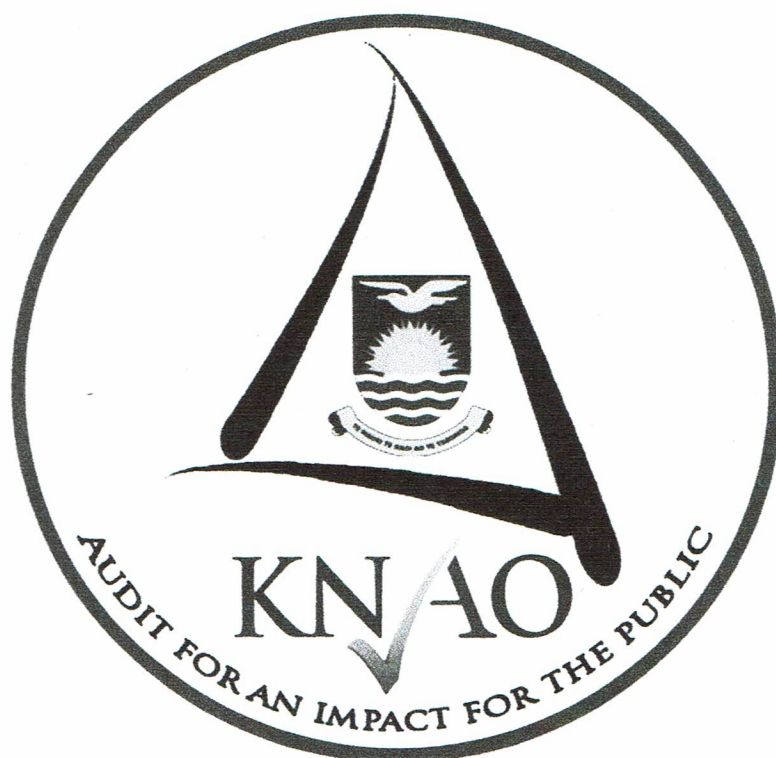


REPORT OF THE AUDITOR GENERAL ON THE ACCOUNT OF



**Kiribati Provident Fund
For the Year Ended 31st December 2008-2011**

**Kiribati National Audit Office
May 2016**

KIRIBATI NATIONAL AUDIT OFFICE



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Audit for an impact for the public

Audit Report

**To the readers of
Kiribati Provident Fund's financial statements
for the years ended 31 December 2008-2011**

The Auditor-General is the auditor of Kiribati Provident Fund (KPF).

The audit covered the Fund's compliance with the requirements of Part VII of the Public Finances (Control and Audit) 1981 and KPF Act that apply to the financial statements of the KPF for the years ended 31 December 2008-2011.

Qualification.

I am unable to satisfy myself as to the fairness of the Financial Statements for the Kiribati Provident Fund as at 31st December 2008-2011 due to the following issues:

- We were unable to verify a total of \$94k, \$35k, and \$21k worth of Payment Vouchers for the years 2008, 2010, 2011 respectively as they were noted missing.
- Some Cheque butt books for the years 2008, 2009, 2010 were not available.
- The inadequacy of the control over Cash Receipting System which was reported last audit had led to fraud in the year 2009 and 2010. The total amount embezzled was \$17,006.09. Receipts were reopened and modified to show smaller amounts.
- KPF failed to have in place control procedures to guard the Fund Management System from any fraudulent modification of information. During the year 2009, there were two fraud cases reported as a result of the above.

- E-copy receipts total and Printed Receipts total for the years 2008 and 2009 did not match and the variance of \$72k and \$148k were noted for those respective years.
- Sundry Debtors account could not be verified due to the following:
 - Surcharge receivable listing for the years 2008-2011 was not available.
 - Electricity and Rent receivable total balances for the years 2008-2011 did not match balances as per the audit reconciliations for those years.
- Staff loans and imprest balances increased every year however with concern the listing for the years 2008-2011 were not available for verification.
- Most of the tested Loan application fees entered into the Cash Receipting system for the years 2010 to 2011 were different from the print outs kept on file.
- Bank balances as per Bank Reconciliations and the Financial Statements did not match for the years 2009 & 2010.
- We were unable to verify the Small Loans Scheme Financial Reporting due to various misstatements, variances and other significant financial reporting inconsistencies.
- Fixed Assets register was not updated and physical counting of assets was not done for the years 2008-2011.
- Audit noted significant variances between Fund Management System and Financial Statement for Members contribution, Interest on Members accounts and unallocated members contribution. This issue was also reported last audit.

Audit Opinion (Adverse Opinion)

In view of the **limitation of scope** and the **effect of the significant variances** noted in some of the account balances together with the **non-compliance to KPF policies, and other mandatory professional reporting requirements** as outlined above, in our opinion, the financial statements of the Kiribati Provident Fund **DO NOT** present fairly the Funds Affairs as at 31 December 2008-2011, its results and cashflows for the year ended on that date. An adverse opinion was issued on the financial statements of the Fund as at 31 December 2008-2011.

The audit was completed on 3rd of May 2016, and is the date at which our opinion is expressed.

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

Basis of Opinion

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

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

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

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

Audit procedures generally include:

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

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

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

Responsibilities of the Board of Directors and the Auditor

The Board of Directors is responsible for preparing the financial statements in accordance with generally accepted accounting practice. The financial statements must give a true and fair view of the financial position of the Fund as at 31 December 2008-2011 and the results of its operations and cash flows for the year ended on that date. The Board of Directors' responsibilities arise from the Public Finance (Control and Audit) Act 1981 and KPF Act.

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

Independence

When carrying out the audit we followed the independence requirements stipulated under Section 114 (4) of the Kiribati Constitution and the International Standards of Auditing.

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



Mrs Matereta. Raiman
Auditor General
Kiribati National Audit Office

KIRIBATI PROVIDENT FUND
Statement of Financial Position
as at 31 December 2008

Account Name	Note	2008	2007	2006	2005
Current Assets					
Cash on Hand & at Bank	C-1	49,002	1,066,674	754,073	606,000
Accounts Receivable	C-2	770,315	723,856	499,479	428,000
Accruals and Prepayments	C-3	144,582	67,460	517,857	19,000
Sundry Accounts Receivable	C-4	715,214	695,329	562,294	1,101,000
		<u>1,635,113</u>	<u>2,553,319</u>	<u>2,333,703</u>	<u>2,154,000</u>
Less Current Liabilities					
Payroll Liabilities	D-1	(43,878)	(13,234)	-	(10,000)
Sundry Accounts Payable	D-2	36,736	33,735	31,205	345,000
Accruals & Advances	D-3	(8,798)	6,206	12,450	532,000
		<u>(15,940)</u>	<u>26,707</u>	<u>43,655</u>	<u>867,000</u>
Working Capital		<u>1,701,053</u>	<u>2,526,612</u>	<u>2,290,048</u>	<u>1,287,000</u>
Non-Current Assets					
Fixed Assets	C-5	1,417,814	1,396,379	1,374,049	1,450,000
Investments					
Overseas - BT	C-6	82,023,311	96,061,823	91,918,000	92,893,000
Local	C-7	5,765,342	11,106,100	11,253,360	1,960,000
		<u>87,788,653</u>	<u>107,157,923</u>	<u>103,171,360</u>	<u>94,853,000</u>
Total Net Asset		<u>90,907,520</u>	<u>111,090,914</u>	<u>106,835,458</u>	<u>97,592,000</u>
Member's Accumulated Funds					
Members Contributions	E-1	110,684,353	104,363,048	97,112,572	92,696,000
Reserves	E-2	5,442,062	5,442,062	5,442,062	5,442,000
Accumulated surplus/(deficit)	E-3	(25,218,895)	1,285,805	4,280,824	(546,100)
Net Worth		<u>90,907,520</u>	<u>111,090,915</u>	<u>106,835,458</u>	<u>97,592,000</u>

Signature.....
Chairman (KPF Board of Directors)

Signature.....
General Manager (KPF)

The accompanying notes form part of these financial statements

Kiribati Provident Fund
Statement of Financial Performance
For the year ended 31 December 2008

Overseas Income	Notes	2008	2007	2006	2005
Income on Investments	A-1	4,957,749	4,366,149	3,280,343	4,728,171
Gain/(Loss) on Sale of Investment	A-2	(3,237,562)	4,237,008	3,302,908	3,416,423
Gain/(Loss) on Investments Revaluation	A-3	(20,487,659)	(4,084,318)	5,306,680	3,528,995
Total Overseas Income		(18,767,472)	4,518,839	11,889,931	11,673,589
Local Income					
BOK Interest		517,837	360,745	241,022	-
Interest - DBK educational scheme investment		66,371	55,580		
Interest - Maitland Mutual Building		81,099			
Staff Loan Interest		5,866	20,480	17,226	31,148
Staff Quarters Rent		510	960	981	1,224
Commercial Building Rent		140,662	245,006	125,100	125,100
Electricity from Tenants		36,914	63,892	27,807	29,370
Surcharges		72,336	143,519	120,835	121,371
Esanda interest		-	-	225,687	-
Membership Card		2,154	4,260	4,943	3,462
Gain on sale of fixed asset		-	6,823		
Sundries		43,885	55,263	14,440	6,260
Total Local Income		967,634	956,528	778,041	317,935
Total Income		(17,799,838)	5,475,367	12,667,971	11,991,524
Less Operating Expenses					
Staff payroll	B-1	438,178	376,568	352,593	294,785
Office expenses	B-2	189,999	132,796	154,970	141,742
Travelling - Local & Overseas	B-3	118,494	106,050	108,281	116,716
Fees & Other Charges	B-4	403,168	405,131	413,380	24,016
Repairs and Maintenance	B-5	36,247	46,320	27,952	28,790
Miscellaneous	B-6	59,187	54,655	63,954	62,533
Financial	B-7	82,554	81,197	208,786	147,935
Total Expenditure		1,327,827	1,203,717	1,329,917	816,516
Operating Profit/(Loss) before Members Expenditure		(19,127,666)	4,271,651	11,338,055	11,175,007
Less Members Expenditure					
Interests on Members Accounts		7,376,919	7,260,374	6,742,568	6,051,714
Total Members Expenditure		7,376,919	7,260,374	6,742,568	6,051,714
Profit/(Loss) after Members Expenditure		(26,504,585)	(2,988,723)	4,595,486	5,123,293
Add/(less) Prior Period items	B-8	116	6,296	231,475	(780)
Net Surplus/(Loss)		(26,504,700)	(2,995,019)	4,826,962	5,122,513
Accumulated Surplus/(Deficit) at 1/1/08		1,285,805	4,280,824	(546,137)	(5,668,651)
Accumulated Surplus/(Deficit) at 31/12/08		(25,218,895)	1,285,805	4,280,824	(546,137)

The accompanying notes form part of these financial statements

Kiribati Provident Fund
Statement of Cashflows
For the year ended 31 December 2008

Cashflows from operating activities	Notes	2008	2007	2006	2005
Receipts from customers & employees		969,630	733,872	223,808	209,490
Payments to suppliers and employees		(1,234,918)	(1,514,152)	(2,038,547)	(879,244)
<i>Net cash from operating activities</i>	F	<i>(265,288)</i>	<i>(780,280)</i>	<i>(1,814,739)</i>	<i>(669,754)</i>
Cashflows from investing activities					
Receipts from investments		4,891,655	2,467,211	6,843,885	12,680,939
Purchase of property, plant and equipment		(93,875)	(95,410)	(36,023)	(30,964)
Purchase of investments		(4,494,700)	(1,529,352)	(2,779,374)	(11,740,000)
<i>Net cash from investing activities</i>		<i>303,080</i>	<i>842,449</i>	<i>4,028,488</i>	<i>909,975</i>
Cashflows from financing activities					
Members' contributions		9,257,547	9,513,960	9,848,243	8,543,551
Members' withdrawals		(10,313,011)	(9,263,529)	(11,913,992)	(8,352,165)
<i>Net cash from financing activities</i>		<i>(1,055,464)</i>	<i>250,431</i>	<i>(2,065,749)</i>	<i>191,386</i>
Net increase/(decrease) in cash		(1,017,672)	312,600	148,000	431,607
Add opening cash		1,066,674	754,074	606,074	174,467
Closing cash		49,002	1,066,674	754,074	606,074
Made up as follows:					
Cash at Bank		48,515	1,067,173	753,597	605,779
Petty Cash		487	(499)	477	295
Total	C-1	49,002	1,066,674	754,074	606,074

The accompanying notes form part of these financial statements

Kiribati Provident Fund
Statement of Movements in equity
For the year ended 31 December 2008

	Notes	2008	2007	2006	2005
Balance 1 January		111,090,914	106,835,457	97,592,009	86,226,472
Add/(less) net surplus deficit for the year		(26,504,700)	(2,995,019)	4,826,962	5,122,513
Total recognised revenue and expenses for the year		(26,504,700)	(2,995,019)	4,826,962	5,122,513
Movement in Capital contributions by members		6,321,306	7,250,476	4,416,487	6,243,024
Balance at 31 December		90,907,520	111,090,914	106,835,457	97,592,009
<i>Represented as follows:</i>					
Members' accounts	E-1	110,684,353	104,363,048	97,112,572	92,696,085
Reserves	E-2	5,442,062	5,442,062	5,442,062	5,442,062
Retained earning	E-3	(25,218,895)	1,285,805	4,280,824	(546,137)
Total equity		90,907,520	111,090,914	106,835,457	97,592,009

The accompanying notes form part of these financial statements

KIRIBATI PROVIDENT FUND
Notes to the accounts
For the year ended 31 December 2008

Note H: Fixed Asset Depreciation Schedule - 2008

Cost	Land	Buildings	F/Fittings	Vehicles	Machineries	System	Enhancement	Total
Balance 1/1/08	9,000	1,681,702	78,906	205,116	405,733			2,440,457
Additions	-	17,470	5,791	1,346	13,886		50,382	93,875
Disposal	-	-	-	-	-		-	-
Balance 31/12/08	9,000	1,699,172	84,697	206,462	484,619		50,382	2,534,332
Accumulated Depreciation								
Balance 1/1/08	-	431,676	75,069	164,055	372,669		-	1,044,059
Depreciation charged	-	28,656	2,407	8,361	27,998		5,038	72,449
Balance 31/12/08	-	460,332	77,476	173,016	400,657		5,038	1,116,518
NBV 31/12/08	9,000	1,238,840	7,221	33,446	83,963		45,344	1,417,814
NBV 31/12/07	9,000	1,250,026	3,837	40,461	93,064		-	1,396,388

KIRIBATI PROVIDENT FUND
Notes to the accounts
For the year ended 31 December 2008

Note I: Gain/Loss on Investment Valuation as at 31/12/08

	Market Value	Cost	Difference
Australian Fixed Interest	17,422,229	17,349,248	72,982
International Fixed Interest	7,830,458	7,915,723	(85,265)
Australian Real Estate			
BT Instit Enhanced Prop Sec FD	4,462,284	7,973,069	(3,510,785)
International Real Estate	3,358,181	5,138,321	(1,780,140)
Australian shares	19,086,884	23,629,114	(4,542,229)
International Share	18,223,888	24,603,646	(6,379,758)
Other Investment	3,626,601	4,246,091	(619,490)
Total	74,010,526	90,855,211	(16,844,685)
Investment Revaluation Reserve 1/1/08			3,642,974
CURRENT ASSETS			
Cash on Hand & Cash equivalents			
Cash at Bank	623,272	623,272	
BT managed cash	2,339,005	2,339,005	
Total cash on hand & cash equivalent	2,962,277	2,962,277	
Other current assets			
Future deposit	74,765	74,765	
Initial exposure value	-	-	
Initial options margin account	-	-	
Income due but not received	730,932	730,932	
Unsettled sales	137,811	137,811	
Total other current assets	943,509	943,509	
TOTAL CURRENT ASSETS	3,905,786	3,905,786	
OTHER CURRENT LIABILITIES			
Initial exposure value	(887,515)	(887,515)	
Initial Lepo Margin - Deposit	-	-	
Initials options Margin Account	(0)	(0)	
Total Future & Options exposure	(887,515)	(887,515)	
Fee payable to Manager	(74,965)	(74,965)	
Unsettled purchases	(11,621)	(11,621)	
Total other current liabilities	(86,586)	(86,586)	
Total other current liabilities	(974,101)	(974,101)	
NET ASSETS	76,942,212	93,786,897	(16,844,685)
Opening value as at 01/01/08	95,049,304	92,406,329	
Funds withdrawn	-	-	
Movement in valuation	(19,107,092)	-	
Net investment income		4,618,129	
Net capital gains		(3,237,562)	
Closing value as at 31/12/2008	76,942,212	93,786,897	(16,844,685)
Unrealized Gains/(Losses)			
Closing investment valuation reserve			(16,844,685)
Less opening investment valuation reserve			3,642,974
Unrealized capital movement over period			(20,487,659)

KIRIBATI PROVIDENT FUND
Notes to the accounts
For the year ended 31 December 2008

Notes	2008	2007	2006	2005
A-1 Income on Overseas Investments				
Dividends - Australian Shares	1,015,195	1,130,750	1,135,575	984,317
Dividends - Overseas Shares	514,213	451,957	432,618	460,304
Distribution - Real Estate	910,863	1,265,208	775,038	565,082
Distribution - Australian Bond	1,338,433	910,229	656,828	1,980,049
Distribution - Overseas Bond	877,186	378,350	71,878	910,593
Australian Cash	251,854	226,651	193,413	170,909
Other		3,004	14,988	-
Total income	4,957,749	4,366,149	3,280,343	5,071,254
Add/(Less) management and custodian fees			-	(343,083)
Total	4,957,749	4,366,149	3,280,343	4,728,171
A-2 Realized Gain/(Loss) on Sale of Investments				
Australian Fixed Interest Securities	(98,063)	-	(4,430)	10,905
Overseas Fixed Interest Securities	(1,495,999)	-	(90,173)	31
Real Estate	(275,000)	299,992	729,002	1,265,054
Australian Shares	(943,500)	3,845,666	3,568,484	2,883,653
International Shares	(300,000)	-	(1,128,534)	(846,835)
Other investment	(293,830)			
Cash equivalent				
Future contracts	55,075	66,025	226,103	100,300
Options contract	13,755	25,325	2,456	3,315
Total	(3,237,562)	4,237,008	3,302,908	3,416,423
A-3 Unrealised Gains/(Losses) on Investment valuation				
International Fixed Interest	(85,265)	145,650	(535)	(375,981)
Overseas Equities	(6,379,758)	(549,678)	502,233	(2,718,549)
Australian Fixed Interest	72,982	(946,487)	(587,379)	(705,536)
Australian shares	(4,542,229)	4,573,817	5,355,165	5,091,278
Australian real estate	(3,510,785)			
International real estate	(1,780,140)			
other investment	(619,490)			
Real Estate		419,672	2,457,807	1,129,399
	(16,844,685)	3,642,974	7,727,292	2,420,612
Forward exchange contract				
Investment revaluation 31/12/2008	(16,844,685)	3,642,974	7,727,292	2,420,612
Less Opening investment revaluation	3,642,974	7,727,292	2,420,612	(1,108,383)
Gain/(loss) on investment revaluation	(20,487,659)	(4,024,318)	5,306,680	3,528,995
B-1 Staff Payroll				
Salaries - Established Staff	315,641	295,479	236,381	228,364
Salaries - Temporary Staff	32,780	31,214	25,461	30,862
Overtime	44,893	14,334	12,931	13,749
Allowances	10,131	11,097	6,075	2,343
Retirement benefit	8,000			
KPF Contributions	26,732	24,444	21,746	19,467
Total	438,178	376,568	352,593	294,785
B-2 Office Expenses				
Electricity	100,600	63,512	61,189	78,621
Insurance Fire	10,859	11,204	19,068	7,769
Office Supplies	27,288	20,145	17,481	24,128
Telecom	48,789	36,564	51,531	30,219
Postage	343	330	239	377
Printing	891	484	2,786	182
Entertainment	1,229	557	2,676	446
Total	189,999	132,796	154,970	141,742
B-3 Travelling - Local & Overseas				
Annual Leave	26,912	28,819	21,608	24,126
Transport	25,112	23,159	18,618	9,580
Xmas Island visit	-	22,852	2,160	
Xmas staff return transport	-	5,013		
Conference/ Workshop	56,259	15,671	3,365	59,400
Compliance	7,841	9,841	59,159	10,127
Training	2,370	695	3,372	13,483
Total	118,494	106,050	108,281	116,716

KIRIBATI PROVIDENT FUND
Notes to the accounts
For the year ended 31 December 2003

	2003	2007	2006	2005
B-4 Fees & Other Charges				
BT Management & other fees	339,620	372,178	363,004	-
International Social Security Association	18,049	9,031	7,716	9,137
Financial Synergy	21,935	12,425	8,630	2,875
Audit Fees	3,000	3,000	18,000	-
Bank Charges	12,224	7,256	14,025	10,545
Legal fees	8,340	1,641	2,005	1,009
VMS agent fee		600	-	450
Total	403,168	406,131	413,380	24,016
B-5 Repairs & Maintenance				
Commercial Building	19,554	31,234	13,418	12,697
Staff House	3,612	7,883	5,828	5,769
KPF Office & xmas [repair & rent]	3,257	3,824	2,745	770
furniture & fittings		0	110	232
Vehicle - Motorbike	34	0	210	4,435
office equipment	2,602	103	4,148	1,373
Vehicle - Double cab & minibus	7,188	3,271	1,495	-
Generator	-	0	-	3,515
Total	36,247	46,320	27,952	28,790
B-6 Miscellaneous				
Advertisement	3,130	7,244	8,067	1,954
Board of Directors	14,679	8,356	11,667	6,259
Rental Lease	650	650	648	648
KPF Office Rent	35,700	33,153	20,016	20,016
Computerisation	-	0	15,304	5,549
Staff Uniform	1,715	0	3,450	3,327
Donation	3,000	3200	3,490	3,675
Work experience	-	0	-	1,150
Sundry Expenses	313	2,051	1,313	19,355
Total	59,187	54,655	63,954	62,533
B-7 Financial				
Depreciation	72,450	73,082	112,530	141,358
Asset write off expense		0	8,223	-
Subsidised House Rent	10,104	8,115	9,468	6,578
Bad debt		0	78,565	-
Total	82,554	81,197	208,786	147,936
B-8 Prior Period Items				
Prior period expenses	116	6,296		
Write off expense adjustment		0	809,735	(780)
Write back of revenue adjustment		0	(578,259)	
Total	116	6,296	231,475	(780)
Current Assets				
C-1 Cash on hand & Bank				
Cash at Bank	48,515	1,067,173	753,596	605,779
Petty Cash	487	(499)	477	295
Total	49,002	1,066,674	754,073	606,074
C-2 Accounts Receivable				
Accounts Receivable - surcharges	610,694	562,176	473,991	414,802
Accounts Receivable - others	11,471	11,471	11,471	11,471
Rent Receivable - commercial building	115,733	114,578	7,375	(1,991)
Electricity Receivable - commercial build	38,417	35,631	6,643	4,017
Total Accounts Receivable	776,315	723,856	499,479	428,299
C-3 Accruals & Prepayments				
Accrued interest - local IBDs		-	206,147	-
Accrued members contributions		-	260,332	-
Accrued interest - DBK educational investmer	121,951	55,580		
Returned cheques	22,235	11,484	47,952	13,149
Prepayment	396	396	3,426	5,946
Total accruals & prepayments	144,582	67,460	517,857	19,094

