REPORT OF THE AUDITOR GENERAL ON THE ACCOUNT OF

TE ATINIMARAWA COMPANY LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2024.

KIRIBATI AUDIT OFFICE

APRIL 2026

KIRIBATI AUDIT OFFICE

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Audit for an impact for the public

INDEPENDENT AUDITOR'S REPORT

To the Readers Of

Te Atinimarawa Company Limited

FOR THE YEAR ENDED 31 DECEMBER 2024

I have audited the Financial Statements of Te Atinimarawa Company Limited (TACL) for the year ended 31 December 2024 as required under sec 114 (2) of the Constitution, Part VII, Sec 42(4) of the Public Finances (Control and Audit) 1981 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

Unqualified Opinion

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Te Atinimarawa Company Limited as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis of Unqualified Opinion

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 TACL 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 the unqualified opinion.

Other Matters

During the year, the company paid fees to one of its board directors for assistance provided on company financial matters. This transaction constitutes a related party transaction with a member of key management personnel. However, it has not been disclosed in the notes to the financial statements, as required by IAS 24 Related party disclosures.

Although the amount is not material to the financial statements taken as a whole, however, we consider this matter relevant to users' understanding of the audit and the company's related party relationship.

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 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

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 and auditor's report that includes my opinion as required under the Public Finance (Contril 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 controls.
- 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 company'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 company'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 company 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 my 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

TACL submitted its Financial Statement 2024 on the 13th March 2025, which indicates that TACL had complied 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 TACL.

....

Mr Eriati Tauma Manaima

Auditor General

Date:10/04/2026

TE ATINIMARAWA COMPANY LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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TE ATINIMARAWA COMPANY LTD
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

In accordance with a resolution of the Board of Directors, the Directors herewith submit the Statement of Financial Position as at 31 December 2024, Statement of Changes in Equity and Statement of Cash Flow and the related Income Statement for the year then ended on that date and report as follows:

Directors

The names of the directors in office at the date of this report are:-

Tiimi Kiekieki (Chairman)	Maria-Teretia Kaiboia	Teimarawa Eterika
Barate Teuriaria	Kabure Yeeting	

Results

The Net Operating Profit for the year 2024 was $21,927 (2023 Net Profit $242,698) after taking into account an income tax expense of $Nil and adding back (Capital Income) EU Funds Released - Deferred Income .

Dividends

The Directors approved dividend to the rate provided by the Finance.

Reserves

The directors recommend that no transfer be made to reserves at year end.

Donated Assets

The directors recommend to transfer the amount of donated assets to deferred Income in order to offset the depreciation expense on these assets.

Principal Activity

The principal activities of the company during the year were that of selling out Mixed Aggregates, fine sand, kairebwe, atama, mixed fine & kairebwe sand, vehicle/plant hire, machineries repair, tetrapods, cement & LC Tekimarawa charter.

Reporting Period

The Financial period for the company is from January to December 2024

General

At the date of this report the directors are not aware of any circumstances not otherwise dealt with, which would render the account misleading.

Signed on behalf of the board of directors in accordance with a resolution of the directors.

Dated at Betio this 09th day of April 2025.

Chairperson: .... Director: ....

Name:...Tiimi Kaiekieki Name...BARATE TEURIARIA

TE ATINIMARAWA COMPANY LTD
STATEMENT BY DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2024

In accordance with a resolution of the Board of Directors for TACL, we state that in the opinion of the directors:

[i] the accompanying Statement of Financial Position as at 31 December 2024, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow together with the notes thereto of the company are drawn up so as to give a true and fair view of the results of the company for the year ended 31st December 2024.

[ii] at the date of this statement it is certain that the company will be able to pay its debts.

[iii] all related party transactions have been adequately recorded in the books of the company.

For and on behalf of the board and in accordance with a resolution of the directors.

Dated at Betio this 09th day of April 2025.

