted in accordance with the quotation. If the instruction will not adjust the total contract price or require an adjustment to the date for practical completion the Contractor must carry out the instruction promptly. The Contractor must maintain detailed records of any cost of carrying out the variation and notify the Owner's Agent when the variation work has been completed.

## Appendix 4

| Qty | Assets_Name | Label | Division | Assets_Model | Assets_Us | Conditions | Assets Type | Assets_Cost | Yr_Pch | Reference |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | 1,974,091.20 | 2017 | Opening |
| | | Cash | | | | | | 556.88 | 21/09/2018 | |
| | First payment | Betty Trading | | | | | | 110,254.38 | 12/10/2018 | pv# 418/18 |
| | second payment | Betty Trading | | | | | | 1,235,167.25 | 29/01/2019 | 947/19 |
| 4 | Roofing | | | | | | | 182.00 | | |
| 2 | Roofing nails | | | | | | | 29.00 | | |
| 1 | tap 3/4 | Triple Tee | | | | | | 44.66 | 01-Feb-19 | pv# 635/19 |
| 1 | adaptor female | | | | | | | 2.90 | | |
| 1 | tee 3/4 | | | | | | | 3.90 | | |
| 1 | air con 1800 | | | | | | | 2,137.50 | | |
| | third payment | Betty Trading | | | | | | 1,389,563.72 | 09/09/2019 | |
| | Fourth payment | Betty Trading | | | | | | 240,721.84 | 27/02/2020 | PV# 2603 |
| | Fourth payment | Betty Trading | | | | | | 1,000,000.00 | 28/02/2020 | |
| | second last payment | Betty Trading | | | | | | 174,456.27 | 06/11/2020 | 485/20 |
| | 50% for second last payment | Betty Trading | | | | | | 174,476.51 | 31/03/2021 | 908/21 |
| | upfront payment for securing compound | Hanan | | | | | | 688.50 | 12/04/2021 | 941/21 |
| | securing KPF compound | Hanan | | | | | | 612.00 | 26/04/2021 | 981/21 |
| | securing KPF compound | Hanan | | | | | | 1,264.80 | 04/06/2021 | 1094/21 |
| | securing KPF compound | Hanan | | | | | | 1,377.00 | 02/07/2021 | 1183/21 |
| | securing KPF compound | Hanan | | | | | | 1,264.80 | 03/08/2021 | 1294/21 |
| | Adjust correctly GST paid to suppliers | | | | | | | 158.10 | 30/08/2021 | GJ002904 |
| | | Betty Trading | | | | | | 4,446.00 | 08/09/2021 | 1391/21 |
| | securing KPF compound for August | Hanan | | | | | | 1,264.80 | 14/09/2021 | 1363/21 |
| | Adjust correctly GST paid to suppliers | | | | | | | 555.75 | 30/09/2021 | GJ002905 |
| | Adjust correctly GST paid to suppliers | | | | | | | 158.10 | 30/09/2021 | GJ002905 |
| | | MISE | | | | | | 17,447.65 | 11/10/2021 | 1471/21 |
| | securing KPF compound for Sept | Hanan | | | | | | 1,224.00 | 11/10/2021 | 1469/21 |
| | Adjust correctly GST paid to suppliers | | | | | | | 153.00 | 30/09/2021 | GJ002906 |
| | securing KPF compound for Oct | Hanan | | | | | | 1,264.80 | 08/11/2021 | 1542/21 |
| | Adjust correctly GST paid to suppliers | | | | | | | 158.10 | 30/11/2021 | GJ002907 |
| | Final payment | Betty Trading | | | | | | 5,001.75 | 16/12/2021 | 1624/21 |
| | 50% for tiling xmas comples | Betty Trading | | | | | | 63,639.86 | 31/01/2022 | 1724/22 |
| | Adjust correctly GST paid to suppliers | | | | | | | 7,954.98 | 31/01/2022 | GJ002909 |
| | Final payment for Xmas complex | Betty Trading | | | | | | 348,953.02 | 06/04/2022 | 1889/22 |
| | Payment for load assessment of complex | AB Electrix | | | | | | 700.00 | 06/04/2022 | 1893/22 |
| | 40% payment for Tiling | Betty Trading | | | | | | 57,275.87 | 17/6/2022 | 2079/22 |
| | Adjust code 6-4010 to 6-4015 LPO 1737 & 1758 | | | | | | | 3,375.90 | 23/8/2022 | GJ002877 |
| | Adjust code 6-4010 to 6-4015 LPO 1737 & 1758 | | | | | | | 609.96 | 23/8/2022 | GJ002877 |
| | Final payment for tiling | Betty Trading | | | | | | 14,839.65 | 24/8/2022 | 2272/22 |
| | installation meter reading | | | | | | | 2,708.80 | 15/11/2022 | 2546/22 |
| | | | | | | | | 6,838,785.20 | | |

KIRIBATI PROVIDENT FUND
"Save and invest for prosperity through good governance and prudent management under God's guidance"
PO Box 76, Bairiki, Tarawa, Republic of Kiribati

File ref: E1/1

Date: 31st August 2023

Auditor General
Kiribati Audit Office
Bairiki, Tarawa

Dear Mr Eriati Manaima

Re: Kiribati Provident Fund Financial Statements for financial year ended 31/03/2023

In line with Section 12 (2) of Cap 78A Provident Fund I hereby submit the financial statements for financial year ended March 2023 to be audited and laid before the Auti ni Maungatabu.

