REPORT OF THE AUDITOR GENERAL ON THE ACCOUNT OF

Plant and Vehicle Unit
For The Years Ended 31st December 2010, 2011 and 2012

Kiribati National Audit Office
April 2015

KIRIBATI NATIONAL AUDIT OFFICE

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Audit for an impact for the public

INDEPENDENT AUDIT REPORT

To the readers of
Plant & Vehicle Units
For the years ending 31st December 2010-2012

Report on the Financial Statements

The Auditor-General, Mrs Matereta B Raiman, is the auditor of Plant & Vehicle Unit (PVU).

I have audited the accompanying financial statements of Plant & Vehicle Units for the years ending 31st December 2010- 2012. The financial statements comprise:

- the balance sheets as at 31st December 2010-2012, and
- the profit and loss statements,
- the Statement of Cash Flows and a summary of significant accounting policies and other explanatory information.

Management's and Board's Responsibility for the Financial Statements

Management and the Governing Board are responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Practices, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor General's Responsibility

It is my responsibility to form an independent opinion, based on my audit, on these financial statements prepared in Accrual basis and to report in accordance with the Constitution and Part VII of the Public Finance (Control and Audit) 1976.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAI) and Generally Accepted Auditing Practises as applicable in Kiribati, to obtain reasonable assurance whether the financial statements are free of material misstatement. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

1. Significant control weaknesses

There were significant control weaknesses identified in PVU's records and processes, as follows:

- Journal entries/transactions were not updated to underlying records like the General ledger but processed when the audit commenced. The following instances were noted; $2.9 million write off of trade debtors in 2010 as well as $72,235 write off in 2012.

- Approved Requisition Form is very useful in stating the purpose of a particular order so that the audit could assess the reasonableness of the orders placed. This is in relation to the Company's operational activity and especially in line with the Legal existence of the PVU without which the current adopted purchase system was unreliable.

- Goods Received Register are not countersigned to verify the amount of stocks received and Stock Cards are not updated

- PVU's Stock Take procedures did not account for the quantity of items purchased and received, the cost price per unit. The Stock Take Summary Sheet were not signed by the members who carried out the stock take during those years as well as Stock Cards were not updated and no Opening balances were shown.

- 6 Temporary staffs of PVU were paid even though their contract/temporary appointment already expired for more than 7 months. This represent unauthorised salary disbursements been entertained by PVU Finance Division.

Disclaimer Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, 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.

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Emphasis of Matter

I would like to draw the attention to the matter described below:

Anomalies had been noted in PVU's balance sheets for the financial years: 2010-2012. Disparity of Net Worth and Proprietorship Equity were detailed in the box below.

Disparity of Net Worth and Proprietorship Equity.

	2012	**2011**	**2010**
Net Worth value y/e	6,751,606	5,559,698	5,300,818
Proprietorship fund	6,049,005	5,379,675	4,915,047
Disparity	702,601	180,023	385,771

It is expected that responsible officers for certifying the accounts were well versed with the account balances shown in the account before certifying it correct and submitting it to the audit office for auditing. The above disparities undermine the credibility of the financial statements as well as FM and managements and Steering committee of PVU.

Report on Other Legal and Regulatory Requirements

In reference to section 7 of the Special Fund Ordinance (Cap 95A), PVU was required to keep its income at not less than sufficient. The PVU has deviated from the Special Fund Ordinance as it operates on a commercial basis rather than Hiring of Plant and Vehicles. It determines rates to be charged to ministries and other statutory bodies without the consensus of the Minister responsible for the Government transport. Also PVU is subject to audit as clearly specified under Cap 95A Section 7(2) and 8(2), therefore PVU is also subject to audit fee under section 44 of Cap 79.

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Mrs Matereta B Raiman

Auditor General

Kiribati National Audit Office

Bairiki Tarawa

21/4/2015

Government of Kiribati Plant and Vehicle Unit
Consolidated Balance Sheet
For the Year Ended 31 December 2010

	Notes	2010 $	2009 $
CURRENT ASSETS			
Cash Account	3	100,642.93	80,515.32
Imprest Account		9,083.07	4,024.30
Advance		7,090.95	13,722.48
Trade Debtors	4	2,289,388.70	2,623,052.14
Stock	5	350,333.33	(154,330.60)
Sundry Debtors	6	88,841.34	26,138.76
Prepayments		205,949.13	-
Other Debtors		-	
		3,051,329.45	2,593,122.40
CURRENT LIABILITIES			
Sundry Creditors	7	1,258,456.54	131,307.17
		1,258,456.54	131,307.17
WORKING CAPITAL		1,792,872.91	2,461,815.23
ADD: Non Current Asset	8	3,507,946.59	2,230,327.83
		5,300,819.50	4,692,143.06
REPRESENTED BY:			
Capital Reserve		1,681,648.79	1,681,648.79
Retained Earnings	9	3,240,323.93	2,587,032.81
Deferred Income Aid	10	378,846.78	423,461.46
		5,300,819.50	4,692,143.06

Attached Notes form part of the Financial Statement

Government of Kiribati Plant and Vehicle Unit
Consolidated Income Statement
For the Year Ended 31st December 2010

	Consolidated 2010	Headquarter 2010	Xmas Branch 2010
REVENUE			
Permanent hire income	1,403,752.05	1,223,542.35	180,209.70
Casual hire income	547,270.05	377,416.75	169,853.30
Interest received from IBD	-		-
Sale of Technical Stores	203,028.18	185,669.48	17,358.70
Maintenance Income - external	156,747.03	135,690.83	21,056.20
Other revenue	489,682.64	478,588.48	11,094.16
Fuel Sales	86,233.33	-	86,233.33
Building Rental	7,200.00	-	7,200.00
	2,893,913.28	**2,400,907.89**	**493,005.39**
OPERATING EXPENSES			
Employees' Expenses	859,153.37	616,277.21	242,876.16
Electricity and Water	33,062.60	33,062.60	
Cost of Spares Used/Sold	168,195.27	135,174.40	33,020.87
Consumable Stores	30,256.74	30,256.74	
Transport Cost	29,439.85	15,491.15	13,948.70
Fuel	45,890.33	33,320.57	12,569.76
Maintenance and repairs	19,761.01	19,761.01	
Office Supplies and Sundries	10,827.84	10,827.84	
Industries gases	3,080.40	3,080.40	
Workshop expenses	1,515.89	1,515.89	
Lube oils	17,751.29	17,751.29	
Overseas Travelling Expenses	7,778.18	7,778.18	
Telephone Charges	30,216.22	30,216.22	
Sundry expenses	52,058.48	24,595.09	27,463.39
Depreciation	691,800.81	626,334.69	65,466.12
	2,000,788.28	**1,605,443.28**	**395,345.00**
OPERATING PROFIT/(LOSS)	**893,125.00**	**795,464.61**	**97,660.39**
OTHER INCOME/(EXPENSES)			
Interest	-		-
Gain on Sales of Fixed Assets	-		
Deferred Income Aid (Amortised)	-	-	-
Bad and Doubtful Debts	(640,725.36)	(640,725.36)	
Disposal of Fixed Assets	-		
Prior Items	59,693.69	12,891.27	$46,802.42
Total Other Income	(581,031.67)	(627,834.09)	46,802.42
Net Profit/(Loss)	312,093.33	167,630.52	144,462.81

Government of Kiribati Plant and Vehicle Unit
Consolidated Income Statement
For the Year Ended 31st December 2010

