**REPORT OF THE AUDITOR GENERAL ON THE ACCOUNT OF**

# PUBLIC UTILITIES BOARD FINANCIAL STATEMENT

## FOR THE YEAR ENDED 31ST DECEMBER 2024

**KIRIBATI AUDIT OFFICE**

**April 2026**

**KIRIBATI AUDIT OFFICE**

P.O BOX 63
Bairiki, Tarawa
Kiribati

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

**Audit for an impact for the public**

## INDEPENDENT AUDITOR'S REPORT

**To the Readers Of**
**Public Utilities Board Financial Statement**
**For the year ended 31 December 2024**

I have audited the Financial Statements of Public Utilities Board (PUB) for the year ended 31st December 2024 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 at December 31st December 2024, 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:**

1. **Prior Year Issue**
   PUB derecognized the financial liabilities i) **Trade Creditors $7m, ii) ADB Loan $1m and iii) VAT $788k** based on anticipated forgiveness by KOIL and the Ministry of Finance. However, at that time, no formal agreements had been executed, Cabinet endorsement remained pending, and KOIL continued to recognize the receivable in its own Financial Statements.
   The audit acknowledges management's ongoing efforts to secure the outstanding formal agreements; however, until resolved, the matter will remain relevant to the audit opinion.

2. **Unavailability of Inventory Supporting Documentation**
   The audit was unable to obtain sufficient appropriate evidence to support the valuation of inventory items totalling $194,355.40. Original cost records (e.g, invoices) were unavailable, and no alternative evidence was provided to verify the accuracy of the average unit cost applied for the items listed below.

| Item Description | Part No # | Amount |
|---|---|---|
| **CIRCLIP** | E225802050z | $77,220.00 |
| **Inline Joint 11kV 35-150mm** | | $38,556.00 |
| **O RING** | Z560102024DZ | $21,090.00 |
| **Prepaid CIU** | | $20,000.00 |
| **BALL RACE** | E285772120Z | $11,940.45 |
| **Valve Cotter** | E285770080 | $11,064.00 |
| **COIL SPRING** | E285772070Z | $10,742.00 |
| **Bearing** | | $2,500.00 |
| **Tee hinges** | | $460.00 |
| **Stud bolt for cylinder head** | E285772030Z | $422.50 |
| **Retainer** | | $275.40 |
| **PVC Coupling 32x32mm** | | $85.05 |
| **Total** | | **$194,355.40** |

3. **Derecognition of Daihatsu Diesel Generator**
   The audit noted that no supporting documentation, such as written assessments, disposal form, or approval memos, was available to substantiate the write-off of $128,174.04 for the Daihatsu Diesel Generator – Betio HQ, confirming that the asset had been decommissioned and no longer had any remaining service potential.

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 **PUB** in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for a qualified opinion.

**Emphasis of Matter:**

The audit would like to draw the attention of users of PUB financial statement to the following matters stated below:

1. **Social Committee event-related expenditure**
   During the audit, we were unable to verify that funds of $4,880 provided to the social committee for the anniversary event were used for their intended purpose. This was due to the absence of supporting documentation such as original invoices, receipts, and acquittal reports. Consequently, we were unable to substantiate the validity, completeness and proper use of the funds.

2. **Absence of formal supplier agreement**
   It was noted that the entity continued to procure bus transportation services from KENN Enterprise without a current written contract. The only agreement available was signed on 16 November 2017, with no commencement or expiry date, and no evidence of renewal or new contract for 2024 was provided. The absence of a valid agreement limits the audit's ability to confirm that transactions were properly authorized and recorded at appropriate amounts.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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 Entity'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 entity 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**

My 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 my 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, I exercise professional scepticism throughout the audit. I 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 my 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 entity'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 entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity 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.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I 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. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I 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 2024 Financial Statement on the 25th August 2025, which indicates that the company had failed 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.

