

REPORT OF THE AUDITOR GENERAL ON THE ACCOUNT OF



Communications Commission of Kiribati
For the year ended 31st December 2018

Kiribati Audit Office
August 2020

KIRIBATI AUDIT OFFICE



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Audit for an impact for the public

INDEPENDENT AUDITOR'S REPORT

**To The Readers Of
Communications Commission of Kiribati Financial Statements
For the year ended 31st December 2018**

I have audited the Financial Statements of Communications Commission of Kiribati (CCK) for the year ended 31st December, 2018 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

Commissioner's 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 Commission'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 Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission'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 Commission'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 Commission'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 Commission 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.

Qualified Opinion

In my opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission 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 (IFRSs).

Basis for Qualified Opinion:

- CCK revenue system failed to identify due license revenues and as a result invoices were not issued when they were due. During our audit we found one of the Licensees not being charged for three consecutive years (2016, 2017, and 2018) and this had accumulated the license revenue due total of \$37k being unaccounted for during the year 2018. Failure to account for this revenue had also implications on Account Receivable balance as same amount had not been reflected in 2018.

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 **Commission** in accordance with the Ethical requirements that are relevant to my audit of the financial statements of the Commission 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 qualified opinion.

Emphasis of the matter:

We would like to draw the attention to the matter discussed below:

- *CCK revenue system failed to have a monitoring mechanism in place to detect due license fees, as a result some License fees remained not charged therefore not even accounted for.*
- *CCK made a deal with a Tarawa Motors to order Hilux Double Cab as approved by the Commissioners however upon arrival of the unit CCK realised that the vehicle ordered was different. CCK returned the vehicle and demanded full refund of payment of \$65,900 from supplier but until now the case is still pending. We raised this as a concern as we realised few gaps in the process which need be improved. Refer our comments below:*
 - *CCK has no procurement policy in place.*

- CCK failed to make a proper purchasing contract agreement with Tarawa Motors to hold them accountable for replacement or refunds in the case when they failed to comply with specific requirements of the order.
- Improper payment term caused CCK to make full payment before arrival of unit. The last payment of \$31,900 could have been saved when CCK agreed to pay after being satisfied that the order was correct and the vehicle exactly meets the required specifications.

Report on other Legal and Regulatory Requirements

CCK lodged its Financial Statement on 29th Mar 2019 therefore indicating CCK's compliance to Communications Act, 2013 section 18.4.b.

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 CCK.



Mr. Eriati Tauma Manaima
Auditor General

Date:22/7/2020

COMMUNICATIONS COMMISSION OF KIRIBATI

ACCOUNT

For Year Ended 31 December 2018


Communications Commission of Kiribati
Profit & Loss Statement
For the Year Ended 31 December 2018

NOTES

Income		
Total Income	3	899,100.27
Expenses		
Total Expenses	4	741,738.63
Operating Profit		157,361.64
Other Expenses		
Total Other Expenses	5	42,567.26
Net Profit		<u>114,794.38</u>

SIGNED


Mr Tiare Erekana
Chief Executive Officer


Mr Wayne Reiher
Vice Chairman

Communication Commission of Kiribati

Profit & Loss [Budget Analysis]

January 2018 through December 2018

	Actual	Budgeted	\$ Difference	% Difference
INCOME				
ADMIN & FINANCE SERVICES				
IBD Interest	\$7,676.92	\$2,916.00	\$4,760.92	163.30%
Domain Name	\$365,110.78	\$339,590.66	\$25,520.12	7.50%
Sundries	(\$1,835.57)	\$0.00	(\$1,835.57)	NA
ENGINEERING				
Licence fees	\$0.00	\$0.00	\$0.00	NA
Apparatus Licence fee				
Aeronautical	\$2,100.00	\$3,400.00	(\$1,300.00)	-38.20%
Amateur	\$700.00	\$600.00	\$100.00	16.70%
Broadcast Radio	\$0.00	\$11,500.00	(\$11,500.00)	-100.00%
Broadcast TV	\$0.00	\$0.00	\$0.00	NA
Fixed Services	\$41,900.00	\$47,400.00	(\$5,500.00)	-11.60%
Land/Marine Mobile	\$300.00	\$0.00	\$300.00	NA
Satellite	\$79,165.00	\$65,365.00	\$13,800.00	21.10%
Shipstation	\$16,450.00	\$34,050.00	(\$17,600.00)	-51.70%
Application Fee	\$600.00	\$0.00	\$600.00	NA
Radio Spectrum Licence				
Cellular Mobile	\$120,750.00	\$122,125.00	(\$1,375.00)	-1.10%
Broadband Wireless Access Serv	\$0.00	\$0.00	\$0.00	NA
Fixed Link Services	\$28,580.00	\$1,000.00	\$27,580.00	2758.00%
Citizen Band	\$0.00	\$0.00	\$0.00	NA
Fixed Services	\$8,200.00	\$2,200.00	\$6,000.00	272.70%
Other Radio Related Fees				
Type Approval	\$1,730.00	\$0.00	\$1,730.00	NA
Inspection fee - Not Class B	\$600.00	\$0.00	\$600.00	NA
Inspection fee - Class B	\$100.00	\$0.00	\$100.00	NA
Certificate of Proficiency	\$0.00	\$0.00	\$0.00	NA
Communication - Individual Lic				
Mobile Cellular Commu Services	\$0.00	\$0.00	\$0.00	NA
Outer Island - Commun Services	\$0.00	\$0.00	\$0.00	NA
Fixed Line & Network Communica	\$0.00	\$38,449.18	(\$38,449.18)	-100.00%
All other Communication Service	\$202,500.00	\$184,500.00	\$18,000.00	9.80%
Application Fees				
Individual Licence	\$6,699.18	\$0.00	\$6,699.18	NA
Class Licence	\$50.00	\$0.00	\$50.00	NA
REGULATORY				
Numbers	\$17,723.96	\$9,877.53	\$7,846.43	79.40%
Access Code,3,4 or 5 digits	\$0.00	\$17,630.00	(\$17,630.00)	-100.00%
Total Income	\$899,100.27	\$881,503.37	\$17,596.90	2.00%
EXPENSES				
ADMIN & FINANCE SERVICES				
Personal Emoluments				
Salaries	\$111,541.11	\$123,555.82	\$12,014.71	9.70%
Extra Duty Allowances	\$8,563.89	\$9,117.47	\$553.58	6.10%
Overtime	\$26,199.91	\$39,453.00	\$13,253.09	33.60%
Board of Directors Expenses				
Sitting Allowances	\$13,518.75	\$9,200.00	(\$4,318.75)	-46.90%
Snacks & Coffees	\$1,997.45	\$2,000.00	\$2.55	0.10%
General Expenses				
Entertainment	\$4,154.00	\$4,600.00	\$446.00	9.70%
Computer Maintenance	\$0.00	\$1,000.00	\$1,000.00	100.00%
Maintenance & Repair	\$5,822.25	\$23,540.00	\$17,717.75	75.30%
Promotions	\$1,428.60	\$7,240.00	\$5,811.40	80.30%
Advertising	\$1,902.20	\$2,400.00	\$497.80	20.70%
Subscription & Publications	\$0.00	\$600.00	\$600.00	100.00%
Office Supplies & Stationeries	\$7,872.48	\$8,108.90	\$236.42	2.90%
Training	\$19,932.90	\$20,000.00	\$67.10	0.30%
House Rent Subsidy	\$9,951.87	\$10,196.00	\$244.13	2.40%

