

REPORT OF THE AUDITOR GENERAL ON THE ACCOUNT OF



PUBLIC UTILITIES BOARD FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2020-2022

KIRIBATI AUDIT OFFICE

October 2023

KIRIBATI AUDIT OFFICE



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Audit for an impact for the public

INDEPENDENT AUDITOR'S REPORT

To the Readers Of
Public Utilities Board Financial Statement
For the year ended 31 December 2020-2022

I have audited the Financial Statements of Public Utilities Board (PUB) for the year ended 31st December 2020-2022 as required under sec 114 (2) of the Constitution, Part VII, Sec 42(4) of the Public Finances (Control and Audit) 1981, Part IV Sec 23 of the SOE Act 2013 and Sec 22(1) of the Kiribati Audit Act, 2017. The Financial Statements comprise of the following:

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

Qualified Opinion

In my opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31st December 2020-2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion:

Key Audit matters (KAM)

The audit would like to draw the attention of the readers and users of PUB financial statement which involved a lot of uncertainty and doubt on which audit procedures were out carried were difficult to obtain comfort due to the insufficient reliable evidence were provided.

- 1) In 2022, PUB in its financial statement had remove financial liability in full of their records which includes i) **Trade Creditors \$7m**, ii) **ADB Loan \$1m**, and iii) **VAT \$788k** appealing that both KOIL and Ministry of Finance had forgiven its financial liability claiming the formalities including the agreement between the two parties all of this is forthcoming. Upon review the audit had identified the followings issues:
 - I. The audit notes that PUB in its board meeting held 15 April 2023, Ref NBM03/22 had approved in principle the removal of financial liability to clear all outstanding debt owed by PUB with a view that PUB had no intentions to pay such amount. In essence, the agreement between the KOIL and PUB to remove financial liability were continuing to be discussed which is difficult for the audit to obtain comfort due to lack of concrete evidence to support PUB debt forgiveness.
 - II. As confirmed through the email between the KOIL and PUB on 26 September 2023, audit note that KOIL recommendation is to await cabinet endorsement on AGM's approval on PUB old debts.
 - III. KOIL still account for PUB debt in their 2022 submission financial statement.
 - IV. Moreover, the audit detect that the agreement between the Ministry of Finance and Public Utilities Board to write off **ADB loan \$1million** and **VAT payable \$788k** dated 7th May 2023 yet to be discussed awaiting the outcome of the decision which is turn, restrict to the auditor inability to obtain comfort to enable to confirm and verify the accuracy of the PUB debt forgiveness.

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

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

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

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

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

Auditor's responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other Legal and Regulatory Requirements

PUB lodged its Financial Statement 2020 on 28th September 2021, Financial Statement 2021 on 21st May 2023 and Financial Statement 2022 25 May 2023, therefore this is indicated that PUB had fail to comply with section 20 of the SOE Act 2013.

Independence

Section 114 (4) of the Kiribati Constitution stipulates that the Auditor General shall not be subject to the direction or control of any other person or authority. Other than the audit, we have no relationship with or interest in PUB.



Mr Eriati Tauma Manaima
Auditor General

Date:12/10/2023

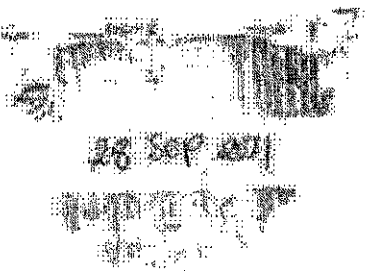


PUBLIC UTILITIES BOARD

Where Cleanliness, Safety and Conservation Truly Matters

ANNUAL FINANCIAL STATEMENTS FOR 2020

SUBMISSION TO THE KIRIBATI AUDIT OFFICE AND SOEMAU



PUBLIC UTILITIES BOARD STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020				
	Actual YTD Dec 2020	Revised Budget YTD Dec 2020	Annual Variance Favourable/ Unfavourable	Actual Last Year YTD Dec 2019
INCOME:				
Electricity Sales	12,105,082	12,158,888	(53,806)	11,435,871
Internal Electricity Sales	552,578	587,808	(35,230)	585,878
Water Sales	1,139,788	987,274	152,514	788,324
Beverage Revenue	-	-	-	-
Government Subsidy/CDS	1,220,000	1,235,859	(15,859)	1,352,258
Other Income	257,893	279,304	(21,411)	298,638
TOTAL INCOME	14,944,707	15,952,132	(107,525)	14,165,289
EXPENDITURE:				
FOUR CEMENT	10,135,360	11,781,879	(1,646,519)	11,528,780
Information & Laboratory	62,523	61,508	1,015	-
Operating & Office Supplies	104,121	179,500	(75,379)	137,661
Employee Expenses	2,522,538	2,931,054	(408,516)	2,555,911
Repairs & Maintenance	219,082	520,690	(301,608)	580,838
Bank Charges & Credit Interest	117,598	180,000	(62,402)	1,427
Depreciation	2,887,479	3,505,704	(618,225)	3,085,668
Internal Electricity Consumption	365,578	387,908	(22,330)	365,578
Other Expenses	550,416	603,880	(53,464)	515,119
TOTAL EXPENDITURE	17,272,466	17,225,155	(46,709)	17,102,057
OPERATING PROFIT / (LOSS)	(2,328,133)	(2,171,833)	(156,280)	(2,936,290)
ABNORMAL ITEMS:				
Bad/Doubtful Debts - Electricity	(20,498)	(117,855)	97,357	(5,083)
Bad/Doubtful Debts - Water	(33,188)	(14,538)	(18,650)	(4,478)
Bad or Doubtful Staff Debts	-	-	-	-
Deduct Prior Period Items (PPI)	(267,030)	-	(267,030)	5,378
Add / Deduct Gain/Loss from Disposal of Assets	-	-	-	(38,912)
Amortisation - Aid Reserve	2,581,884	3,332,872	(750,988)	2,321,928
NET PROFIT / (LOSS) BEFORE TAX	(419,770)	86,787	(506,557)	(630,484)
Less Taxation	-	-	-	-
NET PROFIT / (LOSS) AFTER TAX	(419,770)	86,787	(506,557)	(630,484)

PUBLIC UTILITIES BOARD STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020		
	Actual 31-Dec-20	Actual 31-Dec-19
Share Capital 1 January 2019	45,128,365	47,140,180
Less Amortisation and Release of Capital Reserve	(1,461,294)	(2,321,928)
Capital Aid Reserve N2 M&A Repair & Maint - Power Generators	-	320,613
SMF Equity Injection	560,000	-
Capital Aid Reserve CoK Overhaul & Spares for Generators	898,388	-
Share Capital 31 December 2019	44,925,819	45,128,365
Retained Earnings 1 January 2019	(5,302,788)	(5,965,334)
Plus Net Profit/(Loss)	(419,770)	(630,454)
Less Dividends Paid	-	-
Retained Earnings 31 December 2019	(7,013,558)	(6,595,788)

PUBLIC UTILITIES BOARD

FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2020

INCOME	NOTES	2020	2019
Electricity Sales		11,934,092	11,495,871
Internal Electricity Sales		365,574	365,575
Water Sales		1,197,386	785,434
Government Subsidy / CSO*	7	1,200,000	1,251,205
Other Income		287,298	258,533
Total Income		14,984,249	14,156,768
EXPENDITURE			
Fuel & Lubricant		10,156,396	9,609,780
Fast - Motor Vehicles		67,495	77,887
New Connections & Installations		39,904	39,346
Postage, Printing & Stationeries		61,953	66,802
Operating & Other Supplies		35,152	32,033
Personal and Protective Equipment		4,915	14,751
KPF Contributions		113,442	113,800
Leave Grants & Passages		151,551	217,330
Salaries, Overtime & Allowances		2,021,034	2,277,154
Staff Subsidised Rent		107,459	85,617
Repairs & Maintenance		224,052	550,630
Depreciation		2,987,571	3,089,968
Overseas Travel & Training		9,332	71,832
Travelling & Transport		133,283	111,901
Telecom Charges		425,853	145,276
Chlorination		67,533	
Insurance & Subscriptions		3,311	4,321
Advertising and Awareness Program		5,965	9,367
Board Expenses		29,115	20,563
Audit fees		1,500	1,500
Land Lease & Compensation		3,449	5,554
Bank Charges		117,546	9,427
Other Expenses		523,502	498,395
Total Expenditure		17,272,860	17,102,057
OPERATING PROFIT/(LOSS)		(2,288,611)	(2,945,289)
ABNORMAL ITEMS			
Bad/Contingent Debts - Trade Debtors	12	(55,821)	(10,560)
Prior Period Items (PPI)	9	(287,030)	5,379
Gain/Loss from Disposal of P/Assets			(19,911)
Amortisation-Aid Reserve Released as Income		2,361,254	2,331,622
NET PROFIT/(LOSS)		(419,778)	(630,454)