	Notes	2010	2009
REVENUE		$	$
Total Operating Revenue	11	**2,893,913.28**	**2,852,124.89**
OPERATING EXPENSES			
Employees' Expenses	12	859,153.37	720,239.03
Electricity and Water		33,062.60	35,842.50
Cost of Spares Used/Sold	13	168,195.27	237,807.79
Consumable Stores		30,256.74	18,542.37
Transport Cost		29,439.85	6,100.60
Fuel	14	45,890.33	442,312.49
Maintenance and repairs		19,761.01	22,166.63
Office Supplies and Sundries		10,827.84	15,451.70
Industries gases		3,080.40	4,907.64
Workshop expenses		1,515.89	18,652.77
Lube oils		17,751.29	44,937.17
Overseas Travelling Expenses		7,778.18	20,845.20
Telephone Charges		30,216.22	27,543.51
Sundry expenses	15	52,058.48	(52,813.77)
Depreciation	8	691,800.81	685,743.21
		2,000,788.28	**2,248,278.84**
OPERATING PROFIT/(LOSS)		**893,125.00**	**603,846.05**
OTHER INCOME/(EXPENSES)			
Interest		-	-
Deferred Income Aid (Amortised)	10	-	44,614.68
Bad and Doubtful Debt		(640,725.36)	
Prior Items		59,693.69	(1,557.82)
Total Other Income		(581,031.67)	43,056.86
Net Profit/(Loss)		**312,093.33**	**646,902.91**

Attached Notes form part of the Financial Statement

Government of Kiribati Plant and Vehicle Unit
Consolidated Cashflow Statement
For the Year Ended 31 December 2010

	2010	2009 $
CASHFLOWS FROM OPERATING ACTIVITIES		
Cash received from Operations	2,667,993.86	2,528,195.44
Cash spend on operating expenses	(1,427,326.44)	(1,093,570.47)
Net Cash Inflow/Outflow from Operating Activities	$ 1,240,667.42	1,434,625
CASHFLOWS FROM INVESTING ACTIVITIES		
Acquisition of non-current assets	(1,249,068.95)	(1,406,093.83)
Proceed from sales of non-current assets		
Interest Received		
Net Cashflows from Investing Activities	$ (1,249,068.95)	(1,406,094)
Net Increase/(Decrease) in cash held	(8,402)	28,529
Net Increase /(decrease) in cash held	(8,401.53)	28,529
Cash at the beginning of the year	109,044.46	80,515
Cash as of 31 December 2009	**100,642.93**	**109,044.46**

Reconcialiation of net cashflows from Operating Activities

Net Increase /(Decrease)	312,093.33	629,967.88
Add Depreciation and Other Non Cash Item	691,800.81	685,743.21
Less increase/(Add Decrease) in Other Current Asset	(1,615.60)	(3,647.13)
Less Increase/(Add Decrease) in Trade Debtors	355,112.25	(350,051.28)
Less Increase/(Add Decrease) in Stock	(312,229.71)	(192,434.22)
Less Increase/(Add Decrease) in Sundry Debtors	89,894.93	(193,243.19)
Less Increase/(Add Decrease) in Account Payable	105,611.41	858,289.70
	1,240,667	**1,434,625**

FIXED ASSETS AND DEPRECIATION SCHEDULE
2009 AND 2010

2009-Fixed Asset	**VEHICLES**					
Costs/Valuation	**Light**	**Medium**	**Heavy**	**Other**	**Buildings**	**Total**
As at 01.01.09	3,843,195	2,718,991	5,792,303	614,478	581,985	13,550,952
Additional Costs	114,770	345,611	836,519	8,765	12,289	1,317,953
Sold Out	(35,802)	(41,510)	(835,519)			(912,830)
Released						-
Disposed Off	(87,597)	(65,925)	-	(3,388)		(156,910)
Total	**3,834,566**	**2,957,167**	**5,793,303**	**619,854**	**594,274**	**13,799,165**
Depreciation						
As at 01.01.09	3,227,968	1,938,365	5,335,166	608,693	435,116	**11,545,308**
Change for the year	229,346	220,072	97,647	7,823	24,997	**579,886**
Sold out	(35,802)	(41,510)	(835,519)			**(912,830)**
Released						-
Disposed off	(87,597)	(65,925)	-	(3,388)		**(156,910)**
	3,333,916	**2,051,003**	**4,597,294**	**613,128**	**460,113**	**11,055,454**
Net Book Value	500,651	906,164	1,196,009	6,726	134,160	**2,743,711**
NBV-Kiritimati						**206,967**
As at 31.12.09						**2,950,678**

2010-Fixed Asset	**VEHICLES**					
Costs/Valuation	**Light**	**Medium**	**Heavy**	**Other**	**Buildings**	**Total**
As at 01.01.10	3,834,566	2,957,167	5,793,303	619,854	594,274	13,799,165
Additional Costs	652,885	388,461	157,569	17,185		1,216,100
Sold Out	(105,136)		(70,279)	(198)		(175,613)
Released to Xmas	(28,912)	(70,801)				(99,713)
Disposed /Write-off	(80,691)	(109,061)	(250,125)	(6,949)		(446,826)
Total	**4,272,713**	**3,165,766**	**5,630,468**	**629,893**	**594,274**	**14,293,113**

Depreciation						
As at 01.01.10	3,333,916	2,051,003	4,597,294	613,128	460,113	**11,055,454**
Change for the year	239,379	297,903	57,591	5,876	25,585	**626,335**
Sold out	(105,136)		(70,279)	(198)		**(175,613)**
Released	(28,912)	(70,801)				**(99,713)**
Disposed off	(80,691)	(109,061)	(250,125)	(6,949)		**(446,826)**
	3,358,556	**2,169,044**	**4,334,481**	**611,858**	**485,698**	**10,959,637**
Net Book Value	**914,157**	**996,722**	**1,295,987**	**18,035**	**108,575**	**3,333,476.40**
NBV-Kiritimati						**174,470**
As at 31.12.10						**3,507,947**

GOVERNMENT PLANT AND VEHICLE UNIT - KIRITIMATI
BALANCE SHEET
YEAR ENDED 31ST DECEMBER, 2010

EMPLOYMENT OF CAPITAL	NOTES	2010	2009
		$	$
FIXED ASSETS	11	174,470.19	340,325.06
CURRENT ASSETS			
Stock	12	29,613.47	(129,028.18)
Trade Debtors	14	483,725.32	518,685.48
Interest Bearing Deposit	18	-	
Cash at Bank	17	10,731.36	3,607.35
Sundry Debtors	15	5,267.24	5,667.24
Other Debtors	16	-	(434.13)
Prepaid Expenses		183,467.72	
Advance Payments For F/A	19	22,481.41	22,481.41
Advance	13	5,492.95	5,292.35
		740,779.47	426,271.52
CURRENT LIABILITIES			
Sundry Creditors	20	344,010.77	344,703.67
Acconuts Payable	21	54,859.66	50,410.62
		398,870.43	395,114.29
Working Capital		341,909.04	31,157.23
Net Current Assets		516,379.23	371,482.29
CAPITAL EMPLOYED			
Capital Revenue	22	1,092,846.79	1,092,846.79
Retained Eamings	23	(690,104.78)	(835,001.72)
Defferred income (Aid Release)	24	113,637.22	113,637.22
		516,379.23	371,482.29

Attached notes form part of the Accounts.

