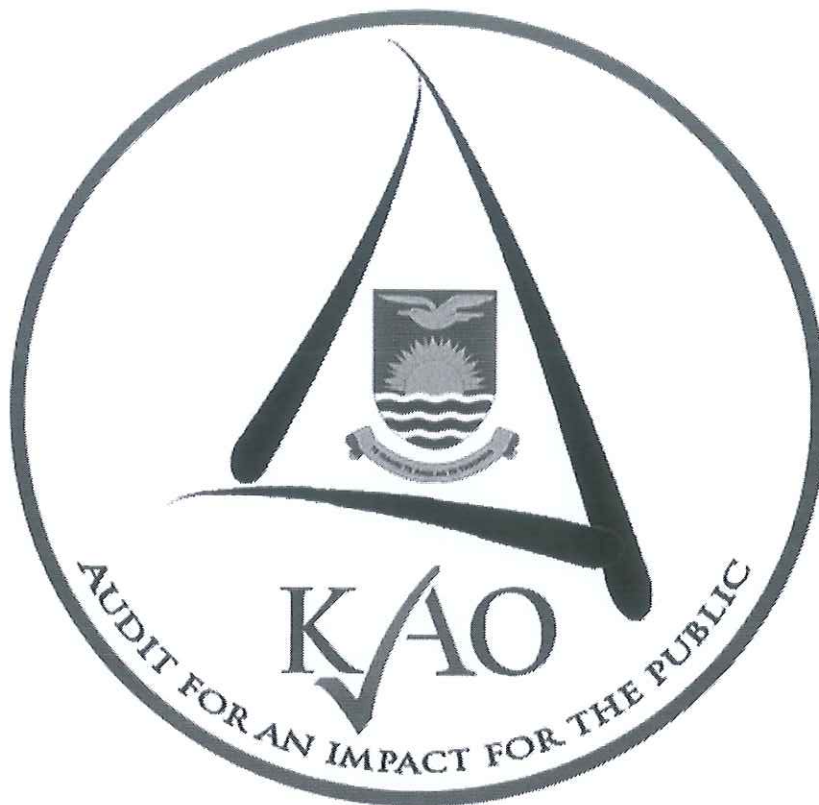


# **REPORT OF THE AUDITOR GENERAL ON THE ACCOUNT OF**



**Kiribati Housing Corporation  
For the year ended 31<sup>st</sup> December 2018**

**Kiribati Audit Office  
August 2020**

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  
Kiribati Housing Corporation Financial Statements  
For the year ended 31<sup>st</sup> December 2018**

I have audited the Financial Statements of Kiribati Housing Corporation (KHC) for the year ended 31<sup>st</sup> December, 2018 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
- Notes to the Accounts

**Unqualified Opinion**

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

**Basis of 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 the Corporation in accordance with the Ethical requirements that are relevant to my audit of the financial statements of KHC and I have fulfilled my other responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Board of Directors and Management's responsibilities for the Financial Statements.**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's responsibilities for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion as required under the Public Finance (Control and Audit) Ordinance 1976 and Kiribati Audit Act, 2017. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA/ISSAI will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs & ISSAI, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation'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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other Legal and Regulatory Requirements**

KHC lodged its Financial Statement for 2018 on 1<sup>st</sup> April 2019 therefore indicating the Corporations non-compliance with sec.20 of 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 KHC.



.....  
Mr. Eriati Tauma Manaima  
Auditor General.

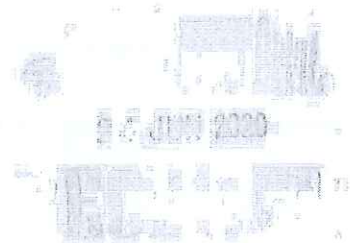
Date:23/7/2020



## REVISED FINANCIAL STATEMENT 2018

AS APPROVED BY THE BOARD OF DIRECTORS

19 JUNE, 2020





## DIRECTORS' REPORT

### 1. INTRODUCTION

1.1 In compliance with the requirements of the Kiribati Housing Corporation Act 1979, the Board of Directors of the Kiribati Housing Corporation (KHC) have great pleasure in submitting KHC's Financial Statements for the Year ended 31 December 2018. These are now attached and comprise the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows and Statement of Changes in Equity.