Ko bati n raba

Faitele Mika
Chief Executive Officer

Kiratia
Fyna

31/8

KIRIBATI AUDIT OFFICE
31 AUG 2023

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# KIRIBATI PROVIDENT FUND
# FINANCIAL STATEMENTS
## 31 MARCH 2023

# Table of Contents

# KIRIBATI PROVIDENT FUND

## Director's report

The Board of Directors present the financial statements of Kiribati Provident Fund ('the fund') being the Statement of financial performance for financial year ended 31 March 2023, statement of financial position, statement of movement in equity and statement of cash flows.

### Directors

At the date of this report the Board of Directors of the Fund are:
Ms Teekoa Iuta – Chairperson
Mr Tatoa Kaiteie – Director
Mr Tukabu Teroroko – Director
Mr Abiete Burangke – Director
Mr Kobebe Taitai - Director
Ms Anieli Fuatino Noa - Director

### Operation of the Fund

The Fund operation is governed under the Kiribati Provident Fund Act Cap 78A.

### Principal Activities

The principal activity of the Fund is the provision of superannuation services to its members.

### Operating Results

The Fund incurred a loss of $9.9million (March 2022: $0.3 million) for the financial year ended 31st March 2023. This was following the provision set to consider doubtful debts and financial risk that may hinder full operation of the Fund.

### Reserves

The Board of directors declared annual interest to members for the financial year ended 31st March 2023 at a rate of 5.6% (March 2022: 5.5%).

### Bad and Doubtful debts

The Board of directors took reasonable steps to ensure that all known bad debts were written off and provision for doubtful debts were adequate.

At the date of this report, the Board of Directors are not aware of any circumstances that would materially render the inadequacy of the amount written off for bad debts, or the amount of the provision for doubtful debts.

### Basis of preparation

The financial statements of the Fund were drawn up in accordance with the requirement of the KPF Act Cap 78A and international financial reporting standards.

**Related party transactions**

In the opinion of the Board directors all related party transactions known at the time of reporting have been accounted for and properly disclosed in the attached financial statements.

**Other circumstances**

The Directors are not aware of any circumstances that may materially affects the financial statements at the date of reporting.

**Unusual transactions**

All known unusual transactions or event of a material nature have been properly disclosed in the financial statements.

**Directors' interest**

The Directors of the Fund have not received any benefit other than their eligible entitlements as directors during the financial year.

Dated this 31st day of August 2023.

Signed in accordance with Board resolution:

| | |
|---|---|
| ..................................... | ..................................... |
| Chairperson Ms Teekoa Iuta | Director Mr Taatoa Kaiteie |
| ..................................... | ..................................... |
| Director Mr Tukabu Teroroko | Director Mr Abiete Burangke |
| ..................................... | ..................................... |
| Director Mr Kobebe Taitai | Director Ms Anieli Fuatino Noa |

**KIRIBATI PROVIDENT FUND**

## Statement by Directors

In the opinion of the Board Directors:

a) The accompanying statement of financial performance is drawn up so as to give a true and fair view of the results of the Fund for the financial year ended 31 March 2023;

b) The accompanying statement of financial position is drawn up so as to give a true and fair view of the state of the affairs of the Fund at 31 March 2023;

c) The accompanying statement of changes in equity is drawn up so as to give a true and fair view of the movement in equity of the Fund as at 31 March 2023;

d) The accompanying statement of cash flows is drawn up so as to give a true and fair view of the cash flows of the Fund for the financial year ended 31 March 2023.

e) At the date of this statement there are reasonable grounds to believe that the Fund will be able to pay their debts as and when they fall due.

f) All related party transactions have been recorded and disclosed in the financial statements.

g) The financial statements and notes are in accordance with the KPF Act Cap 78A.

Dated today 31st day of August 2023.