.............................................. Date:10/04/2026

Mr Eriati Tauma Manaima
Auditor General

# PUBLIC UTILITES BOARD

PUBLIC UTILITIES BOARD

**FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 2024**

**PUBLIC UTILITIES BOARD**
**DIRECTORS REPORT**
**FOR THE YEAR ENDED 31 DECEMBER 2024**

The directors present their report together with the financial statements of Public Utilities Board ("the Company") for the year ended 31 December 2024 and the auditor's report thereon.

**1 DIRECTORS**

The following were directors of the Company at any time during the financial year and up to the date of this report.

| | |
|---|---|
| Mr Mitateti Mote | Chairman |
| Mr Buibui Tiweri | Vice Chair |
| Mr Kautoa Karaiti | Director |
| Mr Depweh Kanono | Director |
| Mr Tiaon Matia | Director |

**2 PRINCIPAL ACTIVITY**

The principal activity of the Group is to generate and supply electricity, and to supply and manage the water and sewerage system for the people of Kiribati.

**3 TRADING RESULTS**

The loss of the Company for the financial year was ($584,251), whereas in 2023 PUB profitted by $310,061.

**4 DIVIDENDS**

The directors of the Company did not declare any dividend during the year and also no dividend declared in 2023.

**5 CURRENT ASSETS**

The directors took reasonable steps before the financial statements were completed to ascertain that the current assets of the Company are shown in the accounting records at a value equal to or below the value that would be expected to be realised in the ordinary course of the business.

At the date of this report, the directors are not aware of any circumstances which would render the values attributable to the current assets in the financial statements to be misleading.

**6 TRANSFERS FROM RESERVES**

The directors have not made any transfers from restricted reserves during the year, including 2023.

**7 BAD AND DOUBTFUL DEBTS**

The directors took reasonable steps before the financial statements were completed to ascertain that all known bad debts were written off and adequate allowance was made for expected credit loss. At the date of this report, the directors are not aware of any circumstances that would render the amount written off for bad debts, or the amount of the expected credit loss allowance, inadequate to any substantial extent.

**PUBLIC UTILITIES BOARD**
**DIRECTORS REPORT (continued)**
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**8 DIRECTORS' BENEFIT**

No director has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the total amount of emoluments received or due and receivable by directors shown in the financial statements) because of a contract made with the Company or a related corporation with the director or with a firm of which the director has a substantial financial interest.

**9 RELATED PARTY TRANSACTIONS**

In the opinion of the directors, all related party transactions have been adequately recorded in the books of the Company.

**10 EVENTS SUBSEQUENT TO BALANCE DATE**

In the opinion of the directors no events subsequent to the balance date, have a material impact on the Company, its status or on the financial statements as reported.

**11 OTHER CIRCUMSTANCES**

At the date of this report, the directors are not aware of any cicumstances not otherwise dealt with in this report or financial statements which would render any amounts stated in the financial statements misleading.

**12 GOING CONCERN**

The financial statements of the Company have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Company recorded a loss of ($584,251) for the year ended 31 December 2024, (2023: a profit of $310,061), and as at that date had a working capital surplus of $5,291,592 (2023: $6,084,263 ). The continuing financial viability of the Company is dependent on the existing support of the Government of Kiribati and its development partners, including in policies that impact on the profitability of the Company.

**13 UNUSUAL TRANSACTIONS**

The results of the Company's operations during the financial year have not in the opinion of the directors been substantially affected by any item, transaction, or event of a material and unusual nature other than those disclosed in the financial statements.

**14 SIGNIFICANT EVENTS DURING THE YEAR**

The directors acknowledge and appreciate the interventions from various development partners during the year that have resulted in asset upgrades, systems, and skills improvements and that improve the overall capacity of the Company. Equally, the directors note that such improvements are ongoing and much more needs to be done to recover the Company from an extended period of weak performance and significant risk in its ability to deliver core services. No one event necessitates disclosure but the combination of failure of assets, repairs and the commissioning of new assets were events during the year.