1.2 KHC's principal function is to provide housing for Government Civil servants including related support services and provide housing loans with other related loan for housing facilities such as toilets and rain water catchment.

### 2. HOUSING DEVELOPMENTS

2.1 Recognising that the bulk of its housing stocks were inherited from colonial times with limited remaining life spans, KHC Board has consequently adopted a deliberate policy to initiate the New Build Program for construction of new houses, to fully renovate the old housing stock for conversion into the Economic Houses and to attend to routine Maintenance work in a timely manner.

2.2 Thus the New Build Program was started in 2018 with the construction of 3 D-Duplex houses in Bikenibeu to showcase their suitability and durability. The 3 duplex houses had been completed and occupied by Tenants.

2.3 The New Build Program will adopt the MFE Construction technology that will make the construction processes quicker and easy to build in a short period of time. This will fast-track the construction of new houses with a more durable concrete houses and with less maintenance costs in the long run.

2.4 The New Housing Loan product known as Turnkey Home Loan, was introduced and incorporated in the Lending Credit Policy in 2017. KHC will provide new housing loans, acquire building materials and build the new home of the loan client. So far, four houses have been built and the demand for Turnkey Home Loan is increasing.

### 3. FINANCIAL RESULT

3.1 The Notes to the Financial Statements include a statement of the major Accounting policies and changes in Accounting Policies used in the preparation of the accounts.

3.2 The Financial Statements shows that the Net Operating Loss of \$434,738, including depreciation expenses and after adding up the abnormal items. The loss was realised due to the non-receipt of the CSO which was supposed to be paid in 2018. This was a direct result of the increasing in personnel emoluments and lower income due to fixed house rent to the 1994 rates.

3.3 KHC Board notes with concern two main issues, firstly to do with quality of maintenance works that needs to be further improved and secondly control over the costs incurred so there was a decision made by the Board in its meeting no. SBM10/18 to be involved in the signing of PVs and Cheques in order to know the trend and pattern of the costs incurred by KHC. This was made effective during the second quarter of 2018.

### 4. CONCLUSION

4.1 The Board of Directors are of the opinion that the attached Financial Reports show a True and Fair view of the State of Affairs of the Corporation including its Financial Position, Financial Performance, and its Cash Flows for the year 2018.

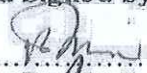

4.2 The Board is also not aware of any likely Contingent Liability or any major extraordinary event which may materially affect the integrity of the information provided in the Financial Statements.

On behalf of the Board,



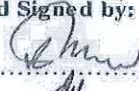

**RITITE TEKIAU**  
**CHAIRLADY**

**KIRIBATI HOUSING CORPORATION**  
**REVISED STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 31ST DECEMBER 2018**

	<u>Notes</u>	<u>Revised 2018</u>	<u>Revised 2017</u>
<b>INCOME</b>			
Rental Income	19	1,834,684	1,793,683
Less Cost of Sales	32	290,772	361,951
<b>GROSS PROFIT</b>		<b>1,543,912</b>	<b>1,431,733</b>
<b>OTHER INCOME</b>			
Interest on House Loan	13	98,401	63,855
Interest on SAPHE Loan	14	1,809	9,894
Interest on Special Loan	13b	16,650	8,479
Adm Fees, Late Fees and others	13&14	87,380	67,964
Interest on Short-term deposits		10,531	2,111
Community Services Obligation (CSO)			1,168,524
Other Income	20	34,859	91,769
<b>Total Income</b>		<b>249,630</b>	<b>1,412,595</b>
<b>EXPENSES</b>			
Personal Emoluments	22	890,605	705,527
Operating Expenses	23	230,970	218,770
Office Support Expenses	24	98,451	93,904
Repair & Maintenance Expenses	26	10,687	14,529
Development Cost of production	31	10,624	25,506
Dept Property, Plant & Equipment	4	723,865	702,026
Dept-Capitalized repairs & maintenance	4	435,464	405,891
Bad and Doubtful Debts			
Miscellaneous Expenses	25	16,056	13,512
Sundry Expenses	35	1,371	
<b>Total Expenses</b>		<b>2,418,092</b>	<b>2,179,665</b>
<b>Net Operating Profit/Loss</b>		<b>-624,551</b>	<b>664,662</b>
<b>Add/Less: Abnormal Items</b>			
Prior Period Items		-217,368	-113,460
Release of Amortisation		407,181	403,330
<b>Net Profit/(Loss) for the year</b>		<b>-434,738</b>	<b>954,532</b>
<b>Approved and Signed by:</b> Chairlady:  Date <u>22/06/20</u> Director:  Date <u>27/06/20</u>			



