REPORT OF THE AUDITOR GENERAL
ON THE ACCOUNT OF

KAO
AUDIT FOR AN IMPACT FOR THE PUBLIC

Kiribati Solar Energy Company Limited
For the Year Ended 31st December 2015

Kiribati Audit Office
May 2018

KIRIBATI AUDIT OFFICE

P.O BOX 63
Bairiki, Tarawa
Kiribati

Tel1: (686)75021118
Tel2: (686)75021335
Email: support@kao.gov.ki

Audit for an impact for the public

INDEPENDENT AUDITOR'S REPORT

To the Readers of Kiribati Solar Energy Company Ltd Financial Statement for the year ended 31st December 2015

The Auditor-General, Mrs Matereta Raiman, is the auditor of the Kiribati Solar Energy Company Ltd (KSEC)

The audit covered the Company's compliance with the requirements of Part VII of the Public Finance (Control and Audit) Ordinance, 1976, the Companies Ordinance, 1979 and the SOE Act, 2012 that apply to the Financial Statements of the KSEC for the year ended 31st December 2015.

KSEC Board of Directors and Management Responsibility

The Board of Directors and Management are responsible for the preparation and fair presentation of the Financial Statements in accordance with Generally Accepted Accounting Practice in Kiribati and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

It is my responsibility to express an independent opinion on these Financial Statements and reporting that opinion to you as required under the Public Finance (Control and Audit) Ordinance 1976. The audit was conducted in accordance with International Standards of Supreme Audit Institutions.

Basis for Disclaimer Opinion

- Opening balances for 2015 account were taken from KSEC's Disclaimer Financial Statement for the year ended 31st Dec, 2014 where MYOB transaction entries were not updated and were incomplete.
- Cash Payment and Receipt Journal issues: (CPJ and CRJ)
    - CPJ for bank account #1025887 was provided, but for June only. Copies of CPJ for the rest of the months were not available.
    - CRJ for month of December was not available therefore hindered us from verifying if receipts and payments were completely recorded in the fiscal year.
- KSEC deposit was not daily and accumulated amount of Cash was held on hand before depositing and this could increase the chance of cash embezzlement. A table below shows evidence that KSEC does not deposit its collections daily.

Collection Period	RR# (from to)	Total	Deposited	Bank A/c #
23/6-20/7/15	21174-21190	5,422.85	23/7/2015	306211
1/12-7/12/15	28312-28337	1,736.50	9/12/2015	975410
20/11-28/11/15	28263-28298	5,216.30	4/12/2015	975410
10/12-14/12/14	24061-22935	17,950.40	13/4/2015	1025887

- No bank statements provided for bank account #975410 -Direct Sales during the course of audit, therefore hindered us from verifying accuracy of bank balances as per reflected in the monthly bank reconciliation and especially, for December 2015.

- The bank reconciliations were produced in soft copies (spreadsheet) without any proof of review. In fact, there should be signed hard copies to prove that review had been carried out.

- Debtors reconciliation was not performed regularly as evidenced by the non-availability of reconciliation report (control account against individual cards) and a resultant variance of $12,518.35 was noted between the Financial Statement & Aged receivable analysis.

- Debtors balance at year end was doubtful as some repayments received were wrongly posted as income therefore not reducing debtors balance. This has accumulated debtor's balances while double accounting the sales income the effect of which will overstate the taxable income.

- Sundry Debtors balance have increased by $88,772 thus indicated poor collection of debts from these debtors. Sundry Debtors balance extracted from listing provided by KSEC officers did not match the account figure. The sundry debtors balance seemed to have been understated in the financial statement by $590k, refer table below:

	Total extract	FS	Different
2015	725,039.60	134,318.00	$590,721.60

- Sundry debtor's reconciliation was not performed thus cause the mismatch between the listing and FS balance.

- There was no record to support the balance of staff imprest of $12,919 for the year 2015 indicating that KSEC had failed to monitor such account. This simply indicates poor control over the issuance of imprest.

- Prepayment of $32,700 still appeared in 2015 FS. The issue was also reported last audit but there has not been any adjustment been made thus raises doubt on the accurateness of the double entry in the financial statements and the effect of which is pervasive.
- A significant increase in 2015 Capital reserve of $198,376 which related to the revaluation of assets could not be substantiated by management.

