REPORT OF THE AUDITOR GENERAL ON THE ACCOUNT OF

Te Atinimarawa Company Limited
For the Year Ended 31st December 2014

Kiribati National Audit Office
April 2016

KIRIBATI NATIONAL AUDIT OFFICE

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Audit for an impact for the public

Independent Auditor's Report

To the readers of Te Atinimarawa Co. Ltd Financial Statements for the Year ending 31 December 2014.

Report on the Financial Statements

The Auditor-General, Mrs Matereta B Raiman, is the auditor of Te Atinimarawa Co. Ltd (TACL).

I have audited the accompanying financial statements of Te Atinimarawa Co. Ltd (TACL). The financial statement is comprised of:

- the Statements of Financial Position as at 31 December, 2014,
- Statement of Financial Performance,
- a Cash Flow statement and
- a summary of significant accounting policies and other explanatory information.

The audit covered the company's compliance with the requirements of Part VII of the Public Finances (Control and Audit) Ordinance 1976 (amendments 1981) and Company Ordinance, 1979 that apply to the financial statements of Te Atinimarawa Co. Ltd for the year ended 31 December 2014.

Managements and Board Directors Responsibility for the Financial Statements

TACL Management and the Board of Directors are responsible for preparing the financial statements in accordance with generally accepted accounting practice. The financial statements must give a true and fair view of the financial position of TACL as at 31 December 2014 and the results of its operations and cash flows for the year ended on that date. The Board of Directors responsibilities were clearly specified in the Public Finance (Control and Audit) Act 1976 and Companies Act 1979.

Auditor's Responsibility

In accordance with Part VII of the Public Finance (Control and Audit) 1976 (amendments 1981), auditors are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you.

Disclaimer Opinion

I am unable to form an opinion on the Financial Statements of TACL as at 31st December 2014 due to the following:

In substance, TACL is still a project under the management of SPC and all its assets as per Financial Statement submitted for 2014, were confirmed to be project assets yet to be transferred to TACL at the end of 2015. Therefore all proceeds received for the years 2013 and 2014 were all project income.

………………………………
Matereta B Raiman
Auditor General
Kiribati National Audit Office
02/03/2016

TE ATINIMARAWA COMPANY LIMITED (TACL) 2014 ACCOUNT .

TE ATINIMARAWA COMPANY LTD
FINANCIAL STATEMENTS
FOR YEAR 2014

Contents

TE ATINIMARAWA COMPANY LTD
DIRECTORS' REPORT
FOR YEAR 2014

In accordance with a resolution of the Board of Directors, the Directors herewith submit the Balance Sheet and Cash Flow Statements of the company as at 31st December 2014 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:-
Dr Temakei Tebano (Chairman)
Captain Etekieru Iotua
Moanataake Beiabure
Kautoa Tonganibeia
Taabia Kabaua

Results

The net loss for the year 2014 was $227,710 after taking into account nil income tax expense.

Dividends

No dividend was paid or recommended to be paid by the directors for the year.

Reserves

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

Principal Activity

The principal activities of the company during the year were that of selling out Mixed Aggregates. There were no significant changes in the nature of these activities during the financial year.

Reporting Period

The Financial period for the company is from January to December 2014.

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 ...30th... day of ...NOV... 2015.

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

Name:...Dr Temakei Tebano Name...Taabia........

TE ATINIMARAWA COMPANY LTD
STATEMENT BY DIRECTORS
FOR YEAR 2014

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

[i] the accompanying income statement of the company is drawn up so as to give a true and fair view of the results of the company for the year ended 31st December 2014.

[ii] the accompanying balance sheet of the company is drawn up so as to give a true and fair view of the state of affairs of the company as at 31st December 2014

[iii] the accompanying Cash Flow Statement of the company is drawn up so as to give a true and fair view of the state of affairs of the company as at 31st December 2014

[iv] at the date of this statement it is certain that the company will be able to pay its debts as and when they fall due as it is funded by the European Union. For 2015 and after, this will be the company's own responsibility.

[v] all related party transactions have been adequately recorded in the books of the company. The Fixed Asset lists will be transferred at the end of 2015 to TACL from the ESAT Project. The Content of the Asset Register we have are the ones purchased by TACL plus the vessel that the value recorded was verbally given to us by the former Project Manager - Nick.

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

Dated at Betio this ....30th.......... day of ....NOV......... 2015.