Confirmed:


Vice Chairman
Ruibul Tiwari


Chief Executive Officer
James Young

PUBLIC UTILITIES BOARD
FINANCIAL POSITION AS AT 31 DECEMBER, 2020

	NOTES	2020	2019
CURRENT ASSETS			
Trade Debtors*	31	33,625,597	9,767,164
Provision for Bad Doubtful Debts - Trade Debtors		(7,803,388)	(7,342,637)
Provision for Bad Doubtful Staff Debts		(121,301)	(121,301)
Sundry Debtors		120,572	123,200
Prepayment		1,331,548	807,652
Staff Debts		135,000	135,201
Cash at Bank	5	216,157	59,412
Stock		1,575,356	1,749,787
Total Current Assets		3,115,719	4,419,087
CURRENT LIABILITIES			
Trade Creditors	9	7,668,048	7,675,803
Prov. for Trade Creditors - Local	9	(7,708,644)	(7,708,644)
Sundry Creditors		202,754	515,241
VAT Collected / Payable	10	819,461	830,330
Total Current Liabilities		1,472,619	1,315,140
WORKING CAPITAL		4,643,100	3,104,007
NON-CURRENT ASSETS			
Buildings		1,411,776	1,404,796
Plants & Machinery		68,537,102	68,522,063
Furniture, fittings & Equipment		592,148	573,438
Motor Vehicles		2,575,147	2,575,147
Accumulated Depreciation		(48,125,711)	(57,389,040)
Total Non-Current Assets	2	32,179,562	35,319,394
LONG-TERM LIABILITIES			
ADB Loan	3	1,010,202	1,010,202
Total Long-Term Liabilities		1,010,202	1,010,202
NET WORTH		37,002,460	35,535,077
SHAREHOLDER'S EQUITY			
Capital Reserve	4	44,025,015	43,125,955
Accumulated Profit/(Losses)	6	(7,013,358)	(5,395,388)
TOTAL SHAREHOLDER'S EQUITY		37,002,460	35,535,077

Confirmed:


 Vice Chairman
 Bulbul Tower


 Chief Executive Officer
 James Young

PUBLIC UTILITIES BOARD

CASH FLOW STATEMENTS AS AT 31 DECEMBER, 2020

	Notes	2020	2019
Cash Flows from Operating Activities			
Cash Receipts from Customers, CSD & Reserve Transfers		13,708,311	14,471,664
Cash Paid to Suppliers, Employees, etc		(54,121,438)	(54,770,461)
Net Cash Flows from Operating Activities	(A)	(40,413,127)	(40,298,797)
Cash Flows from Financing Activities			
Net Cash Flows from Financing Activities			
Cash Flows from Investing Activities			
Proceeds from Capital Aid/Grants - Commissioned Projects			
Proceeds from Capital Aid/Grants - On-going Projects		1,057,508	320,833
Payments from Capital Aid/Grants - Commissioned Projects			(134,564)
Payments from Capital Aid/Grants - On-going Projects		(958,589)	(102,287)
Purchase of Property, plant and equipment		(116,332)	(129,179)
Net Cash Flows from Investing Activities		(415,062)	(160,437)
Net Increase / (Decrease) for the Period		130,248	(450,213)
Add CASH Balance & Cash equivalent at Beginning		89,412	548,625
Cash Balance & Cash equivalent at the End of the Period		<u>219,660</u>	<u>98,412</u>
Cash & Cash Equivalents			
Cash at Bank - Cheque Account		(256,633)	(20,105)
PUB Reserve Funds		45	41
Kiribati Government Funds - Water & Wastewater CSD		45,107	37,506
NZ MFAT Water Security Support RO Funds		2,892	12,887
NZ MFAT RO & Power Generators		14,439	78,326
NZ MFAT Clean-up Funds		695	345
Sanitation Maintenance Funds (SMF)		(145,180)	-
Disaster Funds		(48,651)	-
ROK Generator Overhaul Funds		606,188	-
Petty Cash		500	900
Total		<u>219,660</u>	<u>98,412</u>

(A) Reconciliation of Net Profit / (Loss) to Net Cash Provided / Used by Operating Activities

Net Profit / (Loss) for the Year	(619,770)	(636,454)
Non-Cash Items and Cash used by Investing and Financing Activities		
Add back depreciation for the period	3,987,671	3,909,779
Less Amortisation of Aid Reserve for the period	(2,383,234)	(2,481,936)
Less Capitalized stock issued out during the year		(968,546)
Add cash used for un-capitalized/On-going Projects	626,471.49	356,871
Changes in Current Assets and Current Liabilities		
Decrease/Increase in Current Assets	(1,493,355)	380,061
Increase/Decrease in Current Liabilities	170,907	(118,120)
Cash Flows from Operating Activities	<u>(258,315)</u>	<u>(256,770)</u>

Confirmed:

Bulbul Tiweri
Vice Chairman
Bulbul Tiweri

James Young
Chief Executive Officer
James Young

PUBLIC UTILITIES BOARD
NOTES TO AND FORMING PART OF THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2020

(1) Statement of Accounting Policies

The accounts of the Board have been drawn up in accordance with Generally Accepted Accounting Principles and International Accounting Standards and the requirements of the Law of the Republic of Kiribati. They have been prepared under the Historical Cost Convention and the Accrual Basis of Accounting has been used.

The Accounting Policies have been consistently applied unless otherwise stated. Set out below is a summary of the significant Accounting Policies adopted by the Board in the preparation of the Accounts.

(a) Depreciation of Fixed Assets

Fixed Assets, including donated assets are depreciated over their estimated useful lives using the Straight Line Method.

(b) Stock

Stock is valued at the Net Realizable Value / Lower of Cost and selling price (less costs to complete and sell).

(c) Grants and Subsidies

Grants received for Capital Assets are recorded in the Balance Sheet as either Deferred Income only if it is acquired under a loan or treated as Capital Reserve/Equity Injection and amortized as income for subsequent periods at a Rate of Depreciation applied for the Capital Assets acquired under a grant.

Payments for Community Service Obligations (CSOs) are provided to compensate PUB for expenses incurred in providing non-economic or other special services during the year for the Government. These are recorded as income in the year to match the expenses incurred in providing the services.

Other grants or subsidies from the Government are recognized as income, otherwise as necessary to treat them as Capital Injection/Reserve.

(d) Foreign Currency

A Foreign Currency Transaction is recorded at its Local Currency (Australian Dollar) equivalent at a rate in use when the transaction occurs. Gains and losses arising from Foreign Currency Transactions are treated as gains or losses for the period when the transactions occur.

(e) Long-Term Debt

The Current Portion of Long-Term Debt is recorded as a Current Liability according to the Repayment Terms of the relevant Loan Agreement.

