REPORT OF THE AUDITOR GENERAL ON THE ACCOUNT OF

Kiribati Solar Energy Company Ltd.
For the Year Ended 31st December 2014

Kiribati National Audit Office
April 2017

KIRIBATI NATIONAL AUDIT OFFICE

P.O BOX 63
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Kiribati

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Audit for an impact for the public

Independent Auditor's Report

To the readers of Kiribati Solar Energy Company Ltd financial statements For the years ending 31 December 2014

Report on the Financial Statements

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

I have audited the accompanying financial statements of Kiribati Solar Energy Co. Ltd., which comprised of:

- the Statements of Financial Position as at 31 December, 2014,
- Statement of Financial Performance,
- a Cash Flow statement and
- a summary of significant accounting policies and other explanatory information.

The audit covered the Company's compliance with the requirements of Part VII of the Public Finances (Control and Audit) Ordinance 1976 (amendments 1981) and the SOE Act, 2012 that apply to the financial statements of KSEC for the year ended 31 December 2014.

Management and Board Directors Responsibility

KSEC's management and Board Directors are responsible for preparing the financial statements in accordance with generally accepted accounting practice and for such internal controls as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Report on KSECs compliance

Along with the responsibilities noted above, Management is also responsible for having accounting data and records available for audit once the Financial Statements are submitted however KSEC failed to provide MYOB data and other required accounting documents hence causing the delay in finalising the audit report.

Auditor's Responsibility

In accordance with Part VII of the Public Finance (Control and Audit) Ordinance, 1976 (amendments 1981), auditors are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you.

Basis for Disclaimer Opinion:

We have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and we were unable to determine whether proper books of account had been kept due to the following:

- Transaction entries into MYOB system was not updated, Company file (accounting data) was incomplete.
- Boards Minutes from January to April were not sign by board members, and May to December were not available.
- Payment voucher numbers were not indicated on MYOB hence hindered us from verifying whether all payments were posted or not.
- Trade Creditors of $244,116 and IBD account (190590) balance of $1,090 were not indicated in the General ledger but disclosed in the financial statement.
- Petty Cash was not disclosed in the financial statement.
- Petty Cash had exceeded the float amount $290.00.
- Journal Voucher #09/14 on bank charge amounted to $32,332.35 was missing.
- Listing of trade debtors and other receivables were not provided.
- Ledger cards for outer islands' utility credit sales were not updated thus hindered the audit verification of outer islands utility debtors.
- Inventory recording was poorly maintained.
- Prepayment in 2013 amounted to $32,700 was reported again in 2014 however no further testing performed as details of such prepayment was not provided.
- No listing made available for customer deposits. A deposit of $82,725.96 cannot be traced as the Receipts and Cash Book were not available.
- Direct sales for 2014 cannot be verified as December receipts and deposit books were missing.

- As discovered cheques totaled $2,164.74 were not actually collections but were casning cheques, some of which were from unknown bearers.

- Fixed Assets Register was not available and there was no physical counting of assets been carried out in 2014.

- Donated Assets had been wrongly treated in the Financial Statements.

Disclaimer Opinion

Because of the **significance of the matters** described in the **Basis for Disclaimer of Opinion** paragraph above, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements of KSEC for the year ended 31st Dec, 2014.

The audit was completed on 26 Apr 2017, and is the date at which our opinion is expressed.

Report on Legal and Regulatory Requirements

According to SOE Act, 2012, KSEC is required to submit their **audited** Financial Statements to responsible Minister within three months after balance date. KNAO received KSECs financial statements for the year 2014 on the 28 June, 2016 thus indicated KSECs non-compliance to the SOE Act, 2012. Financial Statements should be submitted to the audit well in advance before 31st of March each year so there is sufficient time to carry out and complete the audit before the due date.

Independence

When carrying out the audit we followed the independence requirement stipulated under Section 114 of the Kiribati Constitution 1979 and the International Standards of Auditing.

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

……………………………………………

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

KSEC
Kiribati Solar Energy Company

P.O Box 493, Betio, Tarawa, Republic of Kiribati
Ph: (686) 73011700; Enquiry: info@solar.com.ki

FILE REF: KSEC/400/A

DATE: 21 June 2016

Auditor General
Kiribati National Audit Office
Bairiki

Dear Madam

Subject: KSEC Ltd Account for financial year ended 31 December 2014

Pursuant to Section 20 of the SOE Act 2012 the above account is hereby submitted for audit purposes in accordance with Section 23 (1) of the same Act.

