REPORT OF THE AUDITOR GENERAL ON THE ACCOUNT OF



Kiribati National Shipping Line Limited For the year ended 31st December 2018-2019

> Kiribati Audit Office April 2021

KIRIBATI AUDIT OFFICE



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Audit for an impact for the public

INDEPENDENT AUDITOR'S REPORT

To the Readers of Kiribati National Shipping Line Ltd Financial Statements For the years ended 31 December 2018 & 2019

I have audited the Financial Statements of Kiribati National Shipping Line Ltd (KNSL) for the years ended 31st December 2018 & 2019 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
- Notes to the Accounts

Disclaimer of Opinion

I do not express an opinion on the accompanying financial statements of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer Opinion:

1. BROUGHT FORWARD BALANCES FROM FY 2017 - DISCLAIMER AUDIT REPORT

 We note that the opening balances of the 2018 financial accounts were taken from the closing balances of the 2017 financial account, which we have confirmed to have significant variances, hence the balances were inaccurate and not reliable.

2. CASH AND CASH EQUIVALENT 2018/2019

- Bank Reconciliation was not reviewed, signed, and approved by the Management and senior accountant for the years 2018 and 2019.
- We note variances between the GL 31/12/19 and Accounting Premier on the B/Reconciliation. Refer to Table 1.1 &1.2 for further details.

Table 1.1: 20	19 Cash & Cas	sh Equivalents			
Date	GL 2019	Accounting Premier amt19	GL19 VS Accounting Premier		
		on B/Reconciliation	B/reconciliation.		
31/01/2019	48,137.69	48,285.49	147.80		
31/07/2019	16,122.47	15,742.47 380.00			
31/12/2019	57,485.79	59,108.08	1,622.29		

Date	GL 2018	ash Equivalents Accounting Premier amt19	Var between GL18 and Accounting
2400	012010		
		on B/Reconciliation	Premier amt18 on B/Reconciliation
28/02/18	9,169.68	10,094.88	925.20
31/03/18	49,593.31	100,239.42	50,645.61
30/04/18	28,400.92	27,462.12	938.80
31/05/18	42,647.45	41,708.65	938.80
30/06/18	9,543.06	10,445.44	902.38
30/11/18	248,619.14	249,614.83	21,737.00
31/12/18	102,286.13	104,930.17	2644.04

The bank confirmation was not available for audit purposes.

3. CHARTER DIVERSION

No supporting documents for invoice number: 0000252 (FY 2018) under the Charter Diversion.

4. RECEIVABLES

 We note a variance of \$43,788.17 when comparing the Financial Statement and General Ledger for FY 2019, which raised doubts on substantiating the balance of receivables as per reported in Financial Statements 2019.

5. FIXED ASSETS

- The Fixed Assets Register (FAR) was not maintained.
- The physical counting of KNSL assets was not done at the end of each fiscal year.
- There was no evidence to prove the handing over of LC Linnix from the Government to KNSL.
- There was no documentation on the disposal of vessels as per reflected in the FS 2018 valued to \$1,602,900.00.
- The below receipt numbers on the sale of FA in 2018 were not provided for audit verification and check:

1. 7/6/18 0349 Choy F 1,500.00

2. 27/7/18 0427 John R 90.00

• There was a variance of -\$43,600 when comparing the Fixed Assets Schedule (additions) against the Cash outflow from Investing Activities in the Statement of Cash Flow 2018.

6. EXPENDITURES

- The Local Purchase Order (LPO) was not used when ordering goods or services, which could lead to uncontrolled purchases.
- There was no strong verification process for rations from the Accounts Department, to verify the
 Chief Cook's report before processing payment for further ration. Given that rations are sensitive
 items that can easily be stolen, it is important to have a well-established control in place such as
 a verified report.