**KIRIBATI HOUSING CORPORATION**  
**REVISED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31ST DECEMBER 2018**

	NOTES	Revised 2018	Revised 2017
<b>CURRENT ASSETS</b>			
Cash at Bank	5	486,801	1,577,432
Cash on hand	6	150	150
Petty cash reimbursement	7	300	300
Short Term Deposit (IBD)	8	821,856	561,425
Base Stock	9	303,530	166,323
Work in Progress	33	11,911	1,504
Trade Receivables	10	236,761	309,992
Sundry Debtors & Prepayment	30	134,801	113,164
<b>Total Current Assets</b>		<b>1,996,111</b>	<b>2,730,291</b>
<b>CURRENT LIABILITIES</b>			
Auditors' Remuneration	11	5,000	2,500
Security Deposits	12(i)	9,161	8,709
Accrued Expenses	28	14,552	11,723
Interest Payable	15	4,000	4,000
Payroll Liabilities	21	5,553	6,972
Sundry Creditors	14, 27, 29	98,714	48,725
<b>Total Current Liabilities</b>		<b>136,980</b>	<b>82,630</b>
<b>WORKING CAPITAL</b>		<b>1,859,131</b>	<b>2,647,661</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	4	6,012,047	6,312,640
Housing Loan	13	1,116,557	878,515
SAPHE Loan			40,866
Capitalized Repair/Maintenance	4	2,025,720	1,847,576
<b>Total</b>		<b>9,154,324</b>	<b>9,079,598</b>
<b>LONG TERM LIABILITIES</b>			
Loan from GOK-SAPHE	16	600,000	600,000
Security Deposits	12(ii)	174,050	165,476
<b>Total</b>		<b>774,050</b>	<b>765,476</b>
<b>NET WORTH</b>		<b>10,239,405</b>	<b>10,961,783</b>
<b>REPRESENTED BY</b>			
Accumulated Fund	17	2,073,207	2,507,945
Capital Reserve	18	8,037,834	8,375,216
Housing Assistance Reserve		128,364	78,623
<b>TOTAL SHAREHOLDERS FUND</b>		<b>10,239,405</b>	<b>10,961,783</b>
<b>Approved and Signed by:</b>			
Chairlady: 		Date: 22/06/20	
Director: 		Date: 22/06/20	