(2) Schedule of Fixed Assets - as at 31 December 2020

	PLANTS & MACHINERIES						SUB-TOTAL	BUILDINGS	FURNITURE FITTERIES & EQUIPMENT	MOTOR VEHICLES	GRAND TOTAL
	WATER	SEWERAGE	ELECTRICAL								
Cost	As at 1/01/20	9,578,673	2,195,087	46,672,952	58,447,721	896,276	58,447,721	896,276	973,634	2,579,147	62,806,278
Valuation	1,308,722	6,376,000	2,369,922	10,074,504	10,074,504	518,520	10,074,504	518,520			18,592,144
Total	10,887,395	8,572,087	49,042,874	68,522,225	68,522,225	1,414,796	68,522,225	1,414,796	973,634	2,579,147	73,409,422
Cost	Additions		15,245	15,245	15,245		15,245		1,210		16,455
	As at 31/12/20	10,902,395	8,572,087	49,058,119	68,537,208	1,414,796	68,537,208	1,414,796	975,143	2,579,147	73,506,234
Accumulated Depreciation	As at 1/01/20	6,358,153	6,857,989	19,827,024	23,043,176	958,254	23,043,176	958,254	424,815	2,372,505	27,129,041
Depreciation Charge		750,139	205,061	1,740,161	2,745,362	36,571	2,745,362	36,571	67,000	108,139	2,987,671
	As at 31/12/20	7,108,302	7,063,051	21,567,185	25,788,538	995,005	25,788,538	995,005	892,434	2,540,784	28,126,312
Net Book Value	As at 31/12/20	4,529,251	1,714,037	29,195,590	35,538,669	456,542	35,538,669	456,542	148,539	206,537	38,350,381
	As at 31/12/20	3,879,092	1,509,036	27,456,542	32,838,669	419,771	32,838,669	419,771	82,729	38,393	33,379,561

(a) Asian Development Bank (ADB) Loan

(i) Loan No. 786 - Wapiti Generator

Principal advanced US\$700,000 @ 0.55 AUD \$1,076,923.00

15 years @ Interest 7.55% semi-annually wef June 1990

	Current Liability	Long Term Liability		Total
		Principal	Interest	
Balance 1/01/20	-	851,021	874,653	1,725,674
Adjustment	-	-	-	(1,259,368)
Balance 31/12/20	-	851,021	874,653	1,725,674

(ii) Loan No. 922 - Power Distribution Project

Principal advanced SDR 560,270 @ 0.55 AUD \$1,201,542.00

20 years @ Interest 6.55% semi-annually wef Sept 1992

	Current Liability	Long Term Liability		Total
		Principal	Interest	
Balance 1/01/20	-	1,472,487	1,070,300	2,542,787
Adjustment	-	-	-	(1,604,951)
Balance 31/12/20	-	1,472,487	1,070,300	2,542,787

Total ADB Loan

	Current Liability	Long Term Liability		Total
		Principal	Interest	
Balance 1/01/20	-	2,023,508	1,944,953	3,968,461
Adjustment	-	-	-	(2,958,259)
Balance 31/12/20	-	2,023,508	1,944,953	3,968,461

Disclosing Note 3:

ADB loan #786 and #922 were adjusted according to SOE/MAU's balances per email of 23 January 2012.

Notes to and Forming Part of the Accounts (Cont'd)

(A) Capital Reserve	2020	2019
Grant Reserve:		
Balance 1/01/20	9,759,711	13,035,590
Amortised as income	(6,361,234)	(2,231,929)
Balance 31/12/20	3,398,477	10,803,661
Revaluation Reserve:		
Balance 1/01/20	3,404,045	3,404,045
Balance 31/12/20	3,404,045	3,404,045
Total	6,802,522	14,207,706

Disclosing Note 4:

*The NZ MEAT Project Aid Funds for \$320,613.25 received end of December 2019 is for Urgent Overhaul, Repair & Maintenance of No. 4 Generator in Hikoia.		320,613.25
*The GOK/ANZ SMIT Project Aid Funds for \$500,000 received end of 2019 is for Sanitation and Maintenance Project. Note that funds should be separately accounted for in future.	500,000.00	
*The GOK Project Aid Funds for \$398,588.36 received in November 2020 is for Major Overhaul spares for Power Generators.	398,588.36	
	1,219,201.61	320,613.25

(B) Cash at Bank	2020	2019
Cheque Account No. 228142	(356,873)	(20,105)
Petty Cash Imprest	500	900
NZMEAT Cash-up Fund	135	135
NZMEAT Water Security/RO Support Funds	1,500	11,500
NZ MEAT Repair & Maintenance Power Generators	14,489	73,376
GUB Reserve Fund	41	41
PUN Water & Wastewater CSO A/C	46,207	17,500
Sanitation Maintenance Funds	(145,190)	
Disaster Funds	(49,353)	
GOK Funds for Major Overhaul Spares - 4 Generators	694,388	
Total	218,137	89,441

Notes to and Forming Part of the Accounts (Cont'd)

(6) Accumulated Loss:

	2020	2019
Balance 1/01/20	(6,393,788)	(5,981,334)
Net Profit/Loss (-) for the year*	(418,770)	(330,454)
Balance 31/12/20	(7,012,558)	(6,311,788)

Pledging Note 5:

Electricity Debtors and Provision for Doubtful Debts are computed as follows:

	2020	2019
Electricity Debtors Control Account / GL Balance as at 31/12/2020	8,751,113	8,297,220
Increase (Decrease) in Elec Debtors treated as P/B		28,266
Balance per Electricity Debtors Listing as at 31/12/2020	8,751,113	8,325,486
Prov for Bad and Doubtful Debts accounted for in the 2017 B/S:		
Domestic	6,753,348	6,733,348
Commercial	258,957	258,957
Industrial (Manufact)	226,413	226,413
Industrial (SCCs)	470,023	470,023
Total Prov. for Doubtful Debts for Electricity Debtors per Financial Position as at 31/12/2017	7,708,741	7,708,741
Prov for Water Bad and Doubtful Debts accounted from 2018-2019	113,955	111,636
Prov for Gas Bad and Doubtful Debts accounted from 2018-2019	18,037	11,955
Opening Balance for Prov. for Doubtful Debts at 01/01/2020	7,842,637	7,832,297
Prov for Bad and D/Debts - Water for the current year 2020	80,893	4,478
Prov for Bad and D/Debts - Electricity for the current year 2020	33,351	5,082
Prov for Doubtful Debts for Water and Electricity Debtors as included in P&L Statement for the year ending 31/12/2020	25,861	16,560
Acc. Prov. for Doubtful Debts per Balance Sheet as at 31/12/2020	7,982,491	7,882,597

* Provision for Bad and Doubtful Staff Debtors as at 31/12/2019 remains at \$121,301

(7) Government Subsidy/Grant:

	2020	2019
Water & Wastewater CDS	1,280,000	1,282,552
Total	1,280,000	1,282,552

(8) Prior Period Items/Adjustments:

	2020	2019
Other Prior Year Expenses and Income	(257,930)	28,379
	(257,930)	15,320

Debit and Credit Part of the Accounts (Jan 2)

THE UNIVERSITY OF CHICAGO

	2020	2019
Trade Creditors - Local - 60%	7,000,000	7,075,200
Trade Creditors - Overseas	80,000	
Total Trade Creditors	7,080,000	7,075,200

Disclosing Note C: Trade Creditors

Black Legion - Lora

According to PUM's books, PUM owes KCM \$1,742,162.12 as of 12/31/2012. It has been noted that as of 12/31/2012, PUM's then debtors for \$7,708,544.17 will be taken into account upon approval. This results in overpaying for PUM's then debtors for 2012, which has been for sale to set off against the debtors have approved by board of directors.

of Trade Creditors - Overseas

** Pacific Power Engineering Australia
 ** Northpower Ltd, NZ
 ** Calka Engineering Pty Ltd, Singapore at 31.12.2019

1101 MAY 1968

Adjusted on the basis of the recommended level of 0.05 for a two-tailed test.