• The following payment vouchers with a total value of \$5,832.10 were missing from the PV box file, and still could not be provided:

	Date	PV#	Amount
1.	12/18/19	739/19	3,791.80
2.	11/19/19	662/19	2,040.30

7. EXCEPTIONAL ITEMS

- Due to unreadily availability of documentation, we were unable to verify and substantiate the amount of \$194k reported as a Provision for Doubtful Debts in the Exceptional Items 2019.
- Furthermore, we were still unsatisfied with the correct presentation of such account item, given that Provisions to Doubtful Debts are often reported directly underneath the Debtors account in the Balance Sheet.

8. HISTORICAL BALANCING

 We were unable to substantiate and verify the balance of \$28,835.52 in the Historical balancing account, given the documentation were not readily available.

9. PRIOR PERIOD ITEMS

• We could not verify the following JVs in the Prior Period Items due to untimely availability of required documentation:

-	JV90/18	1/31/18	Trade debtors posting	\$389,847.04
-	JV 90/18	u	u	\$12,955.67
-	JV 133/18	12/31/18	Mis posting of PNO 1/18	\$47,078.05

10. STATEMENT OF CHANGES IN EQUITY

No Statement of Changes in Equity was provided as part of the KNSL's submission of accounts,
 therefore the set of financial statements submitted was incomplete.

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 or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Company's financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Kiribati, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Report on other Legal and Regulatory Requirements

KNSL lodged its Financial Statements on 19th August 2020, therefore indicating KNSL's incompliance to 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 KNSL.

Mr. Eriati Tauma Manaima

Auditor General

Date:28/04/2021



KIRIBATI NATIONAL SHIPPING LINE LIMITED

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BRANCH OFFICE Ronton, Kiritimati P.O. Box 1603 Republic of Kiribati Fel: +686 73067106



: www.knst.com.ki : enquiry@knst.com.ki : Kirlbati Shipping Please address-all correspondence to the Chief Executive Officer

13 August, 2020

The Auditor General Kiribati National Audit Office Bairiki Tarawa

Re: KNSL Annual Report 2018-19 Submission

Dear Sir/Madam,

I write to kindly request for your auditing schedule for KNSL Account for our planning purpose. Please find attached the copy of the Annual Report for 2018-2019.

Your kind assistance and mutual support is much appreciated. Looking forward to hearing from your good office.

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Kauarerei Ititaake

For Chief Executive Officer

Summary Pro	onalShipping Ltd fit & Loss Account ing 31/12/2019		ng kang (ming tan a manananan persang mananan persang m
A SECRET RESIDENCE	2019	2018	Movement
REVENUE Core Operations Revenue Non-Core Revenue Government Grant	2,311,075 69,688 100,000	2,320,789 74,401 136,000	(55,585) (4,714) (36,000)
REVENUE	2,480,763	2,631,190	(50,428)
EXPENSES Core Personnel Costs Core Operating Expenses Non Core Operating Expenses	994,938 1,242,078 147,334	895,832 1,124,065 149,715	(99,106) (118,013) 2,381
EXPENSES	2,384,380	2,169,612	214,738
PROFIT BEFORE DEPRECIATION	96,413	361,579	(265,166
Depreciation	538,915	509,478	(24,437)
OPERATING PROFIT	(437,502)	(147,893)	(289,603)
Exceptional Items	(357,605)	(901,478)	543,872
NET PROFIT/(LOSS)	(795,108)	(1,049,377)	254,269

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Kiribati National Shipping Ltd Profit & Loss Account Year Ending 31/12/2019