GOVERNMENT PLANT AND VEHICLE UNIT- KIRITIMATI

PROFIT AND LOSS STATEMENT

FOR THE PERIOD ENDED 31ST DECEMBER, 2010

	NOTES	Dec-10	2009
Sales Bowser		416,573.75	
Less:			
Purchases		336,322.05	
Closing Stock		5,981.63	
		330,340.42	
Gross profit		86,233.33	
REVENUE		$	$
Hire Charges	1	350,063.00	268,287.10
Workshop Charges	2	56,709.06	518,178.70
		406,772.06	786,465.80
Overall Income		493,005.39	
Less:			
OPERATING EXPENDITURE			
Spares	4	33,020.87	14,973.35
Wages	6	242,876.16	232,107.23
Depreciation	5	65,466.12	
Fuel & Electricity	7	12,569.76	420,882.20
Travel Expenses	8	13,948.70	14,127.75
Sundry Expenses	9	24,921.89	(57,268.90)
Bad Debts		(434.13)	
License Expenses		2,541.50	3,318.90
		394,910.87	628,140.53
Operating Profit (Loss)		98,094.52	158,325.27
OTHER INCOME / EXPENDITURE			
Interest	3	-	
Prior period items	10	46,802.42	(1,557.82)
Net Profit (Loss)		144,896.94	156,767.45

Attached notes form part of the Accounts.

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General Manager Secretary

1. Principal Accounting Policies

The Financial Statements are prepared in accordance with the historical cost convention.including certain fixed assets taken over at valuation and in accordance with the International Accounting Standard. The following is a summary of the more important accounting policies used by the fund.

(a) Revenue
Revenue consists mainly of receipts for the Permanent Hire, Casual Hire and Rental Charges of vehicles and plants and workshop Service charges.

(b) Depreciation
Depreciation is calculated to write off the cost or amount of valuation of fixed assets on a straight line basis over the expected useful lives of the assets concerned. The principal amount rates used for this purpose which are consistent with those of the previous years are:-

Pickups, Light vehicles saws and welding sets

Medium trucks, folk lifts, pumps, compressor, land rovers

Tractors, Trailers, Heavy equipment and concrete mixers

Buildings

c. Grant in Aid
Grants received in kind are recorded at fair valuation and are taken to Deferred Income and credited to revenue over the useful life or usage of the related asset. Aid in kinds are amortised at a rate of 14.4% annually.

(d) Stock
Stock is stated at the lower of cost and net reliasable value on a first in first out basis.

2. The Special Fund

The Special Fund was set up in accordance with Section 13 of the Public Finance (Control and Audit) Act 1976 and Special Fund (Plant and Vehicle Act 1980) to finance the provision and maintenance of Government Plant and Vehicles.

Notes forming part of the Account	**2010**	**2009**
3. Cash Account		
Cash at Bank	89,911.57	105,437.11
Cash at Bank - Kiritimati Branch	10,731.36	3,607.35
Petty Cash		-
	100,642.93	**109,044.46**

4. Trade Debtors	2010	2009
Headquarter - TRW	2,446,388.74	4,455,216.32
Kiritimati Branch	566,203.54	518,251.35
	3,012,592.28	**4,973,467.67**
Provision for BDD	723,204	2,328,967
	2,289,388.70	**2,644,500.95**

5. Stock	2010	2009
Stock of Spares	759,208.63	605,620.57
Less: Provision for stock Obsolescences	(438,488.77)	(438,488.77)
Kiritimati Branch	29,613.47	(129,028.18)
	350,333.33	**38,104**

as stock cannot be negative, this need be properly for Kiritimati

6. Sundry Debtors	2010	2009
Opening balances	173,069.03	(1,575.76)
Sundry debtors	(85,026.49)	170,533.86
Tax Deductions Control	190.40	(1,459.03)
Tax Withholdings		
Tax Arrears		(706.66)
Life Insurance - Salary Deductions	95.00	(190.00)
Rent Deductions	51.24	(165.96)
KPF Deductions	(0.08)	-
Net Wages Control		6,632.59
House Loan Scheme - Salary deductions	(205.00)	(0.01)
Housing Hire Purchases		
Reversal		
Sub-Total Sundry Debtors HQ	88,174.10	173,069.03
Kiritimati Branch	667.24	5,667.24
	88,841.34	**178,736**

7. Sundry Creditors

	2010	2009
Opening Balance	708,054.85	131,307.17
Creditors	473.30	
Accrued Expenses/Arrears	143,910.54	576,248.70
Upfront Payment from Ministries		
Net Wages Control	4,110.53	
PVU Canteen		1,046.90
Save as You Earn	2,246.20	(799.96)
Service Charges	78.69	78.73
Court Order	712.00	172.00
Cents Adjustments		1.31
Sub Total - Sundry Creditors	859,586.11	708,054.85
Kiritimati Branch	398,870.43	395,114.29
	1,258,456.54	**1,103,169**

8. Fixed Assets

FIXED ASSETS & DEPRECIATION SCHEDULE 2009 AND 2010
(last page)

9. Retained Earnings

	2010	2009
Balance b/fwd	3,753,135.45	3,154,642.39
Current Earnings	167,630.52	598,493.06
JV - Balance Day Entries		-
Sub total - Retained Earnings	3,920,765.97	3,753,135.45
Kiritimati Branch	(846,719.47)	(943,359.32)
Prior Year Adjustment (Xmas)	(105,857.60)	
	-	9,662.74
	2,968,188.90	**2,819,439**

10. Deferred Income Aid Reserve

	2010	2009
Opening Balance	265,209.55	309,824.23
Aid in Kind		
Released/Amortised	-	(44,614.68)
Kiritimati Branch	-	113,637.22
	265,209.55	**378,847**

11. Revenue

	2010	2009
Permanent Hire	1,223,542.35	1,244,504.16
Casual Hire	377,416.75	225,012.50
Sales of Spare Parts	185,669.48	156,890.29
Maintenance or Workshop Income	135,690.83	213,732.90
Other Revenue	478,588.48	225,519.24
Kiritimati Branch	823,345.81	786,465.80
	3,224,254	**2,852,125**

12. Employees Expenses

	2010	2009
Salaries/Wages - Workshop	195,441.51	166,583.85
Overtime/Bonuses/Allowance - Workshop	34,873.54	25,157.90
Tools Allowance - workshop	513.40	52.37
Temporaries - workshop	-	1,142.25
Welding Bonus - Workshop	671.42	
Dirt Bonus - workshop	4,365.17	2,776.62
Paint Bonus - workshop	1,303.50	776.01
Salaries/Wages - Transports	43,002.09	31,861.31
Overtime and Allowances - Transport	23,556.58	19,563.44
Dirt Bonuses - Transport	1,281.70	585.00
Salaries/Wages - General Office	93,208.64	70,198.59
Overtime and Allowances - General Office	32,698.78	19,989.69
Sewerage Bonus - General Office	7,585.85	1,206.59
Salaries/Wages - Account Section	54,519.19	48,182.68
Overtime/Bonuses/Allowance - Account Section	1,750.31	4,067.15
Salaries/Wages - Technical Stores	55,594.04	31,582.15
Overtime/Bonuses/Allowance - Technical Stores	8,012.09	7,785.89
KPF Expenses	33,339.40	25,894.26
Leave Passage and Home Island Travel	6,810.00	5,640.00
Leave Grant	17,750.00	10,958.30
Sub Total-Employees Expenses PVU Trw	616,277.21	474,004.05
Kiritimati Branch	242,876.16	246,234.98
	859,153.37	720,239