【练习】

Trade Debtors as at 31/12/2012 comprise of:

	2020	2019
Electricity Debtors:	8,753,338	8,410,582
Water Debtors:	1,884,368	1,847,583
Total Trade Debtors:	10,637,707	10,258,165

Conclusions

Vice Chairman
Sulbul Tiwari

Chief Executive Officer
James Young



PUBLIC UTILITIES BOARD

Where Cleanliness, Safety and Conservation Truly Matters

ANNUAL FINANCIAL STATEMENTS FOR 2021

SUBMISSION TO THE KIRIBATI AUDIT OFFICE AND SOEMAU

PUBLIC UTILITIES BOARD STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021				
INCOME:	Actual YTD Dec. 2021	Revised Budget YTD Dec. 2021	Annual Variance Favourable/ Unfavourable	Actual Last Year YTD Dec 2020
Electricity Sales	12,932,380	12,642,323	290,057	11,954,092
Internal Electricity Sales	-	591,766	(591,766)	865,576
Water Sales	1,542,191	868,904	473,287	1,137,786
Government Subsidy/C50	1,549,707	2,197,615	(647,908)	1,230,000
Other Income	207,723	384,319	(176,596)	257,292
TOTAL INCOME	16,032,801	16,484,921	(452,120)	14,944,747
EXPENDITURE:				
Fuel & Lubricant	9,925,100	9,935,504	10,404	10,196,396
Chlorination & Laboratory	-	5,263	5,263	62,523
Operating & Office Supplies	494	362,130	361,636	101,121
Employee Expenses	3,010,928	3,774,252	763,324	2,623,336
Repairs & Maintenance	304,948	487,526	182,578	228,052
Bank Charges & Loan Interest	42,617	54,000	11,383	117,546
Depreciation	2,795,668	3,377,478	581,810	2,987,671
Internal Electricity Consumption	245,110	391,766	146,656	365,576
Other Expenses	805,864	735,045	(70,819)	590,629
TOTAL EXPENDITURE	17,191,730	19,132,963	1,991,733	17,272,860
OPERATING PROFIT / (LOSS)	(1,098,930)	(2,638,042)	1,539,113	(2,328,113)
ABNORMAL ITEMS:				
Bad/Doubtful Debts - Electricity	(40,119)	(116,346)	76,228	(20,493)
Bad/Doubtful Debts - Water	(48,624)	(11,868)	(36,756)	(35,368)
Deduct Prior Period Items (PPI)	(57,714)	-	(57,714)	(397,030)
Amortisation - Aid Reserve	2,261,785	2,352,571	(90,786)	2,361,234
NET PROFIT / (LOSS) BEFORE TAX	1,016,400	(413,686)	1,430,085	(419,770)
Less: Taxation	-	-	-	-
NET PROFIT / (LOSS) AFTER TAX	1,016,400	(413,686)	1,430,085	(419,770)

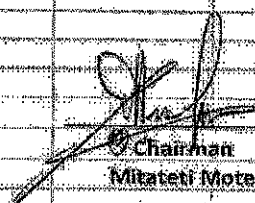
PUBLIC UTILITIES BOARD STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021		
	Actual 31-Dec-21	Actual 31-Dec-20
Share Capital 1 January 2021	44,026,019	45,128,865
Less Amortisation and Release of Capital Reserve	(2,261,785)	(2,361,234)
Capital Aid Reserve NZ MFAT Repair & Maint - Power Generators	-	-
SMF Equity Injection	-	560,000
SMF Equity Injection - Funds utilized	(613,283)	-
Capital Aid Reserve Gok Overhaul & Spares for Generators	-	698,388
Adjustment of misallocated Capital Aid Reserve - HV NZMFAT	309,644	-
NZMFAT Aid - Stator & Coil	139,300	-
KURP - NZMFAT Gok Aid	368,906	-
Capital Aid Reserve - Gok C50	734,749	-
Capital Aid - Gok Maintenance	30,000	-
Adjustment of misallocation for Capital Aid Gok - Disaster Funds	122,955	-
Share Capital 31 December 2021	42,856,505	44,026,019
Retained Earnings 1 January 2021	(7,013,558)	(6,593,788)
Plus Net Profit/(Loss)	1,016,400	(419,770)
Less Dividends Paid	-	-
Retained Earnings 31 December 2021	(5,997,159)	(7,013,558)

PUBLIC UTILITIES BOARD

FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2021

INCOME	NOTES	2021	2020
Electricity Sales		12,932,880	11,954,092
Internal Electricity Sales		-	365,576
Water Sales		1,342,491	1,137,786
Government Subsidy / CSO*	7	1,549,707	1,230,000
Other Income		207,723	257,292
Total Income		16,032,801	14,944,747
EXPENDITURE			
Fuel & Lubricant		9,926,484	10,196,396
Fuel - Motor Vehicles		61,483	67,898
New Connections & Installations		5,296	39,864
Postage, Printing & Stationeries		98,827	61,958
Operating & Other Supplies		199,779	39,153
Personal and Protective Equipment		5,510	4,915
KPF Contributions		111,222	113,442
Leave Grants & Passages		425,087	381,561
Salaries, Overtime & Allowances		2,379,621	2,221,084
Staff Subsidised Rent		94,998	107,299
Repairs & Maintenance		304,948	228,062
Depreciation		2,796,658	2,987,671
Overseas Travel & Training		-	9,138
Travelling & Transport*		131,212	139,283
Telecom Charges		136,549	125,855
Chlorination		-	62,523
Insurance & Subscriptions		2,471	3,311
Advertising and Awareness Program		8,871	5,966
Board Expenses		11,201	29,519
Audit Fees		2,500	2,500
Land Lease & Compensation		5,539	5,449
Bank Charges		42,617	117,546
Other Expenses		376,847	522,508
Total Expenditure		17,131,730	17,272,860
OPERATING PROFIT/(LOSS)		(1,098,930)	(2,328,113)
ABNORMAL ITEMS			
Bad/Doubtful Debts - Trade Debtors	12	(88,742)	(55,861)
Prior Period Items (PPI)	8	(57,714)	(397,030)
Gain/Loss from Disposal of I/Assets		-	-
Amortisation-Aid Reserve Released as Income		2,261,785	2,361,234
NET PROFIT/(LOSS)		1,016,400	(419,770)

Confirmed:


 Chairman
 Mitateti Mote


 Chief Executive Officer
 James Young

PUBLIC UTILITIES BOARD			
FINANCIAL POSITION AS AT 31 DECEMBER, 2021			
	NOTES	2021	2020
CURRENT ASSETS			
Trade Debtors*	11	12,335,605	10,695,677
Provision for Bad/Doubtful Debts - Trade Debtors		(7,987,240)	(7,898,498)
Provision for Bad/Doubtful Staff Debts		(121,391)	(121,391)
Sundry Debtors		119,366	120,571
Prepayment		1,350,736	1,351,568
Staff Debts		134,715	135,080
Cash at Bank	5	776,086	218,157
Stock		1,702,172	1,676,554
Total Current Assets		8,310,851	6,115,719
CURRENT LIABILITIES			
Current Portion of L/T Loan - ADB	3		
Trade Creditors	9	7,540,834	7,668,048
Prov. For Trade Creditors - Local	9	(7,708,644)	(7,708,644)
Sundry Creditors		490,457	702,754
VAT Collected / Payable	10	758,667	810,461
Total Current Liabilities		1,111,333	1,472,619
WORKING CAPITAL		7,198,718	4,643,100
NON-CURRENT ASSETS			
Buildings		1,414,776	1,414,776
Plants & Machinery		68,537,203	68,537,208
Furniture, Fittings & Equipment		993,029	975,143
Motor Vehicles		2,645,147	2,579,147
Accumulated Depreciation		(42,923,379)	(40,126,711)
Total Non-Current Assets	2	30,670,890	33,379,562
LONG-TERM LIABILITIES			
ADB Loan	3	1,010,202	1,010,202
Total Long-Term Liabilities		1,010,202	1,010,202
NET WORTH		56,859,345.77	37,012,460
SHAREHOLDER'S EQUITY			
Capital Reserve	4	42,856,505	44,026,019
Accumulated Profits/(Losses)	6	(5,997,159)	(7,013,558)
TOTAL SHAREHOLDER'S EQUITY		36,859,346	37,012,460
Confirmed:			
	Chairman	Chief Executive Officer	
	Mitarani Mote	James Young	