THE THE SECOND SEC	Notes	2019	2018	Movement
anamantaran da arangan ang kangangan ang kanan ang kangan ang kangan and kantan ang kangan ang kanan ang kana PEV PROCE	and the state of t		en northe morte constitute and the second for the largest art in mind by	alandan magningan (1905) bid filibir 1864 (1916) (1969) (1967) bid 1964 (1967)
Core Operations			n page distance di salam di sa	
Pax Fare Out		136,307	96,275	35,107
Pax Fare in	1	48,675	56,708	(24,264)
Cargo Freight Out		515,049	644,337	(153,325)
Freezer Freight Out		3,346	O'T'T, DUF	3,346
Freezeer Freight in:		223	•	223
	1	155,550	142,845	12,705
KSSL Xmas Branch Deposit		9		
Cargo Freight in		36,990	14,649 92,116	21,663 7,707
Cargo Handling Out		99,823		
Cargo Handling In		9,518	7,827	1,691
Copra Freight in	1	185,580	284,923	(99,363)
Copra Handling in		33,343	36,014	(2,671)
Charter/Diversion		1,081,581	944,495	137,086
Other Commissions		10		10
Offloading Heavy Equipment		5,100	600	4,500
Total Core Operations Revenue		2,311,075	2,320,789	(55,585)
	14.19	7.1		
Non Core Revenue			r - e	
Vehicle Hire		1 .	283	(283)
Welding Sales		8,513	3,820	4,692
Rental Container & Others		6,058	1,500	4,558
Rental Office	48 7	22,603	37,645	(15,042)
Commission for refund		1,637	6,226	(4,589)
Rental Electricity Charges		2,390	2,452	(62)
Warehouse Sales		2,702	7,019	(4,317)
Document Fee	1	2,727	2,575	152
Tools Box Sales Rev.	1	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	261	(261)
Other Rev	3.	4,201	11,031	(6,830)
Asset Sales		1,940	1,590	350
		3,080	1,000	3,080
Rent for Life raft	1	202		202
Floating Freight/Freight Out			27 7756 v	
Canteen Collection	in a in manna minima and a	13,636		13,636
Total Non-Core Revenue		69,680	74.401	(4,714)
Governmentt Grant/Subsidy				
Gov't Subsidy .			3 - 55	
CEO Salary and Allowances		100,000	136,000	(36,000)
Total Government Grant		100,000	136,000	(36,000)
		- Control of the second	on the tenth in the state of th	
TOTAL REVENUE		2,480,783	2,5 33/190	(96,299)
EXPENSES		2		
Core Personnel Costs	<u>1</u> 162	*	, g. sa	
L Control of the Cont		720,967	592,457	(128,510)
Wages & Salaries				(1,305)
KPF Subsidy		54,319	53,014	
Overtime		2457 MOG	78,823	78,823
Leave Grant	.	112,500	78,175	(34,325)
Sea Going Allowance/Shift Allowances		30,201	9,629	(20,572)
Allowances (Shore based)		5,376	11,331	5,955
Leave Commutation	. 🛊	990		(990)
Housing Subsidy	ı£ -	586	736	151
	1		بيشمه مداهين	1,667
CEO Salary		70,000	71,667	AND REAL PROPERTY OF THE PROPE
		70,000 964,938	71,567 895, 832	AND DESCRIPTION OF THE PROPERTY OF THE PROPERT
CEO Salary Total Core Personnel Costs	and amount of the second division		the same and the same of the s	AND DESCRIPTION OF THE PROPERTY OF THE PROPERT
CEO Salary Total Core Personnel Costs Core Operating Expenses		204.33	893, 332 	(99,106)
CEO Salary Total Core Personnel Costs Core Operating Expenses Port Charges	a en	994,938 28,232	895,832 20,717	(99,106) 1,486
CEO Salary Total Core Personnel Costs Core Operating Expenses Port Charges Survey Charges		994,938 28,232 336	896,832 29,717 520	(99,106) 1,436 185
CEO Salary Total Core Personnel Costs Core Operating Expenses Port Charges Survey Charges Fuel & Oil		28,232 336 737,096	895,832 29,717 520 639,911	(99,106) 1,436 185 (98,520)
CEO Salary Total Core Personnel Costs Core Operating Expenses Port Charges Survey Charges		994,938 28,232 336	896,832 29,717 520	(99,106) 1,486 185 (98,520) 13,913