KIRIBATI PROVIDENT FUND
Notes to the accounts
For the year ended 31 December 2008

	2008	2007	2006	2005
C-4 Sundry Accounts Receivable				
Staff imprest	112,204	68,660	57,094	48,992
Staff loan	602,510	626,229	504,700	449,663
Unsettled Sales of Investment	-	-	-	578,259
Debtor - PVU	-	-	-	24,065
House Rent Deposit	500	500	500	500
Total sundry accounts receivable	715,214	695,329	562,294	1,101,479
C-5 Fixed assets				
Land	9,000	9,000	9,000	9,000
Buildings	1,238,340	1,250,026	1,253,195	1,280,814
Furniture & Fittings	7,221	3,837	5,005	10,802
Motor Vehicles	33,446	40,452	15,004	20,929
System enhancement	45,344	-	-	-
Office Machineries	83,963	93,064	91,844	129,012
Total fixed assets	1,417,814	1,396,379	1,374,049	1,450,556
Refer to Note H for fixed asset breakdown				
Investments				
C-6 Overseas - BTIM				
Australian Fixed Interest Securities	17,422,229	24,668,910	23,595,000	23,285,000
Overseas Fixed Interest Securities	7,830,458	9,271,234	8,842,000	23,122,000
Real Estate	7,820,465	11,076,610	9,875,000	9,222,000
Australian Equities	19,086,884	23,843,476	22,979,000	24,778,000
Overseas Equities	18,223,888	23,145,337	22,736,000	9,276,000
Cash equivalent	2,931,686	4,056,256	3,841,000	3,210,000
Other	3,626,601	2,840	-	-
	76,942,212	96,064,663	91,918,000	92,893,000
Maitland Mutual Building	5,081,099	-	-	-
Total for overseas investments	82,023,311	96,064,663	91,918,000	92,893,000
C-7 Local				
Interest Bearing Deposit	4,235,990	9,576,748	11,253,360	1,906,341
DBK Education support investment	1,529,352	1,529,352	-	-
Abamakoro Shares	-	-	-	54,500
Total for local investments	5,765,342	11,106,100	11,253,360	1,960,841
TOTAL INVESTMENTS	87,788,653	107,170,763	103,171,360	94,853,841
Current Liabilities				
D-1 Payroll Liabilities				
PAYE Taxes	3,224	167	-	163
Withholding Taxes	(2,357)	(582)	-	2,537
Life Insurance Payable	(254)	(394)	-	(181)
KHC House Rent Payable	(254)	(224)	-	(145)
Linnix House Rent Payable	(2,194)	(1,918)	-	(31)
Private House Rent Payable	69	69	-	-
EKL House Rent Payable	-	-	-	13
DBK Loan Repayment	515	(5)	-	1,657
KHC Loan Repayment	(1,492)	(1,507)	-	80
Wages Payable	(41,135)	(6,005)	-	(14,434)
Total	(43,878)	(10,398)	-	(10,337)
D-2 Sundry Accounts Payable				
Accounts Payable [Tatua Kaiteie]	1,205	1,205	1,205	1,308
Service Fees Payable	-	-	-	48
Westpac Fees Payable	-	-	-	333,969
Audit Fees Payable	36,000	33,000	30,000	12,000
KPF Social Fund	(463)	(469)	-	(1,738)
Total	36,736	53,736	31,205	345,587
D-3 Accruals & Advances				
Unsettled Purchase of Investment	-	-	-	545,532
Accrued Expenses	(8,798)	6,206	12,450	(13,448)
Total	(8,798)	6,206	12,450	532,084

KIRIBATI PROVIDENT FUND
Statement of Financial Position
as at 31 December 2009

Account Name	Note	2009	2008	2007	2006	2005
Current Assets						
Cash on Hand & at Bank	C-1	352,569	49,002	1,066,674	754,073	606,074
Accounts Receivable	C-2	864,804	776,315	723,856	499,479	428,299
Accruals and Prepayments	C-3	232,933	144,582	67,460	517,857	19,094
Sundry Accounts Receivable	C-4	740,217	715,214	695,329	562,294	1,101,479
		<u>2,190,523</u>	<u>1,685,113</u>	<u>2,553,319</u>	<u>2,333,703</u>	<u>2,154,946</u>
Less Current Liabilities						
Payroll Liabilities	D-1	(42,670)	(43,878)	(13,234)	-	(10,337)
Sundry Accounts Payable	D-2	39,736	36,736	33,735	31,205	345,587
Accruals & Advances	D-3	(12,158)	(8,798)	6,206	12,450	532,084
		<u>(15,092)</u>	<u>(15,940)</u>	<u>26,707</u>	<u>43,655</u>	<u>867,334</u>
Working Capital		<u>2,205,615</u>	<u>1,701,053</u>	<u>2,526,612</u>	<u>2,290,048</u>	<u>1,287,612</u>
Non-Current Assets						
Fixed Assets	C-5	1,385,075	1,417,814	1,396,379	1,374,049	1,450,556
Investments						
Overseas - BT	C-6	92,231,592	82,023,311	96,061,823	91,913,000	92,393,000
Local	C-7	2,897,805	5,765,342	11,106,100	11,253,360	1,960,341
		<u>95,129,397</u>	<u>87,788,653</u>	<u>107,167,923</u>	<u>103,171,360</u>	<u>94,853,341</u>
Total Net Asset		<u><u>98,720,087</u></u>	<u><u>90,907,520</u></u>	<u><u>111,090,915</u></u>	<u><u>106,835,458</u></u>	<u><u>97,592,009</u></u>
Member's Accumulated Funds						
Members Contributions	E-1	113,158,379	110,684,353	104,363,048	97,112,572	92,686,085
Reserves	E-2	5,443,472	5,442,062	5,442,062	5,442,062	5,442,062
Accumulated surplus/(deficit)	E-3	(19,881,764)	(25,218,895)	1,285,805	4,280,824	(546,137)
Net Worth		<u><u>98,720,087</u></u>	<u><u>90,907,520</u></u>	<u><u>111,090,915</u></u>	<u><u>106,835,458</u></u>	<u><u>97,592,009</u></u>

Signature.....
Chairman (KPF Board of Directors)

Signature.....
General Manager (KPF)

The accompanying notes form part of these financial statements

Kiribati Provident Fund
Statement of Financial Performance
For the year ended 31 December 2009

Overseas Income	Notes	2009	2008	2007	2006	2005
Income on Investments	A-1	5,046,469	4,957,749	4,366,149	3,280,343	4,728,171
Gain/(Loss) on Sale of Investment	A-2	(3,130,510)	(3,237,562)	4,237,008	3,302,908	3,416,423
Gain/(Loss) on Investments Revaluation	A-3	9,897,356	(20,487,659)	(4,084,318)	5,306,680	3,528,995
Total Overseas Income		11,813,315	(18,767,472)	4,518,839	11,889,931	11,673,589
Local Income						
BOK Interest		277,895	517,837	360,745	241,022	-
Interest - DBK educational scheme investment		37,118	66,371	55,580		
Staff Loan Interest		6,910	5,866	20,480	17,226	31,148
Staff Quarters Rent		934	510	960	981	1,224
Commercial Building Rent		133,930	140,662	245,006	125,100	125,100
Electricity from Tenants		48,367	36,914	63,892	27,807	29,370
Surcharges		124,643	72,336	143,519	120,835	121,371
Maitland Mutual Building interest		261,121	81,099			
Esanda interest		-	-	-	225,687	-
Membership Card		2,797	2,154	4,260	4,943	3,462
Gain on sale of fixed asset			-	6,823		
Sundries		24,352	43,885	55,263	14,440	6,260
Total Local Income		918,067	967,634	956,528	778,041	317,935
Total Income		12,731,382	(17,799,838)	5,475,367	12,667,971	11,991,524
Less Operating Expenses						
Staff payroll	B-1	444,143	438,178	376,568	352,593	294,785
Office expenses	B-2	192,054	189,999	132,796	154,970	141,742
Travelling - Local & Overseas	B-3	232,130	118,494	106,050	108,281	116,716
Fees & Other Charges	B-4	397,448	403,168	406,131	413,380	24,016
Repairs and Maintenance	B-5	58,928	36,247	46,320	27,952	28,790
Miscellaneous	B-6	62,765	59,187	54,655	63,954	62,533
Financial	B-7	92,230	82,554	81,197	208,786	147,935
Total Expenditure		1,479,698	1,327,827	1,203,717	1,329,917	816,516
Operating Profit/(Loss) before Members exp		11,251,684	(19,127,666)	4,271,650	11,338,055	11,175,007
Less Members Expenditure						
Interests on Members Accounts		5,906,677	7,376,919	7,260,374	6,742,568	6,051,714
Total Members Expenditure		5,906,677	7,376,919	7,260,374	6,742,568	6,051,714
Profit/(Loss) after Members Expenditure		5,345,008	(26,504,585)	(2,988,724)	4,595,486	5,123,293
Add/(less) Prior Period Items	B-8	7,877	116	6,296	231,475	(780)
Net Surplus/(Loss)		5,337,131	(26,504,700)	(2,995,020)	4,826,962	5,122,513
Accumulated Surplus/(Deficit) at 1/1/09		(25,218,896)	1,285,805	4,280,824	(546,137)	(5,668,651)
Accumulated Surplus/(Deficit) at 31/12/09		(19,881,765)	(25,218,896)	1,285,805	4,280,824	(546,137)

The accompanying notes form part of these financial statements

Kiribati Provident Fund
Statement of Cashflows
For the year ended 31 December 2009

	Notes	2009	2008	2007	2006	2005
Cashflows from operating activities						
Receipts from customers & employees		604,932	969,630	733,872	223,808	209,490
Payments to suppliers and employees		(1,663,180)	(1,234,918)	(1,514,152)	(2,038,547)	(879,244)
<i>Net cash from operating activities</i>	F	(1,058,248)	(265,288)	(780,280)	(1,814,739)	(669,754)
Cashflows from investing activities						
Receipts from investments		11,182,739	4,891,655	2,467,211	6,843,885	12,680,939
Purchase of property, plant and equipment		(49,918)	(93,875)	(95,410)	(36,023)	(30,964)
Purchase of investments		(6,675,399)	(4,494,700)	(1,529,352)	(2,779,374)	(11,740,000)
<i>Net cash from investing activities</i>		4,457,422	303,080	842,449	4,028,488	909,975
Cashflows from financing activities						
Members' contributions		10,213,601	9,257,547	9,513,960	9,848,243	8,543,551
Members' withdrawals		(13,309,208)	(10,313,011)	(9,263,529)	(11,913,992)	(8,352,165)
<i>Net cash from financing activities</i>		(3,095,607)	(1,055,464)	250,431	(2,065,749)	191,386
Net increase/(decrease) in cash		303,567	(1,017,672)	312,600	148,000	431,607
Add opening cash		49,002	1,066,674	754,074	606,074	174,467
<i>Closing cash</i>		352,569	49,002	1,066,674	754,074	606,074
Made up as follows:						
Cash at Bank		351,709	48,515	1,067,173	753,597	605,779
Petty Cash		860	487	(499)	477	295
Total	C-1	352,569	49,002	1,066,674	754,074	606,074

The accompanying notes form part of these financial statements

Kiribati Provident Fund
Statement of Movements in equity
For the year ended 31 December 2009

	Notes	2009	2008	2007	2006	2005
Balance 1 January		90,907,520	111,090,914	106,835,457	97,592,009	86,226,472
Add/(less) net surplus deficit for yr		5,337,131	(26,504,700)	(2,995,019)	4,826,962	5,122,513
Total recognised revenue and expenses for th		5,337,131	(26,504,700)	(2,995,019)	4,826,962	5,122,513
Movement in Capital contributions by members		2,475,436	6,321,306.00	7,250,476	4,416,487	6,243,024
Balance at 31 December		98,720,087	90,907,520	111,090,914	106,835,457	97,592,009
<i>Represented as follows:</i>						
Members' accounts	E-1	113,158,379	110,684,353	104,363,048	97,112,572	92,696,085
Reserves	E-2	5,443,472	5,442,062	5,442,062	5,442,062	5,442,062
Retained earning	E-3	(19,881,764)	(25,218,895)	1,285,805	4,280,824	(546,137)
Total equity		98,720,087	90,907,520	111,090,914	106,835,457	97,592,009

The accompanying notes form part of these financial statements

KIRIBATI PROVIDENT FUND
Notes to the accounts
For the year ended 31 December 2009

Note H: Fixed Asset Depreciation Schedule - 2009

Cost	Land	Buildings	F/Fittings	Vehicles	Machineries	System	Enhancement	Total
Balance 1/1/09	9,000	1,699,172	84,697	206,462	484,619		50,382	2,534,332
Additions	-	-	-	-	49,918		-	49,918
Disposal	-	-	-	-	-		-	-
Balance 31/12/09	9,000	1,699,172	84,697	206,462	534,537		50,382	2,584,250
Accumulated Depreciation								
Balance 1/1/09	-	460,332	77,476	173,016	400,657		5,038	1,116,519
Depreciation charged	-	28,656	1,805	6,689	40,468		5,038	82,656
Balance 31/12/09	-	488,988	79,281	179,705	441,125		10,076	1,199,175
NBV 31/12/09	9,000	1,210,185	5,416	26,757	93,413		40,305	1,385,075
NBV 31/12/08	9,000	1,238,840	7,221	33,446	83,962		45,344	1,417,813

KIRIBATI PROVIDENT FUND
Notes to the accounts
For the year ended 31 December 2009

Note I: Gain/Loss on Investment Valuation as at 31/12/09

	Market Value	Cost	Difference
Australian Fixed Interest	18,673,213	19,367,082	(693,869)
International Fixed Interest	8,412,542	8,745,756	(333,214)
Australian Real Estate	5,581,329	8,283,810	(2,702,481)
International Real Estate	3,759,883	3,669,427	90,456
Australian shares	21,922,805	18,803,044	3,119,761
International Share	22,207,693	28,303,908	(6,094,604)
Other Investment	3,376,489	3,709,867	(333,378)
Total	83,933,954	90,882,893	(6,947,329)
Investment Revaluation Reserve 1/1/09			(16,844,685)
CURRENT ASSETS			
Cash on Hand & Cash equivalents			
Cash at Bank	380,882	380,882	
BT enhanced cash fund	373,649	372,039	
BT managed cash	3,196,263	3,196,263	
Total cash on hand & cash equivalent	3,950,794	3,949,184	
Other current assets			
Future deposit	10	10	
Initial exposure value	-	-	
Initial options margin account	-	-	
Income due but not received	470,108	470,108	
Unsettled sales	186,695	186,695	
Total other current assets	656,813	656,813	
TOTAL CURRENT ASSETS	4,607,607	4,605,997	
OTHER CURRENT LIABILITIES			
Initial exposure value			
Initial Lepo Margin - Deposit	-	-	
Initials options Margin Account	(1)	(1)	
Total Future & Options exposure	(1)	(1)	
Fee payable to Manager	(129,998)	(129,998)	
Unsettled purchases	(22,189)	(22,189)	
Total other current liabilities	(152,188)	(152,187)	
Total other current liabilities	(152,188)	(152,189)	
NET ASSETS	88,389,372	95,336,701	(6,947,329)
Opening value as at 01/01/09	76,905,014	93,786,897	
Funds withdrawn	-	-	
Movement in valuation	11,484,358		
Net investment income		4,680,314	
Net capital gains		(3,130,510)	
Closing value as at 31/12/2009	88,389,372	95,336,701	(6,947,329)
Unrealized Gains/(Losses)			
Closing investment valuation reserve			(6,947,329)
Less opening investment valuation reserve			(16,844,685)
Unrealized capital movement over period			9,897,356

KIRIBATI PROVIDENT FUND
Notes to the accounts
For the year ended 31 December 2009

Notes	2009	2008	2007	2006	2005
A-1 Income on Overseas Investments					
Dividends - Australian Shares	703,181	1,015,195	1,130,750	1,135,575	984,317
Dividends - Overseas Shares	1,349,173	514,213	451,957	432,618	460,304
Distribution - Real Estate	492,285	910,863	1,265,208	775,038	565,082
Distribution - Australian Bond	1,451,755	1,388,438	910,229	656,828	1,980,049
Distribution - Overseas Bond	925,251	877,186	378,350	71,878	910,593
Australian Cash	124,824	251,854	226,651	193,418	170,909
Other			3,004	14,988	-
Total income	5,046,469	4,957,749	4,366,149	3,280,343	5,071,254
Add/(Less) management and custodian fees				-	(343,083)
Total	5,046,469	4,957,749	4,366,149	3,280,343	4,728,171
A-2 Realized Gain/(Loss) on Sale of Investments					
Australian Fixed Interest Securities	(50,676)	(98,063)	-	(4,430)	10,905
Overseas Fixed Interest Securities	(29,132)	(1,495,999)	-	(90,173)	31
Real Estate	(777,485)	(275,000)	299,992	729,002	1,265,054
Australian Shares	(827,443)	(843,500)	3,845,666	3,568,484	2,883,653
International Shares	(1,440,370)	(300,000)	-	(1,128,534)	(846,835)
Other investment	(5,404)	(293,830)			
Cash equivalent					
Future contracts		55,075	66,025	226,103	100,300
Options contract		13,755	25,325	2,456	3,315
Total	(3,130,510)	(3,237,562)	4,237,008	3,302,908	3,416,423
A-3 Unrealised Gains/(Losses) on Investment valuation					
International Fixed interest	(333,214)	(85,265)	145,650	(535)	(375,981)
Overseas Equities	(6,094,604)	(6,379,758)	(549,678)	502,233	(2,718,549)
Australian Fixed interest	(693,869)	72,982	(946,487)	(587,379)	(705,536)
Australian shares	3,119,761	(4,542,229)	4,573,817	5,355,165	5,091,278
Australian real estate	(2,702,481)	(3,510,785)			
International real estate	90,455	(1,780,140)			
other investment	(333,378)	(619,490)			
Real Estate			419,672	2,457,807	1,129,399
	(6,947,329)	(16,844,685)	3,642,974	7,727,292	2,420,612
Forward exchange contract					
Investment revaluation 31/12/2009	(6,947,329)	(16,844,685)	3,642,974	7,727,292	2,420,612
Less Opening investment revaluation	(16,844,685)	3,642,974	7,727,292	2,420,612	(1,108,383)
Gain/(loss) on investment revaluation	9,897,356	(20,487,659)	(4,084,318)	5,306,680	3,528,995
B-1 Staff Payroll					
Salaries - Established Staff	321,910	315,641	295,479	286,381	228,364
Salaries - Temporary Staff	34,772	32,780	31,214	25,461	30,862
Overtime	51,571	44,893	14,334	12,931	13,749
Allowances	8,897	10,131	11,097	6,075	2,343
Retirement benefit		8,000			
KPF Contributions	26,993	26,732	24,444	21,746	19,467
Total	444,143	438,173	376,568	352,593	294,785
B-2 Office Expenses					
Electricity	105,189	100,600	63,512	61,189	78,621
Insurance Fire	11,109	10,859	11,204	19,068	7,769
Office Supplies	26,027	27,283	20,145	17,481	24,128
Telecom	46,241	48,789	36,564	51,531	30,219
Postage	103	343	330	239	377
Printing	1,635	891	484	2,786	182
Entertainment	1,750	1,229	557	2,676	446
Total	192,054	189,999	132,796	154,970	141,742
B-3 Travelling - Local & Overseas					
Annual Leave	28,406	26,912	28,819	21,608	24,126
Transport	29,635	25,112	23,159	18,618	9,580
Xmas Island visit	14,562	-	22,852	2,160	
Xmas staff return transport	-	-	5,013		
Conference/ Workshop	107,010	56,259	15,671	3,365	59,400
Compliance	19,095	7,841	9,841	59,159	10,127
Training	33,422	2,370	695	3,372	13,483
Total	232,130	118,494	106,050	103,281	116,716

KIRIBATI PROVIDENT FUND
Notes to the accounts
For the year ended 31 December 2009

	2009	2008	2007	2006	2005
B-4 Fees & Other Charges					
BT Management & other fees	366,155	339,620	372,178	363,004	-
International Social Security Associatio	-	18,049	9,031	7,716	9,137
Financial Synergy	-	21,936	12,425	8,630	2,875
SFL Fees	11,211				
Audit Fees	3,000	3,000	3,000	18,000	-
Bank Charges	10,299	12,224	7,256	14,025	10,545
Legal fees	6,408	8,340	1,641	2,005	1,009
VMS agent fee	375		600	-	450
Total	397,448	403,168	406,131	413,380	24,016
B-5 Repairs & Maintenance					
Commercial Building	40,597	19,554	31,234	13,418	12,697
Staff House	9,219	3,612	7,883	5,828	5,769
KPF Office & xmas [repair & rent]	3,416	3,257	3,824	2,745	770
furniture & fittings	-		0	110	232
Vehicle - Motorbike	-	34	0	210	4,435
office equipment	-	2,602	108	4,148	1,373
Vehicle - Double cab & minibus	5,696	7,188	3,271	1,495	-
Generator		-	0	-	3,515
Total	58,928	36,247	46,320	27,952	28,790
B-6 Miscellaneous					
Advertisement	5,418	3,130	7,244	8,067	1,954
Board of Directors	14,163	14,679	8,356	11,667	6,859
Rental Lease	650	650	650	648	648
KPF Office Rent	35,700	35,700	33,153	20,016	20,016
Computerisation	-	-	0	15,304	5,549
Staff Uniform	2,318	1,715	0	3,450	3,327
Donation	4,110	3,000	3200	3,490	3,675
Work experience	-	-	0	-	1,150
Sundry Expenses	406	313	2,051	1,313	19,355
Total	62,765	59,187	54,655	63,954	62,533
B-7 Financial					
Depreciation	82,656	72,450	73,082	112,530	141,358
Asset write off expense			0	8,223	
Subsidised House Rent	9,574	10,104	8,115	9,468	6,578
Bad debt			0	78,565	
Total	92,230	82,554	81,197	208,786	147,935
B-8 Prior Period Items					
Prior period expenses	7,877	116	6,296		
Write off expense adjustment			0	809,735	(780)
Write back of revenue adjustment			0	(578,259)	
Total	7,877	116	6,296	231,475	(780)
Current Assets					
C-1 Cash on hand & Bank					
Cash at Bank	351,709	48,515	1,067,173	753,596	605,779
Petty Cash	860	487	(499)	477	295
Total	352,569	49,002	1,066,674	754,073	606,074
C-2 Accounts Receivable					
Accounts Receivable - surcharges	665,840	610,694	562,176	473,991	414,802
Accounts Receivable - others & KHC GN	42,617	11,471	11,471	11,471	11,471
Rent Receivable - commercial building	114,029	115,733	114,578	7,375	(1,991)
Electricity Receivable - commercial bui	42,318	38,417	35,631	6,643	4,017
Total Accounts Receivable	864,804	776,315	723,856	499,479	428,299
C-3 Accruals & Prepayments					
Accrued interest - local IBDs	-		-	206,147	-
Accrued members contributions	-		-	260,332	-
Accrued interest - DBK educational inv	159,069	121,951	55,580		
Returned cheques	33,468	22,235	11,484	47,952	13,149
Prepayment - Solar Energy Company	40,396	396	396	3,426	5,946
Total accruals & prepayments	232,933	144,582	67,460	517,857	19,094

KIRIBATI PROVIDENT FUND
Notes to the accounts
For the year ended 31 December 2009