- Fixed assets register (FAR) was not available thus hindered us from verifying the Fixed Assets balance as disclosed in the account.

- Donated assets had been wrongly treated in the Financial Statements and KSEC could not provide calculations for the amount reported. Similar issue was highlighted in our previous audit report.
- The submission of monthly returns by Island Solar Technicians (ISTs) on the outer islands to the main office in Tarawa, was noted very poor (takes long) and as a consequence, it was difficult for the company to detect shortages in a timely manner and delays in the posting of income received.
- Cash shortages happened frequently with outer islands' sales when returns did not match telmos received. Further verification on this was not carried out due to the missing record on telmo shortages.

Disclaimer Opinion

Because of the unavailability of records that leads to the limitation of scope, the various significant variances noted, together with other significant matters described in the Basis for Disclaimer Opinion paragraph above, I have not been able to obtain sufficient appropriate audit evidence, and accordingly I **COULD NOT** express an opinion on the Financial Statement of KSEC for the year ended 31st Dec 2015.

The audit was completed on 1 May 2018, and was the date at which my opinion was expressed.

Report on other Legal and Regulatory Requirements

KSEC lodged its 2015 Financial Statement for audit on 15/11/2017, therefore indicated KSEC's non-compliance with Sec. 20 of SOE Act, 2012.

Independence

When carrying out the audit we followed the independence requirements stipulated under section 114 (4) of the Kiribati Constitution and the requirements of the International Standards of Supreme Audit Institutions.

Other than the audit, we have no relationship with or interest in KSEC.

....

Mrs. Matereta. Raiman.
Auditor General.

Date: 1 May, 2018 -

KIRIBATI SOLAR ENERGY COMPANY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

Contents

Board of Directors	Ms Taare Aukitino Kireua Kaiea Eileen Aukitino
Company Secretary	Tavita Airam, Chief Executive Officer
Registered Office	Kiribati Solar Energy Company Limited Betio Tarawa Republic of Kiribati
Principal Place of Business	Kiribati Solar Energy Company Limited Betio Tarawa Republic of Kiribati
Solicitors	Office of the Attorney General Bairiki Tarawa Republic of Kiribati
Bankers	ANZ Bank Kiribati Branch Bairiki Tarawa Republic of Kiribati
Auditors	Kiribati National Audit Office Bairiki Tarawa Republic of Kiribati
External Accountant	Eterika & Associates *Member Firm of HLB International* Bikenibeu Tarawa Republic of Kiribati

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2015

In accordance with a resolution of the board of directors, the directors herewith submit the balance sheet of the company as at 31 December 2015, statement of changes in equity, statement of Cash Flow and related income statement for the year then ended on that date and report as follows:

Directors

The names of the directors in office at the date of this report are:-

Taare Aukitino Chairlady
Kireua Kaiea
Eileen Aukitino

Results

The operating Profit for the year was $498,881 (2014 Profit $183,219) after taking into account an income tax expense of $55,229 (2014 income tax expense $Nil)

Dividends

No dividend has been paid or recommended to be paid by the directors for the year.

Reserves

The Directors recommend that Capital Reserve of $140,163 (2014: $107,365) be transferred to Comprehensive Income to offset the amortization of Donated Assets for the year ended 31 December 2015

The directors recommend that the Valuation of the Company's fixed assets be transferred to Assets Revaluation Reserve

Principal Activity

The principal activity of the company is supply and service Solar Power in Kiribati and there has been no significant changes in these activities during the year.

Significant Changes in the State of Affairs

There has been no significant change in the state of affairs of Kiribati Solar Energy Company Limited for the year ended 31 December 2015 (2014: Nil)

Events subsequent to the Balance Sheet

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the company, the results of those operations or the state of affairs of the company in the subsequent financial period.

Rounding

The Amount contained in the financial report has been rounded off to the nearest dollars.

General

At the date of this report the directors are not aware of any circumstances not otherwise dealt with, which would render the account misleading.

Signed on behalf of the board of directors in accordance with a resolution of the directors.