Signed in accordance with the Board resolution.

| | |
|---|---|
| ......................................... | ......................................... |
| Chairperson Ms Teekoa Iuta | Director Mr Taatoa Kaiteie |
| ......................................... | ......................................... |
| Director Mr Tukabu Teroroko | Director Mr Abiete Burangke |
| ......................................... | ......................................... |
| Director Mr Kobebe Taitai | Director Ms Anieli Fuatino Noa |

## KIRIBATI PROVIDENT FUND

### Statement of financial performance

For the year ended March 2023

| Revenue | Notes | April 22 - Mar 23 | April 21 - Mar 22 |
|---|---|---|---|
| Investment income | 3 | 12,582,785 | 10,518,316 |
| Small Loan Scheme income | 4 | 2,692,614 | 2,478,788 |
| Loan interest income | | - | 972,964 |
| Surcharges | | 171,017 | 262,464 |
| Other income | 5 | 166,807 | 147,242 |
| **Total revenue** | | **15,613,222** | **14,379,775** |
| | | | |
| **Expenses** | | | |
| Staff costs | 6 | 1,066,463 | 986,371 |
| General administration expenses | 7 | 544,944 | 519,357 |
| Investment expenses | 8 | 666,212 | 502,603 |
| Depreciation and other expenses | 9 | 12,202,961 | 1,846,296 |
| **Total expenses** | | **14,480,580** | **3,854,626** |
| | | | |
| **Operational profit** | | **1,132,642** | **10,525,149** |
| | | | |
| **Less: Interest on full withdrawal** | 10 | 96,700 | 76,589 |
| | | | |
| **Operational profit available for end of year interest** | | **1,035,942** | **10,448,560** |
| | | | |
| **Less: End of year members interest** | 11 | 10,925,676 | 10,064,383 |
| | | | |
| **Net profit transferred to accumulated fund** | | **(9,889,734)** | **384,177** |
| | | | |
| **Accumulated fund - Opening** | | **505,592** | **121,415** |
| **Accumulated fund - Closing** | | **(9,384,142)** | **505,592** |

***The accompanying notes form part of these financial statements***

**KIRIBATI PROVIDENT FUND**

## Statement of financial position

As at 31st March 2023

| Account Name | Note | April 22 - Mar 23 | April 21 - Mar 22 |
|---|---|---|---|
| **Current Assets** | | | |
| Cash on Hand & at Bank | 12 | 3,096,371 | 6,285,068 |
| Receivables | 13 | 125,418 | 11,628,530 |
| Accruals and Prepayments | 14 | 8,435 | 40,780 |
| Sundry Accounts Receivable | 15 | 123,923 | 135,789 |
| **Total current assets** | | **3,354,146** | **18,090,168** |
| | | | |
| **Less Current Liabilities** | | | |
| Payroll Liabilities | 20 | 919 | - |
| Sundry Accounts Payable | 21 | 332,348 | 349,614 |
| **Total current liabilities** | | **333,267** | **349,614** |
| | | | |
| **Working Capital** | | **3,020,879** | **17,740,553** |
| | | | |
| **Non-Current Assets** | | | |
| Members' loan balances | 16 | 24,203,761 | 18,850,606 |
| Fixed Asset | 17 | 7,545,006 | 1,052,195 |
| Overseas - BT/ANZ Trustee | 18 | 159,249,559 | 159,024,398 |
| Local | 19 | 90,969 | 6,937,521 |
| **Total Non-Current Assets** | | **191,089,295** | **185,864,720** |
| | | | |
| **Net assets available to pay benefits** | | **194,110,174** | **203,605,274** |
| | | | |
| **Member's Accumulated Funds** | | | |
| Members Contributions | 22 | 213,381,420 | 201,912,679 |
| Other reserves | 23 | (9,887,107) | 1,186,999 |
| Accumulated fund | 24 | (9,384,138) | 505,595 |
| | | | |
| **Net Worth** | | **194,110,174** | **203,605,274** |

***The accompanying notes form part of these financial statements***

**KIRIBATI PROVIDENT FUND**

## Statement of movement in equity

For the year ended 31st March 2023

| | Notes | April 22 - Mar 23 | April 21 - Mar 22 |
|---|---|---|---|
| **Balance 01 April 2022** | | 203,605,274 | 189,079,768 |
| Add/(less) net profit/loss for the year | | (9,889,734) | 384,177 |
| Changes to retained earnings | | - | |
| Unrealized gains or losses from Investment | | (11,074,107) | 1,096,367 |
| Movement in Capital contributions by members | | 11,468,740 | 13,044,962 |
| Consolidated net worth | | (9,495,100) | 14,525,506 |
| **Balance at 31 March 2023** | | **194,110,174** | **203,605,274** |
| *Represented as follows:* | | | |
| Members' accounts | 22 | 213,381,420 | 201,912,679 |
| Reserves | 23 | (9,887,107) | 1,186,999 |
| Retained earning | 24 | (9,384,138) | 505,595 |
| **Total equity** | | **194,110,174** | **203,605,274** |