	2009	2008	2007	2006	2005
C-4 Sundry Accounts Receivable					
Staff imprest	140,960	112,204	68,600	57,094	48,992
Staff loan	598,757	602,510	626,229	504,700	449,663
Unsettled Sales of Investment		-	-	-	578,259
Debtor - PVU		-	-	-	24,065
House Rent Deposit	500	500	500	500	500
Total sundry accounts receivable	740,217	715,214	695,329	562,294	1,101,479
C-5 Fixed assets					
Land	9,000	9,000	9,000	9,000	9,000
Buildings	1,210,185	1,238,840	1,250,026	1,253,195	1,280,814
Furniture & Fittings	5,416	7,221	3,837	5,006	10,802
Motor Vehicles	26,757	33,446	40,452	15,004	20,929
System enhancement	40,306	45,344			
Office Machineries	93,413	83,963	93,064	91,844	129,012
Total fixed assets	1,385,075	1,417,814	1,396,379	1,374,049	1,450,556
Refer to Note H for fixed asset breakdown					
Investments					
C-6 Overseas					
Australian Fixed Interest Securities	18,673,213	17,422,229	24,668,910	23,595,000	23,285,000
Overseas Fixed Interest Securities	8,412,542	7,830,458	9,271,234	8,842,000	23,122,000
Real Estate	9,341,212	7,820,465	11,076,610	9,875,000	9,222,000
Australian Equities	21,922,805	19,086,884	23,843,476	22,979,000	24,778,000
Overseas Equities	22,207,693	18,223,888	23,145,337	22,786,000	9,276,000
Cash equivalent	4,455,418	2,931,686	4,056,256	3,841,000	3,210,000
Other	3,376,489	3,626,601	2,840		
	88,389,372	76,942,212	96,064,663	91,918,000	92,893,000
Maitland Mutual Investment	3,842,220	5,081,099			
Total for overseas investments	92,231,592	82,023,311	96,064,663	91,918,000	92,893,000
C-7 Local					
Interest Bearing Deposit	1,368,453	4,235,990	9,576,748	11,253,360	1,906,341
DBK Education support investment	1,529,352	1,529,352	1,529,352		
Abamakoro Shares			-	-	54,500
Total for local investments	2,897,805	5,765,342	11,106,100	11,253,360	1,960,841
TOTAL INVESTMENTS	95,129,397	87,788,653	107,170,763	103,171,360	94,853,841
Current Liabilities					
D-1 Payroll Liabilities					
PAYE Taxes	1,971	3,224	167	-	168
Withholding Taxes	(2,683)	(2,357)	(582)	-	2,537
Life Insurance Payable	(219)	(254)	(394)	-	(181)
KHC House Rent Payable	(291)	(254)	(224)	-	(145)
Linnix House Rent Payable	(2,194)	(2,194)	(1,918)	-	(31)
Private House Rent Payable	69	69	69	-	
BKL House Rent Payable	-			-	13
DBK Loan Repayment	(585)	515	(5)	-	1,657
KHC Loan Repayment	(1,538)	(1,492)	(1,507)	-	80
Wages Payable	(37,200)	(41,135)	(6,005)	-	(14,434)
Total	(42,670)	(43,878)	(10,398)	-	(10,337)
D-2 Sundry Accounts Payable					
Accounts Payable [Tatooa Kaiteie]	1,205	1,205	1,205	1,205	1,308
Service Fees Payable		-		-	48
Westpac Fees Payable		-		-	333,969
Audit Fees Payable	39,000	36,000	33,000	30,000	12,000
KPF Social Fund	(469)	(469)	(469)	-	(1,738)
Total	39,736	36,736	33,736	31,205	345,587
D-3 Accruals & Advances					
Unsettled Purchase of Investment		-	-	-	545,532
Accrued Expenses	(12,158)	(8,798)	6,206	12,450	(13,448)
Total	(12,158)	(8,798)	6,206	12,450	532,084

KIRIBATI PROVIDENT FUND
Notes to the accounts
For the year ended 31 December 2009

	2009	2008	2007	2006	2005
E-1 Member's Contribution Account					
Opening balance	110,321,766	104,000,461	96,804,993	92,696,085	86,453,061
Opening balance adjustment			(260,061.00)	24,821	(77)
	<u>110,321,766</u>	<u>104,000,461</u>	<u>96,544,932</u>	<u>92,720,906</u>	<u>86,452,985</u>
Receipts	10,213,601	9,257,547	9,458,684	9,255,510	8,286,783
Interest on Withdrawals				-	42,518
Interest on Members Accounts	5,906,677	7,376,769	7,260,374	6,742,568	6,051,714
Withdrawals	(13,309,208)	(10,313,011)	(9,263,529)	(11,913,992)	(8,352,165)
	<u>113,132,835</u>	<u>110,321,766</u>	<u>104,000,461</u>	<u>96,804,993</u>	<u>92,481,835</u>
Unallocated Member's Account	-	898	898	1,166	4,390
Receipted unallocated members' accoi	25,544	361,689	361,689	306,413	209,860
Total Member's Account	<u>113,158,379</u>	<u>110,684,353</u>	<u>104,363,048</u>	<u>97,112,572</u>	<u>92,696,085</u>
Reserves					
E-2 Equalization Reserve	785,438	785,438	785,438	785,438	785,438
Interest Stabilisation	717,103	717,103	717,103	717,103	717,103
Special Death Benefit	246,667	246,667	246,667	246,667	246,667
General Reserve	3,694,264	3,692,854	3,692,854	3,692,854	3,692,854
Total	<u>5,443,472</u>	<u>5,442,062</u>	<u>5,442,062</u>	<u>5,442,062</u>	<u>5,442,062</u>
Accumulated Surplus/(Deficit)					
E-3 Balance as at 1/01/09	(25,218,895)	1,285,805	4,280,825	(546,137)	(5,668,651)
Surplus/(Deficit) for the year	5,337,131	(26,504,700)	(2,995,019)	4,826,962	5,122,513
Balance as at 31/12/09	<u>(19,881,764)</u>	<u>(25,218,895)</u>	<u>1,285,805</u>	<u>4,280,825</u>	<u>(546,137)</u>
F Reconciliation of net surplus/(deficit) to net cash flow from operating activities					
	2009	2008	2007	2006	2005*
Surplus/(deficit)	5,337,131	(26,504,700)	(3,031,316.00)	4,826,962	5,122,513
<i>Add/(less) non-cash items:</i>					
Depreciation	82,656	72,450	63,095	112,530	141,358
Net write-off of prior year accruals				(231,475)	0
Revaluation gain on investments	(9,897,356)	20,487,659	4,084,318	(5,306,670)	(3,528,995)
	<u>(9,814,700)</u>	<u>20,560,109</u>	<u>4,147,413</u>	<u>(5,425,615)</u>	<u>(3,387,638)</u>
<i>Add/(less) items classified as investing or financing activities:</i>					
Gain on sale of investments	(5,420,230)	(4,725,073)	(4,366,149)	(3,747,052)	(3,416,423)
Interest from investments	3,130,510	3,237,562	(4,237,008)	(3,302,980)	(4,728,171)
Interest receivable from investments				206,147	0
Accrued members' contributions				(260,332)	0
Members' interest	5,906,677	7,376,769	7,260,374	6,742,568	6,051,714
	<u>3,616,957</u>	<u>5,889,258</u>	<u>(1,342,783)</u>	<u>(361,649)</u>	<u>(2,092,879)</u>
<i>Add/(less) movements in working capital items</i>					
Accounts receivable	(113,492)	(72,344)	(357,682)	261,858	(72,245)
Accrued revenue	(88,351)	(77,122)	36,468	(295,135)	(221,466)
Prepayments			3,030	2,519	2
Accounts payable	7,568	(45,485)	(10,867)	(314,382)	56,674
Accrued expenses	(3,360)	(15,004)	(6,244)	(509,297)	(74,715)
	<u>(197,635)</u>	<u>(209,955)</u>	<u>(335,295)</u>	<u>(854,437)</u>	<u>(311,750)</u>
Net cash inflow/(outflow) from operati	<u>(1,058,248)</u>	<u>(265,288)</u>	<u>(561,981)</u>	<u>(1,814,739)</u>	<u>(669,754)</u>

KIRIBATI PROVIDENT FUND
Consolidated Statement of Financial Position
as at 31 December 2010

Account Name	Note	2010	2009	2008	2007	2006	2005
Current Assets							
Cash on Hand & at Bank	C-1	252,303	352,569	49,002	1,066,674	754,073	606,073
Accounts Receivable	C-2	1,229,226	864,804	776,315	723,856	499,479	428,291
Accruals and Prepayments	C-3	429,721	232,933	144,562	67,460	517,857	19,091
Sundry Accounts Receivable	C-4	705,403	740,217	715,214	695,329	562,294	1,101,471
Members' loan balances	C-8	2,101,901					
		<u>4,718,554</u>	<u>2,190,523</u>	<u>1,685,113</u>	<u>2,553,319</u>	<u>2,333,703</u>	<u>2,154,940</u>
Less Current Liabilities							
Payroll Liabilities	D-1	(22,971)	(42,670)	(43,878)	(13,234)	-	(10,331)
Sundry Accounts Payable	D-2	42,736	39,736	36,736	33,735	31,205	345,581
Accruals & Advances	D-3	(27,040)	(12,158)	(8,798)	6,206	12,450	532,081
		<u>(7,275)</u>	<u>(15,092)</u>	<u>(15,940)</u>	<u>26,707</u>	<u>43,655</u>	<u>867,331</u>
Working Capital		<u>4,725,829</u>	<u>2,205,615</u>	<u>1,701,053</u>	<u>2,526,612</u>	<u>2,290,048</u>	<u>1,287,609</u>
Non-Current Assets							
Fixed Assets	C-5	1,366,325	1,385,077	1,417,814	1,396,379	1,374,049	1,450,551
Investments							
Overseas - BT/ANZ Trustee	C-6	93,301,747	92,231,592	82,023,311	96,061,823	91,918,000	92,893,000
Local	C-7	1,953,759	2,897,805	5,765,342	11,106,100	11,253,360	1,960,841
		<u>95,255,506</u>	<u>95,129,397</u>	<u>87,788,653</u>	<u>107,167,923</u>	<u>103,171,360</u>	<u>94,853,841</u>
Total Net Asset		<u>101,347,660</u>	<u>98,720,089</u>	<u>90,907,520</u>	<u>111,090,914</u>	<u>106,835,458</u>	<u>97,592,000</u>
Member's Accumulated Funds							
Members Contributions	E-1	118,042,754	113,158,380	110,684,353	104,363,048	97,112,572	92,696,081
Reserves	E-2	5,443,472	5,443,472	5,442,062	5,442,062	5,442,062	5,442,062
Accumulated surplus/(deficit)	E-3	(22,138,567)	(19,881,766)	(25,218,896)	1,285,805	4,280,824	(546,111)
Net Worth		<u>101,347,659</u>	<u>98,720,086</u>	<u>90,907,519</u>	<u>111,090,915</u>	<u>106,835,458</u>	<u>97,592,000</u>

Signature.....
Chairman (KPF Board of Directors)

Signature.....
Chief Executive Officer (KPF)

The accompanying notes form part of these financial statements

Page

Kiribati Provident Fund
Consolidated Statement of Financial Performance
For the year ended 31 December 2010

Overseas Income	Notes	2010	2009	2008	2007	2006	2005
Income on Investments	A-1	3,976,128	5,046,469	4,957,749	4,366,149	3,280,343	4,728,171
Gain/(Loss) on Sale of Investment	A-2	(6,969,470)	(3,130,510)	(3,237,562)	4,237,008	3,302,908	3,416,423
Gain/(Loss) on Investments Revaluation	A-3	6,435,664	9,897,356	(20,487,659)	(4,084,318)	5,306,680	3,528,995
Income on Investments - ANZ Trustees Ltd	A-4	724,526					
Interest received - Maidland Mutual Building	A-5	190,713	261,121	81,099			
Total Overseas Income		4,357,561	12,074,436	(18,686,373)	4,518,839	11,889,931	11,673,589
Local Income							
BOK Interest		155,954	277,895	517,837	360,745	241,022	-
Interest/Est/Admin/Application/Penalty - Small Loan Sche		202,359					
Interest - DBK educational scheme investment		20,499	37,118	66,371	55,580		
Staff Loan Interest		6,910	6,910	5,866	20,480	17,226	31,148
Staff Quarters Rent		1,183	934	510	960	981	1,224
Commercial Building Rent		153,198	133,930	140,662	245,006	125,100	125,100
Electricity from Tenants		39,771	48,367	36,914	63,892	27,807	29,370
Surcharges		399,001	124,643	72,336	143,519	120,835	121,371
Esanda interest		-	-	-	-	225,687	-
Membership Card		17,142	2,797	2,154	4,260	4,943	3,462
Gain on sale of fixed asset				-	6,823		
Sundries		42,778	24,352	43,885	55,263	14,440	6,260
Total Local Income		1,038,795	656,946	886,535	956,528	778,041	317,935
Total Income		5,396,356	12,731,382	(17,799,838)	5,475,367	12,667,971	11,991,524
Less Operating Expenses							
Staff payroll	B-1	537,771	444,143	438,178	376,568	352,593	294,785
Office expenses	B-2	237,037	192,054	189,999	132,796	154,970	141,742
Travelling - Local & Overseas	B-3	222,124	232,130	118,494	106,050	108,281	116,716
Fees & Other Charges	B-4	450,757	397,448	403,168	406,131	413,380	24,016
Repairs and Maintenance	B-5	64,614	58,928	36,247	46,320	27,952	28,790
Miscellaneous	B-6	96,552	62,765	59,187	54,655	63,954	62,533
Financial	B-7	105,601	92,230	82,554	81,197	208,786	147,935
Total Expenditure		1,714,456	1,479,698	1,327,827	1,203,717	1,329,917	816,516
Operating Profit/(Loss) before Members Expenditure		3,681,900	11,251,684	(19,127,666)	4,271,650	11,338,055	11,175,007
Less Members Expenditure							
Interests on Members Accounts		5,982,572	5,906,677	7,376,919	7,260,374	6,742,568	6,051,714
Total Members Expenditure		5,982,572	5,906,677	7,376,919	7,260,374	6,742,568	6,051,714
Profit/(Loss) after Members Expenditure		(2,300,672)	5,345,007	(26,504,585)	(2,988,724)	4,595,486	5,123,293
Add/(less) Prior Period items	B-8	(43,871)	7,877	116	6,296	231,475	(780)
Net Surplus/(Loss)		(2,256,801)	5,337,130	(26,504,700)	(2,995,020)	4,826,962	5,122,513
Accumulated Surplus/(Deficit) at 1/1/10		(19,881,766)	(25,218,896)	1,285,805	4,280,824	(546,137)	(5,668,651)
Accumulated Surplus/(Deficit) at 31/12/10		(22,139,567)	(19,981,766)	(25,218,896)	1,285,805	4,280,824	(546,137)

The accompanying notes form part of these financial statements

Kiribati Provident Fund
Statement of Cashflows
For the year ended 31 December 2010

Cashflows from operating activities	Notes	2010	2009	2008	2007	2006	2005
Receipts from customers & employees		3,066,602	604,932	969,630	733,872	223,808	209,490
Payments to suppliers and employees		(4,823,466)	(1,927,601)	(1,301,012)	(1,514,152)	(2,038,547)	(879,244)
<i>Net cash from operating activities</i>	F	(1,756,864)	(1,322,669)	(331,382)	(780,280)	(1,814,739)	(669,754)
Cashflows from investing activities							
Receipts from investments		2,850,686	11,447,160	4,957,749	2,467,211	6,843,885	12,680,939
Purchase of property, plant and equipment		(69,307)	(49,918)	(93,875)	(95,410)	(36,023)	(30,964)
Purchase of investments		(1,300,670)	(6,675,399)	(4,494,700)	(1,529,352)	(2,779,374)	(11,740,000)
<i>Net cash from investing activities</i>		1,480,709	4,721,843	369,174	842,449	4,028,488	909,975
Cashflows from financing activities							
Loan injection		1,300,670					
Members' contributions		10,090,815	10,213,601	9,257,547	9,513,960	9,848,243	8,543,551
Members' withdrawals		(11,215,596)	(13,309,208)	(10,313,011)	(9,263,529)	(11,913,992)	(8,352,165)
<i>Net cash from financing activities</i>		175,889	(3,095,607)	(1,055,464)	250,431	(2,065,749)	191,386
Net increase/(decrease) in cash		(100,266)	303,567	(1,017,672)	312,600	148,000	431,607
Add opening cash		352,569	49,002	1,066,674	754,074	606,074	174,467
<i>Closing cash</i>		252,303	352,569	49,002	1,066,674	754,074	606,074
Made up as follows:							
Cash at Bank - contribution a/c		29,225	351,709	48,515	1,067,173	753,597	605,779
Petty Cash		1,260	860	487	(499)	477	295
Loan scheme bank account		215,086					
Loan cash float		6,732					
Total	C-1	252,303	352,569	49,002	1,066,674	754,074	606,074

The accompanying notes form part of these financial statements

Kiribati Provident Fund
Statement of Movements in equity
For the year ended 31 December 2010

	Notes	2010	2009	2008	2007	2006	2005
Balance 1 January		98,720,086	90,907,520	111,090,914	106,835,457	97,592,009	86,226,472
Add/(less) net surplus deficit for the year		(2,256,801)	5,337,130	(26,504,700)	(2,995,019)	4,826,962	5,122,513
Total recognised revenue and expenses for the year		(2,256,801)	5,337,130	(26,504,700)	(2,995,019)	4,826,962	5,122,513
Movement in Capital contributions by members		4,884,374	2,475,436	6,321,306.00	7,250,476	4,416,487	6,243,024
Net worth of Members' loan scheme							
Balance at 31 December		101,347,659	98,720,086	90,907,520	111,090,914	106,835,457	97,592,009
<i>Represented as follows:</i>							
Members' accounts	E-1	118,042,754	113,158,379	110,684,353	104,363,048	97,112,572	92,696,085
Reserves	E-2	5,443,472	5,443,472	5,442,062	5,442,062	5,442,062	5,442,062
Retained earning	E-3	(22,138,567)	(19,881,765)	(25,218,895)	1,285,805	4,280,824	(546,137)
Total equity		101,347,659	98,720,086	90,907,520	111,090,915	106,835,457	97,592,009

The accompanying notes form part of these financial statements

KIRIBATI PROVIDENT FUND
Notes to the accounts
Consolidated Account Fixed Asset Schedule
For the year ended 31 December 2010

Note H: Fixed Asset Depreciation Schedule - 2010

Cost	Land	Buildings	F/Fittings	Vehicles	System		Total
					Machineries	Enhancement	
Balance 1/1/10	9,000	1,699,172	84,697	206,462	534,537	50,382	2,584,250
Additions	-	2,353	9,364	53,050	16,292	-	81,058
Disposal	-	-	-	-	-	-	-
Balance 31/12/10	9,000	1,701,525	94,061	259,512	550,829	50,382	2,665,308
Accumulated Depreciation							
Balance 1/1/10	-	488,988	79,281	179,715	441,125	10,076	1,199,185
Depreciation charged	-	28,774	3,681	17,299	45,006	5,038	99,798
Balance 31/12/10	-	517,762	82,962	197,014	486,131	15,114	1,298,983
NBV 31/12/10	9,000	1,183,763	11,099	62,498	64,698	35,268	1,366,325
NBV 31/12/09	9,000	1,210,184	5,416	26,747	93,412	40,306	1,385,065

KIRIBATI PROVIDENT FUND
Notes to the accounts
For the year ended 31 December 2010

Note I: Gain/Loss on Investment Valuation as at 31/12/10

	Market Value	Cost	Difference
Australian Fixed Interest	13,810,641	13,977,711	(167,071)
International Fixed Interest	6,193,376	6,178,169	15,207
Australian Real Estate	3,746,817	4,424,329	(677,512)
International Real Estate	2,609,756	1,442,818	1,166,938
Australian shares	15,216,840	14,234,662	982,179
International Share	15,616,889	17,209,188	(1,592,299)
Other Investment	3,157,255	3,396,362	(239,107)
Total	60,351,574	60,863,239	(511,665)
Investment Revaluation Reserve 1/1/10			(6,947,329)

CURRENT ASSETS

Cash on Hand & Cash equivalents

Cash at Bank	316,523	316,523
BT enhanced cash fund	-	-
BT managed cash	2,106,227	2,106,227
Total cash on hand & cash equivalent	2,422,750	2,422,750

Other current assets

Future deposit	27	27
Initial exposure value	-	-
Initial options margin account	-	-
Income due but not received	207,662	207,662
Unsettled sales	27,914	27,914
Total other current assets	235,604	235,604
TOTAL CURRENT ASSETS	2,658,354	2,658,354

OTHER CURRENT LIABILITIES

Initial exposure value	-	-
Initial Lepo Margin - Deposit	-	-
Initials options Margin Account	(1)	(1)
Total Future & Options exposure	(1)	(1)

Fee payable to Manager	(66,903)	(66,903)
Unsettled purchases	(41,727)	(41,727)
Total other current liabilities	(108,630)	(108,630)

Total other current liabilities	(108,631)	(108,631)
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NET ASSETS	62,901,297	63,412,962	(511,665)
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Opening value as at 01/01/10	88,422,827	95,345,637	
Funds withdrawn	(28,597,238)	(28,597,238)	
Movement in valuation	3,075,707		
Net investment income		3,634,032	
Net capital gains		(6,969,470)	
Closing value as at 31/12/2010	62,901,297	63,412,962	(511,665)

Unrealized Gains/(Losses)			
Closing investment valuation reserve			(511,665)
Less opening investment valuation reserve			(6,947,329)
Unrealized capital movement over period			6,435,664

KIRIBATI PROVIDENT FUND
Notes to the accounts
For the year ended 31 December 2010

Note I: Gain/Loss on Investment Valuation as at 31/12/10

	Closing Value	End Cost Base	Difference
Australian equities	10,035,795	9,759,262	276,533
International Equities	5,227,200	5,141,248	85,952
Fixed interest	9,062,219	9,042,259	19,960
Cash	1,654,468	1,654,468	-
Total	25,979,682	25,597,237	382,445

Opening value as at 01/09/2010	25,597,238	25,597,238	
Funds withdrawn	-	-	
Income accruals	-	138,436	
Net investment income		153,654	***
Net capital gains		382,445	
Closing value as at 31/12/2010	25,597,238	26,271,773	

Unrealized Gains/(Losses)			
Closing investment valuation reserve			382,445
Less opening investment valuation reserve			-
Unrealized capital movement over period			382,445

Income & Expenditure summary:-			
Gross cash income	203,645		
Less: expenditure:-			
management fee	47,333		
Foreign withholding taxes	2,659		
	<u>49,991.76</u>	153,654	***

KIRIBATI PROVIDENT FUND
Consolidated Notes to the accounts
For the year ended 31 December 2010