KPF Contribution	\$8,325.99	\$9,266.69	\$940.70	10.20%
Service Purchase	\$22,638.70	\$23,000.00	\$361.30	1.60%
Donation	\$559.28	\$1,000.00	\$440.72	44.10%
Financial Expenses				
Audit fee	\$2,500.00	\$2,500.00	\$0.00	0.00%
Bank Charges	\$1,542.80	\$2,263.20	\$720.40	31.80%
VAT	\$0.00	\$0.00	\$0.00	NA
Travelling & Transport Costs				
Local Travel	\$19,635.50	\$26,250.00	\$6,614.50	25.20%
Motor Vehicle fuel	\$10,598.21	\$11,880.00	\$1,281.79	10.80%
MV Registration & Toll Fare	\$0.00	\$722.34	\$722.34	100.00%
MV Workshop Cost	\$3,639.55	\$8,904.00	\$5,264.45	59.10%
Overseas Travel	\$62,938.37	\$64,299.27	\$1,360.90	2.10%
Insurance & Utilities Costs				
Insurance	\$4,213.84	\$7,957.67	\$3,743.83	47.00%
Power & Electricity	\$15,913.80	\$16,220.00	\$306.20	1.90%
Telephone Expenses				
Internet Usage	\$12,569.84	\$13,563.00	\$993.16	7.30%
Telephone & Fax charges	\$8,828.89	\$9,336.00	\$507.11	5.40%
Other Expenses				
Depreciation expenses	\$36,150.63	\$36,500.00	\$349.37	1.00%
Doubtful Debt Expenses	\$0.00	\$0.00	\$0.00	NA
Engineering				
Personal Emoluments				
Salaries	\$78,487.50	\$113,140.65	\$34,653.15	30.60%
Extra Duty Allowances	\$0.00	\$0.00	\$0.00	NA
Overtime	\$0.00	\$0.00	\$0.00	NA
Board of Directors Expenses				
Sitting Allowances	\$0.00	\$0.00	\$0.00	NA
Snacks & Coffees	\$0.00	\$0.00	\$0.00	NA
General Expenses				
Promotions	\$0.00	\$0.00	\$0.00	NA
Advertisement	\$0.00	\$0.00	\$0.00	NA
Membership fees - Int'l Orgs	\$102,072.46	\$92,000.00	(\$10,072.46)	-10.90%
Subscription & Publications	\$0.00	\$0.00	\$0.00	NA
Office Supplies & Stationeries	\$0.00	\$0.00	\$0.00	NA
Training	\$0.00	\$0.00	\$0.00	NA
House Rent Subsidy	\$345.00	\$1,176.00	\$831.00	70.70%
KPF Contributions	\$5,886.51	\$7,046.81	\$1,160.30	16.50%
Travelling & Transport Costs				
Local Travel	\$19,007.34	\$20,972.00	\$1,964.66	9.40%
Overseas Travel	\$29,421.98	\$29,560.80	\$138.82	0.50%
REGULATORY				
Personal Emoluments				
Salaries	\$41,913.30	\$41,913.30	\$0.00	0.00%
General Expenses				
House Rent Subsidy	\$2,509.00	\$684.00	(\$1,825.00)	-266.80%
KPF Contribution	\$3,143.40	\$3,143.50	\$0.10	0.00%
Travelling & Transport Costs				
Local Travel	\$18,587.10	\$29,590.00	\$11,002.90	37.20%
Overseas Travel	\$17,424.23	\$20,000.00	\$2,575.77	12.90%
Total Expenses	\$741,738.63	\$853,900.42	\$112,161.79	13.10%
Operating Profit	\$157,361.64	\$27,602.95	\$129,758.69	470.10%
Other Income				
Other Expenses				
Universal Access Fund				
UAF - Kuria & Aranuka Project	\$19,402.38	\$27,602.95	\$8,200.57	29.70%
UAF - Beru Project	\$11,354.25	\$0.00	\$11,354.25	NA
UAF - TabSouth Project	\$11,810.63	\$0.00	\$11,810.63	NA
Total Other Expenses	\$42,567.26	\$27,602.95	\$14,964.31	54.20%
Net Profit / (Loss)	\$114,794.38	\$0.00	\$114,794.38	NA