PUBLIC UTILITIES BOARD
CASH FLOW STATEMENTS AS AT 31 DECEMBER 2021

	Notes	2021	2020
Cash Flows from Operating Activities			
Cash Receipts from Customers, CSO & Reserve Transfers		15,277,062	13,833,113
Cash Paid to Suppliers, Employees, etc.		(14,702,359)	(14,121,429)
Net Cash Flows from Operating Activities	(A)	574,703	(288,316)
Cash Flows from Financing Activities			
Net Cash Flows from Financing Activities			
Cash Flows from Investing Activities			
Proceeds from Capital Aid/Grants - Commissioned Projects			
Proceeds from Capital Aid/Grants - On-going Projects		1,309,983	1,387,503
Payments from Capital Aid/Grants - Commissioned Projects			
Payments from Capital Aid/Grants - On-going Projects		(1,236,821)	(955,589)
Purchase of Property, Plant and equipment		(87,936)	(16,852)
Net Cash Flows from Investing Activities		(14,773.97)	415,062
Net Increase / (Decrease) for the Period		559,929	126,745
Add Cash Balances & Cash equivalent at Beginning		216,157	89,412
Cash Balance & Cash equivalent at the End of the Period		776,086	216,157

Cash & Cash Equivalents

Cash at Bank - Cheque Account	(338,405)	(356,873)
RUB Reserve Funds	41	41
Kribati Government Funds - Water & Wastewater CSO	547,406	48,107
NZ MFAT Water Security Support RO Funds	2,803	2,803
NZ MFAT R&M Power Generators	14,489	14,489
NZ MFAT Clean-up Funds	145	145
Sanitation Maintenance Funds (SMP)	(308,537)	(143,190)
Disaster Funds	51,521	(49,653)
GoK Generator Overhaul Funds	435,385	698,388
Petty Cash	900	900
MFAT - Stator & Coil Service	1,432	
KURP Project Funds	368,906	
Total	5	216,157

(A) Reconciliation of Net Profit / (Loss) to Net Cash Provided / (Used) by Operating Activities

Net Profit/(Loss) for the Year	1,016,400	(419,770)
Non-Cash Items and Cash used by Investing and Financing Activities		
Add back depreciation for the period	2,796,668	2,987,671
Less Amortisation of Aid Reserve for the period	(2,261,785)	(2,361,234)
Add Cash used for Un-capitalized/On-going Projects	(73,162.02)	826,474.49
Change in Current Assets and Current Liabilities		
Decrease/ Increase in Current Assets	(1,634,402)	(1,492,355)
Increase/ Decrease in Current Liabilities	(961,285)	170,907
Adjustment to Project and Capital Aid Reserve	1,092,271	
Cash Flows from Operating Activities	574,703	(288,216)

Confirmed:

Chairman
Mittet: Mote

Chief Executive Officer
James Young

**PUBLIC UTILITIES BOARD
NOTES TO AND FORMING PART OF THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2021**

(1) Statement of Accounting Policies

The accounts of the Board have been drawn up in accordance with Generally Accepted Accounting Principles and International Accounting Standards and the requirements of the Law of the Republic of Kiribati. They have been prepared under the Historical Cost Convention and the Accrual Basis of Accounting has been used.

The Accounting Policies have been consistently applied unless otherwise stated. Set out below is a summary of the significant Accounting Policies adopted by the Board in the preparation of the Accounts.

(a) Depreciation of Fixed Assets

Fixed Assets, including donated assets are depreciated over their estimated useful lives using the Straight Line Method.

(b) Stock

Stock is valued at Lower of Cost or Net Realizable Value.

The lower of cost or net realizable value concept means that inventory should be reported at the lower of its cost or the amount at which it can be sold. Net realizable value is the expected selling price of something in the ordinary course of business, less the costs of completion, selling, and transportation.

(c) Grants and Subsidies

Grants received for Capital Assets are recorded in the Balance Sheet as either Deferred Income only if it is acquired under a loan or treated as Capital Reserve/Equity Injection, and amortized as Income for subsequent periods at a Rate of Depreciation applied for the Capital Assets acquired under a grant.

Payments for Community Service Obligations (CSOs) are provided to compensate PUB for expenses incurred in providing non-economic or other special services during the year for the Government. These are recorded as Income in the year to match the expenses incurred in providing the services.

Other grants or subsidies from the Government are recognized as income, otherwise as necessary to treat them as Capital Injection/Reserve.

(d) Foreign Currency

A Foreign Currency Transaction is recorded at its Local Currency (Australian Dollar) equivalent at a rate in use when the transaction occurs. Gains and losses arising from Foreign Currency Transactions are treated as gains or losses for the period when the transactions occur.

(e) Long-Term Debt

The Current Portion of Long-Term Debt is recorded as a Current Liability according to the Repayment Terms of the relevant Loan Agreement.

(2) Schedule of Fixed Assets - as at 31 December 2021											
		PLANTS & MACHINERIES									
		WATER	SEWERAGE	ELECTRICAL	SUB TOTAL	BUILDINGS	FURNITURE FITTINGS & EQUIPMENT	MOTOR VEHICLES	GRAND TOTAL		
Cost	As at 1/01/21	9,578,673	2,196,087	46,687,805	58,462,564	896,276	975,143	2,579,147	62,943,130		
Valuation		1,308,722	6,376,000	2,389,922	10,074,644	518,500	-	-	10,593,144		
Total		10,887,395	8,572,087	49,077,727	68,537,208	1,414,776	975,143	2,579,147	73,506,274		
Cost	Additions						21,936	66,000	87,936		
	As at 31/12/21	10,887,395	8,572,087	49,077,727	68,537,208	1,414,776	997,079	2,645,147	73,594,210		
Accumulated Depreciation	As at 1/01/21	7,008,203	7,063,051	21,627,185	35,698,539	995,005	892,414	2,540,754	40,126,712		
Depreciation Charge		750,139	171,311	1,743,330	2,664,781	32,937	61,359	37,591	2,796,668		
	As at 31/12/21	7,758,442	7,234,362	23,370,515	38,363,319	1,027,942	953,774	2,578,345	\$42,923,380		
Net Book Value	As at 1/01/21	3,879,092	1,509,036	27,450,542	32,838,669	419,771	82,729	38,393	33,379,562		
	As at 31/12/21	3,128,952	1,337,725	25,707,211	30,173,898	386,834	43,306	66,803	\$30,670,390		

(3) Asian Development Bank (ADB) Loan					
(a) Loan No. 786 - Wartsila Generator					
Principal advanced US\$700,000 @ 0.65 AUD \$1,076,923.00					
15 years @ Interest 7.65% semi-annually wef June 1990					
		Current Liability	Long Term Liability		
			Principal	Interest	Total
	Balance 1/01/21	-	851,021	874,653	1,725,674
	Adjustment	-	-	-	(1,353,308)
	Balance 31/12/21	-	851,021	874,653	372,366
(b) Loan No. 922 - Power Distribution Project					
Principal advanced SDR 666,970 @ 0.5546 AUD \$1,202,547.00					
20 years @ Interest 6.53% semi-annually wef Sept 1992					
		Current Liability	Long Term Liability		
			Principal	Interest	Total
	Balance 1/01/21	-	1,172,487	1,070,300	2,242,787
	Adjustment	-	-	-	(1,604,951)
	Balance 31/12/21	-	1,172,487	1,070,300	637,886
Total ADB Loan					
		Current Liability	Long Term Liability		
			Principal	Interest	Total
	Balance 1/01/21	-	2,023,508	1,944,953	3,968,461
	Adjustment	-	-	-	(2,958,259)
	Balance 31/12/21	-	2,023,508	1,944,953	1,010,202
Disclosing Note 3:					
ADB Loan #786 and #922 were adjusted according to SOFMAU's balances per email dd 23 January 2017.					