Dated at Tarawa this 5th day of July 2017

Director: .... Director: ....

STATEMENT BY DIRECTORS

YEAR ENDED 31 DECEMBER 2015

In accordance with a resolution of the board of directors for Kiribati Solar Energy Company Limited, we state that in the opinion of the directors:

[i] the accompanying statement comprehensive income, changes in equity, statement of financial position, statement of cash flow together with the note thereto are drawn up so as to give a true and fair view of the results of the company for the year ended 31 December 2015

[ii] at the date of this statement there are reasonable grounds to believe the company will be able to pay its debts as and when they fall due; and

[iii] all related party transactions have been adequately recorded in the books of the company.

For and on behalf of the board and in accordance with a resolution of the directors.

Dated at Tarawa this 5th day of July 2017

....
Director

....
Director

KIRIBATI SOLAR ENERGY COMPANY LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 $	2014 $
INCOME from continuing operations			
Revenue	2	1,032,917	508,242
Government Subsidy (reimbursement of operations)	17	178,511	48,083
Total Revenue		**1,211,428**	**556,325**
Cost of Sales	3	(164,579)	(95,192)
Gross Profit		**1,046,849**	**461,133**
Amortization of Donated Assets	15	(140,163)	(107,365)
Depreciation		(14,619)	(2,475)
Personnel Costs	4	(157,514)	(118,738)
Administration expenses	5	(174,413)	(43,448)
Marketing & Promotion	6	(3,350)	(4,427)
Operating profit/(loss)		556,790	184,680
Finance Costs	7	(2,680)	(1,461)
Profit/(Loss) before tax *from continuing operations*		**554,110**	**183,219**
Income tax expenses	8	(55,229)	-
Profit /(Loss) after Tax		**498,881**	**183,219**
Other Comprehensive Income			
Transfer from Capital Reserve		140,163	107,365
Loss for the year		639,044	290,584
LESS: Prior Period Adjustments	10	(32,337)	(2,243)
TOTAL COMPREHENSIVE INCOME for the year, net of Tax		**$ 606,707**	**$ 288,341**

The Income Statement is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 10 to 18.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	SHARE CAPITAL	RESERVE	RETAINED EARNINGS	TOTAL EQUITY
YEAR 2015		$	$	$	$
Balance at the beginning of the period		500	898,863	64,973	**964,336**
Profit for the year		-	-	606,707	**606,707**
Transfer from Reserves		-	(140,163)	-	**(140,163)**
Provision for Battery Replacement		-	-	-	-
Issue of share capital		-	-	-	-
Difference in Bank Rec				(1,334)	**(1,334)**
Increase in Valuation of Assets			198,376		**198,376**
Balance at the end of the period		**500**	**957,076**	**670,346**	**1,627,922**
YEAR 2014		$	$	$	$
Balance at the beginning of the period		500	1,006,228	(223,368)	**783,360**
Profit for the year		-	-	288,341	**288,341**
Transfer from Reserves		-	(107,365)	-	**(107,365)**
Provision for Battery Replacement		-	-	-	-
Issue of share capital		-	-	-	-
Balance at the end of the period		**$ 500**	**$ 898,863**	**$ 64,973**	**$ 964,336**

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 10 to 18.

KIRIBATI SOLAR ENERGY COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Notes	2015 $	2014 $
CURRENT ASSETS			
Cash and Other Cash Equivalents	11	211,942	66,047
Trade and Other receivables	12	187,892	158,791
Inventory		59,468	47,526
Prepayments and other assets	13	45,619	37,105
		504,921	**309,469**
NON-CURRENT ASSETS			
Property, Plant & Equipment	14	220,019	4,593
Intangible - Assets donated by Donors	15	567,879	708,042
Outer Island Hire Purchases on Donated Systems		698,393	216,054
		1,486,291	**928,689**
TOTAL ASSETS		**1,991,212**	**1,238,158**
CURRENT LIABILITIES			
Trade & Other Payables	16	363,290	273,822
Provision and Deferred Income - Current portion	17	-	-
		363,290	**273,822**
TOTAL LIABILITIES		**363,290**	**273,822**
NET ASSETS		**1,627,922**	**$ 964,336**
Represented by:			
SHAREHOLDERS' EQUITY			
Share capital	18	500	500
Reserve		957,076	898,863
Retained earnings		670,346	64,973
TOTAL SHAREHOLDERS' EQUITY 1,627,922		**$ 1,627,922**	**$ 964,336**
		-	-

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 10 to 18.