Chairman
Dr Temakei Tebano

Director
Name: Taabia

TE ATINIMARAWA COMPANY LTD
PROFIT AND LOSS STATEMENT
FOR YEAR 2014

	Notes	2013 Mar-Dec $	2014
INCOME			
Sales		30,536	$100,449
LESS EXPENSES			
Staff and Other Related Expenses		73,282	$162,617
Selling and Distribution Expenses		6,170	$22,825
Vessel fuel, maintenance and Supplies		-	$81,780
Office and Admin exp		30,682	$80,557
Bank Charges		275	$782
Depreciation on Fixed Assets		8,206	$30,621
Vehicle exp			$2,059
Income Tax Expense			
TOTAL EXPENSES		118,615	$381,241
NET OPERATING PROFIT/(LOSS)		**(88,079)**	**($280,792)**
ADD NON OPERATING ITEMS			
European Union Fund Released		160,676	22,460
Deferred Income			30,621
		72,597	($227,710)
Income tax expense		-	-
NET OPERATING PROFIT/(LOSS) after Income Tax		**72,597**	**(227,710)**
RETAINED EARNINGS at the beginning of the year		-	72,597
		72,597	(155,113)

The Income Statement is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 7 to 10.

TE ATINIMARAWA COMPANY LTD
BALANCE SHEET
AS AT 31 DECEMBER 2014

	Notes	2013 $	2014
CURRENT ASSETS			
Cash and Other Cash Equivalents	5	80,917	$13,768.37
Trade and Other Receivables	6	5,006	$37,185
Inventory	7		
Prepayments & other deposits	8		
		85,923	**$50,953.00**
CURRENT LIABILITIES			
Bank Overdraft			
Trade & Other Payables	10	300	($2,991)
Sundry Creditors	11		
		300	**(2,991)**
WORKING CAPITAL			
		85,623	**$53,943.89**
NON-CURRENT ASSETS			
Property, Plant & Equipments	9	2,532,329	$2,771,526
		2,532,329	**2,771,526**
NON-CURRENT LIABILITIES			
Government Loan			
ANZ Bank Loan			
		-	-
NET ASSETS		**$ 2,617,952**	**$ 2,825,470**
Represented by:			
European Union Aids			
Paid Up Capital	12	2,545,355	$2,980,584
Retained Earnings			
Current Earnings			72,597
Historical Balance		72,597	(227,710)
TOTAL SHAREHOLDERS' EQUITY		**$ 2,617,952**	**$ 2,825,470**

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

Dated at Betio this 30th day of Nov 2015.

Chairman ....

Director .... Taabir.

TE ATINIMARAWA COMPANY LTD
CASH FLOW STATEMENT
FOR YEAR 2014

	Notes	2013 Mar-Dec $	2014
Cash Flow from operating activities			
Cash received from customers		25,798	$122,909
Cash paid to suppliers and employees		(110,136)	($350,620)
		(84,337)	($227,710)
Interest Expense			
	(a)	**(84,337)**	**($227,710)**
Cash Flow from Investing activities			
Acquisition of long term assets		(25,447)	(16,306)
		(25,447)	(16,306)
Cash Flow from Financing activities			
SOPAC Aids		160,676	211,448
Government Loan			
ANZ Bank Comm		(275)	(782)
		160,401	210,666
Net Cash Flow		50,617	(33,350)
Opening Cash and Cash Equivalents.		-	80,917
Add Cash Adjustment		30,300	(156)
Closing Cash and Cash Equivalents		**80,917**	**47,411**

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

	2013	2014
Net Profit/(Loss) for the period	72,597	-227,710
Plus Depreciation for the year	8,206	30,621
	80,803	(197,089)
Plus Changes in Balance Sheet Accounts		
Decrease/(Increase) in Cash	(160,435)	(30,835)
Decrease/(Increase) in Inventory		
Decrease/(Increase) in Debtors	(5,006)	514
Decrease/Increase in Creditors	300	(300)
Adjustment to Bank Loan	-	
Adjustment to Retained Earnings		
Other Adjustments		
	(84,337)	**(227,710)**

TE ATINIMARAWA COMPANY LTD
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR 2014

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 March 2013

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 Accounting Standards which are applicable in Kiribati.