Chairman

Tiimi Kaiekieki

Director

Name: BARATE TEURIARIA

TE ATINIMARAWA COMPANY LTD
STATEMENT OF PROFIT OR LOSS AND OTHER COMPRENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024	2023
INCOME			
Sales	2	**$ 2,014,164**	**$ 2,262,184**
Cost of Sales			
Total Cost of Sales		**$ 237,110**	**$ 587,196**
Gross Profit		**$ 1,777,054**	**$ 1,674,988**
LESS EXPENSES			
Staff and Other Related Expenses	**3**	$ 1,058,038	$ 761,409
Selling and Distribution Expenses		$ 86,526	$ 111,952
Fuel & Oil		$ 211,524	$ 162,943
Ration & Water		$ 1,184	$ 1,071
Vessel Tools, Repair & Maintenance		$ 17,648	$ 20,545
Office Maintenance		$ 8,963	$ 27,338
Vehicle Maintenance		$ 38,210	$ 54,469
Depreciation on Fixed Assets		$ 788,247	$ 745,341
Office and Admin exp		$ 128,935	$ 138,337
TOTAL OPERATING EXPENSES		$ 2,339,276	$ 2,023,405
Finance Costs		$ 4,163	$ 2,902
OPERATING PROFIT/(LOSS) before Income Tax		**$ (566,385)**	**$ (351,318)**
Income tax expense	4	$ -	$ -
NET OPERATING PROFIT/(LOSS) after Income tax		**$ (566,385)**	**$ (351,318)**
ADD NON OPERATING ITEMS			
Gain on Disposal		$ -	$ 5,704
Deferred Income (EU Aids)		$ 588,312	$ 588,312
		$ 588,312	**$ 594,016**
NET PROFIT/(LOSS) for year end		**$ 21,927**	**$ 242,698**

TE ATINIMARAWA COMPANY LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024	2023
EU/GOVERNMENT AID			
Opening Balance		$ 565,074	$ 565,074
LESS Transfer to Deferred Capital Income		$ -	$ -
Closing Balance		$ 565,074	$ 565,074
RETAINED EARNING			
Opening Balance		$ 1,631,769	$ 1,401,612
NET PROFIT/(LOSS) for year end		$ 21,927	$ 242,698
Dividend paid to shareholders		$ -	$ (7,880)
Less: Prior period adjustments		$ (21,241)	$ (4,660)
Closing Balance		$ 1,632,454	$ 1,631,769
TOTAL SHAREHOLDERS' FUND		**$ 2,197,528**	**$ 2,196,843**

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 8 to 13.

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 8 to 13.

TE ATINIMARAWA COMPANY LTD
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2023

	Notes		2024		2023
CURRENT ASSETS					
Cash and Other Cash Equivalents	5	$	166,348	$	550,759
Trade and Other Receivables	6	$	136,011	$	88,478
Inventory	7	$	301,119	$	337,379
		$	**603,479**	**$**	**976,616**
CURRENT LIABILITIES					
Trade & Other Payables	9	$	9,404	$	4,402
		$	**9,404**	**$**	**4,402**
WORKING CAPITAL		**$**	**594,075**	**$**	**972,214**
NON-CURRENT ASSETS					
Property, Plant & Equipments	8	$	2,778,898	$	2,988,386
		$	**2,778,898**	**$**	**2,988,386**
NON-CURRENT LIABILITIES					
Deferred Capital Income	10	$	1,175,445	$	1,763,757
Total Deferred Capital Income		**$**	**1,175,445**	**$**	**1,763,757**
NET ASSETS		**$**	**2,197,528**	**$**	**2,196,843**
TOTAL SHAREHOLDERS' EQUITY		**$**	**2,197,528**	**$**	**2,196,843**

Signed on behalf of the board of directors in accordance with a resolution of the directors

Dated at Betio this 09th day of April 2024.

Chairman.............................. Director: ....

Tiimi Kaiekieki

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 8 to 13.

TE ATINIMARAWA COMPANY LTD
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024	2023
Cash Flow from operating activities			
Cash received from customers		$ 1,966,631	$ 2,361,109
Cash paid to suppliers and employees		$ (1,772,282)	$ (1,975,085)
		$ 194,349	**$ 386,024**
Cash Flow from Investing activities			
Acquisition of long term assets		$ (578,759)	$ (537,122)
		$ (578,759)	$ (537,122)
Cash Flow from Financing activities			
GoK & EU Aids		$ -	$ -
		$ -	$ -
Net Cash Flow		$ (384,410)	$ (151,098)
Opening Cash and Cash Equivalents.		$ 550,758	$ 701,856
Closing Cash and Cash Equivalents		**$ 166,348**	**$ 550,758**

(a) Reconciliation of Net Cash from Operating Activities to Net Profit during the period:-