***The accompanying notes form part of these financial statements***

## KIRIBATI PROVIDENT FUND

### Statement of Cashflows

For the year ended 31st March 2023

| Operating Activitites | Notes | April 22 - Mar 23 | April 21 - Mar 22 |
|---|---|---|---|
| Cash receipts from Customers | | 2,993,530 | 3,900,564 |
| Cash paid to suppliers and employees | | (1,681,986) | (2,365,221) |
| *Net Operating cash flow* | | 1,311,544 | 1,535,343 |
| **Investing activities** | | | |
| Purchase of property, plant and equipment | | (7,057,309) | (87,272) |
| Receipts/(outflow) from overseas investments | | (225,161) | (11,112,080) |
| Receipts/(outflow) from local investments | | 1,493,398 | (1,877,863) |
| *Net Investing cash flow* | | (5,789,072) | (13,077,215) |
| **Financing activities** | | | |
| Net cash from financing activities | | 1,288,831 | 14,518,673 |
| *Net financing cash flow* | | 1,288,831 | 14,518,673 |
| Net increase/(decrease) in cash held | | (3,188,697) | 2,976,801 |
| Add opening cash | | 6,285,068 | 3,308,268 |
| **Cash at end** | | **3,096,371** | **6,285,068** |
| **Made up as follows:** | | | |
| Cash at Bank - 254079 Operational account | | 2,058,983 | 3,389,300 |
| Cash at Bank - 831558 Loan account | | 1,036,190 | 2,888,350 |
| Bank account - 1273568 | | 1,198 | 7,218 |
| Petty cash | | - | 200 |
| **Cash and cash equivalents** | | **3,096,371** | **6,285,068** |

***The accompanying notes form part of these financial statements***

# KIRIBATI PROVIDENT FUND

## Notes to and forming part of the financial statements.

For the year ended 31st March 2023

1. **General information**

   Kiribati Provident Fund (KPF) is constituted by the Cap 78A to provide superannuation benefits to employees and overseen by the Board which is the trustee of the Fund.

2. **Summary of significant accounting policies**

   a. Property plant and equipment

   Land is measured at cost and is not depreciated. Depreciation for the other assets (except investments) are measured at historical costs less depreciation calculated using straight-line method to allocate their cost over their estimated useful lives and rate as follows:

| | |
|---|---|
| Buildings | 5% |
| Furniture and fittings | 25% |
| Vehicles | 20% |
| Equipment & Machineries | 25% |
| System enhancement | 10% |

   Historical cost includes expenditure that is directly attributable to the acquisition of the items and subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Fund and the cost of the item can be measured reliably. The carrying amount of the replaced part or disposed is derecognized. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

   b. Unrealized gains and losses on Investment

   Overseas investments are classified and measured at fair value through comprehensive income. KPF elected to recognise investment income and gains in the profit or loss only when realized. Unrealised gains or losses are recognised and recorded as Equity – Unrealised Gain and Losses in the Equity section of the balance sheet. These represent gains and losses from changes in the value of investment assets that have not been settled and recognised.

   c. Contributions

   Contributions from employers and members are recorded when control of the asset is ascertained which is upon receipt of the contribution schedule forms from the employers and the registration of the forms by the Fund. The Fund does not accrue for contributions for which no contribution schedule forms are received or received but not registered as it is not able to reliably estimate the contributions balance. Under the KPF Act, the amount of contributions for an employee for a month is the amount equal to 15% of the total wages payable to the employee by the employer for the month. The contribution shall be paid as a 7.5% deduction from the total wages of the employee and the other 7.5% contribution by the employer. The legislation allows for additional contributions to be made as voluntary contribution. The contributions shown in the changes in member benefits represents total contributions received from employers and members.

   d. Comparative figures

   Where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts.

**KIRIBATI PROVIDENT FUND**
**Notes to and forming part of the financial statements**
**For the year ended 31 March 2023**