Notes	2010	2009	2008	2007	2006	2005
A-1						
Income on Overseas Investments - BTIM						
Dividends - Australian Shares	695,750	703,181	1,015,195	1,130,750	1,135,575	984,317
Dividends - Overseas Shares	1,111,220	1,349,173	514,213	451,957	432,618	460,304
Distribution - Real Estate	263,785	492,285	910,863	1,265,208	775,038	565,082
Distribution - Australian Bond	1,038,890	1,451,755	1,388,438	910,229	656,828	1,980,049
Distribution - Overseas Bond	716,264	925,251	877,186	378,350	71,878	910,593
Australian Cash	120,672	124,824	251,854	226,651	193,418	170,909
Other	29,547	-	-	3,004	14,988	-
Total income	3,976,128	5,046,469	4,957,749	4,366,149	3,280,343	5,071,254
						(343,083)
Total	3,976,128	5,046,469	4,957,749	4,366,149	3,280,343	4,728,171
A-2						
Realized Gain/(Loss) on Sale of Investments						
Australian Fixed Interest Securities	(159,569)	(50,676)	(98,063)	-	(4,430)	10,905
Overseas Fixed Interest Securities	(113,489)	(29,132)	(1,495,999)	-	(90,173)	31
Real Estate	(2,584,560)	(777,485)	(275,000)	299,992	729,002	1,265,054
Australian Shares	1,046,585	(827,443)	(843,500)	3,845,666	3,568,484	2,883,653
International Shares	(5,175,935)	(1,440,370)	(300,000)	-	(1,128,534)	(846,835)
Other investment	20,102	(5,404)	(293,830)	-	-	-
Cash equivalent	4,004	-	-	-	-	-
Future contracts	(6,608)	-	55,075	66,025	226,103	100,300
Options contract	-	-	13,755	25,325	2,456	3,315
Total	(6,969,470)	(3,130,510)	(3,237,562)	4,237,008	3,302,908	3,416,423
A-3						
Unrealised Gains/(Losses) on Investment valuation						
International Fixed Interest	15,207	(333,214)	(85,265)	145,650	(535)	(375,981)
Overseas Equities	(1,592,299)	(6,094,604)	(6,379,758)	(549,678)	502,233	(2,718,549)
Australian Fixed Interest	(167,071)	(693,869)	72,982	(946,487)	(587,379)	(705,536)
Australian shares	982,179	3,119,761	(4,542,229)	4,573,817	5,355,165	5,091,278
Australian real estate	(677,512)	(2,702,481)	(3,510,785)	-	-	-
International real estate	1,166,938	90,456	(1,780,140)	-	-	-
other investment	(239,107)	(333,378)	(619,490)	-	-	-
Real Estate	(511,665)	(6,947,329)	(16,844,685)	419,672	2,457,807	1,129,399
Forward exchange contract	-	-	-	3,642,974	7,727,292	2,420,612
Investment revaluation 31/12/2010	(511,665)	(6,947,329)	(16,844,685)	3,642,974	7,727,292	2,420,612
Less Opening investment revaluation	(6,947,329)	(16,844,685)	3,642,974	7,727,292	2,420,612	(1,108,383)
Gain/(loss) on investment revaluation	6,435,664	9,897,356	(20,487,659)	(4,084,318)	5,306,680	3,528,995
A-4						
ANZ Trustees Ltd investment						
Unrealized Gain/(Loss)	382,445	-	-	-	-	-
Gross cash income	203,645	-	-	-	-	-
Accrued income	138,436	-	-	-	-	-
Total income from ANZ Trustee investment	724,526	-	-	-	-	-
A-5						
Maitland Mutual Building - overseas s/term investment						
Interest received	190,713	261,121	-	-	-	-
Total Maitland income	190,713	261,121	-	-	-	-
B-1						
Staff Payroll						
Salaries - Established Staff	387,949	321,910	315,641	295,479	286,381	228,364
Salaries - Temporary Staff	51,987	34,772	32,780	31,214	25,461	30,862
Overtime	54,446	51,571	44,893	14,334	12,931	13,749
Allowances	12,100	8,897	10,131	11,097	6,075	2,343
Retirement benefit	-	-	8,000	-	-	-
KPF Contributions	31,289	26,993	26,732	24,444	21,746	19,467
Total	537,771	444,143	438,178	376,568	352,593	294,785

B-2

Office Expenses

Electricity	116,721	105,189	100,600	63,512	61,189	78,621
Insurance Fire	1,690	11,109	10,859	11,204	19,068	7,769
Office Supplies	69,146	26,027	27,288	20,145	17,481	24,128
Telecom	47,831	45,241	48,789	36,564	51,531	30,219
Postage	594	103	343	330	239	377
Printing	485	1,635	891	484	2,786	182
Entertainment	580	1,750	1,229	557	2,676	446
Total	237,037	192,054	199,959	132,796	154,970	141,742

B-3

Travelling - Local & Overseas

Annual Leave	39,924	28,406	26,912	28,819	21,608	24,126
Transport	24,987	29,635	25,112	23,159	18,618	9,580
Xmas Island visit	19,546	14,562	-	22,852	2,160	-
Xmas staff return transport	-	-	-	5,013	3,365	59,400
Conference/ Workshop	110,476	107,010	56,259	15,671	59,159	10,127
Compliance	148	19,095	7,841	9,841	3,372	13,483
Training	27,043	33,422	2,370	695	-	-
Total	222,124	232,130	118,494	106,050	108,281	116,716

KIRIBATI PROVIDENT FUND
Notes to the accounts
For the year ended 31 December 2010

	2010	2009	2008	2007	2006	2005
B-4 Fees & Other Charges						
BT Management & other fees	342,096	306,155	339,620	372,178	363,004	-
ANZ Trustees Ltd management fees & withhold tax	49,992	-	-	-	-	-
International Social Security Association	12,228	-	18,049	9,031	7,716	9,437
SFL Fees	9,331	11,211	21,936	12,425	8,630	2,875
Audit Fees	16,040	3,000	3,000	3,000	18,000	-
Bank Charges	12,492	10,299	12,224	7,256	14,025	10,545
Legal fees	5,278	6,408	8,340	1,641	2,005	1,009
VMS agent fee	300	375	-	600	-	450
Total	450,257	397,448	403,108	406,131	413,380	24,016

B-5 Repairs & Maintenance						
Commercial Building	50,480	40,597	19,554	31,234	13,418	12,697
Staff House	5,953	9,219	3,612	7,883	5,828	5,769
KPF Office & xmas [repair & rent]	3,374	3,416	3,257	3,824	2,745	770
furniture & fittings	-	-	-	0	110	232
Vehicle - Motorbike	-	-	34	0	210	4,435
office equipment	-	-	2,802	108	4,148	1,373
Vehicle - Double cab & minibus	4,807	5,696	7,183	3,271	1,495	-
Generator	-	-	-	0	-	3,515
Total	64,614	58,928	36,247	46,320	27,952	28,790

B-6 Miscellaneous						
Advertisement	5,588	5,418	3,130	7,244	8,067	1,954
Board of Directors	39,676	14,163	14,679	8,256	11,667	6,859
Rental Lease	1,130	650	650	650	648	648
KPF Office Rent	38,393	35,700	35,700	33,153	20,016	20,016
Computerisation	-	-	-	0	15,304	5,549
Staff Uniform	4,713	2,318	1,715	0	3,450	3,327
Donation	3,400	4,110	3,000	3200	3,490	2,675
Promotion	300	-	-	-	-	-
Work experience	-	-	-	0	-	1,150
Sundry Expenses	3,352	406	313	2,051	1,313	19,355
Total	96,552	62,765	59,187	54,655	63,954	62,533

B-7 Financial						
Depreciation	99,798	82,656	72,450	73,082	112,530	141,358
Asset write off expense	-	-	-	0	8,223	-
Subsidised House Rent	5,803	9,574	10,104	8,115	9,468	6,578
Bad debt	-	-	-	0	78,565	-
Total	105,601	92,230	82,554	81,197	208,786	147,935

B-8 Prior Period Items						
Prior period expenses	3,135	7,877	116	6,296	809,735	(780)
Write off expense adjustment	-	-	-	0	(578,259)	-
Write back of revenue adjustment	-	-	-	-	-	-
Total	3,135	7,877	116	6,296	231,475	(780)
B-9 Small Loan Scheme expenses						
Total	-	-	-	-	-	-

C-1 Current Assets						
Cash on hand & Bank	29,225	351,709	48,515	1,067,173	753,596	605,779
Petty Cash	1,260	860	487	(499)	477	295
Total for current account	30,485					
Cash at Bank - A/c 831558	215,086					
Loan Cash Float	6,732					
Total for Loan Scheme	221,818					

KIRIBATI PROVIDENT FUND

Notes to the accounts

For the year ended 31 December 2010

	2010	2009	2008	2007	2006	2005
C-4						
Sundry Accounts Receivable						
Staff imprest	160,570	140,960	112,204	68,600	57,094	48,992
Staff loan	544,333	598,757	602,510	626,229	504,700	449,663
Unsettled Sales of Investment	-	-	-	-	-	578,259
Debtor - PVU	-	-	-	-	-	24,065
House Rent Deposit	500	500	500	500	500	500
Total sundry accounts receivable	705,403	740,217	715,214	695,329	562,294	1,101,479
C-5						
Fixed assets						
Land	9,000	9,000	9,000	9,000	9,000	9,000
Buildings	1,183,763	1,210,185	1,238,840	1,250,026	1,253,195	1,280,514
Furniture & Fittings	11,099	5,416	7,221	3,837	5,006	10,802
Motor Vehicles	62,498	26,757	33,446	40,452	15,004	20,929
System enhancement	35,268	40,306	45,344	-	-	-
Office Machineryes	64,698	93,413	83,963	93,064	91,844	129,012
Total fixed assets	1,366,325	1,385,077	1,417,814	1,396,379	1,374,049	1,450,556
Refer to Note H for fixed asset breakdown						
C-6						
Investments						
Overseas						
BTIM						
Australian Fixed Interest Securities	13,810,641	18,673,213	17,422,229	24,668,910	23,595,000	23,285,000
Overseas Fixed Interest Securities	6,193,376	8,412,542	7,830,458	9,271,234	8,842,000	23,122,000
Real Estate	6,356,573	9,341,212	7,820,465	11,076,610	9,875,000	9,222,000
Australian Equities	15,216,840	21,922,805	19,086,884	23,843,476	22,979,000	24,778,000
Overseas Equities	15,616,889	22,207,693	18,223,888	23,145,337	22,786,000	9,276,000
Cash equivalent	2,549,723	4,455,418	2,931,686	4,056,256	3,841,000	3,210,000
Other	3,157,255	3,376,489	3,626,601	2,840	-	-
Total BTIM investment	62,901,297	88,589,372	76,942,212	96,064,663	91,918,070	92,893,000
Maitland Mutual Building	4,128,678	3,842,220	5,081,099	-	-	-
ANZ Trustees Ltd Investment	26,271,772					
GILT Investment Pty						
Total overseas investments	93,301,747	92,231,592	82,023,311			
C-7						
Local						
Interest Bearing Deposit	424,407	1,368,453	4,235,990	9,576,748	11,253,360	1,906,341
DBK Education support investment	1,529,352	1,529,352	1,529,352	1,529,352	-	-
Small Loan Scheme Investment	-	-	-	-	-	-
Abamakoro Shares	1,953,759	2,897,805	5,765,342	11,106,100	11,253,360	54,500
Total for local investments	95,255,506	95,129,397	87,788,653	107,170,763	103,171,360	94,853,841
TOTAL INVESTMENTS						
Members' loan scheme account						
Members' loan/advances	3,032,773	-	-	-	-	-
Loan refund	8,979	-	-	-	-	-
Loan repayment	(939,851)	-	-	-	-	-
Total Members' loan balances	2,101,901					
C-8						
Current Liabilities						
Payroll Liabilities						
PAYE Taxes	13,637	1,971	3,224	167	-	168
Withholding Taxes	(6,784)	(2,683)	(2,357)	(582)	-	2,537
Life Insurance Payable	409	(219)	(254)	(394)	-	(181)
KHC House Rent Payable	311	(291)	(254)	(224)	-	(145)
Linnix House Rent Payable	(2,194)	(2,194)	(2,194)	(1,918)	-	(31)
Private House Rent Payable	(173)	69	69	69	-	-
BKL House Rent Payable	-	-	-	-	-	13
DBK Loan Repayment	612	(585)	515	(5)	-	1,657

KHC Loan Repayment	783	(1,538)	(1,492)	(1,507)	-	80
Wages Payable	(29,572)	(37,200)	(41,135)	(6,005)	-	(14,434)
Total	(22,971)	(42,670)	(43,878)	(10,398)	-	(10,337)

D-2 Sundry Accounts Payable	1,205	1,205	1,205	1,205	1,205	1,308
Accounts Payable [Tatoua Kaitieie]	-	-	-	-	-	48
Loan Scheme accounts payable	-	-	-	-	-	333,969
Service Fees Payable	-	-	-	-	-	12,000
Westpac Fees Payable	42,000	39,000	36,000	33,000	30,000	12,000
Audit Fees Payable	(469)	(469)	(469)	(469)	-	(1,738)
KPF Social Fund	-	-	-	-	-	-
Total	42,736	39,736	36,736	33,736	31,205	345,587

D-3 Accruals & Advances	(27,040)	(12,158)	(8,798)	-	-	545,532
Unsettled Purchase of Investment	-	-	-	-	-	(13,448)
Accrued Expenses	(27,040)	(12,158)	(8,798)	6,206	12,450	532,084
Total	(27,040)	(12,158)	(8,798)	6,206	12,450	532,084

KIRIBATI PROVIDENT FUND
Statement of Financial Position
as at 31 December 2010

Account Name	Note	2010	2009	2008	2007	2006	2005
Current Assets							
Cash on Hand & at Bank	C-1	1,030,485	352,569	49,002	1,066,674	754,073	606,074
Accounts Receivable	C-2	1,229,226	864,804	776,315	723,856	499,479	428,299
Accruals and Prepayments	C-3	253,142	232,933	144,582	67,460	517,857	19,094
Sundry Accounts Receivable	C-4	705,403	740,217	715,214	695,329	562,294	1,101,479
		<u>3,218,256</u>	<u>2,190,523</u>	<u>1,685,113</u>	<u>2,553,319</u>	<u>2,333,703</u>	<u>2,154,946</u>
Less Current Liabilities							
Payroll Liabilities	D-1	(22,971)	(42,670)	(43,878)	(13,234)	-	(10,337)
Sundry Accounts Payable	D-2	42,736	39,736	36,736	33,735	31,205	345,587
Accruals & Advances	D-3	(27,040)	(12,158)	(8,798)	6,206	12,450	532,084
		<u>(7,275)</u>	<u>(15,092)</u>	<u>(15,940)</u>	<u>26,707</u>	<u>43,655</u>	<u>867,334</u>
Working Capital		<u>3,225,531</u>	<u>2,205,615</u>	<u>1,701,053</u>	<u>2,526,612</u>	<u>2,290,048</u>	<u>1,287,612</u>
Non-Current Assets							
Fixed Assets	C-5	1,357,511	1,385,077	1,417,814	1,396,379	1,374,049	1,450,556
Investments							
Overseas - BT/ANZ Trustee	C-6	93,301,747	92,231,592	82,023,311	96,061,823	91,918,000	92,893,000
Local	C-7	3,254,429	2,897,805	5,765,342	11,106,100	11,253,360	1,960,841
		<u>96,556,176</u>	<u>95,129,397</u>	<u>87,788,653</u>	<u>107,167,923</u>	<u>103,171,360</u>	<u>94,853,341</u>
Total Net Asset		<u><u>101,139,218</u></u>	<u><u>98,720,089</u></u>	<u><u>90,907,520</u></u>	<u><u>111,090,914</u></u>	<u><u>106,835,458</u></u>	<u><u>97,592,009</u></u>
Member's Accumulated Funds							
Members Contributions	E-1	118,042,754	113,158,380	110,684,353	104,363,078	97,112,572	92,696,085
Reserves	E-2	5,443,472	5,443,472	5,442,062	5,442,062	5,442,062	5,442,062
Accumulated surplus/(deficit)	E-3	(22,347,007)	(19,881,764)	(25,218,895)	1,285,805	4,280,824	(546,137)
Net Worth		<u><u>101,139,219</u></u>	<u><u>98,720,088</u></u>	<u><u>90,907,520</u></u>	<u><u>111,090,945</u></u>	<u><u>106,835,458</u></u>	<u><u>97,592,009</u></u>

Signature.....
Chairman (KPF Board of Directors)

Signature.....
General Manager (KPF)

The accompanying notes form part of these financial statements

Statement of Financial Performance
For the year ended 31 December 2010

	Notes	2010	2009	2008	2007	2006	2005
Overseas Income							
Income on Investments	A-1	3,976,128	5,046,469	4,957,749	4,366,149	3,280,343	4,728,171
Gain/(loss) on Sale of Investment	A-2	(6,969,470)	(3,130,510)	(3,237,562)	4,237,008	3,302,908	3,416,423
Gain/(loss) on Investments Revaluation	A-3	6,435,664	9,897,356	(20,487,659)	(4,084,318)	5,306,680	3,528,995
Income on Investments - ANZ Trustees Ltd	A-4	724,526					
Interest received - Maitland Mutual Building	A-5	190,713	261,121	81,099			
Total Overseas Income		4,357,561	12,074,436	(18,686,373)	4,518,839	11,889,931	11,673,589
Local Income							
BOK interest		155,954	277,895	517,837	360,745	241,022	-
Interest - DBK educational scheme investment		20,499	37,118	66,371	55,580		
Staff loan interest		6,910	6,910	5,866	20,480	17,226	31,148
Staff Quarters Rent		1,183	934	510	960	981	1,224
Commercial Building Rent		153,198	133,930	140,662	245,006	125,100	125,100
Electricity from Tenants		39,771	48,367	36,914	63,892	27,807	29,370
Surcharges		399,001	124,643	72,336	143,519	120,835	121,371
Esanda interest		-	-	-	-	225,687	-
Membership Card		17,142	2,797	2,154	4,260	4,943	3,462
Gain on sale of fixed asset		42,778	24,352	43,885	55,263	14,440	6,260
Sundries		836,436	656,946	886,535	956,528	778,041	317,935
Total Local Income		5,193,997	12,731,382	(17,799,838)	5,475,367	12,667,971	11,991,524
Less Operating Expenses							
Staff payroll	B-1	515,402	444,143	438,178	376,568	352,593	294,785
Office expenses	B-2	226,845	192,054	189,999	132,796	154,970	141,742
Travelling - Local & Overseas	B-3	222,124	232,130	118,494	106,050	108,281	116,716
Fees & Other Charges	B-4	448,024	397,448	403,168	406,131	413,380	24,016
Repairs and Maintenance	B-5	64,614	58,928	36,247	46,320	27,952	28,790
Miscellaneous	B-6	93,859	62,765	59,187	54,655	63,954	62,533
Financial	B-7	102,664	92,230	82,554	81,197	208,786	147,935
Total Expenditure		1,673,532	1,479,698	1,327,827	1,203,717	1,329,917	816,516
Operating Profit/(loss) before Members Expenditure		3,520,465	11,251,684	(19,127,666)	4,271,650	11,338,055	11,175,007
Less Members Expenditure							
Interests on Members Accounts		5,982,572	5,906,677	7,376,919	7,260,374	6,742,568	6,051,714
Total Members Expenditure		5,982,572	5,906,677	7,376,919	7,260,374	6,742,568	6,051,714
Profit/(loss) after Members Expenditure		(2,462,107)	5,345,007	(26,504,585)	(2,988,724)	4,595,486	5,123,293
Add/(less) Prior Period Items	B-8	3,135	7,877	116	6,296	231,475	(780)
Net Surplus/(loss)		(2,465,241)	5,337,130	(26,504,700)	(2,995,020)	4,826,962	5,122,513
Accumulated Surplus/(Deficit) at 1/1/10		(19,881,766)	(25,218,896)	1,285,805	4,280,824	(546,137)	(5,668,651)
Accumulated Surplus/(Deficit) at 31/12/10		(22,347,007)	(19,881,766)	(25,218,896)	1,285,805	4,280,824	(546,137)

Kiribati Provident Fund
Statement of Cashflows
For the year ended 31 December 2010

	Notes	2010	2009	2008	2007	2006	2005
Cashflows from operating activities							
Receipts from customers & employees		1,493,949	604,932	969,630	733,872	223,808	209,490
Payments to suppliers and employees		(1,665,987)	(1,663,180)	(1,234,918)	(1,514,152)	(2,038,547)	(879,244)
<i>Net cash from operating activities</i>	F	(172,038)	(1,058,248)	(265,288)	(780,280)	(1,814,739)	(669,754)
Cashflows from investing activities							
Receipts from investments		3,344,712	11,182,739	4,891,655	2,467,211	6,843,885	12,680,939
Purchase of property, plant and equipment		(69,307)	(49,918)	(93,875)	(95,410)	(36,023)	(30,964)
Purchase of investments		(1,300,670)	(6,675,399)	(4,494,700)	(1,529,352)	(2,779,374)	(11,740,000)
<i>Net cash from investing activities</i>		1,974,735	4,457,422	303,080	842,449	4,028,488	909,975
Cashflows from financing activities							
Members' contributions		10,090,815	10,213,601	9,257,547	9,513,960	9,848,243	8,543,551
Members' withdrawals		(11,215,596)	(13,309,208)	(10,313,011)	(9,263,529)	(11,913,992)	(8,352,165)
<i>Net cash from financing activities</i>		(1,124,781)	(3,095,607)	(1,055,464)	250,431	(2,065,749)	191,386
Net increase/(decrease) in cash		677,916	303,567	(1,017,672)	312,600	148,000	431,607
Add opening cash		352,569	49,002	1,066,674	754,074	606,074	174,467
Closing cash		1,030,485	352,569	49,002	1,066,674	754,074	606,074
Made up as follows:							
Cash at Bank		29,225	351,709	48,515	1,067,173	753,597	605,779
Petty cash		1,260					
Loan current a/c - creation of a/c		1,000,000	860	487	(499)	477	295
Total	C-1	1,030,485	352,569	49,002	1,066,674	754,074	606,074

The accompanying notes form part of these financial statements

Kiribati Provident Fund
Statement of Movements in equity
For the year ended 31 December 2010

	Note:	2010	2009	2008	2007	2006	2005
Balance 1 January		98,720,086	90,907,520	111,090,914	106,835,457	97,592,009	86,226,472
Add/(less) net surplus deficit for the year		(2,465,241)	5,337,130	(26,504,700)	(2,995,019)	4,826,962	5,122,513
Total recognised revenue and expenses for the year		(2,465,241)	5,337,130	(26,504,700)	(2,995,019)	4,826,962	5,122,513
Movement in Capital contributions by members		4,884,374	2,475,436	6,321,306.00	7,250,476	4,416,487	6,243,024
Balance at 31 December		101,139,219	98,720,086	90,907,520	111,090,914	106,835,457	97,592,009
<i>Represented as follows:</i>							
Members' accounts	E-1	118,042,754	113,158,380	110,684,353	(4,366,149)	97,112,572	92,696,085
Reserves	E-2	5,443,472	5,443,472	5,442,062	5,442,062	5,442,062	5,442,062
Retained earnings	E-3	(22,347,007)	(19,881,765)	(25,218,895)	1,285,805	4,280,824	(546,137)
Total equity		101,139,219	98,720,087	90,907,520	2,361,718	106,835,457	97,592,009

The accompanying notes form part of these financial statements

Notes to the accounts
For the year ended 31 December 2010

Note H: Fixed Asset Depreciation Schedule - 2010

Cost	Land	Buildings	F/Fittings	Vehicles	Machineries	System	Enhancement	Total
Balance 1/1/10	9,000	1,699,172	84,697	206,462	534,537		50,382	2,584,250
Additions	-	2,353	4,274	53,050	9,631		-	69,307
Disposal	-	-	-	-	-	-	-	-
Balance 31/12/10	9,000	1,701,525	88,971	259,512	544,168		50,382	2,653,557
Accumulated Depreciation								
Balance 1/1/10	-	488,988	79,281	179,715	441,125		10,076	1,199,185
Depreciation charged	-	28,774	2,874	17,299	42,876		5,038	96,861
Balance 31/12/10	-	517,762	82,155	197,014	484,001		15,114	1,296,046
NBV 31/12/10	9,000	1,183,763	6,816	62,498	60,167		35,268	1,357,511
NBV 31/12/09	9,000	1,210,184	5,416	26,747	93,412		40,306	1,385,065