13. Spares

	2010	2009
Opening Stock	605,620.57	496,844.75
Plus: Purchases of Spares	288,762.46	329,110.26
Kiritimati Branch	33,020.87	17,473.35
Spares/Parts available for use or sale	927,403.90	843,428.36
Less: Closing Stock	759,208.63	605,620.57
Cost of Spares and Parts Sold/Used	168,195.27	237,808

Government of Kiribati Plant and Vehicle Unit
Consolidated Balance Sheet
For the Year Ended 31 December 2011

	Notes	2011 $	2010 $
CURRENT ASSETS			
Cash Account	3	79,135.34	100,642.93
Imprest Account		7,692.84	9,083.07
Advance		5,328.10	7,090.95
Trade Debtors	4	2,126,243.39	2,289,388.70
Stock	5	320,618.65	350,333.33
Sundry Debtors	6	390.99	88,841.34
Prepayments		502,408.32	205,949.44
Other Debtors		-	-
		3,041,817.63	3,051,329.76
CURRENT LIABILITIES			
Accrued Expenses/Payable	7	1,483,424.61	1,258,456.54
		1,483,424.61	1,258,456.54
WORKING CAPITAL		1,558,393.02	1,792,873.22
ADD: Non Current Asset	8	3,830,944.55	3,507,946.59
		5,389,337.57	5,300,819.81
REPRESENTED BY:			
Capital Reserve		1,687,630.42	1,681,648.79
Retained Earnings	9	3,361,050.55	3,240,323.93
Aid in Kind	10	340,656.60	340,656.60
		5,389,337.57	5,262,629.32

Attached Notes form part of the Financial Statement

Government of Kiribati Plant and Vehicle Unit
Consolidated Income Statement
For the Year Ended 31st December 2011

	Notes	2011	2010
REVENUE			
Total Operating Revenue	11	**2,585,046.65**	**3,224,253.70**
OPERATING EXPENSES			
Employees' Expenses	12	839,427.34	871,274.81
Electricity and Water		36,964.20	33,062.60
Cost of Spares Used/Sold	13	268,275.21	168,195.27
Consumable Stores		970.24	30,256.74
Transport Cost		12,149.58	15,491.15
Fuel	14	36,436.64	382,212.38
Maintenance and repairs		14,652.80	19,761.01
Office Supplies and Sundries		10,127.32	10,827.84
Industries gases		2,459.65	3,080.40
Workshop expenses		927.10	1,515.89
Lube oils		12,821.14	17,751.29
Overseas Travelling Expenses		58,208.90	7,778.18
Telephone Charges		13,722.01	30,216.22
Sundry expenses	15	63,881.64	51,424.65
Depreciation	8	869,720.24	691,800.81
		2,240,744.01	**2,334,649.24**
OPERATING PROFIT/(LOSS)		**344,302.64**	**889,604.46**
OTHER INCOME/(EXPENSES)			
Interest		-	-
Deferred Income Aid (Amortised)	10	38,190.18	-
Bad and Doubtful Debt		(271,733.64)	
Prior Items		13,988.00	(92,966.33)
Total Other Income		(219,555.46)	(92,966.33)
Net Profit/(Loss)		**124,747.18**	**796,638.13**

Attached Notes form part of the Financial Statement

Government of Kiribati Plant and Vehicle Unit
Consolidated Income Statement
For the Year Ended 31st December 2011

	Consolidated 2011	Headquarter 2011	Xmas Branch 2011
REVENUE			
Permanent hire income	1,499,615.95	1,246,090.90	253,525.05
Casual hire income	422,934.73	279,302.43	143,632.30
Interest received from IBD	-		-
Sale of Technical Stores	154,199.61	129,284.75	24,914.86
Maintenance Income - external	185,960.34	160,525.93	25,434.41
Other revenue	221,897.14	191,474.94	30,422.20
Fuel Sales (Gross Profit)	93,238.88	-	93,238.88
Building Rental	7,200.00	-	7,200.00
	2,585,046.65	**2,006,678.95**	**578,367.70**
OPERATING EXPENSES			
Employees' Expenses	839,427.34	596,991.11	242,436.23
Electricity and Water	36,964.20	36,964.20	
Cost of Spares Used/Sold	268,275.21	229,316.27	38,958.94
Consumable Stores	970.24	970.24	
Transport Cost	12,149.58	8,471.08	3,678.50
Fuel	36,436.64	36,436.64	
Maintenance and repairs	14,652.80	14,652.80	
Office Supplies and Sundries	10,127.32	10,127.32	
Industries gases	2,459.65	2,459.65	
Workshop expenses	927.10	927.10	
Lube oils	12,821.14	2,958.98	9,862.16
Overseas Travelling Expenses	58,208.90	27,237.70	30,971.20
Telephone Charges	13,722.01	13,722.01	
Sundry expenses	63,881.64	18,126.24	45,755.40
Depreciation	869,720.24	717,969.62	151,750.62
	2,240,744.01	**1,717,330.96**	**523,413.05**
OPERATING PROFIT/(LOSS)	**344,302.64**	**289,347.99**	**54,954.65**
OTHER INCOME/(EXPENSES)			
Interest	-		-
Gain on Sales of Fixed Assets	-		
Deferred Income Aid (Amortised)	38,190.18	38,190.18	-
Bad and Doubtful Debts	(271,733.64)	(271,733.64)	
Disposal of Fixed Assets	-		
Prior Items	13,988.00	(1,012.00)	15,000.00
Total Other Income	(219,555.46)	(234,555.46)	15,000.00
Net Profit/(Loss)	124,747.18	54,792.53	69,954.65

2010-Fixed Asset	**VEHICLES**					
Costs/Valuation	**Light**	**Medium**	**Heavy**	**Other**	**Buildings**	**Total**
As at 01.01.10	3,834,566	2,957,167	5,793,303	619,854	594,274	13,799,165
Additional Costs	554,584	74,946	214,679	2,171		846,380
Sold Out	(105,136)		(70,279)	(198)		(175,613)
Released to Xmas	(28,912)	(70,801)				(99,713)
Disposed /Write-off	(80,691)	(109,061)	(250,125)	(6,949)		(446,826)
Total	**4,174,412**	**2,852,252**	**5,687,577**	**614,879**	**594,274**	**13,923,393**
Depreciation						
As at 01.01.10	3,333,916	2,051,003	4,597,294	613,128	460,113	**11,055,454**
Change for the year	315,195	290,672	78,990	7,528	25,584	**717,970**
Sold out	(105,136)		(70,279)	(198)		**(175,613)**
Released	(28,912)	(70,801)				**(99,713)**
Disposed off	(80,691)	(109,061)	(250,125)	(6,949)		**(446,826)**
	3,434,373	**2,161,812**	**4,355,880**	**613,509**	**485,698**	**11,051,272**
Net Book Value	**740,040**	**690,439**	**1,331,697**	**1,369**	**108,576**	**2,872,121.63**
NBV-Kiritimati						**369,058**
As at 31.12.10						**3,241,179**

2011: Fixed Assets	**VEHICLES**					
Costs/Valuation	**light**	**Medium**	**Heavy**	**Other**	**Buildings**	**Total**
As at 01.01.2011	4,272,713.55	2,852,251.62	5,687,577.10	614,878.53	594,273.57	14,021,694.37
Additional Costs	554,584.22	74,946.41	214,678.63	2,171.00		846,380.26
Sold out	-116,678.46	-37,473.21	-86,650.21			-240,801.88
Released (Xmas)						0.00
Disposed off	-55,900.81	-204,661.06	-214,923.10	-15912.78		-491,397.75
Total	**4,654,718.50**	**2,685,063.76**	**5,600,682.42**	**601,136.75**	**594,273.57**	**14,135,875.00**
Depreciation	3434372.51	2161812.46	4355879.62	613509.38	485698.1	
As at 01.01.2011	3,434,372.51	2,161,812.46	4,355,879.62	613,509.38	485,698.10	11,051,272.07