Please let us know if you require further information.

Ko raba

Sincerely

B. Koina
for Chief Executive Officer

Attach:

***Cc:** SOEMAU, Bairiki*

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for
29/6/16

KIRIBATI SOLAR ENERGY COMPANY LIMITED

FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

Contents

COMPANY INFORMATION
YEAR ENDED 31 DECEMBER 2014

Board of Directors	Dr Takeieta Kienene, Chairman Rameka Takirua Andrew Tiikai Iosapata Namakin
Company Secretary	Tavita Airam, Officer in Charge
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 2014

In accordance with a resolution of the board of directors, the directors herewith submit the balance sheet of the company as at 31 December 2014, 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:-

Dr Takeieta Kienene, Chairman
Rameka Takirua
Andrew Tiikai
Iosapata Namakin

Results

The operating Profit for the year was $183,219 (2013 loss $169,728) after taking into account an income tax expense of $Nil (2013 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 $107,365 (2013: $180,117) be transferred to Comprehensive Income to offset the amortisation of Donated Assets for the year ended 31 December 2014

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 changes in the state of affairs of Kiribati Solar Energy Company Limited for the year ended 31 December 2014 (2013: 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 have 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 [illegible] day of [illegible] 2016

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

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.

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(This is the section for Kiribati National Audit Report)

YEAR ENDED 31 DECEMBER 2014

INDEPENDENT AUDIT REPORT
For The Year Ended 31 December 2014

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 $	2013 $
INCOME from continuing operations			
Revenue	3	508,242	173,469
Government Subsidy (reimbursement of operations)	16	48,083	278,767
Total Revenue		**556,325**	**452,236**
Cost of Sales	4	(95,192)	(229,638)
Gross Profit		**461,133**	**222,598**
Amortisation of Donated Assets	14	(107,365)	(180,117)
Depreciation		(2,475)	(8,008)
Personel Costs	5	(118,118)	(128,608)
Selling and Administration expenses	6	(48,495)	(73,935)
Operating profit/(loss)		184,680	(168,070)
Finance Costs	7	(1,461)	(1,658)
Profit/(Loss) before tax *from continuing operations*		**183,219**	**(169,728)**
Income tax expenses	8	-	-
		183,219	**(169,728)**
Other Comprehensive Income			
Transfer from Capital Reserve		107,365	180,117
Loss for the year		290,584	10,389
LESS: Prior Period Adjustments	9	(2,243)	(1,103)
TOTAL COMPREHENSIVE INCOME for the year, net of Tax		$ 288,341	$ 9,286

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 2014

	Notes	SHARE CAPITAL	RESERVE	RETAINED EARNINGS	TOTAL EQUITY
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**
YEAR 2013		$	$	$	$
Balance at the beginning of the period		500	1,186,345	(232,654)	954,191
Loss for the year		-	-	9,286	9,286
Transfer from Reserves		-	(180,117)	-	(180,117)
Provision for Battery Replacement		-	-	-	-
Issue of share capital		-	-	-	-
Balance at the end of the period		**$ 500**	**$ 1,006,228**	**$ (223,368)**	**$ 783,360**

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.

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KIRIBATI SOLAR ENERGY COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Notes	2014 $	2013 $
CURRENT ASSETS			
Cash and Other Cash Equivalents	10	66,047	55,461
Trade and Other receivables	11	374,845	67,148
Inventory		47,526	51,557
Prepayments and other assets	12	37,105	37,105
		525,523	**211,271**
NON-CURRENT ASSETS			
Property, Plant & Equipments	13	4,593	5,603
Intangible - Assets donated by Donors	14	708,042	815,407
		712,635	**821,010**
TOTAL ASSETS		**1,238,158**	**1,032,281**
CURRENT LIABILITIES			
Trade & Other Payables	15	273,822	200,838
Provision and Deferred Income - Current portion	16	-	48,083
		273,822	**248,921**
TOTAL LIABILITIES		**273,822**	**248,921**
NET ASSETS		**964,336**	**$ 783,360**
Represented by:			
SHAREHOLDERS' EQUITY			
Share capital	17	500	500
Reserve		898,863	1,006,228
Retained earnings		64,973	(223,368)
TOTAL SHAREHOLDERS' EQUITY		**$ 964,336**	**$ 783,360**