**Kiribati Housing Corporation**  
**Revised Statement of Cash flow**  
**As at 31st December 2018**

		Dec-18	Dec-17
	Notes		
<b>Operating Activities</b>			
Cash receipt from Customers		2,315,190	3,634,548
Cash paid to suppliers and employees		2,039,449	1,755,268
<b>Net Operating Cash Flow</b>		<b>275,741</b>	<b>1,879,280</b>
<b>Investing Activities</b>			
Net House loan	13	- 238,042 -	417,607
Net House fees collect	12	8,573	5,927
Net SAPHE loan	14	40,866	68,079
Purchase of Property, Plant and Equip		- 423,272 -	138,646
Capitalized Repair and Maintenance		- 613,608 -	537,186
<b>Net Investing Cash flow</b>		<b>- 1,225,482 -</b>	<b>1,019,433</b>
<b>Financing Activities</b>			
History Flight fund		69,799	628,935
Housing Assistance Reserve		49,741	
<b>Net Financing Cash flow</b>		<b>119,540</b>	<b>628,935</b>
<b>Net Increase (decrease) in cash held</b>		<b>- 830,200</b>	<b>1,488,782</b>
Add: Opening Cash and Cash Equivalent		2,139,307	650,525
<b>Cash at end</b>	<b>5,6,7,8</b>	<b>1,309,107</b>	<b>2,139,307</b>
<b>Reconciliation to Cash Flow</b>			
<b>Operating Profit/Loss</b>		<b>- 434,738</b>	<b>954,531</b>
Depreciation PPE		723,865	702,026
Depreciation Capitalised Repair & Maintenance		435,464	405,892
Release of Amortisation - PPE		- 407,181 -	403,330
Increase/Decrease Sundry Debtors & Prep		- 21,637 -	31,135
Increase/Decrease Base Stock		- 137,207	84,239
Increase/Decrease Trade Receivable		73,231	171,646
Increase/Decrease WIP		- 10,407 -	1,504
Increase/Decrease Current Liabilities		54,350	1,760
Adjustment to PPE		-	4,844
<b>Cashflow from Operating Activities</b>		<b>275,741</b>	<b>1,879,280</b>
<b>Approved and Signed by :</b>			
Chairlady:.....		Date.....	22/06/20
Director:.....		Date.....	22/06/20

**KIRIBATI HOUSING CORPORATION**  
**REVISED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED DECEMBER 2018**

	Revised 2018	Revised 2017
<b>Retained Earnings</b>		
Opening Balance	2,507,945	1,553,414
Less Net Loss	-434,738	954,531
Closing Balance	2,073,207	2,507,945
<b>Capital Reserve</b>		
Capital Reserve	2,807,004	2,807,004
<b>Housing Assistance Reserve</b>		
Opening Balance	78,623	65,251
Add: Prepayment non economy rent subs	49741	13,372
Closing Housing Assistance Reserve	128,364	78,623
<b>Asset Aid Reserve</b>		
Opening Balance		4,923,799
Less: Amortisation for the year		407,181
		5,355,978
Add: Addition	53740.81	4,952,649
Less: Bank charge		50
Closing Balance	4,570,360	4,952,599
PROJECT FUND	660470.69	615562.71
CLOSING BALANCE	5,230,830	4,952,649
<b>TOTAL RESERVE</b>	10,239,405	10,961,783

Approved and Signed by:

Chairlady: 

Date: 22/10/18

Director: 

Date: 22/10/18



## KIRIBATI HOUSING CORPORATION

NOTE TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 DECEMBER 2018.

### 1. The Corporation

The Kiribati Housing Corporation was established by the Housing Corporation Ordinance 1978 for the purpose of providing housing and services incidental thereto.

Its main activities are the repair and maintenance of all Government owned housing and the provision of loans for the construction of private dwellings.

### 2. Statement of Significant Accounting Policies

The significant policies which have been adopted in the preparation of these financial statements are:

- a) **Basis of preparation:** The accounts of the Corporation have been drawn up in accordance with generally accepted accounting standard and disclosure requirements. They have been prepared on the basis of historical cost and do not take into account changing money values, or except where stated, current valuations of Long Term Assets. The accounting policies have been consistently applied.
- b) **Depreciation:** Fixed Assets are depreciated over their estimated useful life using straight-line depreciation method. The rates applied are consistent with those of previous years:

Housing Buildings	5% to 7% pa
Office Buildings	3% pa
Housing Furniture	10% pa
Housing Equipment	33.3% pa
Office Equipment, Tools & Machinery	20% pa
Motor Cycle & Vehicles	25% pa
Capitalized Repair & Maintenance	5% pa
- c) **Interest Income:** The amount of interest earned during the year
- d) **Rent Income:** The amount of rent charged during the year
- e) **Provisioning for Doubtful Receivables:** The Corporation maintains and reviews its Provision for Doubtful debts in 2 ways depending on the details available on each account or portfolio:
  - i. Specific Provision based on a review of all account in the Portfolio or
  - ii. General provision of 5% of net carrying balances using Balance Sheet approach,

### 3. Changes in Accounting Policies

The Corporation adopted two new accounting policies that:

- a) Set realizable values of rent receivables; and
- b) Capitalized part of expenses for repairs and maintenance on the housing stock instead of treating them as expenses. This practice will only be applied to the 2010 and 2013 financial reports and thereafter KHC will identify capital and

operation expenditures as and when repair and maintenance works are carried out.