Charge for the year	315,195.21	290,671.92	78,990.21	7,527.92	25,584.36	717,969.62
Sold out	-116,678.46	-37473.21	-86650.21			
Released (Xmas)						
Disposed Off	-55,900.81	-204,661.06	-214,923.10	-15,912.78		-491,397.75
	3,576,988.45	**2,210,350.11**	**4,133,296.52**	**605,124.52**	**511,282.46**	**11,037,042.06**
Net Book Value	**1,077,730.05**	**474,713.65**	**1,467,385.90**	**-3,987.77**	**82,991.11**	**3,098,832.94**
NBV Kiritimati						379,057.50
As at 31.12.2011						**3,477,890.44**
As at 31.12.2010	619,006.08	886,311.97	461,480.55	17,836.68	108,575.47	2,093,210.75

1. Principal Accounting Policies

The Financial Statements are prepared in accordance with the historical cost convention including certain fixed assets taken over at valuation and in accordance with the International Accounting Standard. The following is a summary of the more important accounting policies used by the fund.

(a) Revenue
Revenue consists mainly of receipts for the Permanent Hire, Casual Hire and Rental Charges of vehicles and plants and workshop Service charges.

(b) Depreciation
Depreciation is calculated to write off the cost or amount of valuation of fixed assets on a straight line basis over the expected useful lives of the assets concerned. The principal amount rates used for this purpose which are consistent with those of the previous years are:-

	Per Cent
Pickups, Light vehicles saws and welding sets	33.3
Medium trucks, folk lifts, pumps, compressor, land rovers	20
Tractors, Trailers, Heavy equipment and concrete mixers	14.4
Buildings	4

c. Grant in Aid
Grants received in kind are recorded at fair valuation and are taken to Deferred Income a credited to revenue over the useful life or usage of the related asset. Aid in kinds are am at a rate of 14.4% annually.

(d) Stock
Stock is stated at the lower of cost and net reliasable value on a first in first out basis.

2. The Special Fund

The Special Fund was set up in accordance with Section 13 of the Public Finance (Control Act 1976 and Special Fund (Plant and Vehicle Act 1980) to finance the provision and main Government Plant and Vehicles.

Notes forming part of the Account	**2011**	**2010**
3. Cash Account		
Cash at Bank	72,356.45	89,911.57
Cash at Bank - Kiritimati Branch	6,778.89	10,731.36
Petty Cash	-	
	79,135.34	**100,642.93**

4. **Trade Debtors**	**2011**	**2010**
Headquarter - TRW	2,559,526.64	1,805,663.38
Kiritimati Branch	561,653.97	566,203.54
	3,121,180.61	**2,371,866.92**
Provision for BDD	(994,937)	82,478
	2,126,243.39	**2,289,388.70**

5. **Stock**	**2011**	**2010**
Stock of Spares	703,848.48	759,208.63
Less: Provision for stock Obsolescences	(438,488.77)	(438,488.77)
Kiritimati Branch	55,258.94	29,613.47 – Stock on hand.
	320,618.65	**350,333.33**

6. **Sundry Debtors**	**2011**	**2010**
Opening balances	88,174.10	173,069.03
Sundry debtors	(122,368.45)	(85,026.49)
Tax Deductions Control		190.40
Tax Withholdings		
Tax Arrears		
Life Insurance - Salary Deductions		95.00
Rent Deductions		51.24
KPF Deductions		(0.08)
Net Wages Control		
House Loan Scheme - Salary deductions		(205.00)
Housing Hire Purchases		
Bounced Cheque	1,113.10	
Reversal		
Sub-Total Sundry Debtors HQ	(33,081.25)	88,174.10
Kiritimati Branch	33,472.24	667.24
	390.99	**88,841.34**

7. Sundry Creditors

	2011	2010
Opening Balance	859,586.11	708,054.85
Other Creditors	22,336.97	473.30
Accrued Expenses/Arrears	384.82	143,910.54
Upfront Payment from Ministries		
Net Wages Control		4,110.53
PVU Canteen		
Save as You Earn	(1,280.00)	2,246.20
Service Charges		78.69
Court Order		712.00
Cents Adjustments		
Reversal		
Sub Total - Sundry Creditors	881,027.90	859,586.11
Kiritimati Branch	432,036.52	398,870.43
	1,313,064.42	**1,258,456.54**

8. Fixed Assets

FIXED ASSETS & DEPRECIATION SCHEDULE 2009 AND 2010
(last page)

9. Retained Earnings	**2011**	**2010**
Balance b/fwd	3,920,765.97	3,753,135.45
Current Earnings	54,792.53	167,630.52
JV - Balance Day Entries		
Sub total - Retained Earnings	3,975,558.50	3,920,765.97
Kiritimati Branch	(624,170.69)	(846,719.47)
	9,662.74	(105,857.60)
	3,361,051	**2,968,189**

10. Deferred Income Aid Reserve	**2011**	**2010**
Opening Balance	265,209.55	265,209.55
Aid in Kind	-	
Released/Amortised	(38,190.18)	-
Kiritimati Branch	113,637.22	113,637.22
	340,656.59	**378,846.77**

11. Revenue	2011	2010
Permanent Hire	1,246,090.90	1,223,542.35
Casual Hire	279,302.43	377,416.75
Sales of Spare Parts	129,284.75	185,669.48
Maintenance or Workshop Income	160,525.93	135,690.83
Other Revenue	191,474.94	478,588.48
Kiritimati Branch	578,367.70	823,345.81
	2,585,047	**3,224,254**

12. Employees Expenses	2011	2010
Salaries/Wages - Workshop	186,977.97	195,441.51
Overtime/Bonuses/Allowance - Workshop	35,313.93	34,873.54
Tools Allowance - workshop	3,049.31	513.40
Temporaries - workshop	-	-
Welding Bonus - Workshop	2,036.41	671.42
Dirt Bonus - workshop	2,794.04	4,365.17
Paint Bonus - workshop	1,680.75	1,303.50
Salaries/Wages - Transports	43,313.52	43,002.09
Overtime and Allowances - Transport	24,498.91	23,556.58
Dirt Bonuses - Transport	3,608.87	1,281.70
Salaries/Wages - General Office	92,462.44	93,208.64
Overtime and Allowances - General Office	27,197.97	32,698.78
Sewerage Bonus - General Office	8,581.45	7,585.85
Salaries/Wages - Account Section	64,476.57	54,519.19
Overtime/Bonuses/Allowance - Account Section	1,357.82	1,750.31
Salaries/Wages - Technical Stores	53,455.68	55,594.04
Overtime/Bonuses/Allowance - Technical Stores	5,776.81	8,012.09
KPF Expenses	32,822.41	33,339.40
Leave Passage and Home Island Travel	680.00	6,810.00
Leave Grant	6,906.25	17,750.00
Sub Total-Employees Expenses PVU Trw	596,991.11	616,277.21
Kiritimati Branch	242,436.23	254,997.21
	839,427.34	871,274.42

