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. 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.

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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

28 Sep 2021

PUBLIC UTILITIES BOARD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

INCOME:	Actual YTD Dec 2020	Revised Budget YTD Dec 2020	Annual Variance Favourable/ Unfavourable	Actual Last Year YTD Dec 2019
Electricity Sales	11,368,082	12,156,080	(801,888)	11,495,871
Internal Electricity Sales	362,576	387,803	(25,227)	365,576
Water Sales	1,137,788	897,478	240,310	790,424
Sewerage Revenue	-	-	-	-
Government Subsidy/CSO	1,850,000	1,855,859	(5,859)	1,859,258
Other Income	257,392	373,304	(115,912)	298,673
TOTAL INCOME	14,964,747	15,052,282	(107,525)	14,166,788
EXPENDITURE:				
Fuel & Lubricant	10,196,300	8,731,070	(1,465,232)	9,500,760
Chlorination & Laboratory	62,523	61,502	(1,021)	-
Operating & Office Supplies	101,121	179,500	78,379	137,667
Employee Expenses	2,582,530	2,863,004	281,468	2,695,911
Repairs & Maintenance	218,051	510,690	292,639	880,650
Bank Charges & Loan Interest	137,546	150,000	12,454	9,427
Depreciation	2,687,670	3,505,704	818,034	3,086,068
Internal Electricity Consumption	362,576	387,803	25,227	365,576
Other Expenses	590,629	802,880	212,251	648,118
TOTAL EXPENDITURE	17,272,880	17,224,186	(48,703)	17,102,057
OPERATING PROFIT / (LOSS)	(2,328,113)	(2,173,833)	(155,280)	(2,936,290)
ABNORMAL ITEMS:				
Bad/Doubtful Debts - Electricity	(20,498)	(117,835)	96,863	(5,083)
Bad/Doubtful Debts - Water	(35,168)	(16,638)	(18,730)	(4,478)
Bad or Doubtful Staff Debtors	-	-	-	-
Deduct Prior Period Items (PPI)	(397,030)	-	(397,030)	6,375
Add / Deduct Gain/Loss from Disposal of F/Assets	-	-	-	(56,914)
Amortisation - Aid Reserve	2,361,234	2,352,573	8,684	2,331,928
NET PROFIT / (LOSS) BEFORE TAX	(419,770)	46,765	(466,535)	(630,454)
Less: Taxations	-	-	-	-
NET PROFIT / (LOSS) AFTER TAX	(419,770)	46,765	(466,535)	(630,454)

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	45,128,865	47,140,180
Less Amortisation and Release of Capital Reserve	(2,361,234)	(2,331,928)
Capital Aid Reserve N2 MPAT Repair & Maint - Power Generators		320,613
SMF Equity Injection	560,000	
Capital Aid Reserve GoK-Overhaul & Spares for Generators	698,388	
Share Capital 31 December 2019	44,026,819	45,128,865
Retained Earnings 1 January 2019	(6,593,788)	(5,963,334)
Plus Net Profit/(Loss)	(419,770)	(630,454)
Less Dividends Paid	-	-
Retained Earnings 31 December 2019	(7,013,558)	(6,593,788)