NOTES TO FORM PART OF THE FINANCIAL STATEMENT

NOTES

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INCOME

ADMIN & FINANCE SERVICES

IBD Interest	\$7,676.92
Domain Name	\$365,110.78
Sundries	(\$1,835.57)

ENGINEERING

Apparatus Licence fee

Aeronautical	\$2,100.00
Amateur	\$700.00
Fixed Services	\$41,900.00
Land/Marine Mobile	\$300.00
Satellite	\$79,165.00
Shipstation	\$16,450.00
Application Fee	\$600.00

Radio Spectrum Licence

Cellular Mobile	\$120,750.00
Fixed Link Services	\$28,580.00
Fixed Services	\$8,200.00

Other Radio Related Fees

Type Approval	\$1,730.00
Inspection fee - Not Class B	\$600.00
Inspection fee - Class B	\$100.00

Communication - Individual Lic

All other Communication Service	\$202,500.00
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Application Fees

Individual Licence	\$6,699.18
Class Licence	\$50.00

REGULATORY

Numbers	\$17,723.96
Total Income	\$899,100.27

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EXPENSES

ADMIN & FINANCE SERVICES

Personal Emoluments

Salaries	\$231,941.91
Extra Duty Allowances	\$8,563.89
Overtime	\$26,199.91

Board of Directors Expenses

Sitting Allowances	\$13,518.75
Snacks & Coffees	\$1,997.45

General Expenses

Entertainment	\$4,154.00
Computer Maintenance	\$0.00
Maintenance & Repair	\$5,822.25
Promotions	\$1,428.60
Advertising	\$1,902.20
Office Supplies & Stationeries	\$7,872.48
Training	\$19,932.90
House Rent Subsidy	\$12,805.87
KPF Contribution	\$17,355.90
Service Purchase	\$22,638.70
Donation	\$559.28
Membership fees - Int'l Orgs	\$102,072.46

Financial Expenses

Audit fee	\$2,500.00
Bank Charges	\$1,542.80

Travelling & Transport Costs

Local Travel	\$57,229.94
Motor Vehicle fuel	\$10,598.21
MV Workshop Cost	\$3,639.55
Overseas Travel	\$109,784.58

Insurance & Utilities Costs

Insurance	\$4,213.84
Power & Electricity	\$15,913.80

Telephone Expenses

Internet Usage	\$12,569.84
Telephone & Fax charges	\$8,828.89

Other Expenses

Depreciation expenses	\$36,150.63
Total Expenses	\$741,738.63

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Other Expenses

Universal Access Fund

UAF - Kuria & Aranuka Project	\$19,402.38
UAF - Beru Project	\$11,354.25
UAF - TabSouth Project	\$11,810.63
Total Other Expenses	\$42,567.26

Communication Commission of Kiribati

Balance Sheet

As of December 2018

NOTES**Assets****Current Assets**

	Cheque Account - 626414	\$912,247.77
	Cheque Account UAF - 1146450	\$38,315.35
	Petty Cash	\$2,000.00
	IBD 680256	\$528,225.30
	Undeposited Funds	\$0.00
	Account Receivables	\$1,051,802.61
1	Prov'n for Doubtful Debts	(\$48,999.96)
	Advance Account - MR	\$177.14
	Advance Account - CEO	\$823.12
	Imprest Account -MCTTD Officer	\$2,355.00
	Advance Account - STO	\$1,456.29
	Revolving Fund	\$8,400.25
	Advance Account - TO	\$131.50

Non-Current Assets

	Loan - BPA	\$55,005.00
	Property, Plants & Equipment	
	Office Equipment - at Cost	\$53,745.08
	Accum Dep'n - Office Equipment	(\$13,291.63)
	Furniture & Fittings - at cost	\$5,295.85
	Acc Deprn-Furniture & Fittings	(\$1,570.00)
	Motor Vehicles - at cost	\$171,813.00
	Acc Deprn - Motor Vehicles	(\$45,568.00)
	Buildings & Premises - at cost	\$52,882.00
	Acc Dep - Building & Premises	(\$11,712.00)
	Total Assets	\$2,763,533.67

Liabilities

	Dot Ki Trust	\$227,849.48
	Prepaid Revenue	\$250,000.00

Total Liabilities	\$477,849.48
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Net Assets	\$2,285,684.19
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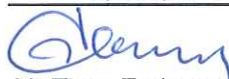
Equity

2	Retained Earnings	\$1,912,025.51
	Current Year Earnings	\$114,794.38
	Equity - Govt Contribution	\$258,864.30
	Total Equity	\$2,285,684.19

Communications Commission of Kiribati
Comparative Balance Sheet
As at 31 December 2018 and 2017