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 2014

	Notes	2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from Customer		197,700	456,900
Payments to suppliers		(68,915)	(319,244)
Payment to Employees		(118,118)	(128,608)
Finance costs		(1,461)	(1,658)
Net VAT Received		2,845	-
Net Cash Flows (used in) Operating Activities	18	12,051	7,390
CASH FLOWS FROM INVESTING ACTIVITIES			
Property,Plant & Equipment purchased		(1,465)	-
Net Cash Flows (used in) Investing Activities		(1,465)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
Net Cash Flows from Financing Activities		-	-
Net increase/(decrease) in cash held		10,586	7,390
Cash at the beginning of the financial period		55,461	48,071
Cash at the end of the year	10	$ 66,047	$ 55,461

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 is 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 capitalised. Other borrowing costs are recognised as an expense in the year in which they are incurred.

1.6) Value Added Tax

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

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 recognised 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 recognised 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 recognised 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 recognised 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 labour hours for each contract. Where the contract outcome cannot be measured reliably, revenue is recognised to the extent of the expenses recognised that are recoverable.

c) ***Government Subsidy***

Government subsidy is recognised 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 recognised 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.

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

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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).

2.3 *Other Standards*

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

	2014	2013
3. REVENUE	**$**	**$**
Sales - Direct	102,009	125,021
Sales - Utility	114,885	24,307
Service fees	211	939
EDF10	271,667	11,441
Other sales and services	19,470	11,761
	508,242	**173,469**

4. COST OF SALES	$	$
Opening Stock	51,557	37,633
Purchases	91,161	243,562
Cost of sales available for sale	142,718	281,195
Closing Stock	(47,526)	(51,557)
	95,192	229,638

5. PERSONNEL COSTS	$	$
Staff allowances	2,756	3,548
Casual	102	190
IST wages and allowances	7,028	8,244
KPF Contribution	6,821	7,970
Leave Grant	10,365	4,125
Overtime	109	232
Salary and wages	90,937	104,299
	118,118	128,608

6. SELLING AND ADMINISTRATIVE EXPENSES	2014 $	2013 $
Accounting fee	825	825
Advertising and promotion	2,287	3,810
Audit fees	2,500	2,500
Board meeting	4,545	5,144
Business licence	-	90
Commission	6	-
Consultant fees	778	-
Discount taken	133	-
Electricity	3,238	5,079
Entertainments	2,001	1,240
Freight paid	2,576	6,114
General expenses	-	150
Hire - machinery and equipments	1,534	602
Housing rent subsidy	1,738	1,074
Insurance	21	
IST Support & Logistics	-	21,862
Late fees paid	-	220
Legal fees	2,326	150
Motor vehicle running	2,050	8,078
Printing, postage and stationery	3,568	2,997
Repairs and maintenance	8,392	1,880
Replacements	1,151	561
Staff Amenities	620	-
Telephone, fax, mobile and Internet	3,673	2,802
Travelling and allowances - local	4,533	8,757
	48,495	**73,935**

7. FINANCE COSTS	$	$
Bank Charges	1,458	1,658
Cashing Cheque Charges	3	-
	1,461	**1,658**

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		183,219	(169,728)
Prima facie income tax thereon at the rate of 30%		54,966	(50,918)
Future tax benefit not yet recognised		-	50,918
Tax loss recouped	8.1	(54,966)	
INCOME TAX EXPENSES		-	-

8.1 Tax loss from previous years

Year	LOSS	Recouped	Balance
Year 2011	332,765	183,219	149,546
Year 2012	200,285	-	200,285
Year 2013	169,728	-	169,728
	702,778	183,219	519,559

Future benefit from tax losses not yet recognised is $ 181,846

	2014	2013
9. PRIOR PERIOD ADJUSTMENTS	$	$
Refund on system deposits	-	176
Previous cheque cancelled	(685)	-
Outstanding Electricity Bill	2,350	-
Tererei refund deposit for system	98	-
Electrical	-	39
Leave Accumulation	480	
Reversal of prior year payment	-	(708)
Wages on fees collection	-	1,140
Sitting all'ce for Chevalier HSSE committee	-	310
Other	-	146
	2,243	**1,103**

10. CASH AND CASH EQUIVALENTS	$	$
Cheque Account No.: 306211	29,070	31,041
Cheque Account No.:975410	34,328	21,771
IBD Account No.: 504256	1,559	1,559
IBD Account No.: 190590	1,090	1,090
	66,047	**55,461**