PUBLIC UTILITIES BOARD

FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2020

INCOME	NOTES	2020	2019
Electricity Sales		11,959,092	11,495,871
Internal Electricity Sales		365,574	358,575
Water Sales		1,137,206	788,424
Government Subsidy / CSO*	7	1,220,000	1,251,269
Other Income		257,293	258,628
Total Income		14,944,747	14,168,768
EXPENDITURE			
Fuel & Lubricant		10,156,395	9,609,780
Fuel - Motor Vehicles		67,208	77,867
New Connections & Installations		39,904	29,346
Postage, Printing & Stationeries		61,958	69,602
Operating & Other Supplies		39,169	92,049
Personal and Protective Equipment		4,915	14,751
KPF Contributions		113,442	113,800
Leave Grants & Passages		131,561	217,310
Salaries, Overtime & Allowances		2,321,034	2,277,384
Staff Subsidised Rent		107,499	85,617
Repairs & Maintenance		228,062	550,820
Depreciation		2,987,871	3,050,968
Overseas Travel & Training		9,168	71,832
Travelling & Transport*		139,263	111,901
Telecom Charges		125,859	145,276
Chlorination		67,523	
Insurance & Subscriptions		3,311	4,321
Advertising and Awareness Programs		8,965	9,367
Board Expenses		29,515	21,563
Audit Fees		2,500	2,500
Land Lease & Compensation		5,449	5,554
Bank Charges		117,546	8,427
Other Expenses		522,508	496,296
Total Expenditure		17,272,860	17,102,057
OPERATING PROFIT/(LOSS)		(2,328,113)	(2,933,290)
ABNORMAL ITEMS			
Bad/Doubtful Debts - Trade Debtors	12	(55,861)	(10,560)
Prior Period Items (PPI)	8	(297,030)	5,379
Gain/Loss from Disposal of F/Assets			(19,911)
Amortisation-Aid Reserve Released as Income		2,361,234	2,331,928
NET PROFIT/(LOSS)		(439,770)	(630,454)

Confirmed:

Vice Chairman
Bulbul Tiwari

Chief Executive Officer
James Young

PUBLIC UTILITIES BOARD
FINANCIAL POSITION AS AT 31 DECEMBER, 2020

	NOTES	2020	2019
CURRENT ASSETS			
Trade Debtors*	11	10,085,697	9,767,104
Provision for Bad/Doubtful Debts – Trade Debtors		(7,808,398)	(7,842,637)
Provision for Bad/Doubtful Staff Debts		(121,391)	(121,391)
Sundry Debtors		120,073	123,810
Prepayment		2,351,568	807,652
Staff Debts		135,000	136,201
Cash at Bank	5	216,157	50,412
Stock		1,675,356	1,749,787
Total Current Assets		6,115,719	4,510,037
CURRENT LIABILITIES			
Trade Creditors	9	7,668,048	7,678,808
Prov. For Trade Creditors - Local	9	(7,708,644)	(7,708,644)
Sundry Creditors		202,754	515,241
VAT Collected / Payable	10	810,461	830,830
Total Current Liabilities		1,472,619	1,315,140
WORKING CAPITAL		4,643,100	3,194,897
NON-CURRENT ASSETS			
Buildings		1,414,776	1,414,776
Plants & Machineries		68,537,208	68,522,065
Furniture, Fittings & Equipment**		975,140	975,433
Motor Vehicles		2,579,147	2,579,147
Accumulated Depreciation		(40,126,719)	(37,139,040)
Total Non-Current Assets	2	33,379,552	36,350,381
LONG TERM LIABILITIES			
ADB Loan	3	1,010,202	1,010,202
Total Long-Term Liabilities		1,010,202	1,010,202
NET WORTH		37,012,450	38,535,077
SHAREHOLDER'S EQUITY			
Capital Reserve	4	44,025,010	45,128,865
Accumulated Profits/(Losses)	6	(7,013,558)	(6,593,788)
TOTAL SHAREHOLDER'S EQUITY		37,012,450	38,535,077

Confirmed:

Vice Chairman
Bulbul Tiwari

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, CSO & Reserve Transfers		13,833,113	14,473,684
Cash Paid to Suppliers, Employees, etc		(14,121,429)	(14,770,401)
Net Cash Flows from Operating Activites	(A)	(288,316)	(296,717)
Cash Flows from Financing Activities			
Net Cash Flows from Financing Activites			
Cash Flows from Investing Activities			
Proceeds from Capital Aid/Grants - Commissioned Projects			
Proceeds from Capital Aid/Grants - On-going Projects		1,389,508	320,613
Payments from Capital Aid/Grants - Commissioned Projects			(124,994)
Payments from Capital Aid/Grants - On-going Projects		(955,589)	(242,297)
Purchase of Property, plant and equipment		(18,857)	(114,179)
Net Cash Flows from Investing Activites		415,062	(160,857)
Net Increase / (Decrease) for the Period		126,745	(455,213)
Add Cash Balance & Cash equivalent at Beginning		89,412	544,625
Cash Balance & Cash equivalent at the End of the Period		216,157	89,412
Cash & Cash Equivalents			
Cash at Bank - Cheque Account		(356,835)	(20,105)
PUB Reserve Funds		41	41
Kiribati Government Funds - Water & Wastewater CSO		49,107	17,508
NZ MFAT Water Security Support RO Funds		2,892	12,597
NZ MFAT R&M Power Generators		14,489	78,326
NZ MFAT Clean-up Funds		185	145
Sanitation Maintenance Funds (StaR)		(145,190)	
Disaster Funds		(45,651)	
GoK Generator Overhaul Funds		696,388	
Petty Cash		900	900
Total	$	216,157	89,412
(A) Reconciliation of Net Profit / (Loss) to Net Cash Provided (Used) by Operating Activities			
Net Profit/(Loss) for the Year		(419,770)	(636,454)
Non-Cash Items and Cash used by Investing and Financing Activities			
Add back depreciation for the period		2,897,671	3,003,279
Less Amortisation of Aid Reserve for the period		(2,351,234)	(2,321,938)
Less Capitalized stock issued out during the year			(968,546)
Add Cash used for Un-capitalized/On-going Projects		826,471.43	356,371
Change in Current Assets and Current Liabilities			
Decrease/-Increase in Current Assets		(1,403,355)	380,181
Increase/-Decrease in Current Liabilities		170,907	(110,180)
Cash Flows from Operating Activities		(288,316)	(296,726)

Confirmed:

Vice Chairman
Bulbul Tiwari

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 FITTINGS & EQUIPMENT	MOTOR VEHICLES	GRAND TOTAL
		WATER	SEWERAGE	ELECTRICAL					
Cost	As at 1/01/20	9,578,673	2,196,087	46,672,662	58,447,421	896,276	973,434	2,579,147	62,896,278
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	49,062,584	68,522,065	1,414,776	973,434	2,579,147	73,489,422
Cost	Additions			15,143	15,143		1,710		16,852
	As at 31/12/20	10,887,395	8,572,087	49,077,727	68,537,208	1,414,776	975,143	2,579,147	$ 73,506,274
Accumulated Depreciation	As at 1/01/20	6,258,163	6,857,989	19,867,024	32,983,176	958,434	824,815	2,372,615	37,139,041
	Depreciation Charge	750,139	205,061	1,760,161	2,715,362	36,571	67,600	168,139	2,987,671
	As at 31/12/20	7,008,303	7,063,051	21,627,185	35,698,539	995,005	892,414	2,540,754	$ 40,126,712
Net Book Value	As at 1/01/20	4,629,231	1,714,097	29,195,560	35,538,888	456,342	148,619	206,532	36,350,381
	As at 31/12/20	3,879,092	1,509,036	27,450,542	32,838,669	419,771	82,729	38,393	$ 33,379,562

(B) Asian Development Bank (ADB) Loan

(a) Loan No. 786 - Wartsila Generator
Principal advanced US700,000 @ 0.65 AUD $1,076,923.00
15 years @ Interest 7.65% semi-annually wef June 1990

	Current	Long Term Liability		
	Liability	Principal	Interest	Total
Balance 1/01/20	-	851,021	874,653	1,725,674
Adjustment	-	-		(1,353,308)
Balance 31/12/20	-	851,021	874,653	372,366

(b) Loan No. 922 - Power Distribution Project
Principal advanced SDR 566,970 @ 0.5348 AUD $1,202,547.00
20 years @ Interest 6.53% semi-annually wef Sept 1992

	Current	Long Term Liability		
	Liability	Principal	Interest	Total
Balance 1/01/20	-	1,172,487	1,070,300	2,242,787
Adjustment	-			(1,604,951)
Balance 31/12/20	-	1,172,487	1,070,300	637,836

Total ADB Loans

	Current	Long Term Liability		
	Liability	Principal	Interest	Total
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	1,010,202

Disclosing Note 3:
ADB loan #786 and #922 were adjusted according to SOEMAU's balances per email dd 23 January 2017.