Kiribati National Shipping Ltd Profit & Loas Account Year Ending 31/62/2019

* 6	er Ending	31/62/	2019	destruction des Libritas sede sastration proprietation in the quarter of the libritary end only the second of	edential de la constante de la
Handilipid war was the west of the state of	- Street and House a Hilland About	Notes	2019	2018	Movement
Repairs & Maint - Motor Vehicles			3,385	5,639	2,254
Stevedoring			57,051	66,020	8,969
Cargo Claim		(743	11,133	10,390
Spare Parts			45,905	89,712	43,807
Repair and Maintenace Office		1	18,380	17,962	(418)
	1		16,243		(13,060)
Hire	- 4		9,329		(7,994)
Fuel for staff transport		i	11,414		(11,414)
LO Aratoba Canteen			25.831		(24,037)
Cargo Freight Out Refund		-	678	1	(678)
Cargo Freight In Refund			21,920		(21,920)
Sea fare Refund		*****		1,124,005	(76,302)
Total Core Operating Expenses	MANY TO SERVICE AND ASSESSMENT OF THE PERSON NAMED OF THE PERSON N		1,042,078	The state of the s	eguespennen en e
Non Core-Operating Expenses					
Cleaning Supplies			2,260	1,774	(486)
Printing & Stationery		£5.	6,772	8,164	1,392
Telecom Licence/CCK			921	2,864	1,943
			2,707	4,560	1,852
Security Charges			3,551	3,062	(489)
Board Refreshment		P	21,810	14,190	(7,620)
Board Allowances		4	1,385	15,364	10,797
Local Travel		1	1.087	792	(295)
Housing Subsidy		i i i i i i i i i i i i i i i i i i i	3.250	6,867	3,418
BPA Charges				35,809	2,164
PUB Electricity	a i	ł	33,645		(4,928)
PUB-Fresh Water			9,843	4,915	
Lawyer's Fee				10	10
Computer Supplies & Repairs	. 242		2,813	4,804	1,991
Telecom Charges			20,432	17,749	(2,683)
Toll Fare/Registration Fee		.	115	4,782	4,667
Training & Development	•	1 .	14,405]	(777)
Management Entertainment			8,964	1,273	(7,691)
Bank & Cheques Charges			3,068	2,022	(1,046)
		1	5,680		(5,680)
Duty Allowance	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	1 .	4,627		(4,627)
Annual Registration fee (Vessel)			* Experime	14,595	14,595
Other Expenses Total Nen Core Operating Expenses	and seem neiter to selled publicati	<u> </u>	147,334	149,715	8,541
The state of the s	getterformerkeringsbytterformer og grunnssskinneringskingsbyterformer		2,384,350	2,169,61%	(168.867)
TOTAL EXPENSES					
PROFIT BEFORE DEPRECIATION			96,342	361,579	(265,166)
DEPRECIATION	Trick to the same of the same	4	593,915	509,478	(24,437)
OPERATING PROFIT		1	(437,508	1 (147,888)	(289,603
CPERATING	Canana da maria da cara da car	the section of the se		- Visigna de la company de	Particular and the second of t
EXCEPTIONAL ITEMS	4. 1				
Loss on Prior Period Items		1	(148,491		
Loss on Sale of Fixed Asset	: .			(1,150	
Provision for Doubiful Debts		3	(194,115)[(194,115
Loss on Disposal of Fixed Assets - LC Bu	dimeri	2		(881,595	
	; 9 a 6 1 4 1 7 9 5 7 . A	2	A CONTRACTOR	119,736	•
Insurance Claim - LC Linnix	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1			92,098	T 1 2 3 3 3 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5
Adjustment to Prior Year Depreciation			(15,000	4 '	(15,000
Income Tax Expense		1	(10,000	112,036	
Revenue b/f 2017	Light Sim	-	MATERIAL PROPERTY.	and in the street of the stree	HIND A PARENTAL MANAGEMENT OF THE PROPERTY OF THE PROPERTY OF THE PARENTY OF THE
TOTAL OTHER INCOME & EXPENDITU	PCC	- Charles	(357,80)	Taniwa	973,914
	and the second second second	on projection and state	/795,10E	(1,049,377	364,269
NET PROPITI(LQ83)	an Comacon Waldings will Print		1 33,10		Carried and the second