Notes to and Forming Part of the Accounts (Con'd)				
(4) Capital Reserve			2021	2020
	Grant Reserve			
	Balance 1/01/21		7,402,477	9,763,711
	Amortised as Income		(2,261,785)	(2,361,234)
	Balance 31/12/21		5,140,692	7,402,477
	Revaluation Reserve			
	Balance 1/01/21		3,494,046	3,494,046
	Balance 31/12/21*		37,715,813	36,623,542
	Total		42,856,505	44,026,019
Disclosing Note 4:				
*The Gok/ADB SMF Project Aid Funds for \$560,000 received end of 2019 is for Sanitation and Maintenance Project. Note that funds should be separately accounted for in future and the negative amounts allocated indicates SMF utilized.			(613,283.39)	560,000.00
*The Gok Project Aid Funds for \$698,388.36 received in November 2020 is for Major Overhaul spares for Power Generators.				698,388.36
* NZMFAT Aid - Stator & Coil is a NZ Government cash grant to PUB in repairing and rewinding the stator and Coil in NZ for Power Generator No. 3 in Bikenibey.			139,300.13	
*KURP - NZMFAT Gok Project Funds			368,906.00	
*Capital Aid Reserve - Gok CSO - received towards end of Dec 2020			734,749.00	
*Capital Aid Reserve - Gok Maintenance			30,000.00	
*Capital Aid Gok- Disaster Funds, received in June 2020, reallocated.			122,955.00	
* Misallocation of Capital Aid Reserve per Adjustment GI000216 do 31/12/21			309,644.28	
			1,092,271	1,258,388
(5) Cash at Bank			2021	2020
	Cheque Account No. 298142		(338,405)	(356,873)
	Petty Cash Imprest		900	900
	NZ MFAT Clean-up Fund		145	145
	NZ MFAT Water Security/RO Support Funds		2,803	2,803
	NZ MFAT Repair & Maintenance Power Generators		14,489	14,489
	PUB Reserve Fund		41	41
	PUB Water & Wastewater CSO A/c		547,406	49,107
	Sanitation Maintenance Funds		(308,537)	(143,190)
	Disaster Funds		51,521	(49,653)
	Gok Funds for Major Overhaul Spares - P/Generators		435,385	698,388
	MFAT - Stator & Coil Service Fund		1,432	
	KURP Project Funds		368,906	
	Total		776,086	216,157

Notes to and Forming Part of the Accounts (Con'd)			
(6) Accumulated Loss:		2021	2020
Balance 1/01/21	(7,013,558)	(6,595,788)	
Net Profit/Loss (-) for the year*	1,016,400	(419,770)	
Balance 31/12/21	(5,997,158)	(7,013,558)	
Disclosing Note 6:			
*Electricity Debtors and Provision for Doubtful Debts are computed as follows:			
	2021	2020	
Electricity Debtors Control Account / GL Balance as at 31/12/2021	9,751,047	8,751,313	
Increase (Decrease) in Elec Debtors treated as (PPL)	2,054.25	-	
Balance per Electricity Debtors Listing as at 31/12/2021	9,753,101	8,751,313	
Prov for Bad and Doubtful Debts accounted for in the 2017 B/S:			
Domestic	6,753,246	6,753,246	
Commercial	258,962	258,962	
Industrial (Ministries)	226,413	226,413	
Industrial (SOTs)	470,023	470,023	
Total Prov. For Doubtful Debts for Electricity Debtors per:			
Financial Position as at 31/12/2017	7,708,644	7,708,644	
Prov for Water Bad and Doubtful Debts accounted for from 2018-2020:	136,448	115,956	
Prov for Elec Bad and Doubtful Debts accounted for from 2018-2020:	59,405	18,037	
Opening Balance for Prov. For Doubtful Debts at 01/01/2021	7,898,498	7,842,637	
Prov for Bad and D/Debts - Water for the current year 2021	48,623.60	20,492.63	
Prov for Bad and D/Debts - Electricity for the current year 2021	40,118.55	35,368.18	
Prov for Doubtful Debts for Water and Electricity Debtors as included in P&L Statement for the year ending 31/12/2021	88,742	55,861	
Acc. Prov. For Doubtful Debts per Balance Sheet as at 31/12/2021	7,987,240	7,898,498	
	2021	2020	
(7) Government Subsidy/CSO:			
Water & Wastewater CSO	1,549,707	1,230,000	
Water Operations	30,000		
Sewerage Operations			
Power Supply	139,300		
Project Funds - KURP	368,906		
Other Grants	734,749		
Total	2,822,662	1,230,000	
(8) Prior Period Items/Adjustments		2021	2020
Other Prior Year Expenses and Income	(57,714)	(397,030)	
	(57,714)	(397,030)	

Notes to and Forming Part of the Accounts (Con'd)

(9) Trade Creditors

	2021	2020
Trade Creditors - Local - KQIL	7,540,854	7,608,446
Trade Creditors - Overseas	-	59,601
Total Trade Creditors	7,540,854	7,668,048

(10) VAT Payable

Adjustment on Vat Payable is to be reconsidered based on further advise from AG's and Tax Office.

(11) Trade Debtors

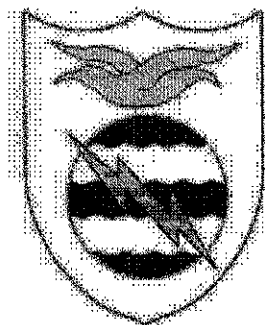
Trade Debtors breakdown as at 31/12/2021:

	2021	2020
Electricity Debtors	9,753,101	8,751,313
Water Debtors	2,582,504	1,884,365
Total Trade Debtors	12,335,605	10,635,677

Confirmed:


Chairman
Mitateti Mote


Chief Executive Officer
James Young



**WHERE CLEANLINESS, SAFETY AND
CONSERVATION TRULY MATTERS**

**FINANCIAL STATEMENTS FOR THE YEAR
ENDED**



PUBLIC UTILITIES BOARD

STATEMENT OF COMPREHENSIVE INCOME

FINANCIAL YEAR ENDED ON 31 DECEMBER 2022

	FY2022	FY2021
Income	\$16,503,124	\$ 16,032,801
Expenditure	\$16,729,653	\$ 17,131,730
Net profit/Loss before tax	\$ (226,529)	\$ (1,098,929)
Doubtful debts		\$ (88,742)
Prior Period Items		
Amortisation reserve and income	\$ -	\$ 2,261,785
Net profit/Loss after tax	\$ (226,529)	\$ 1,074,114



James Young
Chief Executive Officer



Mitateti Mole
Chairman

PUBLIC UTILITIES BOARD
STATEMENT OF CHANGES IN EQUITY
FINANCIAL YEAR ENDED ON 31 DECEMBER 2022

	2022	2021
Reserve Capital at 1 January 2022	\$ 42,856,505	\$ 44,026,019
Cash Funds	\$ 3,781,064	\$ 1,309,283
Revaluation of Statement of Financial Position	\$ (26,840,587)	\$ (217,712)
Less Amortisation	\$ -	\$ (2,251,785)
Reserves for Project Funds	\$ 1,415,827	
Reserve Capital at 31 December 2022	\$ 21,206,829	\$ 42,856,505
Retained Earnings at 1 January 2022	\$ (5,997,158)	\$ (7,015,658)
Net Profit / (Loss)	\$ (226,529)	\$ 1,074,114
Prior Period Items	\$ 9,846,283	\$ (57,714)
Retained Earnings at 31 December 2022	\$ 3,622,596	\$ (5,997,158)