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

(4) Capital Reserve

		2020	2019
	Grant Reserve		
	Balance 1/01/20	8,763,711	11,095,640
	Amortised as income	(1,361,234)	(2,331,929)
	Balance 31/12/20	7,402,477	8,763,711
	Revaluation Reserve		
	Balance 1/01/20	3,404,046	3,404,046
	Balance 31/12/20*	36,623,542	36,365,154
	Total	44,026,019	45,128,865

Disclosing Note 4:

*The NZ MFAT Project Aid Funds for $320,613.25 received end of December 2019 is for Urgent Overhaul, Repair & Maintenance of No. 4 Generator in Bikenibeu.		320,613.25
*The GoK/ADB SMF Project Aid funds for $590,000 received end of 2019 is for Sanitation and Maintenance Project. Note that funds should be separately accounted for in future.	590,000.00	
*The GoK Project Aid Funds for $698,388.56 received in November 2020 is for Major Overhaul spares for Power Generators.	698,388.56	
	1,288,389	320,613

(5) Cash at Bank

		2020	2019
	Cheque Account No. 298142	(356,870)	(20,105)
	Petty Cash Imprest	800	900
	NZ MFAT Clean-up Fund	145	145
	NZ MFAT Water Security/RO Support Funds	2,803	12,696
	NZ MFAT Repair & Maintenance Power Generators	34,489	73,326
	PUB Reserve Fund	41	41
	PUB Water & Wastewater CSO A/c	46,207	17,508
	Sanitation Maintenance Funds	(145,190)	
	Disaster Funds	(49,853)	
	GoK Funds for Major Overhaul Spares - P/Generators	698,388	
	Total	215,137	84,511

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

(6) Accumulated Loss:

	2020	2019
Balance 1/01/20	(6,393,788)	(5,563,334)
Net Profit/Loss (-) for the year*	(618,770)	(830,454)
Balance 31/12/20	(7,012,558)	(6,393,788)

Disclosing Note 6 :

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

	2020	2019
Electricity Debtors Control Account / GL Balance as at 31/12/2020	8,751,313	8,277,120
Increase (Decrease) in Elec Debtors treated as (PPI)		28,465
Balance per Electricity Debtors Listing as at 31/12/2020	8,751,313	8,305,585
Prov for Bad and Doubtful Debts accounted for in the 2017 B/S :		
Domestic	6,753,246	6,753,246
Commercial	258,862	258,862
Industrial (Ministries)	226,413	226,413
Industrial (SOEs)	470,023	470,023
Total Prov. for Doubtful Debts for Electricity Debtors per Financial Position as at 31/12/2017	7,708,544	7,708,544
Prov for Water Bad and Doubtful Debts accounted from 2018-2019	118,956	111,456
Prov for Elec Bad and Doubtful Debts accounted from 2018-2019	18,037	11,955
Opening Balance for Prov/ For Doubtful Debts at 01/01/2020	7,845,537	7,834,077
Prov for Bad and D/Debts - Water for the current year 2020	20,493	4,478
Prov for Bad and D/Debts - Electricity for the current year 2020	35,368	6,082
Prov for Doubtful Debts for Water and Electricity Debtors as included in P&L Statement for the year ending 31/12/2020	55,861	10,560
Acc. Prov. For Doubtful Debts per Balance Sheet as at 31/12/2020	7,898,498	7,842,637

*Provision for Bad and Doubtful Staff Debts as at 31/12/2013 remains at $121,501

(7) Government Subsidy/CSO:

	2020	2019
Water & Wastewater CSO	1,250,000	1,282,258
Total	1,250,000	1,282,258

(8) Prior Period Items/Adjustments:

	2020	2019
Other Prior Year Expenses and Income	(897,030)	(5,329)
	(897,030)	(5,329)

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

(9) Trade Creditors

	2020	2019
Trade Creditors - Local - KOIL	7,005,445	7,878,205
Trade Creditors - Overseas	59,603	
Total Trade Creditors	7,065,048	7,878,205