13. Spares	2011	2010
Opening Stock	759,208.63	605,620.57
Plus: Purchases of Spares	173,956.12	288,762.46
Kiritimati Branch	38,958.94	33,020.87
Spares/Parts available for use or sale	972,123.69	927,403.90
Less: Closing Stock	703,848.48	759,208.63
Cost of Spares and Parts Sold/Used	268,275.21	168,195.27

14. Fuel and Petrol

	2011	2010
Tarawa - HQ	36,436.64	33,320.57
Kiritimati Branch		12,569.76
	36,436.64	**45,890.33**

15. Sundry Expenses

	2011	2010
Bank Charges	2,137.20	1,980.80
Cost of Training	-	280.00
House rent - Subsidy	8,192.00	11,579.33
Administrative & Accounting		-
Advertising and Publication	-	351.60
Board & Management Expenses		9,823.16
Entertainments	663.25	135.30
Safety Equipments and Uniforms	-	-
Tools	521.96	444.90
Donations & Charity		-
Travelling Claim Expenses	6,611.83	-
Kiritimati Branch	45,755.40	27,463.39
	63,881.64	**52,058.48**

GOVERNMENT PLANT AND VEHICLE UNIT- KIRITIMATI

PROFIT AND LOSS STATEMENT

FOR THE PERIOD ENDED 31ST DECEMBER, 2011

	NOTES	31-Dec-11	Dec-10
Sales Bowser		455,984.30	416,573.75
Less:			
Opening Stock		5,981.63	
Purchases		388,390.89	336,322.05
Total Cost of Goods available for sale		394,372.52	336,322.05
Closing Stock		31,627.10	5,981.63
Total Cost of Goods for sold		362,745.42	330,340.42
Gross profit		93,238.88	86,233.33
REVENUE		$	
Hire Charges	1	397,157.35	350,063.00
Workshop Charges	2	87,971.47	56,709.06
		485,128.82	406,772.06
Overall Income		578,367.70	493,005.39
Less:			
OPERATING EXPENDITURE			
Spares	4	38,958.94	33,020.87
Wages	6	242,436.23	242,876.16
Depreciation	5	151,750.62	65,466.12
Fuel & Electricity	7	9,862.16	12,569.76
Travel Expenses	8	30,971.20	13,948.70
Sundry Expenses	9	45,755.40	24,921.89
License Expenses		3,678.50	2,541.50
		523,413.05	395,345.00
Operating Profit (Loss)		54,954.65	97,660.39
OTHER INCOME / EXPENDITURE			
Interest	3	-	
Prior period items	10	15,000.00	46,802.42
Net Profit (Loss)		69,954.65	144,462.81

GOVÈRNMENT PLANT AND VEHICLE UNIT - KIRITIMATI
BALANCE SHEET
YEAR ENDED 31ST DECEMBER, 2011

EMPLOYMENT OF CAPITAL	NOTES.	2011 $	2010
FIXED ASSETS	11	369,057.51	174,470.19
CURRENT ASSETS			
Stock	12	55,258.94	29613.47
Trade Debtors	14	479,175.75	483725.32
Interest Bearing Deposit	18	-	
Cash at Bank	17	6,778.89	10731.36
Sundry Debtors	15	33,472.24	5267.24
Other Debtors	16	-	
Prepaid Expenses		218,704.32	183467.72
Advance Payments For F/A	19	22,481.41	22481.41
Advance	13	5,762.60	5492.95
		821,634.15	740,779.47
CURRENT LIABILITIES			
Sundry Creditors	20	432,036.52	344010.77
Acconuts Payable	21	170,360.19	54859.66
		602,396.71	398,870.43
Working Capital		219,237.44	341,909.04
Net Current Assets		588,294.95	516,379.23
CAPITAL EMPLOYED			
Capital Revenue	22	1,098,828.42	1092846.79
Retained Eamings	23	(624,170.69)	-690104.78
Defferred income (Aid Release)	24	113,637.22	113637.22
		588,294.95	516,379.23

Attached notes form part of the Accounts.

1st Draft

Government of Kiribati Plant and Vehicle Unit
Consolidated Balance Sheet
For the Year Ended 31 December 2012

	Notes	2012	2011 $
CURRENT ASSETS			
Cash Account	3	309,396.00	79,135.34
Imprest Account		25,336.11	7,692.84
Advance		6,832.57	5,328.10
Trade Debtors	4	2,499,825.09	2,126,243.39
Stock	5	258,465.17	320,618.65
Sundry Debtors	6	(35,647.09)	390.99
Prepayments		536,493.99	502,408.32
Other Debtors			-
		3,600,701.84	3,041,817.63
CURRENT LIABILITIES			
Sundry Creditors	7	1,466,582.96	1,483,424.61
		1,466,582.96	1,483,424.61
WORKING CAPITAL		2,134,118.88	1,558,393.02
ADD: Non Current Asset	8	3,959,586.10	3,830,944.55
		6,093,704.98	5,389,337.57
REPRESENTED BY:			
Capital Reserve		1,687,630.42	1,687,630.42
Retained Earnings	9	3,884,425.96	3,361,050.55
Deferred Income Aid	10	521,648.60	340,656.60
		6,093,704.98	5,389,337.57

Attached Notes form part of the Financial Statement

Government of Kiribati Plant and Vehicle Unit
Consolidated Income Statement
For the Year Ended 31st December 2012

	Notes	2012	2011
REVENUE			
Total Operating Revenue	11	**2,928,097.88**	**2,585,046.65**
OPERATING EXPENSES			
Employees' Expenses	12	849,858.02	839,427.34
Electricity and Water		112,024.75	36,964.20
Cost of Spares Used/Sold	13	302,972.89	268,275.21
Consumable Stores		654.70	970.24
Transport Cost		6,569.14	12,149.58
Fuel	14	43,606.03	36,436.64
Maintenance and repairs		22,925.21	14,652.80
Office Supplies and Sundries		25,671.05	10,127.32
Industries gases		2,507.20	2,459.65
Workshop expenses		28,482.86	927.10
Lube oils		14,170.55	12,821.14
Overseas Travelling Expenses		44,158.76	58,208.90
Telephone Charges		23,815.08	13,722.01
Sundry expenses	15	46,388.26	63,881.64
Depreciation	8	880,917.97	869,720.24
		2,404,722.47	**2,240,744.01**
OPERATING PROFIT/(LOSS)		**523,375.41**	**344,302.64**
OTHER INCOME/(EXPENSES)			
Interest		0	-
Deferred Income Aid (Amortisec	10	35,036.45	-
Bad and Doubtful Debt		(72,235.15) ✓	
Prior Items		0	13,988.00
Total Other Income		(37,198.70)	13,988.00
Net Profit/(Loss)		**486,176.71**	**358,290.64**

Attached Notes form part of the Financial Statement

Government of Kiribati Plant and Vehicle Unit
Consolidated Income Statement
For the Year Ended 31st December 2012