Kiribati Housing Corporation

Notes to the Financial Statements  
for the year ended 31 December 2018

Notes 4: NON-CURRENT ASSETS

	Old Housing Buildings	New Housing Buildings	Office Building	Housing Furniture	Housing Equipment	Motor Vehicles	Office Equipment	Office Furniture	Water Tank Replacement	Warehouse Building	Container Storage	Tools & Machinery	Seawall	TOTAL
<b>COST</b>														
Balance at 1 January 2018	7,573,383	8,659,113	264,405	467,739	461,811	624,483	690,342	31,584	144,444	107,986	7,800	230,986	223,722	19,487,797
Additions 2018		291,317	3,160			49,865	11,165		61,680			2,885	3,200	423,272
Adjustment 2018														0
Disposal 2018														0
Balance at 31 December 2018	7,573,383	8,950,430	267,565	467,739	461,811	674,348	701,507	31,584	206,124	107,986	7,800	233,871	226,922	19,911,069
<b>ACCUMULATED DEPRECIATION</b>														
Balance at 1 January 2018	7,573,382	2,767,928	142,221	467,739	461,811	554,043	575,504	30,089	90,960	107,986	7,800	178,566	217,129	13,175,157
Depreciation per year 2018		609,457	7,989			38,463	34,220	243	18,603			12,093	2,797	723,865
Adjustment 2018														0
Disposal 2018														0
Balance at 31 December 2018	7,573,382	3,377,385	150,210	467,739	461,811	592,506	609,724	30,332	109,563	107,986	7,800	190,659	219,926	13,899,022
Depreciation Rate	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>NET BOOK VALUE</b>														
Balance at 31/12/2018	1	5,573,045	117,355	0	0	81,842	91,783	1,252	96,561	0	0	45,212	6,996	6,012,047
Balance at 31/12/2017	1	5,891,185	122,184	0	0	70,441	114,838	1,495	53,484	0	0	52,420	6,593	6,312,640
<b>DEPRECIATION LAST YR (2017)</b>														
Previous set Change	7,573,382	2,183,059	135,223	467,739	461,811	528,159	528,816	29,845	82,167	107,986	7,800	172,989	212,159	12,491,135

Notes to the Financial Statements  
for the year ended 31 December 2018

Capitalised 2010 Uncatergorised Contingent

8



NOTES TO ACCOUNTS		
	Revised 31.12.18	Revised 31.12.17
<b>5. Bank</b>		
Maintenance Account	\$171,727	\$1,302,506
HLAC (275759)	\$269,089	\$199,208
SAPHE Account(193002)	\$16,968	\$46,570
Cash at bank - Project	\$29,017	\$29,147
	<b>\$486,801</b>	<b>\$1,577,432</b>
<b>6. Bus fare</b>	\$150	\$150
<b>7. Petty Cash Re-imburement</b>	\$300	\$300
<b>8. Interest Bearing Account (IBD)</b>		
Maintenance IBD A/c No 893300	\$821,856	\$561,425
	<b>\$821,856</b>	<b>\$561,425</b>
<b>TOTAL CASH &amp; CASH EQUIVALENT</b>	<b>\$1,309,107</b>	<b>\$2,139,307</b>
<b>9. Inventory</b>		
Central Stores Opening Balance	\$144,304	\$250,562
Add Purchase during the year	\$816,492	\$442,249
Less Issue Stocks during the year	\$663,745	\$548,507
Add/Less: Adjustment	\$19,119	
<b>Closing Balance</b>	<b>\$277,932</b>	<b>\$144,304</b>
Add: Turn Key Base Stock	\$25,598	\$22,019
	<b>\$303,530</b>	<b>\$166,323</b>
<b>10. Trade Receivables</b>		
<i>Ministry rent receivable (Non Economic)</i>		
Opening balance	\$133,053	\$186,486
Add : Ministry rent billing	\$431,584	\$404,303
Less: Ministry rent revenue	-\$399,359	-\$412,742
Refund (House rent & Security Deposit and Transfer)		
Adjustmet	-\$50,510	-\$50,168
<b>Closing balance</b>	<b>\$114,768</b>	<b>\$127,878</b>
Provision for doubtful debt		
Provisions for previous years	\$71,710	\$40,826
<b>Net Ministry Rent receivable balance</b>	<b>\$43,059</b>	<b>\$87,052</b>