	<u>2018</u>	<u>2017</u>	\$ Difference	% Difference
Assets				
Current Assets				
Cheque Account	912,247.77	\$932,934.79	(20,687.02)	-2%
Cheque Account UAF	38,315.35	\$0.00	38,315.35	
Petty Cash Fund	2,000.00	2,000.00	-	0%
IBD No. 680256	528,225.30	\$520,548.38	7,676.92	1%
Undeposited Funds	-	-	-	#DIV/0!
Accounts Receivable	\$1,051,802.61	\$997,053.43	54,749.18	5%
Provision for Doubtful Debts	(\$48,999.96)	(48,999.96)	-	0%
Imprest Account-MCTTD Officer	\$2,355.00	2,355.00	-	0%
Advance Account - MR	\$177.14	45.07	132.07	N/A
Sundry Receivable	\$8,400.25	228.90	8,171.35	N/A
Revolving Fund	-	8,400.25	(8,400.25)	N/A
Advance Account - TO	131.50	-	131.50	100%
Advance Account - STO	\$1,456.29	-	1,456.29	100%
Advance Account - CEO	\$823.12	-	823.12	100%
Non-Current Assets				
Loan - BPA	\$55,005.00	55,005.00	-	0%
Property, Plant & Equipment				
Office Equipment- at cost	\$53,745.08	50,718.58	3,026.50	6%
Acc. Deprn - Office Equipment	(\$13,291.63)	(7,367.00)	(5,924.63)	45%
Furniture & Fittings - at cost	\$5,295.85	5,295.85	-	0%
Acc. Deprn - Furniture & Fitting	(\$1,570.00)	(785.00)	(785.00)	50%
Motor Vehicles - at cost	\$171,813.00	109,913.00	61,900.00	36%
Acc. Deprn - Motor Vehicles	(45,568.00)	(21,983.00)	(23,585.00)	52%
Buildings & Premises 2 - cost	\$52,882.00	52,882.00	-	0%
Acc Dprn - Building & Prem 2	(\$11,712.00)	(5,856.00)	(5,856.00)	50%
Total Assets	\$2,763,533.67	2,652,389.29	111,144.38	4%
Liabilities				
Dot Ki Trust	\$227,849.48	227,849.48	-	0%
Prepaid Revenue	\$250,000.00	250,000.00	-	0%
Total Liabilities	477,849.48	477,849.48		0%
Net Assets	2,285,684.19	2,174,539.81	111,144.38	5%
Equity				
Retained Earnings	\$1,912,025.51	1,702,211.47	209,814.04	11%
Current Years Earnings	\$114,794.38	213,464.04	(98,669.66)	-86%
Equity - Gov'ts Contribution	\$258,864.30	258,864.30	-	0%
Total Equity	2,285,684.19	2,174,539.81	111,144.38	5%

SIGNED


Mr Tiare Erekena
Chief Executive Officer


Mr Wayne Reiher
Vice Chairman

Notes to Balance Sheet

Notes to form part of the financial statement


NOTE


1	Provision for doubtful debt 2011	18,000.00
	Provision for doubtful debt 2012	12,500.04
	Provision for doubtful debt 2013	12,499.92
	Provision for doubtful debt 2014	6,000.00
		<u>48,999.96</u>
2	Retained Earnings	
	Adjustment on prior years debtors	\$ 3,650.00
		<u>3,650.00</u>

Communications Commission of Kiribati
Comparative Profit & Loss Statement
For the Year Ended 31 December 2018

	2018	2017	\$ Difference	% Difference
Income				
ADMIN & FINANCE SERVICES				
IBD Interest	\$7,676.92	2,915.67	(4,761.25)	-163.30%
Domain Name fees	\$365,110.78	360,994.54	(4,116.24)	-1.14%
Sundries	-\$1,835.57	\$7,471.09	9,306.66	124.57%
ENGINEERING				
License fees	510,424.18	\$527,091.85	16,667.67	3.16%
REGULATORY				
Country code	17,723.96	\$21,530.21	3,806.25	17.68%
Total Income	899,100.27	920,003.36	20,903.09	2.27%
Expenses				
Personal Emoluments				
Salaries	\$231,941.91	192,871.16	(39,070.75)	-20.26%
Extra Duty Allowances	\$8,563.89	5,434.01	(3,129.88)	-57.60%
Overtime	\$26,199.91	31,637.14	5,437.23	17.19%
Board of Directors Expenses				
Sitting Allowances	\$13,518.75	\$10,028.75	(3,490.00)	-34.80%
Snacks & Coffees	\$1,997.45	\$2,603.60	606.15	23.28%
General Expenses				
Entertainment	\$4,154.00	\$8,556.71	4,402.71	51.45%
Computer Maintenance	-	-	-	#DIV/0!
Maintenance & Repair	\$5,822.25	\$8,525.51	2,703.26	31.71%
Promotions	1,428.60	\$0.00	(1,428.60)	#DIV/0!
Membership Fees - Int'l Orgs	\$102,072.46	\$55,235.14	(46,837.32)	-84.80%
Advertisement	\$1,902.20	1,134.60	(767.60)	-67.65%
Subscription & Publications	-	-	-	N/A
Office Supplies & Stationeries	\$7,872.48	\$11,063.18	3,190.70	28.84%
Training	\$19,932.90	\$9,687.31	(10,245.59)	-105.76%
House Rent Subsidy	\$12,805.87	6,883.50	(5,922.37)	-86.04%
KPF Contribution	\$17,355.90	13,591.70	(3,764.20)	-27.69%
Service Purchase	\$22,638.70	\$11,580.00	(11,058.70)	-95.50%
Donation	\$559.28	\$700.00	140.72	20.10%
Financial Expenses				
Audit Fees	\$2,500.00	5,000.00	2,500.00	50.00%
Bank Charges	\$1,542.80	\$2,042.71	499.91	24.47%
Travelling & Transport Costs				
Local Travel	\$57,229.94	32,792.95	(24,436.99)	-74.52%
Motor Vehicle Fuel	\$10,598.21	\$13,139.00	2,540.79	19.34%
M/V Registration & Toll Fare	\$0.00	\$79.80	79.80	100.00%
M/V Workshop Cost	\$3,639.55	\$9,951.30	6,311.75	63.43%
Overseas Travel	\$109,784.58	79,882.15	(29,902.43)	-37.43%
Insurance & Utilities Costs				
Insurance	\$4,213.84	\$9,040.95	4,827.11	53.39%
Power & Electricity	\$15,913.80	\$15,515.51	(398.29)	-2.57%
Telephone Expenses				
Internet Usage	\$12,569.84	\$10,195.14	(2,374.70)	-23.29%
Telephone & Fax charges	\$8,828.89	\$11,022.46	2,193.57	19.90%
Other Expenses				
Depreciation exp.	\$36,150.63	\$35,991.00	(159.63)	-0.44%
Doubtful Debt Expenses	-	-	-	#DIV/0!
Universal Access Fund	\$0.00	112,354.04	112,354.04	100.00%
Total Expenses	741,738.63	706,539.32	(35,199.31)	-4.98%
Operating Profit	157,361.64	213,464.04	56,102.40	26.28%
Other Income				
Other Expenses	42,567.26	-		
Net Profit / (Loss)	114,794.38	213,464.04	98,669.66	46.22%