James Young
Chief Executive Officer


Mitotei Mole
Chairman

**PUBLIC UTILITIES BOARD
STATEMENT OF FINANCIAL PERFORMANCE
FINANCIAL YEAR ENDED ON 31 DECEMBER 2022**

INCOME	Notes	2022	2021
Electricity Sales		\$ 12,691,392	\$ 12,932,880
Internal Electricity Sales - PUB Water/Sewer/Other		\$ 365,578	\$ -
Water Sales		\$ 1,371,319	\$ 1,342,481
Government C&O	7	\$ 1,449,028	\$ 1,549,707
Other Income		\$ 225,608	\$ 207,723
Total Income		\$ 16,503,124	\$ 16,032,801
EXPENDITURE			
Power Generation		\$ 11,997,794	\$ 10,919,915
Power Distribution		\$ 682,928	\$ 1,081,077
Water Supply		\$ 1,545,028	\$ 1,869,573
Sewerage		\$ 622,917	\$ 760,172
Corporate Services		\$ 1,660,666	\$ 2,500,983
Total Expenditure		\$ 16,729,653	\$ 17,131,730
Operating Profit/(Loss) before tax		\$ (226,529)	\$ (1,098,929)
Bad & Doubtful Electricity & Water Debts			\$ (58,742)
Prior Period Items			
Amortisation - Aid Reserve		\$ -	\$ 2,281,795
Net Profit/(Loss) before tax		\$ (226,529)	\$ 1,074,114
Taxation		\$ -	\$ -
Net Profit/(Loss) after tax		\$ (226,529)	\$ 1,074,114

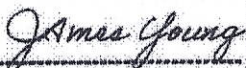
James Young

James Young
Chief Executive Officer

Milateli Mote
Milateli Mote
Chairman

**PUBLIC UTILITIES BOARD
STATEMENT OF FINANCIAL POSITION
FINANCIAL YEAR ENDED ON 31 DECEMBER 2022**

Current Assets	Notes	FY2022	FY2021
Cash & Cash Equivalents	5	\$ 1,242,705	\$ 776,086
Trade debtors	6	\$ 2,412,695	\$ 4,348,365
Other Debtors		\$ -	\$ 132,690
Prepayments		\$ -	\$ 1,350,736
Stock		\$ 972,228	\$ 1,702,172
Total Current Asset		\$ 4,627,628	\$ 8,310,051
Current Liabilities			
Current portion of L/T Loan -ADB			\$ -
Trade creditors	8	\$ 362,000	\$ (167,790)
Other Creditors		\$ 141,170	\$ 1,279,124
Total current liabilities		\$ 503,170	\$ 1,111,333
Working capital		\$ 4,124,458	\$ 7,198,718
Non current assets			
Buildings at NBV		\$ 802,541	\$ 1,414,776
Plants and Machinery at NBV		\$ 19,791,002	\$ 68,537,208
Furniture, Fittings, Tools & Equipment at NBV		\$ 50,000	\$ 997,079
Motor Vehicles at NBV		\$ 61,424	\$ 2,645,147
Accumulated depreciation			\$ (42,923,379)
Total Non Current Assets	2	\$ 20,704,967	\$ 30,670,831
Long Term Liabilities			
ADB Loan	3	\$ -	\$ 1,010,202
Total Long term liabilities		\$ -	\$ 1,010,202
Net Worth		\$ 24,829,425	\$ 36,859,347
Shareholder's equity			
Reserves	4	\$ 21,206,829	\$ 42,856,505
Accumulated profits/losses		\$ 3,622,596	\$ (5,997,158)
Total Shareholder's Equity		\$ 24,829,425	\$ 36,859,347


James Young
Chief Executive Officer

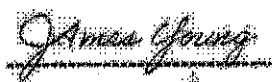

Mitateti Mote
Chairman

PUBLIC UTILITIES BOARD
STATEMENT OF CASH FLOWS
FINANCIAL YEAR ENDED ON 31 DECEMBER 2022

	FY 2022	FY 2021
Cash Flow from operating Activities:		
Cash Receipts from Customers, CSD & Reserve Transfers	\$ 14,483,521	\$ 15,277,062
Cash Paid to Suppliers, employees etc	\$ (14,838,789)	\$ (14,702,389)
Net Cash Flow from Operating Activities:	\$ (355,268)	\$ 574,702
Cash Flow from Investing Activities:		
Cash received from investing activities	\$ -	\$ -
Cash paid for investing activities	\$ (646,703)	\$ -
Net Cash Flow from Investing Activities:	\$ (646,703)	\$ -
Cash flow from Financing activities:		
Proceeds from Capital Aid/Grants-Commissioned Projects	\$ -	\$ -
Proceeds from Capital Aid/Grants - Ongoing Projects	\$ 3,781,064	\$ 1,309,983
Payments from Capital Aid/Grants-Commissioned Projects	\$ -	\$ -
Payments from Capital Aid/Grants-Ongoing Projects	\$ (2,311,385)	\$ (1,239,521)
Purchase of Property, plant and equipment	\$ -	\$ (87,836)
Net Cash Flow from Financing Activities	\$ 1,469,679	\$ (14,774)
Net Increase / Decrease for the period	\$ 468,819	\$ 559,928
Add Cash Balance & Cash equivalent at Beginning	\$ 776,088	\$ 216,157
Cash balance and cash equivalent at the end of the period	\$ 1,244,907	\$ 776,086

(A) Reconciliation of Net Profit/ Loss to Net Cash Provided (Used) by Operating Activities:

	FY 2022	FY 2021
Net Profit/Loss for the year:	\$ (228,529)	\$ 1,074,114
Non-Cash Items and Cash used by Investing and Financing Activities:		
Add back depreciation for the period	\$ 2,823,456	\$ 2,790,658
Less Amortisation of Aid Reserve for the period	\$ -	\$ (2,291,755)
Less Capitalized Stock Issued out during the year	\$ -	\$ -
Add cash used for uncapitalized/Ongoing projects	\$ 1,537,369	\$ (75,162)
Change in Current Assets and Current Liabilities:		
Decrease/increase in Current Assets:	\$ (9,092,423)	\$ (1,634,402)
Increase/Decrease in Current Liabilities	\$ (608,164)	\$ (361,286)
Adjustment to Project and Capital aid reserve	\$ -	\$ 1,034,556
Cash Flow from Operating Activities	\$ (355,268)	\$ 574,702


James Young
Chief Executive Officer


Mitatelli Mota
Chairman

**PUBLIC UTILITIES BOARD
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FINANCIAL YEAR ENDED ON 31 DECEMBER 2022**

NOTE 1. STATEMENT OF ACCOUNTING POLICIES

Public Utilities Board adopted the Government of Kiribati Accounting standards since PUB is yet to have its own accounting policies. The accounts have been prepared under the Historical Cost convention and Accrual basis accounting.

The Accounting Policies have been consistently applied unless otherwise stated. Set out below is a summary of the significant Accounting Policies adopted by the Board in the preparation of the Accounts.

(a) Depreciation of Fixed Assets

Fixed Assets, including donated assets are depreciated over their estimated useful lives using the Straight-Line Method.

(b) Stock

Stock is valued at Lower of Cost or Net Realizable Value.

The lower of cost or net realizable value concept means that inventory should be reported at the lower of its cost or the amount at which it can be sold. Net realizable value is the expected selling price of something in the ordinary course of business, less the costs of completion, selling, and transportation.

(c) Grants and Subsidies

Grants received for Capital Assets are recorded in the Balance Sheet as either Deferred Income only if it is acquired under a loan or treated as Capital Reserve/Equity Injection; and amortized as Income for subsequent periods at a Rate of Depreciation applied for the Capital Assets acquired under a grant.

Payments for Community Service Obligations (CSOs) are provided to compensate PUB for expenses incurred in providing non-economic or other special services during the year for the Government. These are recorded as income in the year to match the expenses incurred in providing the services.

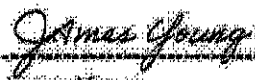
Other grants or subsidies from the Government are recognized as income, otherwise as necessary to treat them as Capital Injection/Reserve.

(d) Foreign Currency

A Foreign Currency Transaction is recorded at its Local Currency (Australian Dollar) equivalent at a rate in use when the transaction occurs. Gains and losses arising from Foreign Currency Transactions are treated as gains or losses for the period when the transactions occur.