	31.12.18	31.12.17
<b><i>Economic rent receivable</i></b>		
Opening balance		
Add : Economic rent billing	\$107,019	\$251,327
Less: Economic rent revenue	\$1,395,275	\$1,267,389
Refund (House rent & Security Deposit and Transfer)	-\$1,293,301	-\$1,308,600
Adjustment		
Closing balance	-\$68,287	-\$38,241
Provision for doubtful debt	\$140,706	\$121,874
Provisions for previous years		\$10,172
<b>Net Economic rent receivable balance</b>	<b>\$140,706</b>	<b>\$111,702</b>
<b><i>Corporation rent receivable</i></b>		
Opening balance		
Add : Corporation rent billing	\$185,076	\$219,602
Less: Corporation rent received	\$149,587	\$121,992
Refund (House rent & Security Deposit and Transfer)	-\$182,304	-\$121,002
Adjustment		-\$7
Closing balance	-\$1,326	-\$44,996
Provision for doubtful debt	\$151,032	\$175,590
Provisions for previous years	\$98,035	\$64,351
<b>Net Corporation rent receivable balance</b>	<b>\$52,997</b>	<b>\$111,239</b>
<b>TOTAL RENT RECEIVABLE</b>	<b>\$236,761</b>	<b>\$309,992</b>
<b>11. Auditors Remuneration</b>		
Accrued Auditing Services	\$5,000	\$2,500
<b>12. Security Deposit</b>		
Opening Balance		
Add: Collection	\$174,185	\$167,946
Less: Payments	\$11,300	\$9,000
Balance	\$2,275	-\$2,761
(i) Current Liability (5%)	\$183,210	\$174,185
(ii) Long term Liability (95%)	\$9,161	\$8,709
	\$174,050	\$165,476



	31.12.18	31.12.17
<b>13. Housing Loans</b>		
Opening Balance	\$1,221,971	\$929,898
Disbursement	\$1,154,329	\$835,230
Add/Less Adjustment	\$44,043	\$5,874
Add: Refund	\$40,522	\$16,642
Less: Collection	-\$1,084,243	-\$657,801
Add: Interest	\$98,401	\$63,855
Add: Admin & other loan charges	\$38,224	\$28,272
Closing Balance	\$1,513,247	\$1,221,971
Provision for doubtful debts		
Previous Years Provision	\$465,940	\$468,962
<b>Total House Loan Receivable</b>	<b>\$1,047,307</b>	<b>\$753,009</b>
<b>13.B Special Loan Control</b>		
Opening Balance	\$125,885	\$28,889
Disbursement	\$161,197	\$158,726
Add/Less Adjustment	\$1,177	\$1,377
Add: Refund	\$20,237	\$2,667
Less: Collection	-\$301,239	-\$99,852
Add: Interest	\$16,650	\$8,479
Add: Admin & other loan charges	\$45,723	\$25,600
Closing Balance	\$69,629	\$125,885
Provision for doubtful debts		
Previous Years Provision	\$379	\$379
<b>Total Special Loan</b>	<b>\$69,250</b>	<b>\$125,506</b>
<b>14. SAPHE Loans</b>		
SAPHE Opening Balance	\$173,889	\$248,961
Disbursement	\$10,980	\$98,442
Add/Less: Adjustment	-\$2,564	-\$4,099
Refund	\$5,257	\$8,393
Less: Collection	-\$66,107	-\$199,138
Add: Interest	\$1,809	\$9,894
Add: Admin & other loan charges	\$3,434	\$11,436
Closing Balance	\$126,698	\$173,889
Less Provision for doubtful debts		
Previous Years Provision	\$126,958	\$133,023
<b>Total SAPHE Loan Receivable</b>	<b>-\$260</b>	<b>\$40,866</b>
<b>15. Interest Payable (LT Loan from GOK)</b>	<b>\$4,000</b>	<b>\$4,000</b>
<b>16. Long Term Loan from GOK - SAPHE</b>		
At 31st December	\$600,000	\$600,000
<b>17. Accumulated Fund</b>		
At 31st December 2017	\$2,507,945	\$1,553,414
Profit (Loss) Retained for the year	-\$434,738	\$954,531
<b>As at 31st Dec 18</b>	<b>\$2,073,207</b>	<b>\$2,507,945</b>