Dated at Tarawa, this.........................................May 2025

Chairperson

Director

**PUBLIC UTILITIES BOARD**
**DIRECTORS STATEMENT**
**FOR THE YEAR ENDED 31 DECEMBER 2024**

In the opinion of the directors:

a) The accompanying Statement of Comprehensive Income is drawn up to give a true and fair view of the results of the Company for the year ended 31 December 2024,

b) The accompanying Statement of Finacial Position is drawn up to give a true and fair view of the state of affairs of the Company as at 31 December 2024,

c) The accompanying Statement of Changes in Equity is drawn up to give a true and fair view of the movement of owner's funds of the Company for the year ended 31 December 2024,

d) The accompanying Statement of Cash Flows is drawn up to give a true and fair view of the cash flows of the Company for the year ended 31 December 2024,

e) At the date of this Statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and

f) All related party transactions have been adequately recorded in the books of the Company.

Dated at Tarawa, this.........................................May 2025

Chairperson

Director

**PUBLIC UTILITIES BOARD**
**STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE YEAR ENDED 31 DECEMBER 2024**

| | 30-Dec-24 | 31-Dec-23 |
|---|---|---|
| | $ | $ |
| **INCOME** | | |
| Electricity Sales | 14,849,015 | 13,492,458 |
| Prepaid Electricity Sales | - | - |
| Internal Electricity Sales - PUB Water/Sew/Other | 172,957 | 139,351 |
| Water Sales | 745,033 | 1,011,564 |
| Sewerage Revenue | 172,356 | 101,888 |
| Government CSO | - | 1,399,589 |
| Amortisation of Donated Funds | - | 115,938 |
| Other Income | 481,102 | 168,479 |
| **Total Income** | **16,420,464** | **16,429,267** |
| **EXPENDITURE** | | |
| Power Generation | 12,243,240 | 11,506,874 |
| Power Distribution | 1,185,850 | 335,633 |
| Water Supply | 1,362,123 | 1,411,024 |
| Sewerage | 246,980 | 609,414 |
| Corporate Services | 1,966,523 | 2,256,261 |
| Other Expenditure | - | - |
| **Total Expenditure** | **17,004,715** | **16,119,206** |
| **Operating Profit/(Loss) before tax** | **(584,251)** | **310,061** |
| Bad & Doubtful Electricity & Water Debts | | |
| Prior Period Items | | |
| Amortisation - Aid Reserve | | |
| **Net Profit/(Loss) before tax** | **(584,251)** | **310,061** |
| Taxation | | - |
| **Net Profit/(Loss) after tax** | **(584,251)** | **310,061** |

**PUBLIC UTILITIES BOARD**
**STATEMENT OF CHANGES IN EQUITY**
**FOR THE YEAR ENDED 31 DECEMBER 2024**

| | 31-Dec-24 | 31-Dec-23 |
|---|---|---|
| | $ | $ |
| Capital at 1 January 2024 | 24,535,635 | 21,206,829 |
| Special Cash Injection | | |
| Revaluation of Statement of Financial Position | | |
| Reconciliation of Project Funds | 83,096 | 541,655 |
| Less Amortisation | - | - |
| Reserves for Project Funds | 265,428 | 2,787,150 |
| **Capital at 31 December 2024** | **24,884,159** | **24,535,635** |
| | | |
| Retained Earnings at 1 January 2024 | 4,601,892 | 3,622,596 |
| Net Profit / (Loss) | (584,251) | 310,061 |
| Dividends Payable | - | |
| Prior Period Items | (495,100) | 669,235 |
| **Retained Earnings at 31 December 2024** | **3,522,540** | **4,601,892** |