KIRIBATI PROVIDENT FUND

Notes to the accounts

For the year ended 31 December 2010

Notes

A-1

Income on Overseas Investments - BTIM

	2010	2009	2008	2007	2006	2005
Dividends - Australian Shares	695,750	703,181	1,015,195	1,130,750	1,135,575	984,317
Dividends - Overseas Shares	1,111,220	1,349,173	514,213	451,957	432,618	460,304
Distribution - Real Estate	263,785	492,285	910,863	1,265,208	775,038	565,082
Distribution - Australian Bond	1,038,890	1,451,755	1,388,438	910,229	656,828	1,980,049
Distribution - Overseas Bond	716,264	925,251	877,186	378,350	71,878	910,593
Australian Cash	120,673	124,824	251,854	226,651	193,418	170,909
Other	29,547			3,004	14,988	
Total Income	3,976,128	5,046,469	4,957,749	4,366,149	3,280,343	5,071,254
						(343,083)

Total

	3,976,128	5,046,469	4,957,749	4,366,149	3,280,343	4,728,171
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A-2

Realized Gain/(Loss) on Sale of Investments

Australian Fixed Interest Securities	(159,569)	(50,676)	(98,063)	-	(4,430)	10,905
Overseas Fixed Interest Securities	(113,489)	(29,132)	(1,495,999)	-	(90,173)	31
Real Estate	(2,584,560)	(777,485)	(275,000)	299,992	729,002	1,265,054
Australian Shares	1,046,585	(827,443)	(843,500)	3,845,666	3,568,484	2,883,653
International Shares	(5,175,935)	(1,440,370)	(300,000)	-	(1,128,534)	(846,835)
Other investment	20,102	(5,404)	(293,830)	-		
Cash equivalent	4,004					
Future contracts	(6,608)		55,075	66,025	226,103	100,300
Options contract			13,755	25,325	2,456	3,315
Total	(6,969,470)	(3,130,510)	(3,237,562)	4,237,008	3,302,908	3,416,423

A-3

Unrealised Gains/(Losses) on Investment valuation

International Fixed Interest	15,207	(333,214)	(85,265)	145,650	(535)	(375,981)
Overseas Equities	(1,592,299)	(6,094,604)	(6,379,758)	(549,678)	502,233	(2,718,549)
Australian Fixed Interest	(167,071)	(693,869)	72,982	(946,487)	(587,379)	(705,536)
Australian shares	982,179	3,119,761	(4,542,229)	4,573,817	5,355,165	5,091,278
Australian real estate	(677,512)	(2,702,481)	(3,510,785)			
International real estate	1,166,938	90,456	(1,780,140)			
other investment	(239,107)	(333,378)	(619,490)			
Real Estate				419,672	2,457,807	1,129,399
Total	(511,665)	(6,947,329)	(16,844,685)	3,642,974	7,727,292	2,420,612

Forward exchange contract

Investment revaluation 31/12/2010

Less Opening investment revaluation

Gain/(loss) on investment revaluation

	(511,665)	(6,947,329)	(16,844,685)	3,642,974	7,727,292	2,420,612
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	6,435,664	9,897,356	(20,487,659)	(4,084,318)	5,306,680	3,528,995
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A-4

ANZ Trustees Ltd investment

Unrealized Gain/(Loss)

Gross cash income

	382,445					
	203,645					

	Accrued income	138,436			
	Total income from ANZ Trustee investment	724,526			
A-5	Maitland Mutual Building - overseas s/term investment				
	Interest received	190,713	261,121		
	Total Maitland Income	190,713	261,121		
B-1	Staff Payroll				
	Salaries - Established Staff	365,580	321,910	315,641	286,381
	Salaries - Temporary Staff	51,987	34,772	32,780	25,461
	Overtime	54,445	51,571	44,893	12,931
	Allowances	12,100	8,897	10,131	6,075
	Retirement benefit			8,000	
	KPF Contributions	31,289	26,993	26,732	21,746
	Total	515,402	444,143	438,178	352,593
				376,568	294,785
B-2	Office Expenses				
	Electricity	113,928	105,189	100,600	61,189
	Insurance Fire	1,690	11,109	10,859	19,068
	Office Supplies	62,583	26,027	27,288	17,481
	Telecom	46,995	46,241	48,789	51,531
	Postage	584	103	343	239
	Printing	485	1,635	891	182
	Entertainment	580	1,750	1,229	2,786
	Total	226,845	192,054	189,999	154,970
				132,796	141,742

B-3	Travelling - Local & Overseas	39,924	28,406	26,912	28,819	21,608	24,126
	Annual Leave	24,987	29,635	25,112	23,159	18,618	9,580
	Transport	19,546	14,562	-	22,852	2,160	-
	Xmas Island visit	-	-	-	5,013	-	-
	Xmas staff return transport	110,476	107,010	56,259	15,671	3,365	59,400
	Conference/ Workshop	148	19,095	7,841	9,841	59,159	10,127
	Compliance	27,043	33,422	2,370	695	3,372	13,483
	Training	-	-	-	-	-	-
	Total	222,124	232,130	118,494	106,050	108,281	116,716
B-4	Fees & Other Charges						
	BT Management & other fees	342,096	366,155	339,620	372,178	363,004	-
	ANZ Trustees Ltd management fees & withhold ta	49,992	-	-	9,031	7,716	9,137
	International Social Security Association	12,228	-	18,049	12,425	8,630	2,875
	Financial Synergy	9,331	-	21,936	-	-	-
	SFL Fees	16,040	11,211	-	-	-	-
	Audit Fees	3,000	3,000	3,000	3,000	18,000	-
	Bank Charges	9,759	10,299	12,224	7,256	14,025	10,545
	Legal fees	5,278	6,408	8,340	1,641	2,005	1,009
	VMS agent fee	300	375	-	600	-	450
	Total	448,024	397,448	403,168	406,131	413,380	24,016
B-5	Repairs & Maintenance						
	Commercial Building	50,480	40,597	19,554	31,234	13,418	12,697
	Staff House	5,953	9,219	3,612	7,883	5,828	5,769
	KPF Office & xmas [repair & rent]	3,374	3,416	3,257	3,824	2,745	770
	furniture & fittings	-	-	-	0	110	232
	Vehicle - Motorbike	-	-	34	0	210	4,435
	office equipment	-	-	2,602	108	4,148	1,373
	Vehicle - Double cab & minibus	4,806	5,696	7,188	3,271	1,495	-
	Generator	-	-	-	0	-	3,515
	Total	64,614	58,928	36,247	46,320	27,952	28,790
B-6	Miscellaneous						
	Advertisement	5,588	5,418	3,130	7,244	8,067	1,954
	Board of Directors	39,676	14,163	14,679	8,356	11,667	6,859
	Rental Lease	1,130	650	650	650	648	648
	KPF Office Rent	35,700	35,700	35,700	33,153	20,016	20,016
	Computerisation	-	-	-	0	15,304	5,549
	Staff Uniform	4,713	2,318	1,715	0	3,450	3,327
	Donation	3,400	4,110	3,000	3200	3,490	3,675
	Promotion	300	-	-	-	-	1,150
	Work experience	-	-	-	0	-	19,355
	Sundry Expenses	3,352	406	313	2,051	1,313	-
	Total	93,859	62,765	59,187	54,655	63,954	62,533
B-7	Financial						
	Depreciation	96,861	82,656	72,450	73,082	112,530	141,358

Asset write off expense	5,803	9,574	10,104	0	8,223	6,578
Subsidised House Rent				8,115	9,468	
Bad debt				0	78,565	
Total	102,664	92,230	82,554	81,197	208,786	147,935

B-8						
Prior Period Items						
Prior period expenses	3,135	7,877	116	6,296		
Write off expense adjustment				0	809,735	(780)
Write back of revenue adjustment				0	(578,259)	
Total	3,135	7,877	116	6,296	231,475	(780)

B-9						
Total	-					

C-1						
Current Assets						
Cash on hand & Bank						
Cash at Bank - A/c 254079	29,225	351,709	48,515	1,067,173	753,596	605,779
Petty Cash	1,260	860	487	(499)	477	295
Opening of Loan account - a/c 831558	1,000,000					
Total	1,030,485	352,569	49,002	1,066,674	754,073	606,074

C-7	Total overseas investments	93,301,747	92,231,592	82,023,311		
	Local					
	Interest Bearing Deposit	424,407	1,368,453	4,235,990	9,576,748	1,906,341
	DBK Education support investment	1,529,352	1,529,352	1,529,352		
	Small Loan Scheme Investment	1,300,670				
	Abamakoro Shares					54,500
	Total for local investments	3,254,429	2,897,805	5,765,342	11,106,100	11,253,360
	TOTAL INVESTMENTS	96,556,176	95,129,397	87,788,653	107,170,763	103,171,360
						94,853,841

D-1	Current Liabilities					
	Payroll Liabilities					
	PAYE Taxes	13,637	1,971	3,224	167	168
	Withholding Taxes	(6,784)	(2,683)	(2,357)	(582)	2,537
	Life Insurance Payable	409	(219)	(254)	(394)	(181)
	KHC House Rent Payable	311	(291)	(254)	(224)	(145)
	Linnix House Rent Payable	(2,194)	(2,194)	(2,194)	(1,918)	(31)
	Private House Rent Payable	(173)	69	69		
	BKL House Rent Payable					13
	DBK Loan Repayment	612	(585)	505	(5)	1,657
	KHC Loan Repayment	783	(1,538)	(1,492)	(1,507)	80
	Wages Payable	(29,572)	(37,200)	(41,135)	(6,005)	(14,434)
	Total	(22,971)	(42,670)	(43,878)	(10,398)	(10,337)

D-2	Sundry Accounts Payable	1,205	1,205	1,205	1,205	1,205	1,308
		-	-	-	-	-	48
	Accounts Payable [Tatoua Kaitiaki]	-	-	-	-	-	333,969
	Service Fees Payable	-	-	-	-	-	12,000
	Westpac Fees Payable	42,000	39,000	36,000	33,000	30,000	(1,738)
	Audit Fees Payable	(469)	(469)	(469)	(469)	-	-
	KPF Social Fund	42,736	39,736	36,736	33,736	31,205	345,587
	Total						
D-3	Accruals & Advances	(27,040)	(12,158)	(8,798)	6,206	12,450	545,532
		(27,040)	(12,158)	(8,798)	6,206	12,450	(13,448)
	Unsettled Purchase of Investment	-	-	-	-	-	532,084
	Accrued Expenses	-	-	-	-	-	-
	Total						
	Total						
E-1	Member's Contribution Account	113,132,986	110,321,766	104,000,461	96,804,993	92,696,085	86,453,061
		(260,061.00)	(260,061.00)	(260,061.00)	(260,061.00)	(260,061.00)	(77)
	Opening balance	113,132,986	110,321,766	104,000,461	96,804,993	92,696,085	86,453,061
	Opening balance adjustment	-	-	-	-	-	-
	Receipts	10,090,815	10,213,601	9,257,547	9,458,684	9,255,510	8,286,783
	Interest on Withdrawals	-	-	-	-	-	42,518
	Interest on Members Accounts	5,982,572	5,906,677	7,376,769	7,260,374	6,742,568	6,051,714
	Withdrawals	(11,215,596)	(13,309,208)	(10,313,011)	(9,263,529)	(11,913,992)	(8,352,165)
	Total	117,990,777	113,132,836	110,321,766	104,000,461	96,804,993	92,481,835
	Unallocated Member's Account	-	-	898	898	1,166	4,390
	Received unallocated members' accounts	51,977	25,544	361,689	361,689	306,413	209,860
	Total Member's Account	118,042,754	113,158,380	110,684,353	104,363,048	97,112,572	92,696,085
E-2	Reserves	785,438	785,438	785,438	785,438	785,438	785,438
		717,103	717,103	717,103	717,103	717,103	717,103
	Equalization Reserve	246,667	246,667	246,667	246,667	246,667	246,667
	Interest Stabilisation	3,694,264	3,694,264	3,692,854	3,692,854	3,692,854	3,692,854
	Special Death Benefit	5,443,472	5,443,472	5,442,062	5,442,062	5,442,062	5,442,062
	General Reserve	-	-	-	-	-	-
	Total						
	Total						
E-3	Accumulated Surplus/(Deficit)	(19,881,765)	(25,218,895)	1,285,805	4,280,825	(546,137)	(5,668,651)
		(2,465,241)	5,337,130	(26,504,700)	(2,995,019)	4,826,962	5,122,513
	Balance as at 1/01/10	(19,881,765)	(25,218,895)	1,285,805	4,280,825	(546,137)	(5,668,651)
	Surplus/(Deficit) for the year	(2,465,241)	5,337,130	(26,504,700)	(2,995,019)	4,826,962	5,122,513
	Balance as at 31/12/10	(22,347,006)	(19,881,765)	(25,218,895)	1,285,805	4,280,825	(546,137)
F	Reconciliation of net surplus/(deficit) to net cash flow from operating activities	2010	2009	2008	2007	2006	2005*
		(2,465,241)	5,337,130	(26,504,700)	(3,031,316.00)	4,826,962	5,122,513
	Surplus/(deficit)	(2,465,241)	5,337,130	(26,504,700)	(3,031,316.00)	4,826,962	5,122,513
		(2,465,241)	5,337,130	(26,504,700)	(3,031,316.00)	4,826,962	5,122,513

<i>Add/(less) non-cash items:</i>					
Depreciation	96,861	82,656	72,450	63,095	112,530
Net write-off of prior year accruals					(231,475)
Revaluation gain on investments	(9,522,868)	(9,897,356)	20,487,659	4,084,318	(5,306,670)
	(9,426,007)	(9,814,700)	20,560,109	4,147,413	(5,425,615)
					(3,387,638)
<i>Add/(less) items classified as investing or financing activities:</i>					
Gain on sale of investments	(855,741)	(5,420,230)	(4,725,073)	(4,366,149)	(3,747,052)
Interest from investments	6,969,470	3,130,510	3,237,562	(4,237,008)	(3,302,980)
Interest receivable from investments					206,147
Accrued members' contributions					(260,332)
Members' interest	5,982,572	5,906,677	7,376,769	7,260,374	6,742,568
	12,096,301	3,616,957	5,889,258	(1,342,783)	(361,649)
					6,051,714
					(2,092,879)
<i>Add/(less) movements in working capital items</i>					
Accounts receivable	(349,817)	(113,492)	(72,344)	(357,682)	261,858
Accrued revenue	(20,209)	(88,351)	(77,122)	36,468	(295,135)
Prepayments				3,030	2,519
Accounts payable	7,817	7,568	(45,485)	(10,867)	(314,382)
Accrued expenses	(14,882)	(3,360)	(15,004)	(6,244)	(509,297)
	(377,091)	(197,635)	(209,955)	(335,295)	(854,437)
					(311,750)
<i>Net cash inflow/(outflow) from operating activities</i>					
	(172,038)	(1,058,248)	(265,288)	(561,981)	(1,814,739)
					(669,754)

KPF SMALL LOAN SCHEME
FINANCIAL POSITION
JULY - DECEMBER 2010

<u>Current Assets</u>	<u>Notes</u>			
Cash at Bank	M-1		215,086	
Cash float	"		6,732	
Accrued revenue	M-3		176,579	398,397
<u>Current Liabilities</u>				
Accounts payable	N-1		47,006	47,006
<u>Working Capital</u>				351,391
<u>Fixed Asset</u>				
Office equipment/machineries	O-1	8,521		
Less Accumulated Depreciation	"	2,130	6,391	
Furniture & Fittings	"	3,230		
Less Accumulated Depreciation	"	807	2,423	8,813
<u>Members loan control account</u>				
Loan disbursement	M-2	3,032,773		
Loan repayment		- 939,851		
Loan refund		8,979		2,101,901
<u>Total Net Asset</u>				<u>2,462,105</u>
<u>Small Loan Scheme Accumulated Funds</u>				
Capital Account	Q-1	2,300,670		
Add: surplus for the year	"	161,434		<u>2,462,105</u>

.....
Chairman, KPF Board of Directors

.....
CEO, Kiribati Provident Fund

.....
Date

**KPF SMALL LOAN SCHEME
FINANCIAL PERFORMANCE
JULY TO DECEMBER 2010**

<u>INCOME</u>	<u>Notes</u>		
Loan application fee	L-1a	25,750	
Sundry revenue	"	31	
Establishment fee	L-1b	68,085	
Administration fee	"	43,360	
Penalty fee	"	960	
Interest revenue	"	64,174	202,359
<u>EXPENSES</u>			
Office supplies	L-2b	6,563	
Payroll	"	22,369	
Telecom	"	836	
Office rent	"	2,693	
Electricity	"	2,793	
Bank charges	L-2a	2,733	
Depreciation:	"		
office equipment		2,130	
Furniture & fittings		807	40,925
<u>Net surplus/(Deficit)</u>			<u>161,434</u>

Profitability Performances

Profit margin	80%
Return on Investment Ratio	7%
Expense ratio	20%

Efficiency Performances

Operating cost ratio
Personnel Income ratio
Net income ratio

Kiribati Provident Fund
Statement of Cashflows
For the year ended 31 December 2010

	Notes	2010
Cashflows from operating activities		
Receipts from customers & employees		2,250,665
Payments to suppliers and employees		(3,329,517)
<i>Net cash from operating activities</i>	R-1	<u>(1,078,852)</u>
Cashflows from investing activities		
Receipts from investments		-
Purchase of property, plant and equipment		-
Purchase of investments		-
<i>Net cash from investing activities</i>		<u>-</u>
Cashflows from financing activities		
Loan injection		<u>1,300,670</u>
<i>Net cash from financing activities</i>		<u>1,300,670</u>
Net increase/(decrease) in cash		221,818
Add opening cash		-
<i>Closing cash</i>		<u>221,818</u>
Made up as follows:		
Cash at Bank		215,086
Petty Cash		<u>6,732</u>
Total	M-1	<u>221,818</u>

The accompanying notes form part of these financial statements

Notes to the accounts

For the year ended 31 December 2010

Note O: Fixed Asset Depreciation Schedule - 2010

Cost	F/Fittings	Machineries	Total
Balance 1/1/10	-	-	-
Additions	5,090	6,661	11,751
Disposal	-	-	-
Balance 31/12/10	5,090	6,661	11,751
Accumulated Depreciation Balance 1/1/10	-	-	-
Depreciation charged	807	2,130	2,938
Balance 31/12/10	807	2,130	2,938
NBV 31/12/10	4,283	4,531	8,813
NBV 31/12/09	-	-	-

**KIRIBATI PROVIDENT FUND
SMALL LOAN SCHEME**

Notes to the accounts
For the year ended 31 December 2010

Notes	2010
L-1 Loan Scheme income	
a Actual receipts	
Application fee	25,750
Sundry revenue	31
Total cash income	<u><u>25,750</u></u>
b Accrued income	
Establishment fee	68,085
Administrative fee	43,360
penalty fee	960
Interest received	64,174
Total accrued income	<u><u>176,579</u></u>
L-2 Loan expenditure	
a Actual expenses	
Bank charges	2,733
Depreciation	2,938
Total cash expenses	<u><u>5,670</u></u>
b Accrued expenses	
Office supplies	6,563
Payroll expenses	22,369
Telecom	836
Rent	2,693
Electricity	2,793
Total accrued expenses	<u><u>35,255</u></u>
M-1 Current Asset	
Cash at Bank & on Hand	
Cash at Bank	215,086
Cash float	6,732
Total	<u><u>221,818</u></u>
M-2 Accounts Receivables	
Members' loan balances	
Loan advances	3,032,773
Loan refunds	8,979
Loan repayments	(939,851)
Total	<u><u>2,101,901</u></u>
M-3 Accruals and Prepayments	
Accrued revenue	176,579
Total	<u><u>176,579</u></u>

N-1	Current Liabilities	
	Accounts payable - A/c 254079	47,006
	Total	<u>47,006</u>
O-1	Fixed Assets	
	Office equipment and machineries	6,391
	Furniture & Fittings	2,423
	Total	<u>8,814</u>
Q-1	Equity Account	
	Capital injection	2,300,670
	Add: net surplus for the year	161,434
	Accumulated Loan Scheme Fund	<u>2,462,104</u>
R-1	Reconciliation of net surplus/(deficit) to net cash flow from operating activities	
		2010
	Surplus/(Deficit)	161,434
	Add/(less) non-cash items	
	Depreciation	2,938
	Accrued expenses	35,255
	Accrued revenue	(176,578)
		(138,385)
	Add/(less) items classified as investing or financing activities:	
	Cash initial injection	1,000,000
	Add/(less) movements in working capital items	
	Accounts receivable	(2,101,901)
	Accrued revenue	-
	Accounts payable	(2,101,901)
	Net cash inflow/(outflow) from operating activities	(1,078,852)

KIRIBATI PROVIDENT FUND
Consolidated Statement of Financial Position
as at 31 December 2011

Account Name	Note	2011	2010	2009	2008	2007	2006	2005
Current Assets								
Cash on Hand & at Bank	C-1	515,258	252,303	352,569	49,002	1,066,674	754,073	606,074
Accounts Receivable	C-2	1,475,467	1,229,226	864,804	776,315	723,856	499,479	428,299
Accruals and Prepayments	C-3	957,670	429,721	232,933	144,582	67,460	517,857	19,094
Sundry Accounts Receivable	C-4	687,428	705,403	740,217	715,214	695,329	562,294	1,101,479
Members' loan balances	C-8	2,578,198	2,101,901					
		<u>6,214,021</u>	<u>4,718,554</u>	<u>2,190,523</u>	<u>1,685,113</u>	<u>2,553,319</u>	<u>2,333,703</u>	<u>2,154,946</u>
Less Current Liabilities								
Payroll Liabilities	D-1	(11,846)	(22,971)	(42,670)	(43,878)	(13,234)	-	(10,337)
Sundry Accounts Payable	D-2	79,711	42,736	39,736	36,736	33,735	31,205	345,587
Accruals & Advances	D-3	(27,072)	(27,040)	(12,158)	(8,798)	6,206	12,450	532,084
		<u>40,793</u>	<u>(7,275)</u>	<u>(15,092)</u>	<u>(15,940)</u>	<u>26,707</u>	<u>43,655</u>	<u>867,334</u>
Working Capital		<u>6,173,228</u>	<u>4,725,929</u>	<u>2,205,615</u>	<u>1,701,053</u>	<u>2,526,612</u>	<u>2,290,048</u>	<u>1,287,612</u>
Non-Current Assets								
Fixed Assets	C-5	1,294,064	1,366,326	1,385,077	1,417,814	1,396,379	1,374,049	1,450,556
Investments								
Overseas - BT/ANZ Trustee	C-6	86,454,434	93,301,747	92,231,592	82,023,311	96,061,823	91,918,000	92,893,000
Local	C-7	6,412,449	1,953,759	2,897,805	5,765,342	11,106,100	11,253,360	1,960,841
		<u>92,866,883</u>	<u>95,255,506</u>	<u>95,129,397</u>	<u>87,788,653</u>	<u>107,167,923</u>	<u>103,171,360</u>	<u>94,853,841</u>
Total Net Asset		<u>100,334,175</u>	<u>101,347,660</u>	<u>98,720,089</u>	<u>90,907,520</u>	<u>111,090,914</u>	<u>106,835,458</u>	<u>97,592,009</u>
Member's Accumulated Funds								
Members Contributions	E-1	124,517,194	118,042,754	113,158,380	110,684,353	104,363,048	97,112,572	92,696,085
Reserves	E-2	-	5,443,472	5,443,472	5,442,062	5,442,062	5,442,062	5,442,062
Accumulated surplus/(deficit)	E-3	(24,183,019)	(22,138,565)	(19,881,765)	(25,218,896)	1,285,805	4,280,824	(546,137)
Net Worth		<u>100,334,175</u>	<u>101,347,661</u>	<u>98,720,087</u>	<u>90,907,519</u>	<u>111,090,915</u>	<u>106,835,458</u>	<u>97,592,009</u>