	31.12.18	31.12.17
<b>18. Capital Reserve</b>		
At 1st January	\$2,807,004	\$2,807,004
Asset - Aid Reserve	\$4,570,360	\$4,923,799
Project Fund (GOK)	\$660,471	\$644,412
	<b>\$8,037,834</b>	<b>\$8,375,216</b>
<b>19. Rent Income (Billing)</b>		
Economic Subsidy Old	\$710,998	\$650,919
Economic Subsidy New	\$484,596	\$470,694
Non Economic Subsidy	\$260,879	\$268,809
Local Rent Old	\$287,656	\$306,101
Local Rent New	\$63,554	\$68,971
Water Tank	\$27,000	\$28,190
	<b>\$1,834,684</b>	<b>\$1,793,683</b>
<b>20. Other Income</b>		
Pledge Fees	\$3,967	\$3,730
Reconciliation Fees		\$10
Statement Fees	\$1,060	\$585
Late Fees - HLAC & SAPHE		
Establishment Fees	\$10,750	\$4,962
Stamp Fees	\$10	\$46
Court Fees		
Late Fees - Housing	\$145	\$0
Second Hand Sales		\$784
Furniture Making Income	\$5,950	\$62,232
Other Income	\$12,977	\$19,421
	<b>\$34,859</b>	<b>\$91,769</b>
<b>21. Payroll Liabilities &amp; Others</b>		
PAYE Tax Clearance	-\$1,389	-\$1,389
KPF Clearing	\$50	\$115
Tax Arrears	\$4,116	\$4,726
ANZ Bank Clearing	-\$303	-\$77
SAPHE Loan Clearing	\$28	\$28
House Loan Clearing	-\$120	-\$120
DBK Loan Clearing	\$55	\$55
KPF Loan Clearing	\$0	\$0
Social Club Clearing	\$11	
Contractors Withholding Tax Clearing	\$1,491	\$1,518
Union Subscriptions	\$584	\$584
Board (Director w/tax		\$1,531
Casual Labours (KPF Payable)	\$1,032	
	<b>\$5,553</b>	<b>\$6,972</b>