Kiribati NationalShipping Ltd Balance Sheet - Summary As at 31/12/2019

	Notes	2019	2018	Movement
Current Assots:	PUT THE COMMON THURSTON PROVINCE	क्षा प्राचनकार विकास का का वार्य प्रवेश का प्राच्या विकास की	त्राच्याच्याकाः व्यक्तारः भिर्मानाः निर्मात्राक्षाम् स्थाननाः स्थाननाः विद्यानन्त्रः स्थाननाः स्थाननाः स्थानना	พาหาสมารถมหายสมารณมหายมหายมหายมหาย พาหาสมารถมหายสมาร
Cash & Cash Equivalent		58,986	107,040	(48,054)
Trade Receivables		508,442	419,682	88,760
Provision for Doubtful Debts	-	(194,115)		,
Other Current Assets		13,958	10,469	3,489
Total Current Assets		387,271	537,191	44,185
LOSS Current Liabilities		368,594	377,222	8,628
Working Capital		18,677	159,969	62,823
Fixed Assets		3,888,263	4,542,079	(653,816)
Net Worth	Minterior Malazini inageni inag	3,906,940	4,702,048	(600,993)
Represented by:			- Marian and the second of	and the second s
Shareholders' Equity;	diam'i dinin i mananini manang	Ţĸĸĸĸĸĸĸĸĸĸĸĸĸĸĸĸĸĸĸĸĸĸĸĸĸĸĸĸĸĸĸĸĸĸĸĸ	ercenteration (1) de jouis e engarenterisien augustivites eng a lemente n justice en de le constant de le cons	1939માં ભારત માત્ર કરવાના પ્રાથમિક કરાયા કૃતિ હતા માત્ર કરવાના અને અભ્યાન
Retained Earnings	A THE PERSON NAMED OF THE	4,702,048	5,751,425	(1,049,377)
Current Year Earnings		(795,108)	(1,049,377)	254,269
Total Shareholders' Equity		3,906,940	4,702,048	(795,108)