Signed on behalf of the board of directors in accordance with a resolution of the directors

Director: .... Director: ....

KIRIBATI SOLAR ENERGY COMPANY LIMITED

STATEMENT OF CASH FLOWS

AS AT 31 DECEMBER 2015

	Notes	2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from Customer		692,400	197,700
Payments to suppliers		(353,308)	(68,915)
Payment to Employees		(157,514)	(118,118)
Finance costs		(2,680)	(1,461)
Net VAT Received		-	2,845
Net Cash Flows (used in) Operating Activities	18	178,898	12,051
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, Plant & Equipment purchased		(230,045)	(1,465)
Net Cash Flows (used in) Investing Activities		(230,045)	(1,465)
CASH FLOWS FROM FINANCING ACTIVITIES			
Reserve from revaluation of fixed assets		198,376	-
Net Cash Flows from Financing Activities		198,376	-
Net increase/(decrease) in cash held		147,229	10,586
Adjustment in Opening Balance for Bank Rec		(1,334)	-
Cash at the beginning of the financial period		66,047	55,461
Cash at the end of the year	10	**$ 211,942**	**$ 66,047**
		-	-

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 10 to 18.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the company are set out in this note. The policies adopted are in accordance with accounting principles generally accepted in Kiribati, and unless stated otherwise are consistent with those applied in the prior year.

1.1) Basis of preparation of the financial statements

The financial statements have been prepared in accordance with the historical cost accounting and do not take into account changing money values or current valuations of non-current assets unless otherwise stated.

1.2) Property, plant and equipment

Property, plant and equipment are depreciated on a straight line basis at rates calculated to write off each asset over its estimated useful life. The rates in use are as follows:-

Building	10%
Plant and Equipment	4% -10%
Furniture & Fittings	10%
Motor Vehicles	20%

1.3) Income tax

The company does not follow the principals of tax effect accounting. Income tax is calculated on the basis of reported incomes only.

1.4) Foreign Currency

Foreign currency transactions during the year are recorded using the rate of exchange prevailing at the date of the transactions. At balance sheet date amounts receivable and payable in foreign currencies are translated at the exchange rates prevailing on that date. Exchange differences are taken directly to the profit and loss statement.

1.5) Borrowing Costs

The borrowing costs that are directly attributable to the acquisition or construction of the capital assets are capitalized. Other borrowing costs are recognized as an expense in the year in which they are incurred.

1.6) Value Added Tax

Revenue, expenses, liabilities and assets are recognized net of the amount of Value Added Tax (VAT), excepts:-

a. where the amount of VAT incurred is not recoverable from the Taxation Authority, it is recognised as part of the cost of acquisition of an asset or as part of an item as expense; or

b. for receivables and payables which are recognized as VAT Inclusive

The amount of VAT recoverable from, or payable to, the Taxation Authority is included as part of receivables or payables.

The VAT Component of cash flows arising from operating and investing activities which is recoverable from, or payable to, the Taxation Authority is classified as part of operating cash flows.

1.7) Inventories

Stock on hand has been valued on the basis of lower of cost and net realizable value

1.8) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and that the revenue can be reliably measured, regardless of when the payment is received and when specific criteria have been met for each of the company's activities as described below. Revenue is shown net of Value Added Tax (VAT), returns, rebates and discounts.

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities.

a) ***Sale of Goods and Services***

Revenue from Direct sales is recognized when the significant risks and rewards of ownership are transferred to the buyer, there is no continuing managerial involvement, costs can be measured reliably, and receipt of the future economic benefits is probable.

b) ***Rendering Services***

Revenue from the installation and servicing of Solar Equipment is recognized by reference to the stage of completion at the end of the reporting period. Stage of completion is determined by reference to labour hours incurred to date as a percentage of total estimated labor hours for each contract. Where the contract outcome cannot be measured reliably, revenue is recognized to the extent of the expenses recognised that are recoverable.

c) ***Government Subsidy***

Government subsidy is recognized where there is reasonable assurance that the subsidy will be received and all attached conditions will be complied with. When the subsidy relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

d) ***EDF10 Maintenance income***

EDF 10 Project Solar Systems funded by European Union (EU) provides solar system for Outer Islands like Home System, Small Business System, Mwaneaba System and Teacher's System.