SIGNED


Mr Tiare Erekana
Chief Executive Officer


Mr Wayne Reiher
Vice Chairman

Communications Commission of Kiribati
Comparative Cash Flow Statement
For Financial Years Ending 2018 and 2017

	31-Dec-18	31-Dec-17
Cash Flow from Operating Activities		
Cash Receipts from Customers	953,849.45	\$947,919.93
Cash Payments to Suppliers and Employees	- 738,935.54	(671,421.28)
Bank Charges	- 1,542.80	(2,042.71)
Net Cash Received / Used from Operating Activities	213,371.11	274,455.94
Cash Flow from Investing Activities		
Purchase of Fixed Assets	- 195,742.78	(246,664.64)
Buildings and Premises	-	-
IBD Interest	7,676.92	2,915.67
Others		
Net Cash Received / Used from Investing Activities	- 188,065.86	(243,748.97)
Cash Flow from Financing Activities		
IBD Drawdown to fund Outer Islands RICS development	-	
Net Cash Received / Used from Financing Activities		
Net Decrease / Increase in cash / cash equivalents	25,305.25	30,706.97
Cash and Cash Equivalents - Opening	1,455,483.17	1,424,776.20
Cash and Cash Equivalents - End of Period	1,480,788.42	1,455,483.17
(B) Reconciliation of Cash Flow from Operating Activities to Net Profit		
Net Profit for the year	114,794.38	213,464.04
Depreciation	36,150.63	35,991.00
IBD Interest	7,676.92	(2,915.67)
Others		
Increase / Decrease in Debtors	54,749.18	27,916.57
Decrease / Increase in Creditors		-
	213,371.11	274,455.94
(A) Details of Cash and Cash Equivalent at year ended		
Cheque Account - 626414	912,247.77	932,934.79
Cheque Account UAF - 1146450	38,315.35	-
Petty Cash Fund	2,000.00	2,000.00
IBD No.680256	528,225.30	520,548.38
Undeposited Funds	-	-
	1,480,788.42	1,455,483.17

SIGNED



Mr Tiare Erekana
Chief Executive Officer



Mr Wayne Reiher
Vice Chairman

Working paper of Cash flow statement

Cash payments to suppliers and employees - working paper

741,738.63 Operating expenses

36,150.63 Depreciation

(38,953.72) PPI

738,935.54 cash payments to suppliers & employees

cash receipts from customers - working paper

899,100.27 Net Sales

54,749.18 Open Acc Receivable - end Acc Receivable (1,051,802.61 - 997,053.43)

953,849.45 cash receipts from customers

Purchase of Fixed Assets

64,926.50 2017 Asset purchased

130,816.28 PPI

195,742.78 purchase of fixed assets

FIXED ASSET REGISTER				
	Office Equipment	Furniture & Fittings	Motor Vehicle	Buildings & Premises2
Cost / Valuation				Total
Cost at 31/12/2016	41,922.73	5,295.85	56,025.00	156,125.58
Transfers / Disposals at 31/12/2017				-
Total	41,922.73	5,295.85	56,025.00	156,125.58
Additions at Cost for the year	8,795.85	-	53,888.00	62,683.85
Adjustments at valuation for the year				-
Balance at 31 December 2017	50,718.58	5,295.85	109,913.00	218,809.43
Depreciation				
Cost at 31/12/2017	41,922.73	5,295.85	56,025.00	156,125.58
Transfers / Disposals at 31/12/2016	41,922.73	5,295.85	56,025.00	52,882.00
Total	-	-	-	-
Charge at Cost for the year	7,367.00	785.00	21,983.00	5,856.00
Adjustments at valuation for the year				-
Balance at 31 December 2017	7,367.00	785.00	21,983.00	35,991.00
Net Book Value at 31 December 2017	43,351.58	4,510.85	87,930.00	182,818.43
Net Book Value at 31 December 2016	-	-	-	-

FIXED ASSET REGISTER				
	Office Equipment	Furniture & Fittings	Motor Vehicle	Buildings & Premises2
Cost / Valuation				Total
Cost at 31/12/2017	50,718.58	5,295.85	109,913.00	218,809.43
Transfers / Disposals at 31/12/2018	-	-	-	-
Total	50,718.58	5,295.85	109,913.00	218,809.43
Additions at Cost for the year	3,026.50		61,900.00	64,926.50
Adjustments at valuation for the year	-	-	-	-
Balance at 31 December 2018	53,745.08	5,295.85	171,813.00	283,735.93
Depreciation				
Cost at 31/12/2017	7,367.00	785.00	21,983.00	35,991.00
Transfers / Disposals at 1/12/2018				
Total	7,367.00	785.00	21,983.00	35,991.00
Charge at Cost for the year	5,924.63	785.00	23,585.00	36,150.63
Charge at valuation for the year				
Balance at 31 December 2018	13,291.63	1,570.00	45,568.00	72,141.63
Net Book Value at 31 December 2018	40,453.45	3,725.85	126,245.00	211,594.30
Net Book Value at 31 December 2017	43,351.58	4,510.85	87,930.00	182,818.43