**PUBLIC UTILITIES BOARD**
**STATEMENT OF FINANCIAL POSITION**
**FOR THE YEAR ENDED 31 DECEMBER 2024**

| | 30-Dec-24 | 31-Dec-23 |
|---|---|---|
| | $ | $ |
| **CURRENT ASSETS** | | |
| Cash and Cash Equivalents | 3,218,827 | 2,336,537 |
| Trade Debtors | 2,912,499 | 4,599,435 |
| Provision for Bad & Doubtful Debts | - | - |
| Prepayments | 1,585,998 | 1,103,130 |
| Stock | 1,005,559 | 1,081,257 |
| Other current assets | | |
| **Total Current Assets** | **8,722,883** | **9,120,359** |
| **CURRENT LIABILITIES** | | |
| Trade Creditors | (3,188,241) | (2,934,177) |
| Other Creditors | (243,050) | (101,919) |
| **Total Current Liabilities** | **(3,431,292)** | **(3,036,096)** |
| **NON-CURRENT ASSETS** | | |
| Buildings | 3,470,876 | 3,518,617 |
| Plant & Machinery | 19,230,881 | 19,344,768 |
| Furniture, Fittings & Equipment | 54,008 | 57,540 |
| Motor Vehicles | 359,342 | 132,340 |
| **Total Non-Current Assets** | **23,115,108** | **23,053,263** |
| **NON-CURRENT LIABILITIES** | | |
| ADB Loan | - | - |
| **Total Non-Current Liabilities** | - | - |
| | **28,406,699** | **29,137,526** |
| **EQUITY** | | |
| Capital Reserve | 24,884,159 | 24,535,635 |
| Accumulated Profits/(Losses) | 3,522,540 | 4,601,892 |
| | **28,406,699** | **29,137,526** |

**PUBLIC UTILITIES BOARD**
**STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED 31 DECEMBER 2024**

| | 30-Dec-24 | 31-Dec-23 |
|---|---|---|
| | $ | $ |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Receipts from Customers, | 17,940,577 | 12,726,999 |
| Receipts from CSOs | - | 1,399,589 |
| Payments to Suppliers and Employees | (16,849,868) | (12,109,575) |
| Income Tax paid | | |
| **Net Cash Flows from Operating Activities** | **1,090,709** | **2,017,013** |
| | | |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Proceeds on sale of Property, Plant & Equipment | - | - |
| Acquisition of Property, Plant & Equipment | (61,844) | (186,431) |
| **Net Cash Flows from Investing Activities** | **(61,844)** | **(186,431)** |
| | | |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Proceeds from Special Project Funding | 3,208,390 | 7,621,029 |
| Payments from Special Project Funding | (3,354,965) | (8,357,780) |
| Repayment of borrowings | | |
| Dividends paid | | |
| **Net Cash Flows from financing Activities** | **(146,575)** | **(736,751)** |
| | | |
| Net Increase/(Decrease) in Cash & Cash equivalents | 882,290 | 1,093,832 |
| Add: Cash & Cash Equivalents at beginning of Year | 2,336,537 | 1,242,705 |
| **Cash & Cash Equivalents at end of Year** | **3,218,827** | **2,336,537** |

**PUBLIC UTILITIES BOARD**
**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**1 REPORTING ENTITY**

Public Utilities Board (PUB - the "Company") is a limited liability company incorporated and domiciled in the Republic of Kiribati and its registered office and principal place of business is at the Powerhouse Complex, Betio, South Tarawa, Kiribati.
The principal activity of PUB and subsidiary companies (the "Group") is to generate and supply electricity and water and to manage the sewerage network for the people of Kiribati. The Company also undertakes electrical contracting work particularly for private customer service lines.

**2 BASIS OF ACCOUNTING**

**(a) Basis of preparation**

**(i) Statement of compliance**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board and the requirements of the State Owned Enterprises Act, 2013 and the Kiribati Companies Act,

The financial statements were authorised for issue by the Board of the Directors on ________________.

**(ii) Basis of measurement**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of Distribution Land and Buildings and except where otherwise noted.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and applying the entity's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions the financial statements are disclosed in Note 2 (d).

**(iii) Going concern**

The financial statements of the Company and the Group have been prepared on a going concern basis, which contemplates continuity of and the realisation of assets and settlement of liabilities in the ordinary course of business. The Company receives support from the same operating subsidies and capital expenditure programs.