(e) Long-Term Debt

The Current Portion of Long-Term Debt is recorded as a Current Liability according to the Repayment Terms of the relevant Loan Agreement.


James Young
Chief Executive Officer


Mitaleu Mote
Chairman

PUBLIC UTILITIES BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FINANCIAL YEAR ENDED ON 31 DECEMBER 2022

NOTE 2. FIXED ASSETS

2) Schedule of fixed Assets - \$6 at 31 December 2022

	Plant and Machinery					Buildings	Furniture, Fixings and Equipment	Motor Vehicles	Grand Total
		Water	Sewerage	Electricity	Sub total				
Cost Valuation	As at 1/1/2022	\$ 16,587,305	\$ 3,572,087	\$ 40,977,727	\$ 61,137,119	\$ 1,413,770	\$ 397,059	\$ 2,645,147	\$ 73,593,211
Revaluation adjustment		\$ (16,367,985)	\$ (8,772,007)	\$ (30,085,725)	\$ (55,225,717)	\$ (612,253)	\$ (943,879)	\$ (2,558,733)	\$ (62,388,249)
Total		\$ 219,320	\$ 800,080	\$ 10,892,002	\$ 11,891,402	\$ 801,517	\$ 453,180	\$ 1,086,414	\$ 21,271,513
Cost	As at 31/12/2022	\$ 500,000	\$ 300,000	\$ 10,991,002	\$ 11,791,002	\$ 802,541	\$ 453,180	\$ 1,086,414	\$ 23,754,557
Accumulated depreciation	As at 1/1/2022	\$ 7,755,442	\$ 7,254,362	\$ 22,370,515	\$ 37,380,319	\$ 1,027,942	\$ 953,774	\$ 2,576,515	\$ 42,923,380
Revaluation adjustment		\$ 711,935	\$ 115,361	\$ 1,702,549	\$ 2,529,845	\$ 25,858	\$ 48,548	\$ 30,653	\$ 2,635,456
As at 31/12/2022		\$ 8,467,377	\$ 7,369,723	\$ 24,073,064	\$ 39,910,164	\$ 1,053,800	\$ 1,002,322	\$ 2,607,168	\$ 45,545,636
Net Book Value	As at 1/1/2022	\$ 3,128,972	\$ 1,317,725	\$ 18,621,212	\$ 23,067,909	\$ 385,575	\$ 443,306	\$ 809,899	\$ 24,707,580
Revaluation adjustment	As at 31/12/2022	\$ 500,000	\$ 300,000	\$ 10,892,002	\$ 11,692,002	\$ 802,541	\$ 453,180	\$ 1,086,414	\$ 23,754,557

James Young

James Young
Chief Executive Officer

Mikaeli Mole
Mikaeli Mole
Chairman

PUBLIC UTILITIES BOARD

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

FINANCIAL YEAR ENDED ON 31 DECEMBER 2022

NOTE 3. LOANS

Asian Development Bank Loan

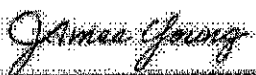
	Current Liability		Long term liability		Total
	Principal	Interest	Principal	Interest	
Balance 1/01/2022	\$ 510,000	\$ 500,202	\$ 1,010,202		
Adjustment	\$ (510,000)	\$ (500,202)	\$ (1,010,202)		
Balance 31/12/2022	\$ -	\$ -	\$ -		

SDB loans #786 and #922 were on lent by the Ministry of Finance for a term of 15 years and 20 years respectively commencing in 1990 and 1992.

The remaining balance owing and accrued interest to date has not been paid by PUB since 2012. PUB has now been granted forgiveness of the debt by MFED.

NOTE 4. CAPITAL RESERVE

	2022	2021
Grant Reserve		
Balance 1/01/2021		\$ 7,402,477
Amortised as income		\$ (2,261,785)
Balance 31/12/2021		\$ 5,140,692
Grant KURP	\$ 1,415,827	
Revaluation Reserve		
Balance 1/01/21		\$ 3,494,048
Balance at 31/12/2021		\$ 37,715,813
Total		\$ 42,856,505
Fair value of gifted assets	\$ 10,791,002	
Total Reserve	\$ 21,206,829	\$ 42,856,505


James Young
Chief Executive Officer


Mitali Nete
Chairman

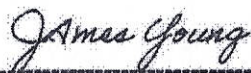
PUBLIC UTILITIES BOARD

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

FINANCIAL YEAR ENDED ON 31 DECEMBER 2022

NOTE 5. CASH

	2022	2021
Cash at Bank (Cheque Account No: 298142)	(414,547) \$	(398,405)
PUB Water & Wastewater A/c (Cheque Account No:1088112)	\$	547,406
Petty Cash Imprest/Advance	900 \$	900
Sanitation and Maintenance Funds (SMF)	\$	(308,537)
ADB Grant for Betio P/House	240,525	
NZMFAT Clean-up Funds	\$	145
NZMFAT Water Security Support Funds	\$	2,803
GoK - Generator Overhaul & Maintenance	\$	435,385
NZMFAT R & M Power Generation	\$	14,489
PUB Reserve Funds - Project Account	\$	41
Disaster Fund	\$	51,521
NZ MFAT - Stator & Coil Service	\$	1,432
KURP Project Funds	1,415,827 \$	368,906
Water Security Service Phase 2		
	1,242,705 \$	776,086



James Young
Chief Executive Officer


Mitateli Mote
Chairman

PUBLIC UTILITIES BOARD

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

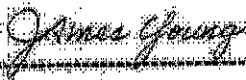
FINANCIAL YEAR ENDED ON 31 DECEMBER 2022

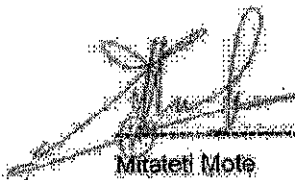
NOTE 6. TRADE DEBTORS

	2022	2021
Trade Debtors		
Trade Debtors control account	\$ 13,503,141	\$ 12,335,608
Bad debts written off	\$ (11,290,446)	
Provision for Bad and doubtful debts	\$ -	\$ (7,987,240)
	<u>\$ 2,412,695</u>	<u>\$ 4,348,368</u>

NOTE 7. GOVERNMENT SUBSIDY (CSO)

CSO amounting to \$1,449,028 is received from the Government to assist with PUB sewerage and water services which are not commercially viable for the company.


James Young
Chief Executive Officer


Mitateti Mote
Chairman

PUBLIC UTILITIES BOARD

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)
FINANCIAL YEAR ENDED ON 31 DECEMBER 2022

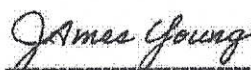
NOTE 8. TRADE CREDITORS

Trade Creditors	2022	2021
Trade Creditors- local -KOIL	\$ 312,000	\$ 7,540,854
Provision for Trade creditors-local - KOIL		\$ (7,708,644)
Trade Creditors- overseas	\$ 50,000	\$ -
Total Trade Creditors	<u>\$ 362,000</u>	<u>\$ (167,790)</u>

Trade Creditors amounting to \$7,708,644.17 were due and payable to KOIL at 31 December 2116. Since that date there has been some set off against KOIL electricity debtors. PUB has now received debt forgiveness for the remaining amounts from KOIL and cleared Liability from this book in the interest of ongoing trade and business relationship between the two Enterprises.

NOTE 9. VAT PAYABLE

VAT payable has been granted debt forgiveness and no further VAT have been charged in the financial records.



James Young
Chief Executive Officer



Mitateti Mote
Chairman

NOTE 10. OTHER CREDITORS

	2022	2021
Other Creditors		
(Paye Tax payable, KPF contribution Payable, Life insurance payable, DBK loan payable, KPF loan payable, PUB social committee payable, & rent payable - KHC)	\$ 97,518	\$ 490,457
Accrued fuel expense	\$ 43,054	
Vat payable	\$	788,667
	<u>\$ 141,170</u>	<u>\$ 1,279,124</u>

James Young

James Young
Chief Executive Officer

Mitafeti Mote

Mitafeti Mote
Chairman