	Consolidated 2012	Headquarter 2012	Xmas Branch 2012
REVENUE			
Permanent hire income	1,534,344.26	1,256,341.71	278,002.55
Casual hire income	670,760.45	438,529.10	232,231.35
Interest received from IBD	-		
Sale of Technical Stores	117,944.05	109,230.95	8,713.10
Maintenance Income - external	118,651.06	109,313.76	9,337.30
Other revenue	381,403.69	348,488.25	32,915.44
Fuel Sales (Gross Profit)	10,332.17	-	10,332.17
Retail Stores Sales	88,662.20		88,662.20
Building Rental	6,000.00	-	6,000.00
	2,928,097.88	**2,261,903.77**	**666,194.11**
OPERATING EXPENSES			
Employees' Expenses	849,858.02	594,350.34	255,507.68
Electricity and Water	112,024.75	28,098.20	83,926.55
Cost of Spares Used/Sold	302,972.89	269,976.84	32,996.05
Consumable Stores	654.70	654.70	
Transport Cost	6,569.14	6,569.14	
Fuel	43,606.03	43,606.03	
Maintenance and repairs	22,925.21	22,788.41	136.80
Office Supplies and Sundries	25,671.05	20,000.25	5,670.80
Industries gases	2,507.20	2,507.20	
Workshop expenses	28,482.86	2,291.96	26,190.90
Lube oils	14,170.55	5,385.85	8,784.70
Overseas Travelling Expenses	44,158.76	40,602.96	3,555.80
Telephone Charges	23,815.08	21,834.17	1,980.91
Sundry expenses	46,388.26	36,358.28	10,029.98
Depreciation	880,917.97	774,299.46	106,618.51
	2,404,722.47	**1,869,323.79**	**535,398.68**
OPERATING PROFIT/(LOSS)	**523,375.41**	**392,579.98**	**130,795.43**
OTHER INCOME/(EXPENSES)			
Interest	-		-
Gain on Sales of Fixed Assets	-		
Deferred Income Aid (Amortised)	35,036.45	-	-
Bad and Doubtful Debts	(72,235.15)		
Disposal of Fixed Assets	-		
Prior Items	-		
Total Other Income	(37,198.70)	-	-
Net Profit/(Loss)	486,176.71	392,579.98	130,795.43

2011; Fixed Assets	VEHICLES				
Costs/Valuation	light	Medium	Heavy	Other	Buildings
As at 01.01.2011	4,272,713.55	3,165,766.11	5,630,467.75	629,892.54	594,273.57
Additional Costs	554,584.22	74,946.41	214,678.63	2,171.00	
Sold out	(116,678.46)	(37,473.21)	(86,650.21)		
Released (Xmas)					
Disposed off	(55,900.81)	(204,661.06)	(214,923.10)	(15,912.78)	
Total	**4,654,718.50**	**2,998,578.25**	**5,543,573.07**	**616,150.76**	**594,273.57**
Depreciation					
As at 01.01.2011	3,358,556.52	2,169,043.74	4,334,480.78	611,857.86	485,698.10
Charge for the year	315,195.21	290,671.92	78,990.21	7,527.92	25,584.36
Sold out	(116,678.46)	(37,473.21)	(86,650.21)		
Released (Xmas)					
Disposed Off	(55,900.81)	(204,661.06)	(214,923.10)	(15,912.78)	
	3,501,172.46	**2,217,581.39**	**4,111,897.68**	**603,473.00**	**511,282.46**
Net Bòok Value NBV Kiritimati	**1,153,546.04**	**780,996.86**	**1,431,675.39**	**12,677.76**	**82,991.11**
As at 31.12.2011					
As at 31.12.2010	914,157.03	996,722.37	1,295,986.97	18,034.68	108,575.47

2012: Fixed Assets	VEHICLES				
Costs/Vàluation	Light	Medium	Heavy	Other	Buildings
As at 01.01.2011	4,654,718.50	2,998,578.25	5,543,573.07	632,063.54	594,273.57
Additional Costs	225,132.85	206,387.87	518,927.15	6,614.00	
Sold out	(71,054.14)				
Released (Xmas)					
Disposed off	(40,267.72)	(75,489.32)	(123,009.30)	(14,156.49)	
Total	**4,768,529.49**	**3,129,476.80**	**5,939,490.92**	**624,521.05**	**594,273.57**
Depreciation					
As at 01.01.2011	3,501,172.46	2,217,581.39	4,111,897.68	603,473.00	511,282.96
Charge for the year	355,786.06	244,223.98	141,923.93	6,781.13	25,584.36
Sold out	(71,054.14)	(75,489.32)	(54,916.38)		
Released (Xmas)					
Disposed Off	(40,267.72)		(123,009.30)	(14,156.49)	
	3,745,636.66	**2,386,316.05**	**4,075,895.93**	**596,097.64**	**536,867.32**
Net Book Value NBV Kiritimati	**1,022,892.83**	**743,160.75**	**1,863,594.99**	**28,423.41**	**57,406.25**
As at 31.12.2011					

Total
14,293,113.52
846,380.26
(240,801.88)
-
(491,397.75)
14,407,294.15
10,959,637.00
717,969.62
(491,397.75)
10,945,406.99
3,461,887.16
369,057.51
3,830,944.67
3,333,476.52

Total
14,423,206.93
957,061.87
(71,054.14)
-
(252,922.83)
15,056,291.83
10,945,407.49
774,299.46
(177,433.51)
11,340,813.60
3,715,478.23
314,936.65
3,461,887.16

1. Principal Accounting Policies

The Financial Statements are prepared in accordance with the historical cost convention including certain fixed assets taken over at valuation and in accordance with the International Accounting Standard. The following is a summary of the more important accounting policies used by the fund.

(a) Revenue
Revenue consists mainly of receipts for the Permanent Hire, Casual Hire and Rental Charges of vehicles and plants and workshop Service charges.

(b) Depreciation
Depreciation is calculated to write off the cost or amount of valuation of fixed assets on a straight line basis over the expected useful lives of the assets concerned. The principal amount rates used for this purpose which are consistent with those of the previous years are:-

Pickups, Light vehicles saws and welding sets

Medium trucks, folk lifts, pumps, compressor, land rovers

Tractors, Trailers, Heavy equipment and concrete mixers

Buildings

c. Grant In Aid
Grants received in kind are recorded at fair valuation and are taken to Deferred Income and credited to revenue over the useful life or usage of the related asset. Aid in kinds are amortised at a rate of 14.4% annually.

(d) Stock
Stock is stated at the lower of cost and net reliasable value on a first in first out basis.

2. The Special Fund

The Special Fund was set up in accordance with Section 13 of the Public Finance (Control and Audit) Act 1976 and Special Fund (Plant and Vehicle Act 1980) to finance the provision and maintenance of Government Plant and Vehicles.

Notes forming part of the Account	**2012**	**2011**
3. Cash Account		
Cash at Bank	219,168.44	72,356.45
Cash at Bank - Kiritimati Branch	90,240.16	6,778.89
Petty Cash	(12.60)	-
	309,396.00	**79,135.34**

4 Trade Debtors	2012	2011
Headquarter - TRW	2,803,272.03	2,559,526.64
Kiritimati Branch	609,012.06	561,653.97
	3,412,284.09	**3,121,180.61**
Provision for BDD	(984,694.15)	994,937
	2,427,589.94	**2,126,243.61**

5 Stock	2012	2011
Stock of Spares	672131.71	703,848.48
Less: Provision for stock Obsolescences	-438488.77	(438,488.77)
Kiritimati Branch	24822.23	55,258.94
	258,465.17	**320,618.65**

6. Sundry Debtors	2012	2011
Opening balances	(33,081.25)	88,174.10
Sundry debtors	(7,512.70)	(122,368.45)
Tax Deductions Control	324.54	
Tax Withholdings		
Tax Arrears		
Life Insurance - Salary Deductions	(320.05)	
Rent Deductions	(228.01)	
KPF Deductions	4,503.12	
Net Wages Control		
House Loan Scheme - Salary deductions	0.02	
Housing Hire Purchases		
Bounced Cheque		1,113.10
Reversal		
Sub-Total Sundry Debtors HQ	(36,314.33)	(33,081.25)
Kiritimati Branch	667.24	33,472.24
	(35,647.09)	**390.99**