Communication Commission of Kiribati

Reconciliation Report

ID#	Date	Memo/Payee	Deposit	Withdrawal
Cheque Account: 1-1110		Cheque Account - 626414		
Date of Bank Statement: 31/12/2018				
Outstanding Cheques				
1229472	27/12/2018	Tepaiku		\$144.00
1229474	28/12/2018	Kiribati Housing Cooperation		\$1,449.01
1229475	28/12/2018	Kiribati Government Account No.1		\$4,192.73
1229476	28/12/2018	Tepaiku		\$386.20
1229477	28/12/2018	Hokisan		\$137.70
1229478	28/12/2018	Kiribati Insurance Corporation		\$40.00
1229483	31/12/2018	langaibo Tekanimaue		\$550.00
1229484	31/12/2018	Mareta T		\$1,000.00
1229486	31/12/2018	Kiribati Provident Fund		\$1,533.84
1229487	31/12/2018	Slim Price		\$450.00
Total:			\$0.00	\$9,883.48
Reconciliation				
AccountRight Premier Balance on 31/12/2018:				\$912,247.77
Add: Outstanding Cheques:				\$9,883.48
Subtotal:				\$922,131.25
Deduct: Outstanding Deposits:				\$0.00
Expected Balance on Statement:				\$922,131.25

Communication Commission of Kiribati

Reconciliation Report

ID#	Date	Memo/Payee	Withdrawal
Cheque 1-1111		Cheque Account UAF - 1146450	
Date of Bank 31/12/2018			
Statement:			
Outstanding Cheques			
1224012	31/12/2018	Taotin Trading - Electronics	\$9,266.63
		Total:	\$9,266.63
Reconciliation			
		AccountRight Premier Balance on 31/12/2018:	\$38,315.35
		Add: Outstanding Cheques:	\$9,266.63
		Subtotal:	\$47,581.98
		Deduct: Outstanding Deposits:	\$0.00
		Expected Balance on Statement:	\$47,581.98

Communication Commission of Kiribati
Aged Receivables [Summary]

31/12/2018

Name	Total Due	0 - 30	31 - 60	61 - 90	90+
GOVERNMENT'S MINISTRIES					
Customs Department	\$100.00	\$100.00	\$0.00	\$0.00	\$0.00
Kiribati Institute Technology	\$50.00	\$50.00	\$0.00	\$0.00	\$0.00
Maneaba ni Maungatabu (House of Parliam	\$100.00	\$100.00	\$0.00	\$0.00	\$0.00
MELAD - Agriculture	\$50.00	\$0.00	\$0.00	\$0.00	\$50.00
MELAD - HQ	\$600.00	\$200.00	\$0.00	\$0.00	\$400.00
MFED - HQ	\$110.00	\$300.00	\$0.00	\$0.00	(\$190.00)
MFMRD - Fisheries HQ	\$2,570.00	\$300.00	\$250.00	\$2,000.00	\$20.00
MFMRD - Xmas	\$500.00	\$0.00	\$0.00	\$0.00	\$500.00
MICTTD - Marine Division	\$2,900.00	\$0.00	\$0.00	\$0.00	\$2,900.00
MICTTD - Meteorological Division	\$100.00	\$100.00	\$0.00	\$0.00	\$0.00
Ministry of Education - HQ	\$150.00	\$100.00	\$0.00	\$0.00	\$50.00
Ministry of Foreign Affairs	\$2,550.00	\$100.00	\$0.00	\$0.00	\$2,450.00
Ministry of Health	\$2,250.00	\$100.00	\$0.00	\$0.00	\$2,150.00
MLPID	\$100.00	\$100.00	\$0.00	\$0.00	\$0.00
MLPID - Linnix Xmas	\$300.00	\$0.00	\$0.00	\$0.00	\$300.00
OB - Office of Beretitenti	\$300.00	\$300.00	\$0.00	\$0.00	\$0.00
Office of People's Lawyer - OPL	(\$200.00)	\$0.00	\$0.00	\$0.00	(\$200.00)
Police & Prison	\$500.00	\$100.00	\$0.00	\$0.00	\$400.00
PSO - Public Service Office	\$100.00	\$100.00	\$0.00	\$0.00	\$0.00
	\$13,130.00	\$2,050.00	\$250.00	\$2,000.00	\$8,830.00
STATE OWNED ENTERPRISES					
Air Kiribati Ltd	(\$200.00)	\$0.00	\$0.00	\$0.00	(\$200.00)
Atinimarawa Co Ltd	\$100.00	\$100.00	\$0.00	\$0.00	\$0.00
Broadcasting Publication Authority	\$23,600.00	\$0.00	\$0.00	\$0.00	\$23,600.00
Captain Cook Hotel - Xmas	\$1,500.00	\$0.00	\$0.00	\$0.00	\$1,500.00
Central Pacific Producer	\$1,200.00	\$0.00	\$0.00	\$0.00	\$1,200.00
Development Bank of Kiribati	\$200.00	\$200.00	\$0.00	\$0.00	\$0.00
KCMCL - Kiribati Copra Mill Company Ltd	\$1,500.00	\$0.00	\$0.00	\$0.00	\$1,500.00
Kiribati Copra Cooperative Society (KCCS)	\$100.00	\$0.00	\$0.00	\$0.00	\$100.00
Kiribati Insurance Corporation	\$100.00	\$100.00	\$0.00	\$0.00	\$0.00
Kiribati Oil Ltd	\$200.00	\$200.00	\$0.00	\$0.00	\$0.00
Kiribati Port Authority	\$100.00	\$100.00	\$0.00	\$0.00	\$0.00
Kiribati Provident Fund	\$100.00	\$100.00	\$0.00	\$0.00	\$0.00
Kiribati Shipping Services Ltd	(\$450.00)	\$0.00	\$0.00	\$0.00	(\$450.00)
PUB	\$100.00	\$100.00	\$0.00	\$0.00	\$0.00
Telecom Services Kiribati Ltd	\$666,868.43	\$0.00	\$0.00	\$0.00	\$666,868.43
	\$695,018.43	\$900.00	\$0.00	\$0.00	\$694,118.43
ISLAND COUNCILS					
Island Council - Aranuka	\$2,000.00	\$0.00	\$0.00	\$0.00	\$2,000.00
Island Council - Arorae	\$6,250.00	\$0.00	\$0.00	\$0.00	\$6,250.00
Island Council - Banaba	\$4,000.00	\$0.00	\$0.00	\$0.00	\$4,000.00
Island Council - Beru	\$3,500.00	\$0.00	\$250.00	\$0.00	\$3,250.00
Island Council - Maiana	\$3,000.00	\$0.00	\$0.00	\$0.00	\$3,000.00
Island Council - Makin	\$7,250.00	\$0.00	\$0.00	\$0.00	\$7,250.00
Island Council - Nikunau	\$4,500.00	\$0.00	\$250.00	\$0.00	\$4,250.00
Island Council - Nonouti	\$5,500.00	\$0.00	\$250.00	\$0.00	\$5,250.00
Island Council - Onotoa	\$4,500.00	\$0.00	\$0.00	\$0.00	\$4,500.00
Island Council - Tab South	\$6,750.00	\$0.00	\$250.00	\$0.00	\$6,500.00
Island Council - Tamana	\$7,000.00	\$0.00	\$0.00	\$0.00	\$7,000.00
Island Council - Teraina	\$750.00	\$0.00	\$0.00	\$0.00	\$750.00
Island Council - TUC	\$100.00	\$100.00	\$0.00	\$0.00	\$0.00
Island Council - Xmas	\$4,000.00	\$0.00	\$0.00	\$0.00	\$4,000.00
	\$59,100.00	\$100.00	\$1,000.00	\$0.00	\$58,000.00