**(b) Basis of consolidation**

As at and for the year ended 31 December 2024 there are no controlled entities, and no basis for Group consolidation.

**(c) Foreign currency translation**

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Australian Dollars and denoted "$", which is the Group's functional and presentation currency, rounded off to the nearest Australian Dollar.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

**(d) Accounting estimates and assumptions**

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

Note 4(g)- Impairment of financial assets

**3 CHANGES IN ACCOUNTING POLICIES**

The Company applied IFRS from 1 January 2023. Generally, disclosure requirements required under the IFRS standards have not been applied to comparative information.

Accordingly, new accounting policies have been adopted and relevant policies are detailed in note 4.

**4 SIGNIFICANT ACCOUNTING POLICIES**

**(a) Foreign currency transactions**

Transactions in foreign currencies are translated to AUD at exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to AUD at the exchange rate prevailing at the reporting date. The foreign currency gains or losses on translation are recognised in profit or loss.

**(b) Property, plant and equipment**

*Recognition and measurement*

The Company measures items of plant and equipment at cost, which includes any capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses except for distribution network equipment and land and buildings As determined by the directors, property, plant and equipment may be measured at revaluation from time to time. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

*Subsequent expenditure*

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Increases in the carrying amount arising on revaluation are credited to other comprehensive income and shown as asset revaluation reserves in shareholders' equity.

Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against asset revaluation reserves directly in equity; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost is transferred from 'asset revaluation reserves' to 'retained earnings'.

*Depreciation*

Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit and loss.

The principal annual rates in use are:

| | |
|---|---|
| Buildings | 3% - 13% |
| Plant & Machinery | 2% - 40% |
| Motor Vehicles | 8% - 33% |
| Furniture & Office Equipment | 15% - 33% |

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses on the disposal of property plant and equipment are recognised in profit or loss. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

**(c) Intangible assets Software**

*Recognition and measurement*

Significant investment in computer software is financed by development partners and is not capitalised by the Company.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

*Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

**(d) Finance income and costs**

The Company's finance income and finance costs include:

- interest income;
- interest expense; and
- the foreign currency gain or loss on financial assets and financial liabilties (where applicable)

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. However, for financial assets that have become credit impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit impaired, then the calculation of interest income reverts to the gross basis.

**(e) Stocks**

Stocks are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable selling expenses.

Cost is determined using the weighted average method for fuel and First-in First-out (FIFO) method for spare parts. Stock cost includes expenditure incurred in acquiring the stocks and bringing them to their existing condition and location.

**(f) Financial instruments**

**i. Recognition and initial measurement**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing componet is initially measured at the transaction price.

**ii. Classification and subsequent measurement**

***Financial assets***

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

***Financial assets: Business model assessment***

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on 'earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related ' liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to management
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

***Financial assets: Assessment of whether contractual cash flows are solely payments of principal and interest***

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

***Financial assets: Subsequent measurement and gains and losses***

Financial assets that are measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

**iii. Financial liabilities - Classification, subsequent measurement and gains and losses**

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classifed at FVTPL if it is classified as held-for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit and loss. Any gains or loss on derecognition is also recognised in profit or loss.

**iv. Derecognition**

**Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

**Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liabilty, the difference between the carrying amount extinguished and the consideration paid (including any non cash assets transferred or liabilities assumed) is recognised in profit or loss.

**v. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**vi. Modification of financial assets**

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see 4(iv)) and a new financial asset is recognised at fair value.