b) Property, plant and equipment

Property, plant and equipment are depreciated on a straight line basis at rates calculated to write off each asset over its estimated useful life. The rates in use are as follows:-

Vehicle	20% pa
Plant & Equipment	20% pa
Furniture & Fittings	20% pa
Buildings	5% pa

c) Income tax

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

d) Inventories

Stock (mixed aggregates) is manually recorded. Value will be entered in 2015 account once open areas to the public is closed and rates for sales is fixed.

e) Comparative figures

When necessary comparative figures have been adjusted to conform with changes in presentation in the current period.

f) Audit

These financial statements are unaudited.

g) Foreign Currency

Foreign currency transactions during the year are recorded using the rate of exchange prevailing at the date of the transactions. At balance sheet date amounts receivable and payable in foreign currencies are translated at the exchange rates prevailing on that date. Exchange differences are taken directly to the profit and loss statement.

TE ATINIMARAWA COMPANY LTD
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR YEAR 2014

2. OPERATING EXPENSES

	2013 Mar-Dec $	2014
Included in operating expenses are:		
Staff costs & other related expenses	73,282	162,617
Depreciation	8,206	30,621

4. INCOME TAX EXPENSE

	2013 Mar-Dec $	2014
Net profit (loss) before income tax	72,597	(227,710)
Income tax expense for the year	-	-
	72,597	(227,710)

CASH AND CASH EQUIVALENTS

	2013 Mar-Dec $	2014
Petty Cash	300	$265
Bank Account	80,617	$18,361
Undeposited Funds		($4,858)
	80,917	$13,768

6. TRADE AND OTHER RECEIVABLES

	2013 Mar-Dec $	2014
KPC Antebuka	270	
Solar Energy Co.	4,736	4,736
ESAT Project		22,460
King Holdings		8,000
Police		530
TTT		408
Cenpac Marine		84
Health		320
AG's office		150
	5,006	36,689

9. PROPERTY, PLANT AND EQUIPMENT	2013 Mar-Dec $	2014 $
Buildings-Board approved evaluation of buildings SBM No.10 dated 26th Aug 2014		266,546
Additional		
Disposal		
Less accumulated depreciation		(4,442)
	-	262,104
Motor Vehicles - still under project		
Additional		
Disposal		
Less accumulated depreciation		
	-	-
Marine Vessel-transfer not yet done on vessel:	2,506,882	2,507,797
Additional	12,677	10,737
Disposal		
Less accumulated depreciation	(6,934)	(23,959)
	2,512,625	2,494,575
Plant and Equipment-Transfer not yet done on heavy plants.	3,225	2,904
Additional		4,234
Disposal		
Less accumulated depreciation	(321)	(1,047)
	2,904	6,091
Furniture & Fittings at cost	9,545	8,594
Additional		1,335
Disposal		
Less accumulated depreciation	(951)	(1,173)
	8,594	8,756
Net written down value	2,524,123	2,771,526

ALL ASSET WILL BE TRANSFERRED FROM ESAT PTOJECT AT END OF 2015. Asset Register Record records only the assets purchased by TACL and the ones purchased by the Project is incomplete.

10. TRADE & OTHER PAYABLES	2013 Mar-Dec	2014
TTT	300	-
PAYE		$559
Salary Advance		($1,040)
Travel Advance		($1,724)
Staff Bank Loan		$472
KPF Loan		$1,955
KPF Payable		($1,416)
BOK Deposit		($1,831)
DBK Payable		$372
KHC Payable		$153
Canteen Payable		($140)
Backpay		($100)
Staff Allowances		($886)
Accrued Exp		$634
	300	(2,991)

TE ATINIMARAWA CO. LTD
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)

	2013 Mar-Dec $	2014
11 LOANS AND BORROWINGS		
	-	-

	2013 $	2014
12. GOVERNMENT GRANT/EU AIDS		
Opening Balance	-	2,410,725
EU Aids-staff costs/non staff costs	2,471,968	211,448
Deferred Income		$30,621.40
Building transfer value	-	266,546
	2,471,968	**2,919,341**

	2013 $	2014
13. SHARE CAPITAL		
Authorised Capital		
Issued and Paid Up Capital		
	-	-

	2013	2014
14 CAPITAL COMMITMENTS		
Conmpany just started - no commitments paid.		

	2013	2014
15 CONTINGENT LIABILITIES		
As for the previous year, there were no contingent liabilities at balance date.		