	Total Due	0 - 30	31 - 60	61 - 90	90+
PRIVATE COMPANIES					
Amalgamated Telecom Holdings Kiribati Ltd	\$199,100.00	\$200.00	\$0.00	\$198,900.00	\$0.00
Bank (Kiribati) Ltd	\$4,000.00	\$4,000.00	\$0.00	\$0.00	\$0.00
Aran Iotebwa	\$40.00	\$0.00	\$0.00	\$0.00	\$40.00
Bakarekenraoi Shipping	(\$200.00)	\$0.00	\$0.00	\$0.00	(\$200.00)
BAMA Shipping Services	\$900.00	\$0.00	\$0.00	\$0.00	\$900.00
Betty Trading	\$2,400.00	\$200.00	\$0.00	\$0.00	\$2,200.00
Biita - Xmas	\$1,500.00	\$0.00	\$0.00	\$0.00	\$1,500.00
Blue Lagoon - Bikenibeu	\$200.00	\$0.00	\$0.00	\$0.00	\$200.00
Crystal Beach - Xmas	\$500.00	\$0.00	\$0.00	\$0.00	\$500.00
Dojin Co Ltd	\$14,300.00	\$0.00	\$0.00	\$0.00	\$14,300.00
Jaxa Downrange Earth Station - Tridend	\$14,365.00	\$0.00	\$2,750.00	\$0.00	\$11,615.00
Jennifer Quellmalz	\$315.00	\$0.00	\$0.00	\$0.00	\$315.00
JICA - Ambo	\$150.00	\$0.00	\$0.00	\$0.00	\$150.00
Jr Obeta Shipping	\$400.00	\$0.00	\$0.00	\$0.00	\$400.00
Kaekeman 1 - Hanan Shipping	\$450.00	\$450.00	\$0.00	\$0.00	\$0.00
Kaotin Ribono Shipping	\$50.00	\$0.00	\$0.00	\$0.00	\$50.00
Kataunati	\$380.00	\$0.00	\$0.00	\$0.00	\$380.00
KECC - Mautaaake	\$200.00	\$200.00	\$0.00	\$0.00	\$0.00
KILGA	\$100.00	\$100.00	\$0.00	\$0.00	\$0.00
KIOSU	\$100.00	\$100.00	\$0.00	\$0.00	\$0.00
Kiribati Car Dealer - Baabo	\$350.00	\$0.00	\$0.00	\$0.00	\$350.00
Kiribati Computer & Internet Society - KCIS	\$100.00	\$100.00	\$0.00	\$0.00	\$0.00
Lagoon Breeze	\$150.00	\$0.00	\$0.00	\$0.00	\$150.00
Lus Marine - Nakoraoi Shipping	\$450.00	\$0.00	\$0.00	\$0.00	\$450.00
Mataiti Bwebwe	\$100.00	\$100.00	\$0.00	\$0.00	\$0.00
Mikaere Kabiriera-N. Momi	\$200.00	\$200.00	\$0.00	\$0.00	\$0.00
MOEL Trading	\$800.00	\$0.00	\$0.00	\$0.00	\$800.00
MV Tuaraoi Shipping - Chuck Cobbatt	\$900.00	\$0.00	\$0.00	\$0.00	\$900.00
Mwetenraoi Shipping	\$200.00	\$0.00	\$0.00	\$0.00	\$200.00
Nauoi IT Service	\$200.00	\$200.00	\$0.00	\$0.00	\$0.00
Navin Thukkaram	\$1,015.00	\$0.00	\$0.00	\$0.00	\$1,015.00
Pastor Kinono - Xmas	\$40.00	\$0.00	\$0.00	\$0.00	\$40.00
Pintech - Pinto Katia	\$1,000.00	\$1,000.00	\$0.00	\$0.00	\$0.00
Register IT	\$3,000.00	\$0.00	\$0.00	\$0.00	\$3,000.00
Santa Faustina	\$800.00	\$0.00	\$0.00	\$0.00	\$800.00
Santo loane Shipping	(\$450.00)	\$0.00	\$0.00	\$0.00	(\$450.00)
Slim Price	\$100.00	\$100.00	\$0.00	\$0.00	\$0.00
SpeedCast	\$6,699.18	\$0.00	\$0.00	\$6,699.18	\$0.00
Tamaroa Guest House	\$1,250.00	\$0.00	\$0.00	\$0.00	\$1,250.00
Tateraka Enterprises	\$700.00	\$0.00	\$0.00	\$0.00	\$700.00
Teaibweariki 2 - Bwereata Teat	\$200.00	\$0.00	\$0.00	\$0.00	\$200.00
Tokaraetinae Trading - Marinraoi Shipping	\$200.00	\$0.00	\$200.00	\$0.00	\$0.00
Triple Tee Enterprises	\$3,900.00	\$0.00	\$0.00	\$0.00	\$3,900.00
Vivendi Co Ltd	\$300.00	\$0.00	\$0.00	\$0.00	\$300.00
Wayne Mackenzie	\$150.00	\$0.00	\$0.00	\$0.00	\$150.00
	\$261,604.18	\$6,950.00	\$2,950.00	\$205,599.18	\$46,105.00
CHURCHES					
Catholic Mission - HQ Diocese Office	\$2,700.00	\$0.00	\$0.00	\$0.00	\$2,700.00
Church of Latter Day Saints - Mormon	\$7,050.00	\$0.00	\$0.00	\$0.00	\$7,050.00
Itoinimainiku High School	\$500.00	\$0.00	\$0.00	\$0.00	\$500.00
KPC - ASMC Abemama	\$500.00	\$0.00	\$0.00	\$0.00	\$500.00
KPC - George Easterman High School	\$1,200.00	\$0.00	\$0.00	\$0.00	\$1,200.00
KPC - HQ Antebuka	\$100.00	\$100.00	\$0.00	\$0.00	\$0.00
KPC - Itoinimainiku	\$4,000.00	\$0.00	\$0.00	\$0.00	\$4,000.00
KPC - William Goward Memorial College	\$2,500.00	\$0.00	\$0.00	\$0.00	\$2,500.00
	\$18,550.00	\$100.00	\$0.00	\$0.00	\$18,450.00
NGO's					
KCCI - Kiribati Chamber of Commerce & Inc	\$100.00	\$100.00	\$0.00	\$0.00	\$0.00
Kiribati National Olympic Committee	\$300.00	\$0.00	\$0.00	\$0.00	\$300.00
PIPA - Bikenibeu	\$4,000.00	\$0.00	\$0.00	\$0.00	\$4,000.00
	\$4,400.00	\$100.00	\$0.00	\$0.00	\$4,300.00
Grand Total:	\$1,051,802.61	\$10,200.00	\$4,200.00	\$207,599.18	\$829,803.43
Ageing Percent:		1%	0%	20%	79%