Disclosing Note 8: Trade Creditors

a) Trade Creditors - Local

* According to PUB's books, PUB owes KOIL $7,749,304.42 as at 31/12/2018. It is anticipated that a set-off against PUB's Elec Debtors for $7, 205,644.17 will be taken into account upon approval. This results also in accounting for Provision for Trade Creditors -Local, which has been set aside to set-off against the Elec Debtors once approved by Board/Cabinet.

b) Trade Creditors - Overseas

	2020	2019
** Daikai Engineering Pty Ltd., Singapore as at 31/12/2019	-	-
*** Northpower Ltd., NZ	-	-
****Pacific Power Engineering, Australia	59,603	
	59,603	-

(10) VAT Payable

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

(11) Trade Debtors:

Trade Debtors as at 31/12/2019 comprise of:

	2020	2019
Electricity Debtors	8,751,309	8,410,582
Water Debtors	1,884,263	1,347,582
Total Trade Debtors	10,635,572	9,757,164

Confirmed: Vice Chairman Bulbul 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	12,932,880	12,642,323	290,557	11,954,092
Internal Electricity Sales	-	391,766	(391,766)	365,576
Water Sales	1,342,491	868,904	473,587	1,137,786
Government Subsidy/CSO	1,549,707	2,197,615	(647,908)	1,230,000
Other Income	207,723	384,313	(176,590)	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	228,062
Bank Charges & Loan Interest	42,617	54,000	11,383	117,546
Depreciation	2,796,668	3,377,478	580,810	2,987,671
Internal Electricity Consumption	245,110	391,766	146,655	365,576
Other Expenses	805,864	735,045	(70,819)	590,629
TOTAL EXPENDITURE	17,131,730	19,122,963	1,991,233	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	(90,785)	2,361,234
NET PROFIT / (LOSS) BEFORE TAX	1,016,400	(413,686)	1,430,085	(419,770)
Less: Taxations	-	-	-	-
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 CSO	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		9,296	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	181,561
Salaries, Overtime & Allowances		2,379,621	2,221,084
Staff Subsidised Rent		94,998	107,299
Repairs & Maintenance		304,948	228,062
Depreciation		2,796,668	2,987,671
Overseas Travel & Training		-	9,138
Travelling & Transport*		131,212	139,283
Telecom Charges		136,549	125,855
Chlorination		-	62,528
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 F/Assets		-	
Amortisation-Aid Reserve Released as Income		2,261,785	2,361,234
NET PROFIT/(LOSS)		**1,016,400**	**(419,770)**

Confirmed:	**Chairman**	**Chief Executive Officer**
	Mitateti Mote	**James Young**

PUBLIC UTILITIES BOARD
FINANCIAL POSITION AS AT 31 DECEMBER, 2021

	NOTES	2021	2020
CURRENT ASSETS			
Trade Debtors*	11	12,335,605	10,635,677
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	216,157
Stock		1,702,172	1,676,554
Total Current Assets		**8,310,051**	**6,115,719**
CURRENT LIABILITIES			
Current Portion of L/T Loan - ADB	3	-	-
Trade Creditors	9	7,540,854	7,658,048
Prov. For Trade Creditors - Local	9	(7,708,644)	(7,708,644)
Sundry Creditors		490,457	702,754
VAT Collected / Payable	10	788,667	810,461
Total Current Liabilities		**1,111,333**	**1,472,619**
WORKING CAPITAL	•	**7,198,719**	**4,643,100**
NON-CURRENT ASSETS			
Buildings		1,414,776	1,414,776
Plants & Machineries		68,537,208	68,537,208
Furniture, Fittings & Equipment		997,079	975,143
Motor Vehicles		2,645,147	2,579,147
Accumulated Depreciation		(42,923,379)	(40,126,711)
Total Non-Current Assets	2	**30,670,830**	**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		**36,859,345.77**	**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**
Mitateti 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 Activites	(A)	**574,703**	**(288,316)**
Cash Flows from Financing Activities			
Net Cash Flows from Financing Activites		-	-
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 Activites		**(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)
PUB Reserve Funds		41	41
Kiribati Government Funds - Water & Wastewater CSO		547,406	49,107
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 (SMF)		(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	**776,086**	**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)	(1,492,365)
Increase/-Decrease in Current Liabilities		(361,286)	170,907
Adjustment to Project and Capital Aid Reserve		1,092,271	
Cash Flows from Operating Activites		**574,703**	**(288,316)**