Capt John Round

Kiribati NationalShipping Ltd Balance Sheet - Detail As at 31/12/2019					
Note	ti denning de majaratana, sa panjara jaman jaman sa panjara ang ang majaran jaman jaman jaman jaman jaman jaman	2018	Movement		
Cash & Cash Equivalent		2 10 14 14			
Petty Cash Imprest	1,500	1,500	A A THOSE AL A. A. S.		
Cash at Bank	57,486	104,930	(47,444)		
WFED VAT Deduction	the and Charles at the William of the antique of th	610	(610)		
Total Cash & Cash Equivalent	58,966	107,040	(48,054)		
Receivables	om or a don		88.760		
Trade Debtors	508,442	419,682	(194,115		
Less Prov. for Doubtful Debts	(194,115)		(105,355		
Total Receivables	314,327	419.682			
Other Current Assets	5,502		5,502		
Staff Imprest	1,790	2,690	(900		
Master Imprest	6,666	7,779	(1,113		
Sundry Debtors Total Other Current Assets	13,958	10,469	3,489		
	367,271	527,191	(149,920		
Total Current Assets	And the state of t		वर्षेत्राक्षात्राक्षात्राक्षात्राक्षात्राक्षात्राक्षात्राक्षात्राक्षात्राक्षात्राक्षात्राक्षात्राक्षात्राक्षात अकृतम् सन्तर्वक्षात्राक्षात्राक्षात्राक्षात्राक्षात्राक्षात्राक्षात्राक्षात्राक्षात्राक्षात्राक्षात्राक्षात्र		
Current Liabilities	95,697	91,035	(4,662		
Staff Tax Payable	31,374	30,765	(609		
KPF Payable	1,986	4,413	2,427		
Other Payroll Liabilities	29,000	29,000	Ann y Same		
Audit Fees	129,638	129,688	rana panganan		
Bounced Cheques to KOIL	1. Mar. N. P. j. S. A. P. S. A	13,472	13,472		
Reireiti Court Case	78,849	78,849	A 40° 5 10°		
KPA - Outstanding Invoices	2.000	4 W. 3 W. 1 M.	(2,000		
Trade Creditors Total Current Liabilities	368.594	31 42	8,628		
principal contraction of the con	18,677	189,969	(141,29)		
Working Capital		A Section of the sect	And in the continuent of the c		
Fixed Assets (NBV)	24,836	32,810	(7,97		
Furniture & Fittings	30,368	57,253	1		
Land & Buildings	60,961	45,334	1 "		
Plant & Machinery	3,739,255	4,308,538	1		
Vessels	22,266	48,690	í		
Motor Vehicles	10,578	18,275	, "		
Office Equipment	1,000,00	31.179			
Tools Total Fixed Assets	3,868,263	4,542,079	ATTERNATURE AND PROPERTY OF THE PERSON ASSESSMENT ASSES		
Instrumental designation of the second secon	3,906,940	4,702,048	(795,10		
Net Worth			ning and Annual		
Represented by: Shareholders' Equity:	A HENNING AND THE WASHINGTON OF THE WASHINGTON O	1873 - 1874 - 1884 - 1884 - 1884 - 1884 - 1884 - 1884 - 1884 - 1884 - 1884 - 1884 - 1884 - 1884 - 1884 - 1884 -	પેલાના માત્ર કર્યું તાલા કહુતા સમજાવાના મુંગ કરીના તમેલા કરી કું તે મારા છે. છે. 		
Retained Earnings	4,702,048	5,751,426	(1,049,37		
Current Year Earnings	(795,108)	(1,049,377			
Total Shareholders' Equity	3,906,940	4,702,048			

KIRIBATI NATIONAL SHIPPING LTD CONSOLIDATED CASH FLOW

For the year ended 31st December 2019

Name to the second seco		2019
Cash flow from operating activities		
Receipts from customers	y in type y . The other exception	2,216,530
Receipt from Insurances	nekalinia penje ^k u najerje u nekara i	119,736
Payments to employees		(1,220,627
Payments to suppliers		(1,135,103
		(19,463
Cash flow from investing activities		• • • • • • • • • • • • • • • • • • • •
Purchase of fixed assets	pre anderspiese play and such the plant	(28,591
		(28,591
		A THE STATE OF THE
Net Cash Flow	oza side (A.C.)	(48,054
Cash and Bank Balances - Beginning	entre and a state to see which	107,040
Cash and Bank Balances - Ending	Marie Paris	52,986
		iligan verster italia kanalisi ja sililita iriga mas,
Note A - Details of Cash and Bank Balances	ince constant and a property of the contract o	the three wife that the spell of the second
Cash Float		1,500
Bank Account No.1 - Tarawa		57,486
and the second s	***************************************	58,986
	9 99 10 10 10 10 10 10 10 10 10 10 10 10 10 	
Note B - Reconciliation of cash flow from operations		gradien gestaan de het de skriver op de skri
Vet Profit / loss for the period	சம் சி. வ . வவவி	(795,108
Depreciation charge for the period	try state the proper. Here there are	533,915
Decrease/(Increase) in Debtors	• •	149,920
ncrease/(Decrease) in Creditors	,	(8,628
Changes/Adjustment to Fixed Assets	All Market to me and any of	119,899
hanges/Adjustment to Creditors	alanyaning ag	(19,461
the state of the s		(19,463