The company is responsible for the maintenance of these solar systems and charges a maintenance income on these systems. The EU maintenances the ownership of these solar systems until such time the project closed down. The administration and maintenance income is recognised once the payment is received.

1.9) Comparative

Where necessary, comparative figures have been re-grouped to conform with changes in presentation in the current year.

ADOPTATION OF NEW REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

A number of new standards and amendments effective for the first time for periods beginning on (or after) 1 July 2012 and 1 January 2013, have been adopted in these financial statements. The nature and effect of each new standard and amendment adopted by the company is detailed below. Not all new standards and amendments effective for the first time for periods beginning on (or after) 1 July 2012 and 1 January 2013 affect the company's financial statements.

2.1 Amendments to IAS 1 - Presentation of Items of Other Comprehensive Income (effective for annual periods beginning on or after 1 July 2012)

The amendments introduce new terminology, whose use is not mandatory. Under the amendments to IAS 1, the 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income' (and the 'income statement' is renamed as the 'statement of profit or loss'). The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or two separate but consecutive statements. However, the amendments to IAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section:

- Items that will not be reclassified subsequently to profit or loss; and
- Items that may be reclassified subsequently to profit or loss when specific conditions are met.

Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

2.2 IFRS 13 - Fair Value Measurement (effective for annual periods beginning on or after 1 January 2013)

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market at the measurement date under current market condition regardless of whether that price is directly observable or estimated using another valuation technique. The application of IFRS 13 may result in changes in how companies determine fair values for financial reporting purposes. In addition, IFRS 13 requires extensive disclosures about fair value measurements.

In addition, IFRS 13 is to be applied prospectively and therefore comparative disclosures have not been presented.

2.3 New Standards and Amendments effective for the year ended 31 December 2014 that have no significant impact to the company

The following new standards and amendments are also effective for the first time in these financial statements. However, none have a material effect on the company.

- IFRS 7 - Financial Instruments: Disclosures (Amendments - Offsetting Financial Assets and Financial
- IFRS 12 - Disclosure of Interests in Other Entities.
- IAS 16 - Property, Plant & Equipment (Improvements to IFRS (2009 - 2011 Cycle)).
- IAS 1 - Presentation of Financial Statements (Improvements to IFRS (2009 - 2011 Cycle)).
- IAS 19 - Employee Benefits (Revised in 2011).
- IAS 32 - Financial Instruments: Presentation (Improvements to IFRS (2009 - 2011 Cycle)).
- Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12).
- IAS 27 - Separate Financial Statements (Amendments).

2.4 Other Standards

Other standards especially on consolidation have no significant on the company.

	2015	2014
2. REVENUE	**$**	**$**
Sales - Direct	183,194	102,009
Sales - Utility	6,768	114,885
Service fees	34,641	211
EDF10	765,808	271,667
Other sales and services	42,506	19,470
	1,032,917	**508,242**

3. COST OF SALES	**$**	**$**
Opening Stock	47,526	51,557
Purchases, KPA Charges, freight, etc.	176,521	91,161
Cost of sales available for sale	224,047	142,718
Closing Stock	(59,468)	(47,526)
	164,579	**95,192**

4. PERSONNEL COSTS	**$**	**$**
Staff allowances	1,502	2,756
Casual	11,689	102
IST wages and allowances	4,785	7,028
KPF Contribution	8,455	6,821
Leave Grant	13,500	10,365
Overtime	205	109
Salary and wages	116,878	90,937
Staff Amenities	500	620
	157,514	**118,738**