| | | | April 22 - Mar 23 | | April 21 - Mar 22 |
|---|---|---|---|---|---|
| **3** | **Investment income** | | | | |
| | **Income on Overseas Investments - Pendal** | | | | |
| | OPS-Australian Shares | $ | 2,283,461 | $ | 975,437 |
| | OPS-Overseas Shares | $ | 2,521,846 | $ | 945,158 |
| | OPS-Australian Bonds | $ | 35,349 | $ | 204,002 |
| | OPS-International Bonds | $ | - | $ | 276,839 |
| | OPS-Australian Property | $ | 1,045,307 | $ | 3,983,067 |
| | OPS-International Property | $ | 280,155 | $ | 392,570 |
| | OPS-Other Alternatives | $ | 216,410 | $ | 1,845 |
| | OPS-Australian Cash | $ | 18,388 | $ | - |
| | **Total income - Pendal** | **$** | **6,400,916** | **$** | **6,778,918** |
| | | | | | |
| | **Unrealised Gain/(loss) on investment** | $ | - | $ | - |
| | OPS-Gain/(Loss) on Inv Revalue | $ | 3,048,577 | $ | (921,052) |
| | **Total** | **$** | **3,048,577** | **$** | **(921,052)** |
| | | | | | |
| | **ANZ Trustees Ltd investment** | | | | |
| | OPS-Dividends Aust Equities | $ | 1,106,090 | $ | 216,240 |
| | OPS-Dividends Overseas Equit | $ | 224,856 | $ | 126,516 |
| | OPS-Fixed Interest | $ | 379,363 | $ | 390,648 |
| | OPS-Cash | $ | 121,457 | $ | 37,708 |
| | OPS-Capital Gain/Loss | $ | 616,142 | $ | 2,541,039 |
| | OPS-Equity Accured Income | $ | 685,384 | $ | 1,348,299 |
| | **Total income ANZ Trustee investment** | **$** | **3,133,292** | **$** | **4,660,450** |
| | **Total Overseas investment income** | **$** | **12,582,785** | **$** | **10,518,316** |
| | | | | | |
| **4** | **Small loan scheme** | | | | |
| | LNS-Members loan - est. fee | $ | 459,704 | $ | 320,570 |
| | LNS-Members loan Admin fee | $ | 253,136 | $ | 354,599 |
| | LNS-Members loan penalty fee | $ | (4,100) | $ | 9,815 |
| | LNS-Members loan int revenue | $ | 1,822,922 | $ | 1,676,310 |
| | LNS-Application Fee | $ | 156,895 | $ | 113,733 |
| | LNS-Sundry Revenue | $ | 4,023 | $ | 3,761 |
| | LNS-Sundry | $ | 34 | $ | - |
| | **Total Small loan scheme income** | **$** | **2,692,614** | **$** | **2,478,788** |
| | | | | | |
| | OPS-AKL Loan interest on loan | $ | - | $ | 972,964 |
| | OPS-Surcharge Demand | $ | 171,017 | $ | 262,464 |
| | | | | | |
| **5** | **Other income** | | | | |
| | OPS-Staff Loan Interest | $ | - | $ | - |
| | OPS-Rental Staff Quarters | $ | 994 | $ | 974 |
| | OPS-Rental Commercial Building | $ | 100,175 | $ | 87,176 |
| | OPS-Electricity | $ | - | $ | 25 |
| | OPS-Membership ID Card | $ | 23,375 | $ | 12,490 |
| | OPS-Pledge Agreement | $ | 20,750 | $ | 21,600 |
| | OPS-Gain on Disposal of FA | $ | 1,014 | $ | 240 |

| | | | | | |
|---|---|---|---|---|---|
| | OPS-Sundry | $ | 20,499 | $ | 24,738 |
| | **Total other income** | **$** | **166,807** | **$** | **147,242** |
| | | | | | |
| **6** | **Staff costs** | | | | |
| | Salaries Established | $ | 751,675 | $ | 682,956 |
| | Salaries Temporary | $ | 7,126 | $ | 10,586 |
| | Overtime | $ | 24,767 | $ | 23,381 |
| | KPF Contribution | $ | 56,765 | $ | 51,954 |
| | Allowance | $ | 14,353 | $ | 15,328 |
| | Leave grant | $ | 174,428 | $ | 168,149 |
| | Subsidised House Rent | $ | 37,349 | $ | 34,016 |
| | **Total** | **$** | **1,066,463** | **$** | **986,371** |
| | | | | | |
| **7** | **General administration expenses** | | | | |
| | ***Office Expenses*** | | | | |
| | Electricity | $ | 66,810 | $ | 61,601 |
| | Telecom | $ | 49,085 | $ | 59,078 |
| | Supplies & Stationery | $ | 38,038 | $ | 73,412 |
| | Cleaning | $ | 4,164 | $ | - |
| | Postage | $ | 465 | $ | 497 |
| | Advertisement | $ | 2,559 | $ | 8,387 |
| | Recruitment | $ | 11,611 | $ | 45,423 |
| | Public Awareness | $ | 2,949 | $ | 756 |
| | Community obligation | $ | 2,690 | $ | 6,729 |
| | Agent Expenses | $ | 4,272 | $ | 801 |
| | Support service | $ | 15,600 | $ | 14,090 |
| | Rental Lease | $ | 2,317 | $ | 2,317 |
| | KPF Office Rent | $ | - | $ | - |
| | Staff Uniform | $ | 14,130 | $ | 884 |
| | Insurance Premium | $ | 69,471 | $ | 1,596 |
| | Management allowance | $ | 1,313 | $ | 4,848 |
| | ***Total*** | **$** | **285,473** | **$** | **280,418** |
| | | | | | |
| | ***Travelling - Local & Overseas*** | | | | |
| | External Travelling | $ | 28,595 | $ | - |
| | Internal Travelling | $ | 3,883 | $ | 72,517 |
| | Transport | $ | 19,064 | $ | 20,236 |
| | Xmas Visit | $ | - | $ | - |
| | Overseas training | $ | 8,369 | $ | 1,651 |
| | Local Training | $ | 26,402 | $ | 693 |
| | ***Total*** | **$** | **86,313** | **$** | **95,096** |
| | | | | | |
| | ***Repairs & Maintenance*** | | | | |
| | R&M Commercial Building - Tarawa | $ | 17,217 | $ | 207 |
| | R&M - Staff Quaters | $ | 96 | $ | 1,743 |
| | General Maintenance | $ | 6,366 | $ | 2,934 |
| | R&M Motor Vehicle | $ | 2,017 | $ | 5,242 |
| | Repair Hilux double cab | $ | - | $ | - |
| | ***Total*** | **$** | **25,695** | **$** | **10,126** |