7. Sundry Creditors	2012	2011
Opening Balance	881,027.90	859,586.11
Other Creditors		22,336.97
Accrued Expenses/Arrears		384.82
Upfront Payment from Ministries		
Net Wages Control		
Save as You Earn	(1,248.04)	(1,280.00)
Service Charges	(269.90)	
Court Order		
Cents Adjustments		
Reversal		
Sub Total - Sundry Creditors	879,509.96	881,027.90
Kiritimati Branch	587,073.00	432,036.52
	1,466,582.96	**1,313,064.42**

8. Fixed Assets

FIXED ASSETS & DEPRECIATION SCHEDULE 2009 AND 2010
(last page)

9. Retained Earnings	**2012**	**2011**
Balance b/fwd	3,975,558.50	3,920,765.97
Current Earnings	392,579.98	54,792.53
JV - Balance Day Entries		
Sub total - Retained Earnings	4,368,138.48	3,975,558.50
Kiritimati Branch	(493,375.26)	(624,170.69)
	3,874,763	**3,351,388**

10. Deferred Income Aid Reserve	**2012**	**2011**
Opening Balance	227,019.37	265,209.55
Aid in Kind	180,992.00	-
Released/Amortised	-35036.45	(38,190.18)
Kiritimati Branch	113,637.22	113,637.22
	486,612.14	**340,656.59**

11. Revenue	**2012**	**2011**
Permanent Hire	1,256,341.71	1,246,090.90
Casual Hire	438,529.10	279,302.43
Sales of Spare Parts	109,230.95	129,284.75
Maintenance or Workshop Income	109,313.76	160,525.93
Other Revenue	348,488.25	191,474.94
Kiritimati Branch	666,194.11	578,367.70
	2,928,098	**2,585,047**

12. Employees Expenses	**2012**	**2011**
Salaries/Wages - Workshop	183,344.74	186,977.97
Overtime/Bonuses/Allowance - Workshop	43,414.41	35,313.93
Tools Allowance - workshop	439.92	3,049.31
Temporaries - workshop		-
Welding Bonus - Workshop	5,656.95	2,036.41
Dirt Bonus - workshop	2,512.58	2,794.04
Paint Bonus - workshop	1,439.14	1,680.75
Salaries/Wages - Transports	40,502.03	43,313.52
Overtime and Allowances - Transport	22,214.22	24,498.91
Dirt Bonuses - Transport	1,915.69	3,608.87
Salaries/Wages - General Office	91,658.99	92,462.44
Overtime and Allowances - General Office	31,289.28	27,197.97
Sewerage Bonus - General Office	7,840.95	8,581.45

Salaries/Wages - Account Section	61,142.21	64,476.57
Overtime/Bonuses/Allowance - Account Section	1,114.84	1,357.82
Salaries/Wages - Technical Stores	50,060.04	53,455.68
Overtime/Bonuses/Allowance - Technical Stores	8,676.06	5,776.81
KPF Expenses	32,221.29	32,822.41
Leave Passage and Home Island Travel	4,137.00	680.00
Leave Grant	4,770.00	6,906.25
Sub Total-Employees Expenses PVU Trw	594,350.34	596,991.11
Kiritimati Branch	255,507.68	242,436.23
	849,858.02	839,427.34

13. Spares	2012	2011
Opening Stock	703,848.48	759,208.63
Plus: Purchases of Spares	238,260.07	173,956.12
Kiritimati Branch	32,996.05	38,958.94
Spares/Parts available for use or sale	975,104.60	972,123.69
Less: Closing Stock	672,131.71	703,848.48
Cost of Spares and Parts Sold/Used	302,972.89	268,275.21

→ need the stock summary

14. Fuel and Petrol	2012	2011
Tarawa - HQ	43,606.03	36,436.64
Kiritimati Branch		
	43,606.03	**36,436.64**

15. Sundry Expenses	2012	2011
Tax Penalty Fee	288.20	
KPF Penalty Fee	256.44	
Bank Charges	2,311.70	2,137.20
Cost of Training	3,583.85	-
House rent - Subsidy	1,401.00	8,192.00
Administrative & Accounting		
Advertising and Publication	600.00	-
Board & Management Expenses	15,113.76	
Entertainments	2,801.30	663.25
Safety Equipments and Uniforms	10,002.03	-
Tools	-	521.96
Donations & Charity		
Travelling Claim Expenses		6,611.83
Kiritimati Branch	10,029.98	45,755.40
	46,388.26	**63,881.64**

GOVERNMENT PLANT AND VEHICLE UNIT - KIRITIMATI
BALANCE SHEET
YEAR ENDED 31ST DECEMBER, 2012

EMPLOYMENT OF C	NOTES	2012	2011
		$	
FIXED ASSETS	11	314,936.65	369,057.51
CURRENT ASSETS			
Stock	12	24,822.23	55258.94
Trade Debtors	14	609,012.06	479175.75
Interest Bearing Dep	18		
Cash at Bank	17	90,240.16	6778.89
Sundry Debtors	15	18,299.74	33472.24
Other Debtors	16		
1-1150		218,704.32	218704.32
Advance Payments F	19	22,481.41	22481.41
Advance	13	7,666.81	5762.6
		991,226.73	821,634.15
CURRENT LIABILITIES			
Sundry Creditors	20	432,036.52	432036.52
Acconuts Payable	21	155,036.48	170360.19
		587,073.00	602,396.71
Working Capital		404,153.73	219,237.44
Net Current Assets		719,090.38	588,294.95
CAPITAL EMPLOYED			
Capital Revenue	22	1,098,828.42	1098828.42
Retained Eamings	23	(493,375.26)	-624170.69
Defferred income (Aic	24	113,637.22	113637.22
		719,090.38	588,294.95

Attached notes form part of the Accounts.

587 073.00
879 509.96
1466 582.96

GOVERNMENT PLANT AND VEHICLE UNIT- KIRITIMATI

PROFIT AND LOSS STATEMENT
FOR THE PERIOD ENDED 31ST DECEMBER, 2012

	NOTES	31-Dec-12	31-Dec-11
Sales Bowser		424,041.81	455,984.30
Less:			
Opening Stock		31,627.10	5,981.63
Purchases		383,272.93	388,390.89
Total Cost of Goods available for sale		414,900.03	394,372.52
Closing Stock		1,190.39	31,627.10
Total Cost of Goods for sold		413,709.64	362,745.42
Gross profit		10,332.17	93,238.88
REVENUE			
Hire Charges	1	510,233.90	397,157.35
Workshop Charges	2	145,628.04	87,971.47
		655,861.94	485,128.82
Overall Income		666,194.11	578,367.70
Less:			
OPERATING EXPENDITURE			
Spares	4	32,996.05	38,958.94
Wages	6	226,584.26	242,436.23
Depreciation	5	106,618.51	151,750.62
Fuel & Electricity	7	96,267.05	9,862.16
Travel Expenses	8	30,183.74	30,971.20
Sundry Expenses	9	39,585.07	45,755.40
License Expenses		3,164.00	3,678.50
		535,398.68	523,413.05
Operating Profit (Loss)		130,795.43	54,954.65
OTHER INCOME / EXPENDITURE			
Interest	3		
Prior period items	10		15,000.00
Net Profit (Loss)		130,795.43	69,954.65

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.... Branch Manager

.... Company Secretary