If the cash flows of the modiifed asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

**(g) Impairment**

**i. Non derivative financial assets**

The Company recognises loss allowances for expected credit losses (ECL) on financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12 month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable forward looking information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

**i. Non derivative financial assets (continued)**

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or the financial asset is more than 90 days past due

The Company considers debt securities to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade". The Company considers this to be Baa3 or higher per rating agency Moody's or BBB or higher per rating agency Standard & Poor's.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12 month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months)

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

***Measurement of ECLs***

ECLs are a probability weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive); and
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carryijng amount and the present value of estimated future cash flows. ECLs are discounted at the effective interest rate for the financial asset

***Credit-impaired financial assets***

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a receivable by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

*Presentation of allowance for ECL in the statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets

*Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the 'Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, 'financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery for amounts due.

**Non Financial Assets**

Assets that have an indefinite useful life are tested annually for impairment. For all other non financial assets (other than inventories and deferred tax assets), at each reporting date, the Company reviews the carrying amounts to determine whether there is any indication of impairment. If any such indications exist, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of cash inflows of other assets or CGU's.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 'discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset of GCU. 'An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

**(h) Capital**

Accumulated values associated with vesting of assets and reserves are classified as equity and carried in the Company's financial statements at value.

**(i) Income tax**

The company is not subject to Income tax and as such no income tax or deferred taxation is determined in the financial statements and in the determination of profit or loss for the period.

**(j) Employee entitlements**

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

**(ii) Superannuation**

Contributions are paid to the Company's Retirement Fund Scheme on behalf of the employees to secure their retirement benefits. Superannuation costs are recognised as an expense in profit or loss as and when services are rendered by the employees.

**(k) Provisions**

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

**(l) Dividends**

Provision is made for the amount of any dividend declared, determined by the directors on or before the end of the financial year but not distributed at reporting date.

**(m) Revenue from contracts with customers**

Revenue is measured based on the consideration specified in a contract with a customer and excludes discounts and amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer.

***Nature and timing of satisfaction of performance obligations and significant payment terms***

Electricity sales

There is an implied contract between a customer and the Company for the purchase, delivery, and sale of electricity.

This represents a promise to transfer a series of distinct goods that are substantially the same and that have the same pattern of transfer to the customer.The customer obtains control of the good (electricity) when delivered over a period of time. Therefore, revenue is recognised over time as electricity is delivered to the customer.

Progress is determined based on the units sold/consumed. This provide a faithful depiction of the transfer of the good as the customer simultaneously receives and consumes the benefits provided by the Company's performance of the revenue contract.

The transaction price is determined based on rates approved by the Government of Kiribati at the time the service had been rendered and units sold/consumed by the customers. The transaction price includes the non- refundable upfront fees as it not considered to be a material right.

Variable consideration is included in the transaction price only to the extent that it is 'highly probable' that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

**(n) Deferred income**

Property, plant and equipment acquired with the aid of specific grants are capitalised and depreciated in accordance with Note 4(b), with the related grant being credited to the Deferred income as a liability and released to profit or loss over the expected useful economic life of the related property, plant and equipment.

**(o) Leases**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified:
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. the Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
- the Company has the right to operate the asset: or
- the Company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 January 2023.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non--lease components and account for the lease and non-lease components as a single lease component.

**i.As a lessee**

Under IFRS 16 -from 1 January 2023

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of--use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date and plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

**(o) Leases (continued)**

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets and lease liabilities separately in the statement of financial position.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

**ii.As a lessor**

The Company has no activities where it operates as a lessor.

**(p) Comparative figures**

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year, other than changes resulting from adoption of IFRS 16 as noted in note 3.

**5 FAIR VALUE**

"Fair value" is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The different levels have been defined as follows:

- Level 1 fair value measurement are those instruments valued based on quoted prices (unadjusted)in active markets for identical assets and liabilities.
- Level 2 fair value measurements are those instruments valued based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those instruments valued based on inputs for the asset or liability that are not based on observable market data (unobservable) inputs.

**6 FINANCIAL RISK MANAGEMENT**

The Company's activities expose them to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance.

Risk management is carried out by management who identify and evaluate financial risks. The Board provides direction for overall risk management covering specific areas, such as mitigating foreign exchange, interest rate, and credit risks, and investment of excess liquidity.