	2024	2023
Net Profit/(Loss) for the period	$ 21,927	$ 242,698
Plus Depreciation for the year	$ 788,247	$ 745,341
Amortisation of Deferred Income	$ (588,312)	$ (588,311)
	$ 221,862	**$ 399,728**
Plus Changes in Balance Sheet Accounts		
Decrease/(Increase) in Inventory	$ (36,260)	$ 41,380
Decrease/(Increase) in Debtors	$ 47,533	$ (99,171)
Decrease/(Increase) in Creditors	$ (38,786)	$ 44,088
	$ 194,349	**$ 386,025**

TE ATINIMARAWA COMPANY LTD
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Te Atinimarawa Co Limited is a Public Company established under the Kiribati Companies Ordinance and funded by the European Union and Kiribati Government, commenced operation in October 2012

a) Basis of preparation of the financial statements

The financial statements have been prepared in accordance with the historical cost accounting except for certain assets which were taken over from Government of Kiribati at Valuation, and do not take into account changing money values or current valuations of non-current assets unless otherwise stated. This account is compiled inaccordance with International Financial Reporting Standard.

b) Income recognition

Sales comprises of the fair value of the consideration received or receivable for the sale of good and rendering of services in the ordinary course of the business activities. Sales are presented, net of rebates and discounts.

Revenue is recognised when the amount of reveunue and related costs can be realibly measured. It is probable that the collectability of the related costs receivable is rerasonably assured and the specific criteria for each of the business activites are met as follows:

i} *Sale of Goods - Crush and Ungraded Sand and Mud*

Revenue from Crushed and Ungraded Sand and Mud is recognised when the business delivered the items to the customer's location and the customers accepted the item.

ii} *Sale of Goods - Cement and Tetrapods*

Revenue from Cement and Tetrapods are recognised when the business delivered the items to the customer's location and the customers accepted the item.

ii} *Rendering of Service - Equipment hire and Vessel Charter and other services*

Revenue from Equipment hire and Vessel charter is recognised when the services are rendered, using a daily rate or hourly rate for the service required.

c) **Property, plant and equipment and depreciation**

Freehold land is not depreciated. Depreciation on property, plant and equipments are calculated using a straight line method and diminishing value method as per rates below by the tax office:

Vehicle	20% pa
Plant & Equipment	20% pa
Furniture & Fittings	20% pa
Buildings	5% pa
Vessel	10% pa
Boat Channel	5% pa

d) **Income tax**

The company does not follow the principals of tax effect accounting. Income tax is calculated on the basis of reported incomes only.

e) **Audit**

These financial statements are unaudited, but will be audited later by the Kiribati Audit Office.

f) **Inventory**

Inventories are carried at the lower of cost and net realisable value. Costs is determined using the first in, first out method. The costs of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and variable selling expenses. Costs on imported items are determined using a landed costs.

2 INCOME

SALES		2024		2023
Mixed aggregates Sand/Mud-Unprocess	$	447,559	$	368,673
Fine sand (less than 4.5mm)	$	862,138	$	890,465
Atama (12-22mm)	$	329,517	$	478,756
Charter	$	86,198	$	61,320
Vehicle/Plant hire	$	106,110	$	119,692
Overtime charge	$	7,131	$	14,983
Misc income/Tetrapods	$	10,667	$	2,320
Machineries repair income	$	14,654	$	34,275
Interest Income	$	645	$	1,043
Cement	$	149,546	$	290,658
Total Income	$	2,014,164	$	2,262,184

3 STAFF SALARIES & EMOLUMENTS

Included in operating expenses are:		2024		2023
Staff Salaries & Wages	$	715,419	$	515,773
KPF Contribution	$	52,890	$	37,334
Leave Grant	$	136,162	$	63,500
Other Staff Emoluments	$	153,567	$	144,801
	$	1,058,039	$	761,409

4 INCOME TAX EXPENSE

The amount of income tax attributable to the final year differed from the prima facie amount payable on the operating profit. The difference is reconciled as follows:

		2024		2023
Operating profit/(loss) before income tax	$	(566,385)	$	(351,318)
Prima facie income tax thereon at the rate of 35%	$	-	$	-
Permanent difference	$	-	$	-
Changes in Tax rates	$	-	$	-
Tax Recouped	$	-	$	-
Income tax expense	$	-	$	-