5. SELLING AND ADMINISTRATIVE EXPENSES

	2015 $	2014 $
Accounting fee	1,500	825
Audit fees	2,500	2,500
Board meeting	1,456	4,545
Business license	1,135	-
Consultant fees	800	778
Directors remuneration	4,144	-
Donation & charity	13	-
Doubtful Debts	95,718	-
Dues and Subscription	1,291	-
Electricity	4,592	3,238
Freight paid	3,530	2,576
General expenses	169	-
Hire - machinery and equipment	4,415	1,534
Housing rent subsidy	1,027	1,738
Insurance	137	21
IST Support & Logistics	9,481	-
Late fees paid	55	-
Legal fees	-	2,326
Motor vehicle running	10,686	2,050
Printing, postage and stationery	2,373	3,568
Repairs and maintenance	5,017	8,392
Replacements	2,814	1,151
Storage charges	19	-
Telephone, fax, mobile and Internet	4,541	3,673
Travelling and allowances - local	16,107	4,533
Unrealized exchange loss/(gain)	893	-
	174,413	**43,448**

6. MARKETING & PROMOTION

	$	$
Advertising and promotion	1,390	2,287
Bonus - IC Commission	419	-
Commission	360	6
Discount taken	-	133
Entertainments	1,181	2,001
	3,350	**4,427**

7. FINANCE COSTS

	$	$
Bank Charges	2,680	1,458
Cashing Cheque Charges	-	3
	2,680	**1,461**

8. INCOME TAX EXPENSE

The amount of income tax attributable to the final year differed from the prima facie amount payable on the operating profit. The difference is reconciled as follows:

		$	$
Operating profit before income tax		554,110	183,219
Prima facie income tax thereon at the rate of 30%		166,233	54,966
Future tax benefit not yet recognized		-	-
Tax loss recouped	8.1	(111,004)	(54,966)
INCOME TAX EXPENSES		**55,229**	-

	2015	2014
INCOME TAX EXPENSE *continue*	$	$

8.1 Tax loss from previous years(Section 37 Income Tax Ordinance)

Year	LOSS	Recouped	Balance
Year 2012	200,285	200,285	-
Year 2013	169,728	169,728	-
	370,013	**370,013**	-
Future benefit from tax losses not yet recognized is			$ -

10. PRIOR PERIOD ADJUSTMENTS

	$	$
Maiana EDF 8 and 10 Debtors payment	51	-
Previous cheque cancelled	(360)	(685)
Outstanding Electricity Bill	-	2,350
Tererei refund deposit for system	-	98
Freight Charge	(7)	-
Leave Accumulation	-	480
Austral Account w/o as full paid in 2012	(4,960)	-
Village Solar	1,152	
Receipts 2014	(7,203)	
Tax for year 2007-2010 just received	43,664	
	32,337	**2,243**

11. CASH AND CASH EQUIVALENTS

	$	$
Cheque Account No.: 306211	75,708	29,070
Cheque Account No.:975410	39,508	34,328
Sustainability Fund No. 1025887	93,670	-
Undeposit Funds	407	-
IBD Account No.: 504256	1,559	1,559
IBD Account No.: 190590	1,090	1,090
	211,942	**66,047**

12. TRADE AND OTHER RECEIVABLES

	$	$
Trade Debtors	34,600	11,770
Utility Debtors	206,644	206,644
LESS: Provision for Doubtful Debts	(206,644)	(110,926)
Sundry Debtors	134,318	45,546
Advance	-	-
Staff Loans	14,984	2,741
IST Staff Advance	3,990	171
VAT Receivable	-	2,845
	187,892	**158,791**

Trade and Utility debtors are non-interest bearing and the terms of payments is 30 - 90 days. EDF10 Project is non- interest bearing with no fixed term of repayment. Staff Loans are non- interest bearing and paid by a direct deduction from the payroll

13. PREPAYMENTS AND OTHER ASSETS

	$	$
Prepayments	32,700	32,700
Imprest Account	12,919	4,405
	45,619	**37,105**

Imprest Account are non-bearing interest but should be retired once the trip is completed