Confirmed:

Chairman
Mitateti Mote

Chief Executive Officer
James Young

(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					FURNITURE		
					SUB		FITTINGS &	MOTOR	GRAND
		WATER	SEWERAGE	ELECTRICAL	TOTAL	BUILDINGS	EQUIPMENT	VEHICLES	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	62,913,130
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	7,008,303	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	30,173,888	386,834	43,306	66,803	$30,670,830

(3) Asian Development Bank (ADB) Loan

(a) Loan No. 786 - Wartsila Generator
Principal advanced US700,000 @ 0.65 AUD $1,076,923.00
15 years @ interest 7.65% semi-annually wef June 1990

	Current	Long Term Liability		
	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	Long Term Liability		
	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	637,836

Total ADB Loan

	Current	Long Term Liability		
	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 SOEMAU'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 Bikenibeu.	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	
* Missallocation of Capital Aid Reserve per Adjustment GJ000216 dd 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 & Maintenace 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)

		2021	2020
(6) Accumulated Loss:		2021	2020
	Balance 1/01/21	(7,013,558)	(6,593,788)
	Net Profit/Loss (-) for the year*	1,016,400	(419,770)
	Balance 31/12/21	(5,997,159)	(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 (PPI)	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 (SOEs)	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	135,448	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	7,898,499

		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

	2021	2020
(8) Prior Period Items/Adjustments		
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 - KOIL	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 aid income	$ -	$ 2,261,785
Net profit/Loss after tax	**$ (226,529)**	**$ 1,074,114**

James Young
Chief Executive Officer

Mitateti Mote
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	$ 1,309,983
Revaluation of Statement of Financial Position	$ (26,846,567)	$ (217,712)
Less Amortisation	$ -	$ (2,261,785)
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)	$ (7,013,558)
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

Mitateti Mote
Chairman

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

INCOME	Notes		2022		2021
Electricity Sales		$	12,891,392	$	12,932,880
Internal Electricity Sales - PUB Water/Sew/Other		$	365,578	$	-
Water Sales		$	1,571,319	$	1,342,491
Government CSO	7	$	1,449,028	$	1,549,707
Other Income		$	225,808	$	207,723
Total Income		$	**16,503,124**	$	**16,032,801**
EXPENDITURE					
Power Generation		$	11,997,794	$	10,919,915
Power Distribution		$	662,928	$	1,081,077
Water Supply		$	1,545,028	$	1,869,573
Sewerage		$	622,917	$	760,172
Corporate Services		$	1,880,986	$	2,500,993
Total Expenditure		$	**16,729,653**	$	**17,131,730**
Operating Profit/(Loss) before tax		$	(226,529)	$	(1,098,929)
Bad & Doubtful Electricity & Water Debts				$	(88,742)
Prior Period Items					
Amortisation - Aid Reserve		$	-	$	2,261,785
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

Mikaele 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

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, CSO & Reserve Transfers	$	14,483,521	$	15,277,062
Cash Paid to Suppliers, employees etc	$	(14,838,789)	$	(14,702,359)
Net Cash Flow from Operating Activities	$	(355,268)	$	574,703
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	$	1,309,083
Payments from Capital Aid/Grants-Commissioned Projects				
Payments from Capital Aid/Grants-On-going Projects	$	(2,311,385)	$	(1,236,821)
Purchase of Property, plant and equipment			$	(87,036)
Net Cash Flow from financing Activities	$	1,469,679	$	(14,774)
Net increase / Decrease for the period	$	466,618	$	559,929
Add Cash Balance & Cash equivalent at Beginning	$	776,088	$	216,157
Cash balance and cash equivalent at the end of the period	$	1,242,706	$	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	$	(226,529)	$	1,074,114
Non-Cash Items and Cash used by Investing and Financing Activities				
Add back depreciation for the period	$	2,023,456	$	2,700,668
Less Amortisation of Aid Reserve for the period	$	-	$	(2,261,765)
Less Capitalized Stock issued out during the year				
Add cash used for uncapitalized/On-going projects	$	1,537,393	$	(73,162)
Change in Current Assets and Current Liabilities				
Decrease/Increase in Current Assets	$	(3,082,425)	$	(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)	$	574,703