KIRIBATI NATIONAL SHIPPING LTD POLICIES FOLLOWED IN FORMING THE ACCOUNTS FOR THE PERIOD ENDING 31ST DECEMBER 2019

The Company

The forerunner of Kiribati National Shipping Line Ltd (KNSL) was the Kiribati Shipping Services Limited incorporated on the 9th of July 1990. Kiribati National Shipping Line Ltd (KNSL) was registered on 10th August 2018 with the primary objective of providing affordable shipping transportation to the

Principal Accounting policies

The Financial Statements are prepared under the historical cost convention and with the International Accounting Standards. The following is a summary of the r policies used by the Company:

Depreciation

Depreciation is calculated to write off the cost of long term assets on straight line their expected useful lives. The rates of depreciation and useful lives are as follows:

(i) Office Equipment 20%
(ii) Furniture & Fittings 10%
(iii) Motor Vehicles 20%
(iv) Buildings 5%
(v) Vessels 10%
(vi) Plant & Machinery 10%

Foreign Currencies

Assets and Liabilities expressed in foreign currencles are coverted into Austalian rate of exchange ruling at the end of the financial year.

Aid Items

Items received in aid have been capitalised under the Assets Grant Aid and released to profit and loss at the rate of an applicable depreciation charge.

Provision for doubtful debts

Provision has been made in the 2019 accounts (See Note 3 to the Accounts)

100 to the	ain/Loss on Prior Period Items	e van menge periode en septim per progredie en provent del tree problemeters	Hertory management and management of the state of the sta	Minamina-mini (ang ng 12,123,1746 an mga ana ma
Land the state of	**************************************	en <u>apriline all'ing anni essentini de</u> li li li periode de la ma <mark>nera a la granda</mark> .	2019	2018
virite off of Tools			31,179	44835555944444554 <u>6</u> 144444444444444444444444444444444444
djustment for removal o	115,812			
	es of Motor Vehicle misallocated		1,500	
o adjust Trade debtors p	osting of opening balances			389,847
ther		· · · · · · · · · · · · · · · · · · ·		(47,246)
			148,491	342,601

MILLER CHEER		भाष्यम् वर्षाम् वर्षास्य स्थापन्ति । स्वत्ये स्थापने स्थापने स्थापने स्थापने स्थापने स्थापने स्थापने स्थापने स	an arang pagaman an arang maka karang mananan karang mananan an arang mananan an arang mananan arang mananan ar	naginamata ngonymatamany ng dimenina <mark>in</mark>ana	(19)))isto territorio i na esta de la cientificació i propiesto de la colorio de la cientificació de la cienti	ระบบการ ของเมลามุขมมมมาการการการการการการการการการ การการการการการการการการการการการการการก
				·		in the second se
lote 2	Loss on E	isposal of	Fixed Asset			A to the state of
AND CONTRACTOR OF THE PROPERTY	naar uuqaa qaa aast aast 1964 in 1964 ja	ika kanan da maran ing kanan da kanan kanan Kanan kanan ka	and the state of t	<u>, idi va vara maran arai kilapak wangi di tara 1900 piliku ji fakti no be</u>	2019	2018
isposal LC	Butimari:	4 m 12			Anthony state and the state an	**************************************
Cost						1,602,900
Deprecia	tion					(881,595
oss on Disp	osal - book va	lue	of the state of th	- Control of the Cont		721,305