Signature.....
Chairman (KPF Board of Directors)

Signature.....
Chief Executive Officer (KPF)

The accompanying notes form part of these financial statements

Kiribati Provident Fund
Consolidated Statement of Financial Performance
For the year ended 31 December 2011

	Notes	2011	2010	2009	2008	2007	2006	2005
Overseas Income								
Income on Investments	A-1	4,294,642	3,976,128	5,046,469	4,957,749	4,366,149	3,280,343	4,728,171
Gain/(Loss) on Sale of Investment	A-2	(940,501)	(6,969,470)	(3,130,510)	(3,237,562)	4,237,008	3,302,908	3,416,423
Gain/(Loss) on Investments Revaluation	A-3	(2,387,258)	6,425,664	9,897,356	(20,487,659)	(4,034,318)	5,306,680	3,529,995
Income on Investments - ANZ Trustees Ltd	A-4	44,905	724,526					
Interest received - Maitland Mutual Building	A-5	125,573	190,713	261,121	81,099			
Total Overseas Income		637,361	4,357,561	12,074,436	(18,686,373)	4,518,839	11,889,931	11,673,589
Local Income								
BOK Interest		8,698	155,954	277,895	517,837	360,745	241,022	-
Interest - Est/Admin/Application/Penalty - Small Loan Scheme		562,472	202,359					
Interest - DBK educational scheme Investment		12,209	20,499	37,118	66,371	55,580		
Staff Loan Interest			6,910	6,910	5,866	20,480	17,226	31,148
Staff Quarters Rent		1,092	1,183	934	510	960	981	1,224
Commercial Building Rent		137,520	153,198	133,930	140,662	245,006	125,100	125,100
Electricity from Tenants		32,995	39,771	48,367	36,914	63,892	27,807	29,370
Surcharges		258,418	399,001	124,643	72,336	143,519	120,835	121,371
Esanda interest		-	-	-	-	-	225,687	-
Membership Card		17,431	17,142	2,797	2,154	4,260	4,943	3,462
Gain on sale of fixed asset		-	-	-	-	6,823	-	-
Sundries		42,599	42,778	24,352	43,885	55,263	14,440	6,260
Total Local Income		1,073,434	1,038,795	656,946	886,535	956,528	778,041	317,935
Total Income		1,710,795	5,396,356	12,731,382	(17,799,838)	5,475,367	12,667,971	11,991,524
Less Operating Expenses								
Staff payroll	B-1	585,379	537,771	444,143	438,178	376,568	352,593	294,785
Office expenses	B-2	247,614	237,037	192,054	189,999	132,796	154,970	141,742
Travelling - Local & Overseas	B-3	153,633	222,124	232,130	118,494	106,050	108,281	116,716
Fees & Other Charges	B-4	657,256	450,757	397,448	403,168	406,131	413,380	24,016
Repairs and Maintenance	B-5	36,598	64,613	58,928	36,247	46,320	27,952	28,790
Miscellaneous	B-6	112,863	96,552	62,765	59,187	54,655	63,954	62,533
Financial	B-7	112,546	105,601	92,230	82,554	81,197	208,786	147,935
Total Expenditure		1,905,889	1,714,455	1,479,698	1,327,927	1,203,717	1,329,917	816,516
Operating Profit/(Loss) before Members Expenditure		(195,094)	3,681,901	11,251,684	(19,127,666)	4,271,650	11,338,055	11,175,007
Less Members Expenditure								
Interests on Members Accounts		7,351,863	5,982,572	5,906,677	7,376,919	7,260,374	6,742,568	6,051,714
Total Members Expenditure		7,351,863	5,982,572	5,906,677	7,376,919	7,260,374	6,742,568	6,051,714
Profit/(Loss) after Members Expenditure		(7,546,957)	(2,300,671)	5,345,007	(26,504,585)	(2,988,724)	4,595,486	5,123,293
Add/(less) Prior Period Items	B-8	(59,032)	(43,871)	7,877	116	6,296	231,475	(780)
Net Surplus/(Loss)		(7,487,925)	(2,256,800)	5,337,130	(26,504,700)	(2,995,020)	4,826,962	5,122,513
Accumulated Surplus/(Deficit) at 1/1/11		(22,138,565)	(19,881,766)	(25,218,896)	1,285,805	4,280,824	(546,137)	(5,668,651)
Loan retained earnings 31/12/2011		5,443,471						
transfer of reserves		(24,133,019)	(22,138,565)	(19,881,766)	(25,218,896)	1,285,805	4,280,824	(546,137)
Accumulated Surplus/(Deficit) at 31/12/11								

3,976,128

Kiribati Provident Fund
Consolidated Statement of Cashflows
For the year ended 31 December 2011

	Notes	2011	2010	2009	2008	2007	2006	2005
Cashflows from operating activities								
Receipts from customers & employees		7,006,109	3,066,602	604,932	969,630	733,872	223,808	209,490
Payments to suppliers and employees		(7,509,963)	(4,823,466)	(1,927,669)	(1,301,012)	(1,514,152)	(2,038,547)	(879,244)
<i>Net cash from operating activities</i>	F	(503,854)	(1,756,864)	(1,322,669)	(331,382)	(780,280)	(1,814,739)	(669,754)
Cashflows from investing activities								
Receipts from investments		2,019,523	2,850,686	11,447,160	4,957,749	2,467,211	6,843,885	12,680,939
Purchase of property, plant and equipment		(35,625)	(69,307)	(49,918)	(93,875)	(95,410)	(36,023)	(30,964)
Purchase of investments		(1,279,931)	(1,300,670)	(6,675,399)	(4,494,700)	(1,529,352)	(2,779,374)	(11,740,000)
<i>Net cash from investing activities</i>		703,967	1,480,709	4,721,843	369,174	842,449	4,028,488	909,975
Cashflows from financing activities								
Loan injection		1,000,000	1,300,670					
Members' contributions		10,437,020	10,090,815	10,213,601	9,257,547	9,513,960	9,848,243	8,543,551
Members' withdrawals		(11,374,178)	(11,215,596)	(13,309,208)	(10,313,011)	(9,263,529)	(11,913,992)	(8,352,165)
<i>Net cash from financing activities</i>		62,842	175,889	(3,095,607)	(1,055,464)	250,431	(2,065,749)	191,386
Net increase/(decrease) in cash		262,955	(100,266)	303,567	(1,017,672)	312,600	148,000	431,607
Add opening cash		252,303	352,569	49,002	1,056,674	754,074	606,074	174,467
Closing cash		515,258	252,303	352,569	49,002	1,066,674	754,074	606,074
Made up as follows:								
Cash at Bank - contribution a/c		391,484	29,225	351,709	48,515	1,067,173	753,597	605,779
Petty Cash		1,652	1,260	860	487	(499)	477	295
Loan scheme bank account		119,491	215,086					
Loan cash float		2,631	6,732					
Total	C-1	515,258	252,303	352,569	49,002	1,066,674	754,074	606,074

The accompanying notes form part of these financial statements

Kiribati Provident Fund
Statement of Movements in equity
For the year ended 31 December 2011

	Notes	2011	2010	2009	2008	2007	2006	2005
Balance 1 January		101,347,661	98,720,086	90,907,520	111,090,914	106,835,457	97,592,009	86,226,472
Add/(less) net surplus deficit for the year		(7,487,925)	(2,256,800)	5,337,130	(26,504,700)	(2,995,019)	4,826,962	5,122,513
Total recognised revenue and expenses for the year		(7,487,925)	(2,256,800)	5,337,130	(26,504,700)	(2,995,019)	4,826,962	5,122,513
Movement in Capital contributions by members		6,474,440	4,884,374	2,475,436	6,321,306.00	7,250,476	4,416,487	6,243,324
Consolidated net worth		100,334,176	101,347,661	98,720,086	90,907,520	111,090,914	106,835,457	97,592,009
Net worth of Members' loan scheme								
Balance at 31 December		100,334,176	101,347,661	98,720,086	90,907,520	111,090,914	106,835,457	97,592,009
<i>Represented as follows:</i>								
Members' accounts	E-1	124,517,194	118,042,754	113,158,379	119,684,353	104,363,048	97,112,572	92,696,085
Reserves	E-2	-	5,443,472	5,443,472	5,442,062	5,442,062	5,442,062	5,442,062
Retained earning	E-3	(24,183,019)	(22,138,565)	(19,881,765)	(25,218,895)	1,285,805	4,280,824	(546,137)
Total equity		100,334,176	101,347,661	98,720,086	90,907,520	111,090,915	106,835,457	97,592,009

The accompanying notes form part of these financial statements

KIRIBATI PROVIDENT FUND

Notes to the accounts

Consolidated Fixed Asset Schedule

For the year ended 31 December 2011

Note H: Fixed Asset Depreciation Schedule - 2011

Cost	Land	Buildings	F/Fittings	Vehicles	Machineries	System Enhancement	Loan Fixed Asset	Total
Balance 1/1/11	9,000	1,701,525	94,061	259,512	550,929	50,382	-	2,665,309
Additions	-	-	1,562	-	35,155	-	-	36,717
Disposal	-	-	-	-	-	-	-	-
Balance 31/12/11	9,000	1,701,525	95,623	259,512	585,984	50,382	-	2,702,926
Accumulated Depreciation								
Balance 1/1/11	-	517,762	32,962	197,014	486,131	15,114	-	1,298,983
Depreciation charged	-	28,774	4,538	17,299	53,330	5,038	-	108,979
Balance 31/12/11	-	546,536	37,500	214,313	539,461	20,152	-	1,407,962
NPV 31/12/11	9,000	1,154,989	8,123	45,199	46,523	30,230	-	1,294,064
NPV 31/12/10	9,000	1,183,763	11,099	62,498	64,698	35,268	-	1,366,926

KIRIBATI PROVIDENT FUND
Notes to the accounts
For the year ended 31 December 2011

Note 1: Gain/Loss on Investment Valuation as at 31/12/11

	Market Value	Cost	Difference
Australian Fixed Interest	12,674,016	12,143,978	530,038
International Fixed Interest	6,253,916	5,884,769	369,147
Australian Real Estate	3,632,105	3,902,069	(269,964)
International Real Estate	2,403,020	1,899,988	503,032
Australian shares	14,171,600	15,323,308	(1,151,708)
International Share	14,773,855	17,770,328	(2,996,473)
Other Investment	3,133,870	3,516,865	(382,995)

Total	57,042,383	60,441,305	(3,398,923)
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Investment Revaluation Reserve 1/1/10			(511,665)
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CURRENT ASSETS

Cash on Hand & Cash equivalents

Cash at Bank	291,179	291,179
BT enhanced cash fund	-	-
BT managed cash	882,804	882,804
Total cash on hand & cash equivalent	1,173,983	1,173,983

Other current assets

Future deposit	11,275	11,275
Initial exposure value	-	-
Initial options margin account	-	-
Income due but not received	182,079	182,079
Unsettled sales	7,174	7,174
Total other current assets	200,528	200,528
TOTAL CURRENT ASSETS	1,374,511	1,374,511

OTHER CURRENT LIABILITIES

Initial exposure value	(104,650)	(104,650)
Initial Lepo Margin - Deposit	-	-
Initials options Margin Account	(1)	(1)
Total Future & Options exposure	(104,651)	(104,651)

Fee payable to Manager	(66,196)	(66,196)
Unsettled purchases	(143,508)	(143,508)
Total other current liabilities	(209,704)	(209,704)

Total other current liabilities	(314,355)	(314,355)
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NET ASSETS	58,102,538	61,501,461	(3,398,923)
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Opening value as at 01/01/11	62,946,505	63,420,324	
Funds withdrawn	(5,000,000)	(5,000,000)	
Movement in valuation	156,033		
Net investment income		4,021,638	
Net capital gains		(940,501)	
Closing value as at 31/12/2011	58,102,538	61,501,461	(3,398,923)

Unrealized Gains/(Losses)

Closing investment valuation reserve		(3,398,923)
Less opening investment valuation reserve		(511,665)

Unrealized capital movement over period		(2,887,258)
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KIRIBATI PROVIDENT FUND
Notes to the accounts
For the year ended 31 December 2011

Note 1: Gain/Loss on Investment Valuation as at 31/12/11

Opening balance

<u>Unrealized Gain/(Loss):</u>	<u>Closing Value</u>	<u>End Cost Base</u>	<u>Difference</u>
Australian equities	6,662,664	7,392,885	(730,221)
International Equities	3,487,405	3,888,011	(400,606)
Fixed interest	9,111,273	8,849,259	262,014
Cash	-	-	-
Total	19,261,342	20,130,155	(868,813)

Realized Gain/(Loss):

	<u>End Cost Base</u>	<u>Net sales</u>	<u>Opening Value</u>	<u>Difference</u>
Australian equities	7,392,885	2,237,286	10,035,795	(405,624)
International equities	3,888,011	1,117,549	5,227,200	(221,640)
Fixed interest	8,849,259	193,000	9,062,215	(19,956)
Cash	-	-	-	-
Total	20,130,155	3,547,835	24,325,210	647,220

Net Capital Gain/(Loss) for the year (1,516,033)

Opening value as at 01/01/2011	-	26,271,772	
Funds withdrawn	-	-	
2010 income accruals		(138,431)	
Income accruals	-	139,280	
Net investment income		1,214,961	***
Net capital gains		(1,516,033)	
Closing value as at 31/12/2011	-	25,971,549	

Income & Expenditure summary:-

Opening balance	-		
Receipts	1,560,089		
Gross cash income	1,560,089		
Less: expenditure:-			
Equity trust (AUS) unlisted	169,900		
management fee	144,232		
Bank charges/fees	13		
Withholding tax deducted at source	1,929		
Foreign withholding taxes	29,054		
	345,127.97	1,214,961	***

Valuation by Sectors

	<u>2011</u>	<u>2010</u>	
austr equities	6,662,664	10,035,795	- 3,373,131
intl equities	3,487,405	5,227,200	- 1,739,795
Fixed interest	9,111,273	9,062,219	49,054
Capital cash	5,202,303	1,654,468	3,547,835
income accruals	139,280	138,436	844
cash income	1,368,614	153,654	1,214,960
Total Portfolio market valuation	25,971,539	26,271,772	

KIRIBATI PROVIDENT FUND
Notes to the accounts
For the year ended 31 December 2011

Notes	2011	2010	2009	2008	2007	2006
A-1 Income on Overseas Investments - BTIM						
Dividends - Australian Shares	606,139	695,750	703,181	1,015,195	1,130,750	1,135,575
Dividends - Overseas Shares	1,537,069	1,111,220	1,349,173	514,213	451,957	432,618
Distribution - International Real Estate	585,016					
Distribution - Australian Real Estate	188,756	263,785	492,285	910,863	1,265,208	775,038
Distribution - Australian Bond	840,442	1,038,890	1,451,755	1,388,438	910,229	656,828
Distribution - Overseas Bond	271,002	716,264	925,251	877,186	378,350	71,878
Australian Cash	100,558	120,673	124,824	251,854	226,651	193,418
Other	165,660	29,547			3,004	14,988
Total income	4,294,642	3,976,128	5,046,469	4,957,749	4,366,149	3,280,343
Total	4,294,642	3,976,128	5,046,469	4,957,749	4,366,149	3,280,343
A-2 Realized Gain/(Loss) on Sale of Investments						
Australian Fixed Interest Securities	39,164	(159,569)	(50,676)	(98,063)	-	(4,430)
Overseas Fixed Interest Securities	10,596	(113,489)	(29,132)	(1,495,999)	-	(90,173)
Real Estate	415,165	(2,584,560)	(777,485)	(275,000)	299,992	729,002
Australian Shares	161,322	1,046,585	(827,443)	(843,500)	3,845,666	3,568,484
International Shares	751,436	(5,175,935)	(1,440,370)	(300,000)	-	(1,128,534)
Other investment	17,590	20,102	(5,404)	(293,830)		
Cash equivalent		4,004				
Future contracts	2,573	(6,608)		55,075	66,025	226,103
Options contract				13,755	25,325	2,456
Total	940,501	(6,969,470)	(3,130,510)	(3,237,562)	4,237,008	3,302,908
A-3 Unrealised Gains/(Losses) on Investment valuation						
International Fixed Interest	369,147	15,207	(333,214)	(85,265)	145,650	(535)
Overseas Equities	2,996,473	(1,592,299)	(6,094,604)	(6,379,758)	(549,678)	502,233
Australian Fixed interest	530,038	(167,071)	(693,869)	72,982	(946,487)	(587,379)
Australian shares	1,151,708	982,179	3,119,761	(4,542,229)	4,573,817	5,355,165
Australian real estate	269,964	(677,512)	(2,702,481)	(3,510,785)		
International real estate	503,032	1,166,938	90,456	(1,780,140)		
other investment	382,995	(239,107)	(333,378)	(619,490)		
Real Estate					419,672	2,457,807
Total	3,398,923	(511,665)	(6,947,329)	(16,844,685)	3,642,974	7,727,292
Forward exchange contract						
Investment revaluation 31/12/2011	(3,398,923)	(511,665)	(6,947,329)	(16,844,685)	3,642,974	7,727,292
Less Opening investment revaluation	(511,665)	(6,947,329)	(16,844,685)	3,642,974	7,727,292	2,420,612
Gain/(loss) on investment revaluation	(2,887,258)	6,435,664	9,897,356	(20,487,659)	(4,084,318)	5,306,680
A-4 ANZ Trustees Ltd investment						
Unrealized Gain/(Loss)	1,654,464	382,445				
Gross cash income	1,560,089	203,645				
Accrued income	139,280	138,436				
Total income from ANZ Trustee investment	44,905	724,526				
A-5 Maitland Mutual Building - overseas s/term investment						
Interest received	125,573	190,713	261,121			
Total Maitland income	125,573	190,713	261,121			
B-1 Staff Payroll						
Salaries - Established Staff	364,573	365,580	321,910	315,641	295,479	286,381
Salaries - Temporary Staff	58,951	51,987	34,772	32,780	31,214	25,461
Overtime	47,154	54,445	51,571	44,893	14,334	12,931
Allowances	42,054	12,100	8,897	10,131	11,097	6,075
Retirement benefit				8,000		
KPF Contributions	33,694	31,289	26,993	26,732	24,444	21,746
Total	546,426	515,401	444,143	438,178	376,568	352,593
B-2 Office Expenses						
Electricity	115,577	113,928	105,189	100,600	63,512	61,189
Insurance Fire	16,511	1,690	11,109	10,859	11,204	19,068
Office Supplies	32,865	62,583	26,027	27,288	20,145	17,481
Telecom	56,588	46,995	46,241	48,789	36,564	51,531
Recruitment	5,500					
Postage	734	584	103	343	330	239
Printing	3,686	485	1,635	891	484	2,786
Entertainment	2,366	580	1,750	1,229	557	2,676
Total	233,827	226,845	192,054	189,999	132,796	154,970

B-3	Travelling - Local & Overseas					
	Annual Leave	31,166	39,924	28,406	26,912	21,608
	Transport	13,806	24,987	29,635	25,112	18,618
	Xmas Island visit	11,336	19,546	14,562	-	2,160
	Xmas staff return transport	-	-	-	-	5,013
	Conference/ Workshop	43,643	110,476	107,010	56,259	3,365
	Compliance	21,089	148	19,095	7,841	59,159
	Training	32,593	27,043	33,422	2,370	3,372
	Total	153,633	222,124	232,130	118,494	108,281
B-4	Fees & Other Charges					
	BT Management & other fees	265,641	342,096	366,155	339,620	363,004
	ANZ Trustees Ltd management fees & withhold ta	345,128	49,992	-	-	-
	International Social Security Association	13,174	12,228	-	18,049	7,716
	Financial Synergy	-	9,331	-	21,936	8,630
	SFL Fees	6,517	16,040	11,211	-	-
	Audit Fees	3,000	3,000	3,000	3,000	18,000
	Bank Charges	11,598	9,759	10,299	12,224	14,025
	Legal fees	5,909	5,278	6,408	8,340	2,005
	VMS agent fee	465	300	375	-	-
	Total	651,432	448,024	397,448	403,168	413,380
B-5	Repairs & Maintenance					
	Commercial Building	25,879	50,480	40,597	19,554	13,418
	Staff House	3,032	5,953	9,219	3,612	5,828
	KPF Office & xmas [repair & rent]	2,854	3,374	3,416	3,257	2,745
	furniture & fittings	-	-	-	-	110
	Vehicle - Motorbike	-	-	-	34	210
	office equipment	-	-	-	2,602	4,148
	Vehicle - Double cab & minibus	4,833	4,806	5,696	7,188	1,495
	Generator	-	-	-	-	-
	Total	36,598	64,613	58,928	36,247	27,952
B-6	Miscellaneous					
	Advertisement	347	5,588	5,418	3,130	8,067
	Board of Directors	55,279	39,676	14,163	14,679	11,667
	Rental Lease	650	1,130	650	650	648
	KPF Office Rent	41,086	35,700	35,700	35,700	20,016
	Computerisation	-	-	-	-	15,304
	Staff Uniform	-	4,713	2,318	1,715	3,450
	Donation	4,500	3,400	4,110	3,000	3,490
	Promotion	-	300	-	-	-
	Work experience	-	-	-	-	-
	Sundry Expenses	5,616	3,352	406	313	1,313
	Total	107,478	93,859	62,765	59,187	63,954
B-7	Financial					
	Depreciation	105,768	96,861	82,656	72,450	112,530
	Asset write off expense	-	-	-	-	8,223
	Subsidised House Rent	3,567	5,803	9,574	10,104	9,468
	Bad debt	-	-	-	-	78,565
	Total	109,335	102,664	92,230	82,554	208,786
B-8	Prior Period Items					
	Prior period expenses	184	3,135	7,877	116	6,296
	Write off expense adjustment	-	-	-	-	809,735
	Write back of revenue adjustment	-	-	-	-	(578,259)
	Total	184	3,135	7,877	116	231,475
C-1	Current Assets					
	Cash on hand & Bank					
	Cash at Bank - A/c 254079	391,484	29,225	351,709	48,515	753,596
	Petty Cash	1,652	1,260	860	487	477
	Opening of Loan account - a/c831558	-	1,000,000	-	-	-
	Total	393,136	1,030,485	352,569	49,002	754,073