**(a) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Fair value interest rate risk arises from the potential for a change in interest rates to cause a fluctuation in the fair value of financial instruments. The objective is to manage the interest rate risk to achieve stable and sustainable net interest earnings in the long term. In managing this risk, the Company seeks to achieve a balance between reducing risk to earnings and market value from adverse interest rate movements, and enhancing net interest income through correct anticipation of the direction and extent of interest rate changes.

(i) Foreign exchange

Foreign exchange risk arises from recognised assets and liabilities that are denominated in a currency that is not the Company's functional currency. The Currency is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the New Zealand (NZD) and American (USD) dollar. As a measure, prompt settlement of liabilities (and assets if necessary) is exercised by management to minimise the exposure to foreign exchange losses. As an additional measure, the Company negotiates competitive rates with its bankers to minimise losses and maximise gains when receipts and payments become due.

To determine the Company's sensitivity to foreign exchange risk, an implied volatility in exchange rates is calculated based on the . maximum variation of month end spot rates from the average exchange rate in the year.

At 31 December 2024, the strengthening/weakening by less than 1 % of the Australian dollar against the NZD and USD with all other variables held constant is expected to have minimal impact on the net profit and equity balances currently reflected in the Company's financial statements. Minimal asset and liability balances are maintained in foreign currencies, hence, there has been little sensitivity to movements in the NZD and USD.

(ii) Political climate

The Company operates in Kiribati and changes to governments and the policies they implement affect the economic situation and ultimately the revenues of the Company. To address this, the Company reviews its pricing and service ranges regularly and . responds appropriately

(iii) Cash flow interest rate risk

As the Company's interest bearing assets in the form of debt securities, are small relative to its operations, its cash flows are substantially independent of changes in market interest rates as they are at fixed rates.

The Company's interest bearing borrowings are in the form of short-term borrowing. The interest bearing borrowing is at a variable interest rate.

Given the fixed nature of interest rates described above, the Company has a high level of certainly over the impact on cash flows arising from interest income and expenses.

**(b) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or a counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers.
The carrying amount of financial assets represents the maximum credit exposure.
The Company has significant concentrations of credit risk and has made relevant provisions. The Company does not have any policies that limit the amount of credit exposure to any one customer or group of customers.

Cash and cash equivalents

The Company held cash of $3,218,827 at 31 December 2024 (2023: $2,336,537). The cash are predominantly il) held with banks, which are rated Aa3, based on Moody's ratings
Impairment on cash has been measured on the 12 month expected loss basis and the Company considers that its cash have low credit risk based on the external credit ratings of the counterparties. Accordingly, due to low credit risk, the Company did not recognise an impairment allowance against cash as at 31 December 2024 (2023: $N )
Of the total cash holdings $964,253 is unrestricted to the Company, and $2,254,573 is obligated under project agreements (2023: $1,077,805 PUB funds and $1,258,732 Project funds respectively).

Debt investment securities

The Company held no debt investment securities at 31 December 2024 (2023: Nil ).

Expected credit loss assessment for trade receivables

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a large number of small balances.
Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers:

| | Weighted-average loss rate | Gross Carrying Amount | Loss Allowance | Credit Impaired |
|---|---|---|---|---|
| At 31 December 2024 | | $ | $ | |
| 1 to 30 days | - | 1,013,973 | - | No |
| 31 to 60 days | - | 639,742 | - | No |
| 61 to 90 days | - | 384,815 | - | No |
| 91 to 120 days | 92% | 262,229 | 241,136 | Yes |
| Over 120 days | 71% | 2,895,766 | 2,042,890 | Yes |
| | | 5,196,525 | 2,284,026 | |

The Company has adjusted its exposure during the last 2 years and reduced its risk accordingly, without capacity for direct comparison for 2024.

Due to the nature of some of the long outstanding amounts, the Company continues to consider recoverability is likely, as with other overdue amounts.