11. TRADE AND OTHER RECEIVABLES	$	$
Trade Debtors	11,770	25,075
Utility Debtors	206,644	142,648
LESS: Provision for Doubtful Debts	(110,926)	(110,926)
EDF 10 Maintenance Debtors	216,054	-
EDF10 Project	45,419	7,331
Ministry of Fisheries, Marine Resources Development	127	-
Staff Loans	2,741	2,849
IST Staff Advance	171	171
VAT Receivable	2,845	-
	374,845	**67,148**

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

12. PREPAYMENTS AND OTHER ASSETS	$	$
Prepayments	32,700	32,700
Imprest Account	4,405	4,405
	37,105	37,105

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

13. PROPERTY, PLANT AND EQUIPMENT

	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 end of the period net of accumulated depreciation	-	4,479	114	-	**4,593**
Reconciliation as at 31 December 2014					
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**

	Building	Plant & Equipment	Furniture & Fittings	Motor Vehicle	Total
Year 2013	$	$	$	$	$
Balance at beginning of the year, net of accumulated Depreciation	3,649	9,531	14	431	**13,625**
Additions		-	-	-	-
Depreciations	(2,772)	(4,805)	(14)	(431)	**(8,022)**
Balance at the end of the year, net of accumulated depreciation	877	4,726	-	-	**5,603**
Reconciliation as at 31 December 2013					
Cost	27,718	113,361	6,489	19,773	**167,341**
Accumulated Depreciation	(26,841)	(108,635)	(6,489)	(19,773)	**(161,738)**
Net Carrying Amount	**877**	**4,726**	-	-	**5,603**

	2014	2013
	$	$
Net Book Value	4,593	5,603

14. DONATED ASSETS

	$	$
Balance at beginning of the year, net of accumulated amortisation	815,407	995,524
Addition	-	-
Amortisations	(107,365)	(180,117)
Balance at the end of the year, net of accumulated Amortisation	708,042	815,407
Reconciliation as at end of year		
Cost of valuation	3,285,997	3,285,997
Accumulated Depreciation	(2,577,955)	(2,470,590)
Net Carrying Amount	708,042	815,407

15. TRADE AND OTHER PAYABLES	2014 $	2013 $
Trade Creditors	244,116	160,932
Payroll Liabilities:-		
PAYE Clearing	14,914	17,395
KPF Clearing	879	9,735
Leave Grant Clearing	375	375
Mobile Deduction	455	455
Life Insurance Clearing	1,873	1,833
ANZ Staff SAYE	(82)	-
Housing Subsidy clearing	7,688	6,899
DBK Staff Loan Clearing	2,182	2,182
ANZ Staff Loan Clearing	1,593	1,032
Net Pay	(171)	
	273,822	**200,838**

16. PROVISION AND DEFERRED INCOME	$	$
GOVERNMENT SUBSIDY		
Opening Balance	48,083	47,417
Amount received in the current year	-	279,433
Amount of Subsidy available for the year	48,083	326,850
Released to the Statement of profit and loss	(48,083)	(278,767)
Closing Balance for the year	-	**48,083**
Current Portion	-	48,083
Non-Current Portion	-	-
	-	**48,083**

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	-	1,389
Island Visit	-	1,821
Payment to Creditors	-	637
Direct Sales	20,723	87,205
Maintenance Programme	27,360	187,715
Released to the Statement of profit and loss	48,083	278,767

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18. SHARE CAPITAL	$	$
<u>Authorised Capital</u>		
500 ordinary shares of $1 each	500	500
<u>Issued and Paid Up Capital</u>		
500 ordinary shares of $1 each	500	500

	2014 $	2013 $
19. NOTES TO STATEMENT OF CASH FLOWS		
Reconciliation of operating profit/(loss) after income tax to the net cash flows from Operating Activities.		
Operating profit after income tax	288,341	9,286
Add non-cash items:		
Depreciation	2,475	8,008
Net cash provided by operating activities before	290,816	17,294
Change in assets and liabilities:		
(Increase) / decrease in Receivables	(310,542)	3,998
(Increase) / decrease in inventories	4,031	(13,924)
(Increase) / decrease in deposits and prepayments	-	(36)
Increase / (decrease) in accounts payable and accruals	75,829	(609)
Net cash flows from / (used in) Operating Activities	$ **60,134**	$ **6,723**
		(667)

20. CAPITAL COMMITMENTS at balance date — $NIL — $NIL

20. CONTINGENT LIABILITIES at balance date — $NIL — $NIL