Note 3	Trade Debtors an	d Provision	for Doub!	riul Debts	allowing government that material construction and are the first construction of the
A THE STATE OF THE PROPERTY OF	A through the second	Tr.	ade Debtors		Provision
·		2019	2018	Movement	2019
Mark Land & Company		202,999	159,412	43,587	(151,006)
Kiribati Copra		157,614	155,638	1,976	(10,157)
KOIL		81,379	52,642	28,737	(2,122)
Government		6,891	6,891		(6,891)
DC Trading		3,205	2,035	1,170	
History Flight	· mt to star the marking a	4,355	4,355		
	in Shipping Services	5,616	5,616		(3,668)
Lyke It Trd		5,824	5,824	ية تعديد أوس	(5,824)
Maneaba n M	1 386	13,045	13,045	1	(13,045)
Reitakim Store	the state of the s		28		,
Remia Trading		3,231	27	·	
Slim Price		2.974	u štatus ir	- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	The state of the s
TOKS Shipping	g Line	2,749	2,749	1	(1,402
Other		18,561	11,423	The second secon	(194,115)
Total		508,442	419,682	88,760	Maria Company

NB:

- The majority of the provision relates to debt outstanding for years before 2015
- KOIL provision made after deducting amounts owed by KNSL to KOIL (129,688)

								, , , , , , , , , , , , , , , , , , ,
	pue pue	Vessels	Motor	Plant &	THE OFFICE ASSESSMENT	S. S	100k	Total Fined
	. Saiding	13089044000	Vehicles	Machinery	FIE 25		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Assets
41114	,	"		1000		••		
Balance @ 31/11/17	211,500	6,467,558	191,790	88,635	55,743	38,208	31,179	7,084,613
2058		and part				ve≃lπisyn	n n n n n n n n n	
Additions	1,058	965,866				astrocertin	, da, da may dad figur	100,654
Sipsocsio	ngal gyr nghiri	(1,602.900)			(Ko ti) Tyris ji	Jona in T		(1,602,900)
Balance @ 11/12/18	222,558	4,964,254	1913,790	**************************************	374' 5%	38,203	31,179	5,582,367
2029	e de la companya de l	aleta pag				Anthrew Property		mole mu
Additions	nerikantunkul	u İstər ve r		28,591	e de la companya de l		- Terres	28,591
Disposals	TEGERATUR	versisti (de		ituria acce	<u>, , , , , , , , , , , , , , , , , , , </u>	obmiştile (ex	e en	
Adjustments		ts:				***************************************	(31,179)	(31,179)
Balance @ 31/12/19	85 5/272	4,964,254	191,790	32.7.28	892'55	82.28	direction of the second	5,379,779
	The state of the s		The state of the s	And in case of the last of the	A CONTRACTOR OF THE PROPERTY O			The state of the s

		Carried State of the Carried S	DEPA	DEPRICIATION				med co
Salanc = @ 31/12/17	1.46,640	Series Series	136,263	1 × 1 × 1 × 1	25,057	17,400	5 E H 2 E H	1,596,007
2038		Carrier Services						
Depreciation Charged	599°8	446,783	34,522	7.974	4,657	E 89		\$79,603
Steepesia	www.co	(881,595)	odica modili				444 H	(881,595)
Adjustment 2		52,4601	[26,685]	(5,131)	(4,781)	(4,044)		(92,101)
Adjustment 2			(1,500y)				. A.	
Balance @ 31/12/18	308.553	177.639	00T/S/3	43,303	22,933	19,933		1,040,289
\$197					****			ur Tupuloii
Depreciation Charged	9,628	496,425	1 8 8 8 8 1 Hz	8 25	2000		H H H H H H H H H H H H H H H H H H H	
Disposals	o do de la companya d						**************************************	
Adjustment	17.257	72,858	17,567	4.811	2,605	2,213		117,311
Balance @ 31/12/19	182,190	182,190 1,225,000	269,535	90'96	30,907	27,629		1,691,346
A STATE OF THE PARTY OF THE PAR	N. C. William Co.		Control of the same of the base of the same of the sam					

					,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			
1.12-18	1 57°733	4,308,537	48,630	45,334	32.810 j	18,275	31,179	4,542,078
2-12-19	30,368	3,739,254	22,265	196.09	24.836	10,579	***************************************	3,888,263