**KIRIBATI PROVIDENT FUND**
**Notes to and forming part of the financial statements**
**For the year ended 31 March 2023**

| | | | | | |
|---|---|---|---|---|---|
| | ***Fees & Charges*** | | | | |
| | Subscription & Other fees | $ | 24,898 | $ | 19,259 |
| | Audit Fees | $ | 3,000 | $ | 3,000 |
| | International Fees | $ | 37,203 | $ | 17,531 |
| | Legal Fees | $ | 4,763 | $ | 7,912 |
| | Local services | $ | 22,566 | $ | 408 |
| | Subscription & member Fees | $ | - | $ | - |
| | Bank fees | $ | 14,131 | $ | 17,118 |
| | Other fees | $ | - | $ | - |
| | Sundry | $ | (15) | $ | 760 |
| | ***Total*** | **$** | **106,546** | **$** | **65,988** |
| | | | | | |
| | ***Board Expense*** | | | | |
| | Entertainment | $ | 800 | $ | 26,814 |
| | Board of Directors | $ | 40,117 | $ | 40,914 |
| | Committee allowance | $ | - | $ | - |
| | ***Total*** | **$** | **40,917** | **$** | **67,728** |
| | | | | | |
| | **Total General administration expenses** | **$** | **544,944** | **$** | **519,357** |
| | | | | | |
| **8** | **Investment expense** | | | | |
| | BT Management Fees | $ | 310,093 | $ | 150,821 |
| | Equity Management Fees | $ | 356,119 | $ | 351,782 |
| | **Total** | **$** | **666,212** | **$** | **502,603** |
| | | | | | |
| **9** | **Depreciation and other expenses** | | | | |
| | Bad Debts | $ | 11,584,232 | $ | 1,234,500 |
| | Depreciation | $ | 564,498 | $ | 257,282 |
| | Prior Period Item | $ | 54,232 | $ | 354,515 |
| | **Total** | **$** | **12,202,961** | **$** | **1,846,296** |
| | | | | | |
| | **Benefits allocated to members** | | | | |
| **10** | Interest on Withdrawal | $ | 96,700 | $ | 76,589 |
| **11** | Interest on Members Acct | $ | 10,925,676 | $ | 10,064,383 |
| | | **$** | **11,022,375** | **$** | **10,140,972** |
| | | | | | |
| | **Current Assets** | | | | |
| **12** | **Cash and Cash equivalents** | | | | |
| | Operation Account - 254079 | $ | 2,058,983 | $ | 3,389,300 |
| | Loan Bank Account - 831558 | $ | 1,036,190 | $ | 2,888,350 |
| | Bank account - 1273568 | $ | 1,198 | $ | 7,218 |
| | Petty Cash | $ | - | $ | 200 |
| | **Total Cash and Cash equivalents** | **$** | **3,096,371** | **$** | **6,285,068** |
| | | | | | |
| **13** | **Receivable** | | | | |
| | Surcharge Demand Receivable | $ | 1,343,724 | $ | 1,258,656 |
| | Air Kiribati loan no.1* | $ | 1,658,588 | $ | 1,658,588 |
| | Air Kiribati loan no.2* | $ | 4,640,000 | $ | 4,640,000 |

| | | | | |
|---|---|---|---|---|
| AKL loan no.2 accrued interest* | $ | 5,285,643 | $ | 5,285,643 |
| Provision for doubtful debts | $ | (12,842,178) | $ | (1,257,947) |
| Goods in transit | $ | 3,800 | $ | 35,172 |
| Trade Debtor & Rent Receivable | $ | 31,532 | $ | 4,109 |
| Receivables - Others | $ | 4,308 | $ | 4,308 |
| **Total Accounts Receivable** | **$** | **125,418** | **$** | **11,628,530** |

***AKL loans reclassified as receivables. These loans are impaired given that they are non-performing and the balance is greater than the security value. Provision for impairment is the maximum level of credit risk at the reporting date which is equivalent to the carrying amount of these loans.**