**(c) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity and the availability of funding through committed credit facilities to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

| | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Greater than 5 years | Contractual Outflows | Carrying Amount |
|---|---|---|---|---|---|---|
| **At 31 December 2024** | **$** | **$** | **$** | **$** | **$** | **$** |
| Trade and Other Payables | 3,431,292 | - | - | - | 3,431,292 | 3,431,292 |
| **At 31 December 2023** | | | | | | |
| Trade and Other Payables | 3,036,096 | - | - | - | 3,036,096 | 3,036,096 |

**(d) Capital risk management**

The Company's objectives when obtaining and managing capital are to safeguard the Company's ability to continue as a going concern and to provide shareholders with a consistent level of returns. The Company does not borrow externally and as such holds no gearing or capital market risk.

PUBLIC UTILITIES BOARD
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

**10 PERSONNEL EXPENSES**

| | 2024 | 2023 |
|---|---|---|
| | $ | $ |
| Key management personnel | 368,349 | 380,000 |
| Staff salaries and related expenses | 2,899,208 | 2,439,111 |
| Company leave grants | 426,250 | 438,000 |
| | 3,693,807 | 3,257,111 |

**11 (LOSS)/PROFIT BEFORE TAX**

Profit (Loss) before tax has been provided after charging as expenses:

| | 2024 | 2023 |
|---|---|---|
| | $ | $ |
| Profit and Loss before tax | (584,251) | 310,061 |

**Expenditure as at 2024:**

| | Corporate Services | Distribution | Generation | Sewerage | Water |
|---|---|---|---|---|---|
| Operational Costs | 29,568 | 13,194 | 10,400,991 | 181 | 158,903 |
| Staff Costs | 1,253,413 | 617,869 | 641,390 | 220,502 | 767,937 |
| Maintenance Costs | 46,195 | 61,491 | 48,979 | 327 | 3,131 |
| Depreciation Costs | 53,681 | 391,610 | 880,624 | - | 353,239 |
| Office and Administration | 197,429 | 21 | 17 | - | 203 |
| Corporate Governance | 50,595 | - | 70 | - | - |
| Trave Related Costs | 157,465 | 13,841 | 29,903 | 10,216 | 46,936 |
| Utilities | 57,169 | 87,824 | - | 15,754 | 12,211 |
| Marketing Costs | 553 | - | - | - | 1,743 |
| Professional Fees & Other Costs | 119,932 | - | 80,868 | - | - |
| Other Costs | 523 | - | 160,399 | - | 17,820 |
| | **1,966,523** | **1,185,850** | **12,243,240** | **246,980** | **1,362,123** |

**12 INCOME TAX**

The Company does not expect to pay any income tax.

**13 CASH**

| | 2024 | 2023 |
|---|---|---|
| | $ | $ |
| Cash at bank | 3,217,927 | 2,335,637 |
| Cash on hand | 900 | 900 |
| **Cash** | **3,218,827** | **2,336,537** |

The Company has no authorised financing facilities as at 31 December 2024 (2023: $2,336,537)

**14 TRADE AND OTHER DEBTORS**

| | 2024 | 2023 |
|---|---|---|
| | $ | $ |
| Trade debtors | 5,196,525 | 7,620,281 |
| Impairment on Trade debtors | (2,284,026) | (3,020,846) |
| | **2,912,499** | **4,599,435** |
| Prepayments | **1,585,998** | **1,103,130** |

In 2024, the detailed debtor account were fully reconciled, with recognition of many old balances, some of which are considered recoverable under pending circumstances, while a reasonable impairment has been provided.

**15 STOCK**

| | 2024 | 2023 |
|---|---|---|
| | $ | $ |
| Fuel | 172,381 | 123,771 |
| Spare Parts | 833,178 | 954,348 |
| Other Items | - | 3,137 |
| | **1,005,559** | **1,081,257** |

In 2024, there is an increase in stock for fuel, driven from fuel delivery & low consumption during December due to G5 downtime,and a decline in spare parts and other items due to repair and maintenance for the business continuous operations