	31.12.18	31.12.17
<b>22. Personal Emolument</b>		
Wages & Salaries	\$628,679	\$497,872
Temporary Assistance	\$58,730	\$28,850
Allowances	\$19,478	\$12,105
KPF Expenses	\$51,574	\$39,518
Overtime	\$23,068	\$19,502
Leave Grants	\$81,099	\$82,125
L/Passage & Commutation	\$1,648	\$1,548
House Rent Subsidy	\$26,328	\$24,006
	<b>\$890,605</b>	<b>\$705,527</b>
<b>23. Operating Expenses</b>		
Electricity	\$62,022	\$53,459
Telephone & Internet	\$30,050	\$25,035
Audit Fees	\$2,500	\$2,500
Insurance Premium	\$14,880	\$19,228
Service Charge	\$380	\$1,410
Stationery & Postage	\$5,436	\$4,023
Travel	\$31,723	\$42,441
Transport	\$6,601	\$8,622
Advertisement	\$3,853	\$1,664
Promotions	\$2,033	\$4,371
Vehicles Repair	\$25,088	\$17,943
Fuel	\$33,145	\$30,635
Court & Legal Fees	\$2,498	\$5,138
Training	\$10,762	\$2,302
	<b>\$230,970</b>	<b>\$218,770</b>
<b>24. Office Support</b>		
Land Rent	\$2,115	\$2,436
Specialist Books/Forms	\$4,625	\$3,702
Office Incidentals	\$2,911	\$2,208
Bank Charges	\$4,277	\$3,979
Board of Directors Expenses	\$24,852	\$16,275
Entertainment	\$6,614	\$8,745
Subscription & Fees	\$13,873	\$17,340
Security Services Fees	\$37,240	\$37,629
VAT	\$1,944	\$1,592
	<b>\$98,451</b>	<b>\$93,904</b>
<b>25. Miscellaneous</b>		
Retirement Benefit		\$0
Coffin Benefit	\$93	\$0
Housing Allowance	\$13,774	\$12,987
Other Miscellaneous Exp	\$2,189	\$525
	<b>\$16,056</b>	<b>\$13,512</b>

	31.12.18	31.12.17
<b>26. Repair &amp; Maintenance</b>		
Machin. & Equip. Repair	\$428	\$710
Office Building Repair	\$4,728	\$4,027
Office Equipment Repair	\$4,931	\$9,792
Tools Allowance	\$600	
	<b>\$10,687</b>	<b>\$14,529</b>
<b>27 Sundry Creditors</b>		
Customers Deposit	\$8,973	\$7,618
Suspense Account	\$7,955	\$8,320
Others	\$66,739	\$18,000
	<b>\$83,667</b>	<b>\$33,938</b>
<b>28 Accrued Expenses - Commitments</b>	<b>\$14,552</b>	<b>\$11,723</b>
<b>29 Internal Amount Dues</b>		
Dues to HLAC from Maintenance	\$75,072	\$75,072
Dues to Maintenance from HLAC	-\$38,570	-\$38,570
Cash Inter Ledger Clearing	\$4,225	\$4,225
Dues to Maintenance From SAPHE	-\$32,403	-\$32,403
Dues to HLAC from SAPHE	\$8,680	\$8,680
Dues to SAPHE from HLAC	-\$2,216	-\$2,216
	<b>\$14,787</b>	<b>\$14,787</b>
<b>30 Sundry Debtors &amp; Prepayment</b>		
Imprest	\$0	\$1,100
Others	\$4,484	\$37,459
Deposit Paid & Prepayment	\$127,460	\$68,711
Bank errors	\$2,856	\$5,895
	<b>\$134,801</b>	<b>\$113,164</b>
<b>31. Cost of Sales (Furniture making)</b>	<b>\$10,624</b>	<b>\$25,506</b>
<b>32. Cost of Sales (Routine Maintenance)</b>		
Routine Maintenance Labour Costs Betio	\$78,724	\$69,727
Routine Maintenance Material Costs Betio	\$44,433	\$48,618
Routine Maintenance Labour Costs Bairiki	\$32,341	\$35,975
Routine Maintenance Material Costs Bairiki	\$25,522	\$27,283
Routine Maintenance Labour Costs Bik	\$39,695	\$32,006
Routine Maintenance Material Costs Bik	\$22,498	\$24,580
Routine Maintenance Plan - Labour Costs	\$17,149	\$30,627
Routine Maintenance Plan - Material Costs	\$30,410	\$93,134
	<b>\$290,772</b>	<b>\$361,951</b>
<b>33. Work In Progress (PPE &amp; Existing Housing)</b>		
Turnkey Product	\$11,911	\$1,432
New Build	\$0	\$52
	<b>\$11,911</b>	<b>\$1,504</b>