## 14 Accruals and Prepayments

| | | | | |
|---|---|---|---|---|
| Returned Cheques | $ | - | $ | - |
| Prepayment - Other | $ | - | $ | 40,000 |
| Prepaid expenses | $ | 8,972 | $ | - |
| SP1 JV Clearing - Operations | $ | - | $ | - |
| SP1 JV-Clearing loans | $ | - | $ | - |
| JV Trade Debtors | $ | (898) | $ | - |
| Security Deposit | $ | 360 | $ | 780 |
| Undeposited Funds | $ | - | | |
| **Total accruals & prepayments** | **$** | **8,435** | **$** | **40,780** |

## 15 Sundry Accounts Receivable

| | | | | |
|---|---|---|---|---|
| Staff Imprest | $ | 8,394 | $ | 4,820 |
| Staff Loan | $ | - | $ | - |
| Bank Clearing - Unkown Dr/ Cr | $ | 93,998 | $ | 107,049 |
| Loan Clearing Account | $ | - | $ | - |
| Dishonoured cheque | $ | 21,531 | $ | 23,921 |
| Receivable for Loan settlement | $ | - | $ | - |
| Staff loan advance | $ | - | $ | - |
| **Total sundry accounts receivable** | **$** | **123,923** | **$** | **135,789** |

## 16 Members' loan scheme account

| | | | | |
|---|---|---|---|---|
| Members Loans | $ | 24,928,879 | $ | 19,570,530 |
| Loan Employer Holding Account | $ | (725,119) | $ | (719,924) |
| **Total Members' loan balances** | **$** | **24,203,761** | **$** | **18,850,606** |

## 17 Fixed assets

| | | | | |
|---|---|---|---|---|
| Land at Cost | $ | 9,000 | $ | 9,000 |
| Building at Cost | $ | 2,116,373 | $ | 2,114,157 |
| Building Accum Dep | $ | (1,386,941) | $ | (1,281,131) |
| Furniture & Fittings at Cost | $ | 213,016 | $ | 158,720 |
| Furniture & Fittings Accum Dep | $ | (203,896) | $ | (158,720) |
| Motor Vehicles at cost | $ | 239,985 | $ | 200,500 |
| Motor Vehicles accumulated dep | $ | (207,499) | $ | (160,160) |
| Equipment & Machinery at Cost | $ | 390,042 | $ | 295,409 |
| Equipment & Mach Accum Dep | $ | (375,511) | $ | (293,850) |
| KPF Kiritimati Complex cost | $ | 6,838,785 | $ | - |

| | | | | | |
|---|---|---|---|---|---|
| | KPF Kiritimati Complex Accum Dep | $ | (227,960) | $ | - |
| | System Enhancement at Cost | $ | 567,428 | $ | 540,228 |
| | System enhancement - Accum Dep | $ | (427,817) | $ | (371,958) |
| | **Total fixed assets** | **$** | **7,545,006** | **$** | **1,052,195** |
| | **Refer to Note 25 Fixed Asset Schedule** | | | | |
| | | | | | |
| | **Investments** | | | | |
| 18 | **Overseas** | | | | |
| | Pendal | $ | 85,400,986 | $ | 86,343,606 |
| | **Pendal** | $ | 85,400,986 | $ | 86,343,606 |
| | | | | | |
| | **ANZ Trustees Ltd Investment:-** | | | | |
| | Equity Trustees | $ | 73,643,483 | $ | 70,616,545 |
| | Equties - accrued income | $ | 205,090 | $ | 2,064,247 |
| | **Total ANZ Trustees Ltd Investment** | **$** | **73,848,573** | **$** | **72,680,792** |
| | **Total overseas investments** | **$** | **159,249,559** | **$** | **159,024,398** |
| | | | | | |
| 19 | **Local** | | | | |
| | Air Kiribati loan no.1* | $ | - | $ | - |
| | Air Kiribati loan no.2* | $ | - | $ | - |
| | AKL loan no.2 accrued interest* | $ | - | $ | - |
| | DBK loan | $ | 90,969 | $ | 527,199 |
| | Accrued int - DBK investment | $ | - | $ | - |
| | Commercial building | $ | - | $ | 6,410,322 |
| | **Total for local investments** | **$** | **90,969** | **$** | **6,937,521** |

***AKL loans reclassified as receivables given that this loan non-performing and exposed to maximum credit risk**

| | | | | | |
|---|---|---|---|---|---|
| | **Current Liabilities** | | | | |
| 20 | **Payroll Liabilities** | | | | |
| | PAYE Taxes | $ | 9 | $ | - |
| | DBK Loan Repayment | $ | - | $ | - |
| | KPF Social Fund | $ | 14 | $ | - |
| | KPF Contribution payable | $ | (4) | $ | - |
| | Linnix House Rent Payable | $ | 6 | $ | - |
| | Loans Scheme | $ | 894 | $ | - |
| | Payroll Liability | $ | - | $ | - |
| | **Total** | **$** | **919** | **$** | **-** |
| | | | | | |
| 21 | **Sundry Accounts Payable** | | | | |
| | Witholding Taxes | $ | 30,219 | $ | 30,182 |
| | Trade Creditors | $ | 20,602 | $ | 30,990 |
| | Audit Fees Payable | $ | 78,000 | $ | 75,000 |
| | Hotel Tarawa Prepayments | $ | 50,870 | $ | 50,870 |
| | GST Collected | $ | 48,381 | $ | 48,381 |
| | GST Paid | $ | 95,095 | $ | 96,200 |
| | Accrued Expense | $ | - | $ | 367 |
| | Retention Fees | $ | 2,263 | $ | 2,263 |