James Young
Chief Executive Officer

Mitateti Mote
Chairman

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

James Young
Chief Executive Officer

Mfateti 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 - as at 31 December 2022

		Plant and Machinery							
		Water	Sewerage	Electrical	Sub total	Buildings	Furniture, Fittings and Equipment	Motor Vehicle	Grand total
Cost/ Valuation	As at 1/01/2022	$ 10,887,395	$ 8,572,087	$ 49,077,727	$ 68,537,209	$ 1,414,770	$ 997,079	$ 2,645,147	$ 73,594,211
Revaluation adjustment		$ (10,387,395)	$ (8,272,087)	$ (30,086,725)	$ (48,746,207)	$ (612,229)	$ (947,079)	$ (2,583,723)	$ (52,889,244)
Total		$ 500,000	$ 300,000	$ 18,991,002	$ 19,791,002	$ 802,541	$ 50,000	$ 61,424	$ 20,704,967
Cost	Additions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revaluation	As at 31/12/2022	$ 500,000	$ 300,000	$ 18,991,002	$ 49,791,002	$ 802,541	$ 50,000	$ 61,424	$ 20,704,967
Accumulated depreciation	As at 1/01/2022	$ 7,758,442	$ 7,234,362	$ 23,370,515	$ 38,363,319	$ 1,027,942	$ 953,774	$ 2,578,345	$ 42,923,380
	Depreciation charge	$ 711,006	$ 115,061	$ 1,702,549	$ 2,528,616	$ 25,089	$ 48,548	$ 20,603	$ 2,623,456
Revaluation adjustment		$ (8,469,448)	$ (7,349,423)	$ (25,073,064)	$ (40,891,935)	$ (1,053,031)	$ (1,002,329)	$ (2,598,940)	$ (45,546,836)
	As at 31/12/2022	$ (0)	$ 0	$ 0	$ 0	$ 0	$ (0)	$ (0)	$ (0)
Net Book value	As at 1/01/2022	$ 3,128,952	$ 1,337,725	$ 25,707,211	$ 30,173,888	$ 386,834	$ 43,305	$ 66,803	$ 30,670,850
Revaluation NBV	As at 31/12/2022	$ 500,000	$ 300,000	$ 18,991,002	$ 19,791,002	$ 802,541	$ 50,000	$ 61,424	$ 20,704,967

James Young
Chief Executive Officer

Mifateti Mote
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	
	Principal	Interest	Total
Balance 1/01/2022	$ 510,000	$ 500,202	$ 1,010,202
Adjustment	$ (510,000)	$ (500,202)	$ (1,010,202)
balance31/12/2022	$ -	$ -	$ -

ADB 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		$ 3,494,046
Balance at 31/12/2021		$ 37,715,813
Total		**$ 42,856,505**
Fair value of gifted assets	$ 19,791,002	
Total Reserve	**$ 21,206,829**	**$ 42,856,505**

James Young
Chief Executive Officer

Miateti Mote
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)	$	(338,405)
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
James Young
Chief Executive Officer

Mitateti Mote
Chairman

NOTE 6. TRADE DEBTORS

		2022		2021
Trade Debtors				
Trade Debtors control account	$	13,803,141	$	12,335,605
Bad debts written off	$	(11,390,446)		
Provision for Bad and doubtful debts	$	-	$	(7,987,240)
	$	2,412,695	$	4,348,365

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	$	362,000	$	(167,790)

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
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)*	$	97,516	$	490,457
Accrued fuel expense	$	43,654		
Vat payable			$	788,667
	$	141,170	$	1,279,124

James Young
Chief Executive Officer

Mitateti Mote
Chairman