14. PROPERTY, PLANT AND EQUIPMENT

	Building	Plant & Equipment	Furniture & Fittings	Motor Vehicle	Total
Year 2015	$	$	$	$	$
Balance at beginning of the year, net of accumulated Depreciation	-	4,479	114	-	**4,593**
Additions		9,669	-	22,000	**31,669**
Valuation	198,376	-			**198,376**
Depreciations	(9,919)	(2,488)	(12)	(2,200)	**(14,619)**
Balance at the end of the period. net of accumulated depreciation	188,457	11,660	102	19,800	**220,019**
Reconciliation as at 31 December 2014					
Cost	226,094	124,380	6,603	41,773	**398,850**
Accumulated Depreciation	(37,637)	(112,720)	(6,501)	(21,973)	**(178,831)**
Net Carrying Amount	**188,457**	**11,660**	**102**	**19,800**	**220,019**
	-	-	-	-	-

	Building	Plant & Equipment	Furniture & Fittings	Motor Vehicle	Total
Year 2014	$	$	$	$	$
Balance at beginning of the year, net of accumulated Depreciation	877	4,726	-	-	**5,603**
Additions		1,350	114	-	**1,464**
Depreciations	(877)	(1,597)	-	-	**(2,474)**
Balance at the end of the year, net of accumulated depreciation	-	4,479	114	-	**4,593**
Reconciliation as at 31 December 2013					
Cost	27,718	114,711	6,603	19,773	**168,805**
Accumulated Depreciation	(27,718)	(110,232)	(6,489)	(19,773)	**(164,212)**
Net Carrying Amount	-	**4,479**	**114**	-	**4,593**
	-	-	-	-	-

	2015	2014
	$	$
Net Book Value	**220,019**	**4,593**

15. DONATED ASSETS

	$	$
Balance at beginning of the year, net of accumulated amortization	708,042	815,407
Addition	-	-
Amortizations	(140,163)	(107,365)
Balance at the end of the year, net of accumulated Amortization	**567,879**	**708,042**
Reconciliation as at end of year		
Cost of valuation	3,285,997	3,285,997
Accumulated Depreciation	(2,718,118)	(2,577,955)
Net Carrying Amount	**567,879**	**708,042**

16. TRADE AND OTHER PAYABLES

	2015 $	2014 $
Trade Creditors	235,787	244,116
Payroll Liabilities	27,451	29,706
Income Tax Payable	98,998	-
VAT Payable	1,455	-
Outer Island Telmo Clearing	(8,076)	-
Clearing & Contra Account 363,290	7,675	-
	363,290	**273,822**

17. PROVISION AND DEFERRED INCOME

	$	$
GOVERNMENT SUBSIDY		
Opening Balance	-	48,083
Amount received in the current year	178,511	-
Amount of Subsidy available for the year	178,511	48,083
Released to the Statement of profit and loss	(178,511)	(48,083)
Closing Balance for the year	-	-
Current Portion	-	-
Non-Current Portion	-	-
	-	-

The deferred income was from the Government Subsidy for Business Improving Plan Implementation for the respective years was released for the following programs with the amount spend during the year:-

Redundancy	-	-
Island Visit	-	-
Payment to Creditors	88,183	-
Direct Sales	90,328	20,723
Maintenance Programme	-	27,360
Released to the Statement of profit and loss	**178,511**	**48,083**

18. SHARE CAPITAL

	$	$
Authorized Capital		
500 ordinary shares of $1 each	**500**	**500**
Issued and Paid Up Capital		
500 ordinary shares of $1 each	**500**	**500**

19. NOTES TO STATEMENT OF CASH FLOWS	**2015** $	**2014** $
Reconciliation of operating profit/(loss) after income tax to the net cash flows from Operating Activities.		
Operating profit after income tax	481,749	288,341
Add non-cash items:		
Depreciation	14,619	2,475
Net cash provided by operating activities before	496,368	290,816
Change in assets and liabilities:		
(Increase) / decrease in Receivables	(519,028)	(310,542)
(Increase) / decrease in inventories	(11,942)	4,031
(Increase) / decrease in deposits and prepayments	(926)	-
Increase / (decrease) in Govt subsidy for operations	178,511	-
Increase / (decrease) in accounts payable and accruals	35,915	75,829
Net cash flows from / (used in) Operating Activities	**$ 178,898**	**$ 60,134**

20. **CAPITAL COMMITMENTS** at balance date	$NIL	$NIL
21. **CONTINGENT LIABILITIES** at balance date	$NIL	$NIL