**KIRIBATI PROVIDENT FUND**
**Notes to and forming part of the financial statements**
**For the year ended 31 March 2023**

| | | | | | |
|---|---|---|---|---|---|
| | Returned Fund | $ | 4,439 | $ | 13,693 |
| | Account Payable others | $ | 1,669 | $ | 1,669 |
| | Lease payables | $ | 810 | $ | - |
| | **Total** | **$** | **332,348** | **$** | **349,614** |
| | | | | | |
| **22** | **Member's Contribution Account** | | | | |
| | Opening balance | $ | 199,725,135 | $ | 186,747,656 |
| | Contribution & adjustments | $ | 19,599,105 | $ | 18,294,868 |
| | Interest on Withdrawal | $ | 96,700 | $ | 76,589 |
| | Interest on Members Acct | $ | 10,925,676 | $ | 10,064,383 |
| | Withdrawals & adjustments | $ | 18,795,707 | $ | 15,458,361 |
| | **Ending Member's contribution** | **$** | **211,550,908** | **$** | **199,725,135** |
| | Employer Contribution | $ | 1,830,511 | $ | 2,187,544 |
| | **Total Member's Account** | **$** | **213,381,420** | **$** | **201,912,679** |
| | | | 1% | | |
| **23** | **Reserves** | | | | |
| | Unrealised Gain (Losses) EQT | $ | 4,416,612 | $ | 6,026,004 |
| | Unrealised Gain(Losses) Pendal | $ | (15,567,884) | $ | (5,485,864) |
| | Unclaimed account reserve | $ | 646,859 | $ | 646,859 |
| | Unclaimed deposit account** | $ | 617,305 | $ | - |
| | **Total** | **$** | **(9,887,107)** | **$** | **1,186,999** |

** **Unclaimed deposit account** created in line with Section 38 of the Provident Fund regulation

| | | | | | |
|---|---|---|---|---|---|
| **24** | **Accumulated Surplus/(Deficit)** | | | | |
| | Accumulated Surplus/(Deficit) | $ | 505,595 | $ | 121,419 |
| | Adjustment to carry forward (deficit) | $ | - | $ | - |
| | Consolidated MYOB Adjustment | $ | - | $ | - |
| | Surplus/(Deficit) for the year | $ | (9,889,734) | $ | 384,177 |
| | **Total** | **$** | **(9,384,138)** | **$** | **505,595** |

**KIRIBATI PROVIDENT FUND**
**Notes to and forming part of the financial statements**
**For the year ended 31 March 2023**

**Note 25: Fixed Asset Depreciation Schedule - March 2023**

| | | 5% | 25% | 20% | 25% | 3% | 10% | |
|---|---|---|---|---|---|---|---|---|
| **Cost** | **Land** | **Buildings** | **F/Fittings** | **Vehicles** | **Equipment & Machineries** | **KPF Kiritimati Complex** | **System Enhancement** | **Total** |
| Balance 01/04/2022 | 9,000 | 2,114,157 | 158,720 | $200,500.00 | 295,409 | - | 540,228 | 3,318,014 |
| Additions | | 2,217 | 54,296 | $39,485.13 | 95,327 | 6,838,785 | 27,200 | 7,057,309 |
| Disposal | - | | - | $0.00 | 694 | - | - | 694 |
| **Balance 31/03/2023** | **9,000** | **2,116,373** | **213,016** | **239,985** | **390,042** | **6,838,785** | **567,428** | **10,374,630** |
| Accumulated Depreciation | | | | | | | | |
| Balance 01/04/2022 | - | (1,281,131) | (158,720) | (160,160) | (293,850) | - | (371,958) | (2,265,819) |
| Reversal acc depn of disposal | | | - | | 694 | | | 694 |
| Depreciation charged | - | (105,809) | (45,176) | (47,339) | (82,355) | (227,960) | (55,859) | (564,498) |
| **Accumulated Depreciation 31/03/2023** | - | **(1,386,941)** | **(203,896)** | **(207,499)** | **(375,511)** | **(227,960)** | **(427,817)** | **(2,829,623)** |
| **Net Book Value 31/03/2022** | 9,000 | 833,026 | - | 40,340 | 1,559 | - | 168,270 | 1,052,195 |
| **Net Book Value 31/03/2023** | **9,000** | **729,433** | **9,120** | **32,486** | **14,531** | **6,610,826** | **139,611** | **7,545,006** |