Tax Benefit of $198,113 is not yet realised

5. CASH AND CASH EQUIVALENTS

	2024	2023
Petty Cash/Cash Float	$ 500	$ 500
Bank Account	$ 162,350	$ 543,944
Undeposited Funds/Payroll chq A/c	$ 3,498	$ 6,314
	$ 166,348	**$ 550,758**

6. TRADE AND OTHER RECEIVABLES

	2024	2023
Maiana Island	$ 25,588	$ 25,588
Tarakia Uakeang/Kaure Babo	$ 411	$ 411
Tom Awira	$ 5,473	$ 5,473
Staff Debtors	$ 1,019	$ 511
MOE & MTC	$ 7,650	$ 22,930
Accrued debtors	$ 95,870	$ 33,565
	$ 136,011	**$ 88,478**

7. INVENTORIES

Item Name	2024	2023
Unprocess Mixed Aggregate Sand	$ 4,155	$ 20,628
Crusher Fine Sand	$ 8,989	$ 36,271
Crusher Atama	$ 12,972	$ 10,374
Cement	$ 11,619	$ 6,720
Spare Parts	$ 203,143	$ 203,143
Tetrapods	$ 6,503	$ 6,503
Fuel & Oil	$ 53,739	$ 53,740
	$ 301,119	**$ 337,379**

8 PROPERTY, PLANT AND EQUIPMENT

	2024	2023
Buildings-Board approved evaluation of buildings SBM No.10 dated 26th Aug 2014	$ 314,839	$ 306,190
Additional	$ 26,172	$ 8,649
Less Opening Accumulated Depreciation	$ (135,099)	$ (119,562)
Less Depreciation	$ (16,684)	$ (15,537)
	$ 189,228	$ 179,740
Motor Vehicles	$ 1,659,426	$ 1,627,426
Additional	$ 23,000	$ 32,000.00
Less Opening Accumulated Depreciation	$ (1,555,025)	$ (1,460,523)
Less Depreciation	$ (54,875)	$ (94,503.00)
	$ 72,526	$ 104,400
Marine Vessel	$ 3,762,282	$ 3,661,761
Additional	$ 109,277	$ 100,521
Less Opening Accumulated Depreciation	$ (2,817,310)	$ (2,410,673)
Less Depreciation	$ (423,332)	$ (406,638)
	$ 630,918	$ 944,972
Boat Channel	$ 2,360,443	$ 2,360,443
Less Opening Accumulated Depreciation	$ (1,121,114)	$ (1,003,092)
Less Depreciation	$ (118,022)	$ (118,022)
	$ 1,121,307	$ 1,239,329
Plant and Equipment	$ 744,810	$ 369,421
Additional	$ 404,365	$ 375,389
Less Opening Accumulated Depreciation	$ (256,553)	$ (159,675)
Less Depreciation	$ (164,694)	$ (96,880)
	$ 727,929	$ 488,256
Furniture & Fittings at cost	$ 75,429	$ 54,866
Additional	$ 15,943	$ 20,563
Less Opening Accumulated Depreciation	$ (43,741)	$ (35,682)
Less Depreciation	(10,640)	$ (8,058)
	$ 36,991	$ 31,689
Net written down value	**$ 2,778,899**	**$ 2,988,386**

9 TRADE & OTHER PAYABLES

	2024	2023
Accrued expenses	$ 9,404	$ 4,402
Dividend Payable	$ -	
	$ 9,404	**$ 4,402**

10 Deferred Capital Income

	2024	2023
GoK/EU Aids		
GoK Subsidy Grant Received	$ 2,281,350	$ 2,281,350
GoK Subsidy Amortised	$ (2,053,270)	$ (920,915)
	$ 228,079	$ 1,360,434
EU Subsidy Grant Received	$ 3,985,826	$ 3,985,826
EU Subsidy Amortised	$ (3,038,460)	$ (3,582,503)
	$ 947,366	$ 403,322
Total Deferred Capital Income	**$ 1,175,445**	**$ 1,763,757**

11 Mac-Dow

Dispute between TACL and MacDowell Construction (MCD) over MCD outstanding which they claimed is not outstanding was resolved outside the Arbitration with the assistance of the AG's Office. MCD agreed to pay $300,000.00, yet this is still pending as MCD claimed to wait for the Government to settle the lost arbitration on another case prior making the payment. This has not been reflected in the financial statements but will be recognized when TACL receives the payment.

12 Contingent Liability

$Nil