COMMUNICATIONS COMMISSION OF KIRIBATI

JAN - DEC 2018 DEPRECIATION SCHEDULE

<u>OFFICE EQUIPMENT</u>	25.00% Cost	at cost Additions	Annual Depr	Monthly Depr	Acc Depn	NBV
Balance brought forward	50,718.58		5,168.00	430.67	13,291.63	
		53,745.08				
Additions						
Sep-18		1,699.00				
Nov-18		1,327.50				
			756.63			
Total	50,718.58	3,026.50	5,924.63		13,291.63	40,453.45

<u>Furniture & Fittings</u>	25.00% Cost	at cost Additions	Annual Depr	Monthly Depr	Acc Depn	NBV
Balance brought forward	5,295.85		785.00	65.42	1,570.00	
Additions						
Total	5,295.85		785.00		1,570.00	3,725.85

<u>MOTOR VEHICLE</u>	20.00% Cost	at cost Additions	Annual Deprn	Monthly Depr	Acc Depn	NBV
Balance brought forward	56,025.00		11,205.00	933.75	45,568.00	
		109,913.00				
Additions						
Nov-18		30,000.00				
Dec-18		31,900.00	12,380.00			
Total	56,025.00	171,813.00	23,585.00		45,568.00	126,245.00

<u>Building</u>	5% Cost	at cost Additions	Annual Depr	Monthly Depr	Acc Depn	
Balance brought forward	\$ 52,882.00		5,856.00	\$ 488.00	11,712.00	
Additions		-	\$ -			
Total	\$ 52,882.00		\$ 5,856.00		11,712.00	41,170.00

Office Equipment

Date	Item	PV#	Cheque #	Amount	Supplier
20/09/2018	Desktop for Technical Monitoring	1270/18	1226059	1,699.00	Tikatai Trading
9/11/2018	Aircondition for CEO room	1330/18	1229420	1,327.50	Imbo Electrical
				<u>3,026.50</u>	

Motor Vehicle

Date	Item	PV#	Cheque #	Amount	Supplier
30/11/2018 & 13/12/2018	Double Cap - Hilux	1353 & 1365	1229443 & 1229455	61,900.00	Tarawa Motors
				<u>61,900.00</u>	