C-2	Accounts Receivable						
	Accounts Receivable - surcharges	1,235,071	1,004,405	665,840	610,694	562,176	473,991
	Accounts Receivable -others & KHC GM's renovati	49,420	49,420	42,617	11,471	11,471	11,471
	Rent Receivable - commercial building	141,717	129,968	114,029	115,733	114,578	7,375
	Cash transfers - Loan a/c 831558	52,815					
	Electricity Receivable - commercial build	49,259	45,433	42,318	38,417	35,631	6,643
	Total Accounts Receivable	1,528,282	1,229,226	864,804	776,315	723,856	499,479
C-3	Accruals & Prepayments						
	Accrued interest - local IBDs	-	-	-	-	-	206,147
	Accrued members contributions	-	-	-	-	-	260,332
	Accrued interest - DBK educational investment	191,777	179,568	159,069	121,951	55,580	
	Returned cheques	36,128	33,178	33,468	22,235	11,484	47,952
	Prepayment - Solar Energy Company	40,396	40,396	40,396	396	396	3,426
	Total accruals & prepayments	268,301	253,142	232,933	144,582	67,460	517,857
C-4	Sundry Accounts Receivable						
	Staff imprest	207,828	160,570	140,960	112,204	68,600	57,094
	Staff loan	479,100	544,333	598,757	602,510	626,229	504,700
	Unsettled Sales of Investment	-	-	-	-	-	-
	Debtor - PVU	-	-	-	-	-	-
	House Rent Deposit	500	500	500	500	500	500
	Total sundry accounts receivable	687,428	705,403	740,217	715,214	695,329	562,294
C-5	Fixed assets						
	Land	9,000	9,000	9,000	9,000	9,000	9,000
	Buildings	1,154,989	1,183,763	1,210,185	1,238,840	1,250,026	1,253,195
	Furniture & Fittings	4,294	6,816	5,416	7,221	3,837	5,006
	Motor Vehicles	45,199	62,498	26,757	33,446	40,452	15,004
	System enhancement	30,230	35,268	40,306	45,344		
	Office Machineries	43,657	60,167	93,413	83,963	93,064	91,844
	Total fixed assets	1,287,369	1,357,512	1,385,075	1,417,814	1,396,379	1,374,049
	Refer to Note H for fixed asset breakdown						
C-6	Investments						
	Overseas						
	BTIM						
	Australian Fixed Interest Securities	12,674,016	13,810,641	18,673,213	17,422,229	24,668,910	23,595,000
	Overseas Fixed Interest Securities	6,253,916	6,193,376	8,412,542	7,830,458	9,271,234	8,842,000
	Real Estate	6,035,125	6,356,573	9,341,212	7,820,465	11,076,610	9,875,000
	Australian Equities	14,171,600	15,216,840	21,922,805	19,086,884	23,843,476	22,979,000
	Overseas Equities	14,773,855	15,616,889	22,207,693	18,223,888	23,145,337	22,786,000
	Cash equivalent	1,060,156	2,549,723	4,455,418	2,931,686	4,056,256	3,841,000
	Other	3,133,870	3,157,255	3,376,489	3,626,601	2,840	
	Total BTIM investment	58,102,538	62,901,297	88,389,372	76,942,212	96,064,663	91,918,000
	GILT investment Pty	2,380,437	4,128,678	3,842,220	5,081,099		
	ANZ Trustees Ltd Investment						
	Australian Equities	6,662,664	10,035,795				
	International equities	3,487,405	5,227,200				
	Total fixed interest	9,111,273	9,062,219				
	Capital Cash	5,202,303	1,654,468				
	Cash income	1,368,534	153,654				
	Income accruals	139,280	138,436				
	Total ANZ Trustees Ltd Investment	25,971,459	26,271,772				
	Total overseas investments	86,454,434	93,301,747	92,231,592	82,023,311		
C-7	Local						
	Interest Bearing Deposit	4,883,097	424,407	1,368,453	4,235,990	9,576,748	11,253,360
	DBK Education support investment	1,529,352	1,529,352	1,529,352	1,529,352	1,529,352	
	Small Loan Scheme Investment	2,580,601	1,300,670				
	Abamakoro Shares	-	-	-	-	-	-
	Total for local investments	8,993,050	3,254,429	2,897,805	5,765,342	11,106,100	11,253,360
	TOTAL INVESTMENTS	95,447,484	96,556,176	95,129,397	87,788,653	107,170,763	103,171,360
D-1	Current Liabilities						
	Payroll Liabilities						
	PAYE Taxes	16,841	13,637	1,971	3,224	167	-
	Withholding Taxes	2,385	(6,784)	(2,683)	(2,357)	(582)	-
	Life Insurance Payable	409	409	(219)	(254)	(394)	-
	KHC House Rent Payable	398	311	(291)	(254)	(224)	-
	Linnix House Rent Payable	2,194	(2,194)	(2,194)	(2,194)	(1,918)	-
	Private House Rent Payable	469	(173)	69	69	69	-
	BKL House Rent Payable	-	-	-	-	-	-
	DBK Loan Repayment	585	612	(585)	505	(5)	-
	KHC Loan Repayment	783	783	(1,538)	(1,492)	(1,507)	-
	Wages Payable	29,414	(29,572)	(37,200)	(41,135)	(6,005)	-
	Total	11,846	(22,971)	(42,670)	(43,878)	(10,398)	-

D-2	Sundry Accounts Payable					
	Accounts Payable [Tatoo Kaiteie]	1,205	1,205	1,205	1,205	1,205
	Service Fees Payable	-	-	-	-	-
	Westpac Fees Payable	-	-	-	-	-
	Audit Fees Payable	45,000	42,000	39,000	36,000	30,000
	Members' loan control account	33,975				
	KPF Social Fund	-	469	(469)	(469)	(469)
	Total	79,711	42,736	39,736	36,736	31,205
D-3	Accruals & Advances					
	Unsettled Purchase of Investment	-	27,072	(27,040)	(12,158)	(8,798)
	Accrued Expenses	-	-	-	-	-
	Total	(27,072)	(27,040)	(12,158)	(8,798)	6,206
E-1	Member's Contribution Account					
	Opening balance	117,990,777	113,132,986	110,321,766	104,000,461	96,804,993
	Opening balance adjustment	51,977				(260,061.00)
		118,042,754	113,132,986	110,321,766	104,000,461	96,544,932
	Receipts	10,437,020	10,090,815	10,213,601	9,257,547	9,458,684
	Interest on Withdrawals	-	-	-	-	-
	Interest on Members Accounts	7,351,863	5,982,572	5,906,677	7,376,769	7,260,374
	Withdrawals	-	11,374,178	(11,215,596)	(13,309,208)	(10,313,011)
		124,457,459	117,990,777	113,132,836	110,321,766	104,000,461
	Unallocated Member's Account	-	-	-	898	898
	Received unallocated members' accounts	59,736	51,977	25,544	361,689	361,689
	Total Member's Account	124,517,195	118,042,754	113,158,380	110,684,353	104,363,048
E-2	Reserves					
	Equalization Reserve	-	785,438	785,438	785,438	785,438
	Interest Stabilisation	-	717,103	717,103	717,103	717,103
	Special Death Benefit	-	246,667	246,667	246,667	246,667
	General Reserve	-	3,694,264	3,694,264	3,692,854	3,692,854
	Total	-	5,443,472	5,443,472	5,442,062	5,442,062
E-3	Accumulated Surplus/(Deficit)					
	Balance as at 1/01/11	-	22,347,006	(19,881,765)	(25,218,895)	1,285,805
	Transfer of reserves as in E-2 above	-	5,443,472			4,280,825
	Surplus/(Deficit) for the year	-	8,042,453	(2,465,241)	5,337,130	(26,504,700)
	Balance as at 31/12/11	-	24,945,987	(22,347,006)	(19,881,765)	1,285,805
F	Reconciliation of net surplus/(deficit) to net cash flow from operating activities					
		2011	2010	2009	2008	2007
	Surplus/(deficit)	-	8,042,453	(2,465,241)	5,337,130	(26,504,700)
	<i>Add/(less) non-cash items:</i>					
	Depreciation	105,768	96,861	82,656	72,450	63,095
	Net write-off of prior year accruals	-	-	-	-	-
	Revaluation gain on investments	2,887,258	(9,522,868)	(9,897,356)	20,487,659	4,084,318
		2,993,026	(9,426,007)	(9,814,700)	20,560,109	4,147,413
	<i>Add/(less) items classified as investing or financing activities:</i>					
	Gain on sale of investments	3,398,923	(855,741)	(5,420,230)	(4,725,073)	(4,366,149)
	Interest from investments	940,501	6,969,470	3,130,510	3,237,562	(4,237,008)
	Interest receivable from investments	-	-	-	-	-
	Accrued members' contributions	-	-	-	-	-
	Members' interest	7,351,863	5,982,572	5,906,677	7,376,769	7,260,374
		4,893,441	12,096,301	3,616,957	5,889,258	(1,342,783)
	<i>Add/(less) movements in working capital items</i>					
	Accounts receivable	-	281,081	(296,240)	(113,492)	(72,344)
	Accrued revenue	-	15,159	(20,209)	(88,351)	(77,122)
	Prepayments	-	-	-	-	-
	Accounts payable	48,100	7,817	7,568	(45,485)	(10,867)
	Accrued expenses	-	32	(14,882)	(3,360)	(15,004)
		(248,172)	(323,514)	(197,635)	(209,955)	(335,295)
	Net cash inflow/(outflow) from operating activities	(404,158)	(118,461)	(1,058,248)	(265,288)	(561,981)

KIRIBATI PROVIDENT FUND
Statement of Financial Position
as at 31 December 2011

Account Name	Note	2011	2010	2009	2008	2007	2006	2005
Current Assets								
Cash on Hand & at Bank	C-1	393,136	1,030,485	352,569	49,002	1,066,674	754,073	606,074
Accounts Receivable	C-2	1,528,282	1,229,226	864,604	776,215	723,856	499,479	428,299
Accruals and Prepayments	C-3	268,301	253,142	232,933	144,582	67,460	517,857	19,094
Sundry Accounts Receivable	C-4	687,428	705,403	740,217	715,214	695,329	562,294	1,101,479
		<u>2,877,147</u>	<u>3,218,256</u>	<u>2,190,523</u>	<u>1,685,113</u>	<u>2,553,319</u>	<u>2,333,703</u>	<u>2,154,946</u>
Less Current Liabilities								
Payroll Liabilities	D-1 -	11,846	(22,971)	(42,670)	(43,878)	(13,234)	-	(10,337)
Sundry Accounts Payable	D-2	79,711	42,736	39,736	36,736	33,735	31,205	345,587
Accruals & Advances	D-3 -	27,072	(27,040)	(12,158)	(8,798)	6,206	12,450	532,084
		<u>40,793</u>	<u>(7,275)</u>	<u>(35,092)</u>	<u>(15,940)</u>	<u>26,707</u>	<u>43,655</u>	<u>867,334</u>
Working Capital		<u>2,836,354</u>	<u>3,225,531</u>	<u>2,255,615</u>	<u>1,701,053</u>	<u>2,526,612</u>	<u>2,290,048</u>	<u>1,287,612</u>
Non-Current Assets								
Fixed Assets	C-5	1,287,369	1,357,512	1,385,077	1,417,814	1,396,379	1,374,049	1,450,556
Investments								
Overseas - BT/ANZ Trustee	C-6	86,454,434	93,301,747	92,231,592	82,023,311	96,061,823	91,918,000	92,893,000
Local	C-7	8,993,050	3,254,429	2,897,805	5,765,342	11,106,100	11,253,360	1,960,841
		<u>95,447,484</u>	<u>96,556,176</u>	<u>95,129,397</u>	<u>87,788,653</u>	<u>107,167,923</u>	<u>103,171,360</u>	<u>94,853,841</u>
Total Net Asset		<u>99,571,207</u>	<u>101,133,219</u>	<u>98,720,083</u>	<u>90,907,520</u>	<u>111,090,914</u>	<u>106,835,453</u>	<u>97,592,009</u>
Member's Accumulated Funds								
Members Contributions	E-1	124,517,194	118,042,754	113,158,380	110,684,353	104,363,078	97,112,572	92,696,085
Reserves	E-2	-	5,443,472	5,443,472	5,442,062	5,442,062	5,442,062	5,442,062
Accumulated surplus/(deficit)	E-3 -	24,945,987	(22,347,007)	(19,881,764)	(25,218,895)	1,285,805	4,280,824	(546,137)
Net Worth		<u>99,571,207</u>	<u>101,139,219</u>	<u>98,720,088</u>	<u>90,907,520</u>	<u>111,090,945</u>	<u>106,835,458</u>	<u>97,592,009</u>

Signature.....
Chairman (KPF Board of Directors)

Signature.....
General Manager (KPF)

The accompanying notes form part of these financial statements

Page.

Statement of Financial Performance
For the year ended 31 December 2011

	Notes	2011	2010	2009	2008	2007	2006	2005
Overseas Income								
Income on Investments	A-1	4,294,642	3,976,128	5,046,469	4,957,749	4,366,149	3,280,343	4,728,171
Gain/(Loss) on Sale of Investment	A-2	940,501	(6,969,470)	(3,130,510)	(3,237,562)	4,237,008	3,302,908	3,416,423
Gain/(Loss) on Investments Revaluation	A-3	2,887,258	6,435,664	9,897,356	(20,487,659)	(4,084,318)	5,306,680	3,528,995
Income on Investments - ANZ Trustees Ltd	A-4	44,905	724,526					
Interest received - Maitland Mutual Building	A-5	125,573	190,713	261,121	81,099			
Total Overseas Income		637,361	4,357,561	12,074,436	(18,686,373)	4,518,839	11,889,931	11,673,589
Local Income								
BOK Interest		8,698	155,954	277,895	517,837	360,745	241,022	
Interest - DBK educational scheme investment		12,209	20,499	37,118	66,371	55,580		
Staff Loan Interest		-	6,910	6,910	5,866	20,480	17,226	31,148
Staff Quarters Rent		1,092	1,183	934	510	960	981	1,224
Commercial Building Rent		137,520	153,198	133,930	140,662	245,006	125,100	125,100
Electricity from Tenants		32,995	39,771	48,367	36,914	63,892	27,807	29,370
Surcharges		258,418	399,001	124,643	72,336	143,519	120,835	121,371
Esanda interest							225,687	
Membership Card		17,431	17,142	2,797	2,154	4,260	4,943	3,462
Gain on sale of fixed asset						6,823		
Sundries		42,599	42,778	24,352	43,885	55,263	14,440	6,260
Total Local Income		510,962	836,436	656,946	886,535	956,528	778,041	317,935
Total Income		1,148,323	5,193,997	12,731,382	(17,799,838)	5,475,367	12,667,971	11,991,524
Less Operating Expenses								
Staff payroll	B-1	546,426	515,401	444,143	438,178	376,568	352,593	294,785
Office expenses	B-2	233,827	226,845	192,054	189,999	132,796	154,970	141,742
Travelling - Local & Overseas	B-3	153,633	222,124	232,130	118,494	106,050	108,281	116,716
Fees & Other Charges	B-4	651,432	448,024	397,448	403,168	406,131	413,380	24,016
Repairs and Maintenance	B-5	36,598	64,614	58,928	36,247	46,320	27,952	28,790
Miscellaneous	B-6	107,478	93,859	62,765	59,187	54,655	63,954	62,533
Financial	B-7	109,335	102,664	92,230	82,554	81,197	208,786	147,935
Total Expenditure		1,838,729	1,673,531	1,479,698	1,327,827	1,203,717	1,329,917	816,516
Operating Profit/(Loss) before Members Expenditure		(690,406)	3,520,466	11,251,684	(19,127,666)	4,271,650	11,338,055	11,175,007
Less Members Expenditure								
Interests on Members Accounts		7,351,863	5,982,572	5,906,677	7,376,919	7,260,374	6,742,568	6,051,714
Total Members Expenditure		7,351,863	5,982,572	5,906,677	7,376,919	7,260,374	6,742,568	6,051,714
Profit/(Loss) after Members Expenditure		(8,042,269)	(2,462,106)	5,345,007	(26,504,585)	(2,988,724)	4,595,486	5,123,293
Add/(less) Prior Period items	B-8	184	3,135	7,877	116	6,296	231,475	(780)
Net Surplus/(Loss)		(8,042,453)	(2,465,241)	5,337,130	(26,504,700)	(2,995,020)	4,826,962	5,122,513
Accumulated Surplus/(Deficit) at 1/1/11		(22,347,007)	(19,881,766)	(25,218,896)	1,285,805	4,280,824	(546,137)	(5,668,651)
Transfer of reserves		5,443,472						
Accumulated Surplus/(Deficit) at 31/12/11		(24,945,988)	(22,347,007)	(19,881,766)	(25,218,896)	1,285,805	4,280,824	(546,137)

Kiribati Provident Fund
Statement of Cashflows
For the year ended 31 December 2011

	Notes	2011	2010	2009	2008	2007	2006	2005
Cashflows from operating activities								
Receipts from customers & employees		1,328,803	1,493,949	604,932	969,630	733,872	223,808	209,490
Payments to suppliers and employees		- 1,732,961	(1,665,987)	(1,663,180)	(1,234,918)	(1,514,152)	(2,038,547)	(879,244)
<i>Net cash from operating activities</i>	F	404,158	(172,038)	(1,058,248)	(265,288)	(780,280)	(1,814,739)	(669,754)
Cashflows from investing activities								
Receipts from investments		2,019,523	3,344,712	11,182,739	4,891,655	2,467,211	6,843,885	12,680,939
Purchase of property, plant and equipment		- 35,625	(69,307)	(49,918)	(93,875)	(95,410)	(36,023)	(30,964)
Purchase of investments		- 1,279,931	(1,300,670)	(6,675,399)	(4,494,700)	(1,529,352)	(2,779,374)	(11,740,000)
<i>Net cash from investing activities</i>		703,967	1,974,735	4,457,422	303,080	842,449	4,028,488	909,975
Cashflows from financing activities								
Members' contributions		10,437,020	10,090,815	10,213,601	9,257,547	9,513,960	9,848,243	8,543,551
Members' withdrawals		- 11,374,178	(11,215,596)	(13,309,208)	(10,313,011)	(9,263,529)	(11,913,992)	(8,352,165)
<i>Net cash from financing activities</i>		937,158	(1,124,781)	(3,095,607)	(1,055,464)	250,431	(2,065,749)	191,386
Net increase/(decrease) in cash		- 637,349	677,916	303,567	(1,017,672)	312,600	148,000	431,607
Add opening cash		1,030,485	352,569	49,002	1,066,674	754,074	606,074	174,467
<i>Closing cash</i>		393,136	1,030,485	352,569	49,002	1,066,674	754,074	606,074
Made up as follows:								
Cash at Bank		391,484	29,225	351,709	48,515	1,067,173	753,597	605,779
Petty cash		1,652	1,260		487	(499)	477	295
Loan current a/c - creation of a/c			1,000,000	860				
Total	C-1	393,136	1,030,485	352,569	49,002	1,066,674	754,074	606,074

The accompanying notes form part of these financial statements

Kiribati Provident Fund
Statement of Movements in equity
For the year ended 31 December 2011

	Notes	2011	2010	2009	2008	2007	2006	2005
Balance 1 January		101,139,219	98,720,086	90,907,520	111,090,914	106,835,457	97,592,009	86,226,472
Add/(less) net surplus deficit for the year	-	8,042,452	(2,465,241)	5,337,130	(26,504,700)	(2,995,019)	4,826,962	5,122,513
Total recognised revenue and expenses for the year		(8,042,452)	(2,465,241)	5,337,130	(26,504,700)	(2,995,019)	4,826,962	5,122,513
Movement in Capital contributions by members		6,474,440	4,884,374	2,475,436	6,321,306.00	7,250,476	4,416,487	6,243,024
Balance at 31 December		99,571,207	101,139,219	98,720,086	90,907,520	111,090,914	106,835,457	97,592,009
<i>Represented as follows:</i>								
Members' accounts	E-1	124,517,194	118,042,754	113,158,380	110,684,353	(4,366,149)	97,112,572	92,696,085
Reserves	E-2	-	5,443,472	5,443,472	5,442,062	5,442,062	5,442,062	5,442,062
Retained earnings	E-3	24,945,987	(22,347,007)	(19,881,765)	(25,218,895)	1,285,805	4,280,824	(546,137)
Total equity		99,571,207	101,139,219	98,720,087	90,907,520	2,361,718	106,835,457	97,592,009

The accompanying notes form part of these financial statements

KIRIBATI PROVIDENT FUND
Notes to the accounts
For the year ended 31 December 2011

Note H: Fixed Asset Depreciation Schedule - 2011

Cost	Land	Buildings	F/Fittings	Vehicles	System		Total
					Machineries	Enhancement	
Balance 1/1/11	9,000	1,701,525	88,971	259,512	544,168	50,382	2,653,558
Additions	-	-	470	-	35,155	-	35,625
Disposal	-	-	-	-	-	-	-
Balance 31/12/11	9,000	1,701,525	89,441	259,512	579,323	50,382	2,689,183
Accumulated Depreciation							
Balance 1/1/10	-	517,762	82,155	197,014	484,001	15,114	1,296,046
Depreciation charged	-	28,774	2,992	17,299	51,665	5,038	105,768
Balance 31/12/11	-	546,536	85,147	214,313	535,666	20,152	1,401,814
NBV 31/12/11	9,000	1,154,989	4,294	45,199	43,657	30,230	1,287,369
NBV 31/12/10	9,000	1,183,763	6,816	62,498	60,167	35,268	1,357,512

KIRIBATI PROVIDENT FUND
Notes to the accounts
For the year ended 31 December 2011

Note I: Gain/Loss on Investment Valuation as at 31/12/11

	Market Value	Cost	Difference
Australian Fixed Interest	12,674,016	12,143,978	530,038
International Fixed Interest	6,253,916	5,884,769	369,147
Australian Real Estate	3,632,105	3,902,069	(269,964)
International Real Estate	2,403,020	1,899,988	503,032
Australian shares	14,171,600	15,323,308	(1,151,708)
International Share	14,773,855	17,770,328	(2,996,473)
Other Investment	3,133,870	3,516,865	(382,995)
Total	57,042,383	60,441,305	(3,398,923)
Investment Revaluation Reserve 1/1/10			(511,665)
CURRENT ASSETS			
Cash on Hand & Cash equivalents			
Cash at Bank	291,179	291,179	
BT enhanced cash fund	-	-	
BT managed cash	882,804	882,804	
Total cash on hand & cash equivalent	1,173,983	1,173,983	
Other current assets			
Future deposit	11,275	11,275	
Initial exposure value	-	-	
Initial options margin account	-	-	
Income due but not received	182,079	182,079	
Unsettled sales	7,174	7,174	
Total other current assets	200,528	200,528	
TOTAL CURRENT ASSETS	1,374,511	1,374,511	
OTHER CURRENT LIABILITIES			
Initial exposure value	(104,650)	(104,650)	
Initial Lepo Margin - Deposit	-	-	
Initials options Margin Account	(1)	(1)	
Total Future & Options exposure	(104,651)	(104,651)	
Fee payable to Manager	(66,196)	(66,196)	
Unsettled purchases	(143,508)	(143,508)	
Total other current liabilities	(209,704)	(209,704)	
Total other current liabilities	(314,355)	(314,355)	
NET ASSETS	58,102,538	61,501,461	(3,398,923)
Opening value as at 01/01/11	62,946,505	63,420,324	
Funds withdrawn	(5,000,000)	(5,000,000)	
Movement in valuation	156,033		
Net investment income		4,021,638	
Net capital gains		(940,501)	
Closing value as at 31/12/2011	58,102,538	61,501,461	(3,398,923)
Unrealized Gains/(Losses)			(3,398,923)
Closing investment valuation reserve			(511,665)
Less opening investment valuation reserve			(2,887,258)
Unrealized capital movement over period			

KIRIBATI PROVIDENT FUND
Notes to the accounts
For the year ended 31 December 2011

Note I: Gain/Loss on Investment Valuation as at 31/12/11

Opening balance			
<u>Unrealized Gain/(loss):</u>	<u>Closing Value</u>	<u>End Cost Base</u>	<u>Difference</u>
Australian equities	6,662,664	7,392,885	(730,221)
International Equities	3,487,405	3,888,011	(400,606)
Fixed interest	9,111,273	8,849,259	262,014
Cash	-	-	-
Total	19,261,342	20,130,155	(868,813)

<u>Realized Gain/(Loss):</u>	<u>End Cost Base</u>	<u>Net sales</u>	<u>Opening Value</u>	<u>Difference</u>
Australian equities	7,392,885	2,237,286	10,035,795	(405,624)
International equities	3,888,011	1,117,549	5,227,200	(221,640)
Fixed interest	8,849,259	193,000	9,062,215	(19,956)
Cash	-	-	-	-
Total	20,130,155	3,547,835	24,325,210	647,220

Net Capital Gain/(Loss) for the year (1,516,033)

Opening value as at 01/01/2011	-	26,271,772	
Funds withdrawn	-	-	
2010 income accruals		(138,431)	
Income accruals	-	139,280	
Net investment income		1,214,961	***
Net capital gains		(1,516,033)	
Closing value as at 31/12/2011	-	25,971,549	

Income & Expenditure summary:-

Opening balance	-		
Receipts	1,560,089		
Gross cash income	1,560,089		
Less: expenditure:-			
Equity trust (AUS) unlisted	169,900		
management fee	144,232		
Bank charges/fees	13		
Withholding tax deducted at source	1,929		
Foreign withholding taxes	29,054		
	345,127.97	1,214,961	***

<u>Valuation by Sectors</u>	<u>2011</u>	<u>2010</u>
aust equities	6,662,664	10,035,795
int'l equities	3,487,405	5,227,200
Fixed interest	9,111,273	9,062,219
Capital cash	5,202,303	1,654,468
income accruals	139,280	138,436
cash income	1,368,614	153,654
Total Portfolio market valuation	25,971,539	26,271,772

Notes

A-1

Income on Overseas Investments - BTIM

	KIRIBATI PROVIDENT FUND					
	Notes to the accounts					
	For the year ended 31 December 2011					
	2011	2010	2009	2008	2007	2006
Dividends - Australian Shares	606,139	695,750	703,181	1,015,195	1,130,750	1,135,575
Dividends - Overseas Shares	1,537,069	1,111,220	1,349,173	514,213	451,957	432,618
Distribution - International Real Estate	585,016					
Distribution - Australian Real Estate	188,756	263,785	492,285	910,863	1,265,208	775,038
Distribution - Australian Bond	840,442	1,038,890	1,451,755	1,388,438	910,229	656,828
Distribution - Overseas Bond	271,002	716,264	925,251	877,186	378,350	71,878
Australian Cash	100,558	120,673	124,824	251,854	226,651	193,418
Other	165,660	29,547			3,004	14,988
Total income	4,294,642	3,976,128	5,046,469	4,957,749	4,366,149	3,280,343
						5,071,254
						(343,083)
Total	4,294,642	3,976,128	5,046,469	4,957,749	4,366,149	3,280,343
						4,728,171

A-2

Realized Gain/(Loss) on Sale of Investments

Australian Fixed Interest Securities	39,164	(159,569)	(50,676)	(98,063)	-	(4,430)	10,905
Overseas Fixed Interest Securities	10,596	(113,489)	(29,132)	(1,495,999)	-	(90,173)	31
Real Estate	415,165	(2,584,560)	(777,485)	(275,000)	299,992	729,002	1,265,054
Australian Shares	161,322	1,046,585	(827,443)	(843,500)	3,845,666	3,568,484	2,883,653
International Shares	751,436	(5,175,935)	(1,440,370)	(300,000)	-	(1,128,534)	(846,835)
Other investment	17,590	20,102	(5,404)	(293,830)	-		
Cash equivalent		4,004			66,025	226,103	100,300
Future contracts	2,573	(6,608)		13,755	25,375	2,456	3,315
Options contract							
Total	940,501	(6,969,470)	(3,130,510)	(3,237,562)	4,237,008	3,302,908	3,416,423

A-3

Unrealised Gains/(Losses) on Investment valuation

International Fixed Interest	369,147	15,207	(333,214)	(85,265)	145,650	(535)	(375,981)
Overseas Equities	2,996,473	(1,592,299)	(6,094,604)	(6,379,758)	(549,678)	502,233	(2,718,549)
Australian Fixed Interest	530,038	(167,071)	(693,869)	72,982	(946,487)	(587,379)	(705,536)
Australian shares	1,151,708	982,179	3,119,761	(4,542,229)	4,573,817	5,355,165	5,091,278
Australian real estate	269,964	(677,512)	(2,702,481)	(3,510,785)	-		
International real estate	503,032	1,166,938	90,456	(1,780,140)	-		
Other investment	382,995	(239,107)	(333,378)	(619,490)	419,672	2,457,807	1,129,399
Real Estate							
	3,398,923	(511,665)	(6,947,329)	(16,844,685)	3,642,974	7,727,292	2,420,612
Forward exchange contract							
Investment revaluation 31/12/2011	(3,398,923)	(511,665)	(6,947,329)	(16,844,685)	3,642,974	7,727,292	2,420,612
Less Opening investment revaluation	(511,665)	(6,947,329)	(16,844,685)	3,642,974	7,727,292	2,420,612	(1,108,383)
Gain/(loss) on investment revaluation	(2,887,258)	6,435,664	9,897,356	(20,487,659)	(4,084,318)	5,306,680	3,528,995

A-4

ANZ Trustees Ltd investment

Unrealized Gain/(Loss)	1,654,464	382,445					
Gross cash income	1,560,089	203,645					
Accrued income	139,280	138,436					
Total income from ANZ Trustee investment	44,905	724,526					

A-5

Maitland Mutual Building - overseas s/term investment

Interest received	125,573	190,713	261,121				
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Total Maitland income		125,573	190,713	261,121		
B-1	Staff Payroll					
	Salaries - Established Staff	364,573	365,580	321,910	315,641	286,381
	Salaries - Temporary Staff	58,951	51,987	34,772	32,780	25,461
	Overtime	47,154	54,445	51,571	44,893	12,931
	Allowances	42,054	12,100	8,897	10,131	6,075
	Retirement benefit	-	-	-	8,000	-
	KPF Contributions	33,694	31,289	26,993	26,732	21,746
	Total	546,426	515,401	444,143	438,178	352,593
B-2	Office Expenses					
	Electricity	115,577	113,928	105,189	100,600	61,189
	Insurance Fire	16,511	1,690	11,109	10,859	11,204
	Office Supplies	32,865	62,583	26,027	27,288	17,481
	Telecom	56,588	46,995	46,241	48,789	51,531
	Recruitment	5,500	-	-	-	-
	Postage	734	584	103	343	239
	Printing	3,686	485	1,635	891	2,786
	Entertainment	2,366	580	1,750	1,229	557
	Total	233,827	226,845	192,054	189,999	154,970
						141,742

B-3 Travelling - Local & Overseas

B-3 Travelling - Local & Overseas

B-4 Fees & Other Charges

B-4 Fees & Other Charges

B-5 Repairs & Maintenance

B-5 Repairs & Maintenance

B-6 Miscellaneous

B-6 Miscellaneous

B-7 Financial

B-7 Financial

B-8 Prior Period Items

B-8 Prior Period Items

Prior period expenses	184	3,135	7,877	116	6,296		
Write off expense adjustment	-				0	809,735	(780)
Write back of revenue adjustment	-				0	(578,259)	
Total	184	3,135	7,877	116	6,296	231,475	(780)

C-1	Current Assets						
	Cash on hand & Bank						
	Cash at Bank - A/c 254079	391,484	29,225	351,709	48,515	1,067,173	605,779
	Petty Cash	1,652	1,260	860	487	753,596	295
	Opening of loan account - a/c831558	-	1,000,000			(499)	
	Total	393,136	1,030,485	352,569	49,002	1,066,674	606,074

[illegible]

	2019	2018	2017	2016	2015
C-3					
Accruals & Prepayments					
Accrued interest - local IBDs	-	-	-	-	206,147
Accrued members contributions	-	-	-	-	260,332
Accrued interest - DBK educational investment	191,777	179,568	159,069	121,951	55,580
Returned cheques	36,128	33,178	33,468	22,235	11,484
Prepayment - Solar Energy Company	40,396	40,396	40,396	396	3,426
Total accruals & prepayments	268,301	253,142	232,933	144,582	517,857
					19,094

[illegible]

	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Fixed assets									
Land									
Buildings	1,154,989	1,183,763	1,210,185	1,238,840	1,250,026	1,253,195	1,253,195	1,280,814	1,280,814
Furniture & Fittings	4,294	6,816	5,416	7,221	3,837	7,221	3,837	5,006	10,802
Motor Vehicles	45,199	62,498	26,757	33,446	40,452	15,004	15,004	20,929	20,929
System enhancement	30,230	35,268	40,306	45,344					
Office Machines	43,657	60,167	93,413	83,963	93,064	91,844	91,844	129,012	129,012
Total fixed assets	1,287,369	1,357,512	1,385,075	1,417,814	1,396,379	1,374,049	1,374,049	1,450,556	1,450,556

Refer to Note H for fixed asset breakdown

[illegible]

GILT investment Pty	2,380,437	4,128,678	3,842,220	5,081,099
ANZ Trustees Ltd Investment				
Australian Equities	6,662,664	10,035,795		
International equities	3,487,405	5,227,200		
Total fixed interest	9,111,273	9,062,219		
Capital Cash	5,202,303	1,654,468		
Cash income	1,368,534	153,654		
Income accruals	139,280	138,436		

Total ANZ Trustees Ltd Investment		25,971,459	26,271,772				
Total overseas investments		86,454,434	93,301,747	92,231,592	82,023,311		
C-7	Local						
	Interest Bearing Deposit	4,883,097	424,407	1,368,453	4,235,990	9,576,748	1,906,341
	DBK Education support investment	1,529,352	1,529,352	1,529,352	1,529,352	11,253,360	
	Small Loan Scheme Investment	2,580,601	1,300,670				
	Abanakoro Shares	-	-	-	-		54,500
	Total for local investments	8,993,050	3,254,429	2,897,805	5,765,342	11,106,100	1,960,841
	TOTAL INVESTMENTS	95,447,484	96,556,176	95,129,397	87,788,653	107,170,763	94,853,841
Current Liabilities							
D-1	Payroll Liabilities						
	PAYE Taxes	16,841	13,637	1,971	3,224	167	168
	Withholding Taxes	2,385	(6,784)	(2,683)	(2,357)	(582)	2,537
	Life Insurance Payable	409	409	(219)	(254)	(394)	(181)
	KHC House Rent Payable	398	311	(291)	(254)	(224)	(145)
	Linnix House Rent Payable	2,194	(2,194)	(2,194)	(2,194)	(1,918)	(31)
	Private House Rent Payable	469	(173)	69	69	69	
	BKL House Rent Payable	-	-	-	-	-	13
	DBK Loan Repayment	585	612	(585)	505	(5)	1,657
	KHC Loan Repayment	783	783	(1,538)	(1,492)	(1,507)	80
	Wages Payable	29,414	(29,572)	(37,200)	(41,135)	(6,005)	(14,434)
	Total	11,846	(22,971)	(42,670)	(43,878)	(10,398)	(10,337)

	2019	2018	2017	2016	2015	2014	2013
Sundry Accounts Payable							
Accounts Payable [Tatoo Kaiteie]	1,205	1,205	1,205	1,205	1,205	1,205	1,308
Service Fees Payable	-	-	-	-	-	-	48
Westpac Fees Payable	-	-	-	-	-	-	333,969
Audit Fees Payable	45,000	42,000	39,000	36,000	33,000	30,000	12,000
Members' loan control account	33,975	-	-	-	-	-	-
KPF Social Fund	469	(469)	(469)	(469)	(469)	-	(1,738)
Total	79,711	42,736	39,736	36,736	33,736	31,205	345,587

[illegible]

E-1	Member's Contribution Account					
	117,990,777	113,132,986	110,321,766	104,000,461	96,804,993 (260,061.00)	92,696,085 24,821
Opening balance						
Opening balance adjustment	51,977					
	118,042,754	113,132,986	110,321,766	104,000,461	96,544,932	92,720,906
						86,452,985
Receipts	10,437,020	10,090,815	10,213,601	9,257,547	9,458,684	9,255,510
Interest on Withdrawals						8,286,783
Interest on Members Accounts	7,351,863	5,982,572	5,906,677	7,376,769	7,260,374	6,742,568
Withdrawals	11,374,178	(11,215,596)	(13,309,208)	(10,313,011)	(9,263,529)	(11,913,992)
	124,457,459	117,990,777	113,132,836	100,321,766	104,000,461	96,804,993
				898	898	1,166
Unallocated Member's Account	59,736	51,977	25,544	361,689	361,689	306,413
Received unallocated members' accounts						209,860
Total Member's Account	124,517,195	118,042,754	113,158,380	110,684,353	104,363,048	97,112,572
						92,696,085

	2017	2018	2019	2020	2021	2022
Reserves						
Equalization Reserve	-	785,438	785,438	785,438	785,438	785,438
Interest Stabilisation	-	717,103	717,103	717,103	717,103	717,103
Special Death Benefit	-	246,667	246,667	246,667	246,667	246,667
General Reserve	-	3,694,264	3,692,854	3,692,854	3,692,854	3,692,854
Total	-	5,443,472	5,443,472	5,443,472	5,443,472	5,443,472

	Accumulated Surplus/(Deficit)								
E-3	Balance as at 1/01/11	-	22,347,006	(19,881,765)	(25,218,895)	1,285,805	4,280,825	[546,137]	(5,668,651)
	Transfer of reserves as in E-2 above	-	5,443,472						
	Surplus/(Deficit) for the year	-	8,042,453	(2,465,241)	5,337,130	(26,504,700)	(2,995,019)	4,826,962	5,122,513
	Balance as at 31/12/11	-	24,945,987	(22,347,006)	(19,881,765)	(25,218,895)	1,285,805	4,280,825	[546,137]

	2011	2010	2009	2008	2007	2006	2005 *
Reconciliation of net surplus/(deficit) to net cash flow from operating activities							
Surplus/(deficit)	8,042,453	(2,465,241)	5,337,130	(26,504,700)	(3,031,316.00)	4,826,962	5,122,513
<i>Add/(less) non-cash items:</i>							
Depreciation	105,768	96,861	82,656	72,450	63,095	112,530	141,358
Net write-off of prior year accruals	-	-	-	-	-	(231,475)	0
Revaluation gain on investments	2,887,258	(9,522,868)	(9,897,356)	20,487,659	4,084,318	(5,306,670)	(3,528,995)

	2,993,026	(9,426,007)	(9,814,700)	20,560,109	4,147,413	(5,425,615)	(3,387,638)
<i>Add/(less) items classified as investing or financing activities:</i>							
Gain on sale of investments	3,398,923	(855,741)	(5,420,230)	(4,725,073)	(4,366,149)	(3,747,052)	(3,416,423)
Interest from investments	940,501	6,969,470	3,130,510	3,237,562	(4,237,008)	(3,302,980)	(4,728,171)
Interest receivable from investments						206,147	0
Accrued members' contributions						(260,332)	0
Members' interest	7,351,863	5,982,572	5,906,677	7,376,769	7,260,374	6,742,568	6,051,714
	4,893,441	12,096,301	3,616,957	5,889,258	(1,342,783)	(361,649)	(2,092,879)
<i>Add/(less) movements in working capital items</i>							
Accounts receivable	281,081	(296,240)	(113,492)	(72,344)	(357,682)	261,858	(72,245)
Accrued revenue	15,159	(20,209)	(88,351)	(77,122)	36,468	(295,135)	(221,466)
Prepayments					3,030	2,519	2
Accounts payable	48,100	7,817	7,568	(45,485)	(10,867)	(314,382)	56,674
Accrued expenses	32	(14,882)	(3,360)	(15,004)	(6,244)	(509,297)	(74,715)
	(248,172)	(323,514)	(197,635)	(209,955)	(335,295)	(854,437)	(311,750)
<i>Net cash inflow/(outflow) from operating activities</i>	<i>(404,158)</i>	<i>(118,461)</i>	<i>(1,058,248)</i>	<i>(265,288)</i>	<i>(561,981)</i>	<i>(1,314,739)</i>	<i>(669,754)</i>

KPF SMALL LOAN SCHEME
FINANCIAL POSITION
AS AT 31 DECEMBER 2011

<u>Current Assets</u>	<u>Notes</u>	2011	2010
Cash at Bank	M-1	119,491	215,086
Cash float	"	2,631	6,732
Accrued revenue	M-3	676,554	176,579
Total current assets		798,676	398,397
<u>Current Liabilities</u>			
Accounts payable	N-1	106,222	47,006
Transfer	"	70,000	
Total current liabilities		176,222	47,006
Working Capital		622,454	351,391
<u>Fixed Asset</u>			
Office equipment/machineries	O-1	6,661	6,661
Less Accumulated Depreciation	"	3,795	2,130
Net Book Value		2,866	4,531
Furniture & Fittings	"	6,182	5,090
Less Accumulated Depreciation	"	2,352	807
Net Book Value		3,830	4,283
Total Fixed Asset		6,695	8,813
<u>Members loan control account</u>			
Loan disbursement	M-2	8,322,751	3,032,773
Loan repayment		5,899,098	939,851
Loan refund		154,545	8,979
		2,578,198	2,101,901
Total Net Asset		3,207,347	2,462,105
<u>Small Loan Scheme Accumulated Funds</u>			
Capital Account	Q-1	2,462,104	2,300,670
Cash injection		249,931	
Add: surplus for the year	"	495,312	161,434
		3,207,347	2,462,104

.....
Chairman, KPF Board of Directors

.....
CEO, Kiribati Provident Fund

KPF SMALL LOAN SCHEME
FINANCIAL PERFORMANCE
AS AT 31 DECEMBER 2011

<u>INCOME</u>	<u>Notes</u>	<u>2011</u>	<u>2010</u>
Loan application fee	L-1a	60,398	25,750
Sundry revenue	"	2,099	31
Establishment fee	L-1b	122,110	68,085
Administration fee	"	137,140	43,360
Penalty fee	"	9,240	960
Interest revenue	"	231,485	64,174
TOTAL INCOME		562,472	202,359
<u>EXPENSES</u>			
Office supplies	L-2b	1,551	6,563
Payroll	"	38,953	22,369
Telecom	"	1,726	836
Office rent	"	5,385	2,693
Electricity	"	10,510	2,793
Bank charges	L-2a	5,824	2,733
Depreciation:	"		
office equipment		1,665	2,130
Furniture & fittings		1,546	807
TOTAL EXPENSES		67,160	40,925
<u>Net surplus/(Deficit)</u>		<u>495,312</u>	<u>161,434</u>

Kiribati Provident Fund
Statement of Cashflows
For the year ended 31 December 2011

	Notes	2011	2010
Cashflows from operating activities			
Receipts from customers & employees		5,677,306	2,250,665
Payments to suppliers and employees		5,777,002	(3,329,517)
<i>Net cash from operating activities</i>	R-1	-99,696	(1,078,852)
 Cashflows from investing activities			
Receipts from investments		-	-
Purchase of property, plant and equipment		-	-
Purchase of investments			-
<i>Net cash from investing activities</i>			-
 Cashflows from financing activities			
Loan injection		-	1,300,670
<i>Net cash from financing activities</i>		-	1,300,670
 Net increase/(decrease) in cash		(99,696)	221,818
Add opening cash		221,818	-
Closing cash		122,122	221,818
 Made up as follows:			
Cash at Bank		119,491	215,086
Cash float		2,631	6,732
Total	M-1	122,122	221,818

Notes to the accounts

For the year ended 31 December 2011

Note O: Fixed Asset Depreciation Schedule - 2011

Cost	F/Fittings	Machineries	Total
Balance 1/1/10	5,090	6,661	11,751
Additions	1,092		1,092
Disposal	-	-	-
Balance 31/12/10	6,182	6,661	12,843
Accumulated Depreciation			
Balance 1/1/10	807	2,130	2,937
Depreciation charged	1,545	1,665	3,211
Balance 31/12/10	2,352	3,795	6,148
NBV 31/12/11	3,830	2,866	6,695
NBV 31/12/10	4,283	4,531	8,814

KIRIBATI PROVIDENT FUND

SMALL LOAN SCHEME

Notes to the accounts

For the year ended 31 December 2011

Notes		<u>2011</u>	<u>2010</u>
L-1	Loan Scheme income		
a	Actual receipts		
	Application fee	60,398	25,750
	Sundry revenue	2,099	31
	Total cash income	<u>62,497</u>	<u>25,781</u>
b	Accrued income		
	Establishment fee	122,110	68,085
	Administrative fee	137,140	43,360
	penalty fee	9,240	960
	Interest received	231,485	64,174
	Total accrued income	<u>499,975</u>	<u>176,579</u>
L-2	Loan expenditure		
a	Actual expenses		
	Bank charges	5,824	2,733
	Depreciation	3,211	2,938
	Total cash expenses	<u>9,035</u>	<u>5,670</u>
b	Accrued expenses		
	Office supplies	1,551	6,563
	Payroll expenses	38,953	22,369
	Telecom	1,726	836
	Rent	5,385	2,693
	Electricity	10,510	2,793
	Total accrued expenses	<u>58,124</u>	<u>35,255</u>
M-1	Current Asset		
	Cash at Bank & on Hand		
	Cash at Bank	119,491	215,086
	Cash float	2,631	6,732
	Total	<u>122,122</u>	<u>221,818</u>
M-2	Accounts Receivables		
	Members' loan balances		
	Loan advances	8,322,751	3,032,773
	Loan refunds	154,545	8,979
	Loan repayments	-5,899,098	-939,851
	Total	<u>2,578,198</u>	<u>2,101,901</u>
M-3	Accruals and Prepayments		
	Accrued revenue	676,554	176,579
	Total	<u>676,554</u>	<u>176,579</u>

N-1	Current Liabilities		
	Accounts payable - A/c 254079	106,222	47,006
	Transfer	70,000	
	Total	176,222	47,006
O-1	Fixed Assets		
	Office equipment and machineries	2,866	4,531
	Furniture & Fittings	3,830	4,283
	Total	6,695	8,813
Q-1	Equity Account		
	Capital account	2,462,104	2,300,670
	Injection	249,931	
	Add: net surplus for the year	495,312	161,434
	Accumulated Loan Scheme Fund	3,207,348	2,462,104
R-1	Reconciliation of net surplus/(deficit) to net cash flow from operating activities		
		2011	2010
	Surplus/(Deficit)	495,312	161,434
	Add/(less) non-cash items		
	Depreciation	3,211	2,938
	Accrued expenses	58,124	35,255
	Accrued revenue	-735,770	-176,578
		-674,435	-138,385
	Add/(less) items classified as investing or financing activities:		
	Cash initial injection	249,931	1,000,000
	Add/(less) movements in working capital items		
	Accounts receivable	-229,720	-2,101,901
	Accrued revenue	0	
	Accounts payable	59,216	0
		-170,504	-2,101,901
	Net cash inflow/(outflow) from operating activitie	-99,696	-1,078,852