THE REPORT OF THE AUDITOR GENERAL

ON THE ACCOUNTS OF KIRIBATI OIL COMPANY LTD FINANCIAL STATEMENT FOR THE YEAR ENDED 2025

REPORT NO: 43/26

AUGUST 17TH 2026

7TH MEETING OF THE 13TH MANEABA NI MAUNGATABU 2026

STATE OWNED ENTERPRISES AUDIT DIVISION

KIRIBATI AUDIT OFFICE

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Audit for an impact for the public

File ref: SOE 11 Date: 26/08/2026

INDEPENDENT AUDITOR'S REPORT

To The Readers Of
KIRIBATI OIL COMPANY LIMITED FINANCIAL STATEMENT
For the year ended 31st December 2025

I have audited the financial statements of ***Kiribati Oil Company Limited*** *for* the year ended *31st December 2025* as required under section 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 Changes in Equity
- Statement of Cash Flow
- Notes to the Accounts

Disclaimer Opinion

We do not express an opinion on the accompanying financial statements of the Kiribati Oil Company Limited (KOIL). 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

The audit was unable to obtain sufficient appropriate audit evidence to support a significant account balance due to the unavailability of supporting documentation. The absence of this evidence constitutes a limitation on the scope of our audit. Consequently, the audit was unable to determine whether adjustments to the following figures might be necessary:

1. **Fixed Assets**

No supporting document for a Fixed Asset totalling $9,290,257.41[1] was provided. The audit was unable to verify the existence, accuracy, and validity of these assets.

2. **Year-End Inventory**

The year-end inventory count sheet was incomplete, as unit prices, and stock records and valuation were not provided. Consequently, the audit was unable to reconcile the physical quantities to the inventory balance reported in the financial statements. Therefore, sufficient appropriate audit evidence could not be obtained to support the year-end inventory balance.

3. **Fuel Revenue - Lack of Delivery Docket**

We were unable to obtain sufficient appropriate audit evidence to substantiate the fuel deliveries totalling **$855,898.39**[2] due to the absence of delivery dockets or gate registers. As a result, we were unable to verify the occurrence, completeness, accuracy and existence of the recorded transactions.

In addition to the scope limitation described above, we have identified the following misstatements:

1. **Fixed Asset - Depreciation Charge Variance**

The audit identified a depreciation variance of $63,915.77[3]. This resulted in an understatement of depreciation expense and a corresponding overstatement of the net book value of the assets.

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[1] Refer to Appendix 1
[2] Details are available with the Kiribati Audit Office
[3] Refer to Appendix 2

2. **Incorrect classification of Teammate professional package**

The Teammate professional package and hosting set-up fees of $43,076.35[4] were incorrectly recorded as tangible fixed assets. These costs do not meet the recognition criteria under IAS 16 and should have been expensed, resulting in an overstatement of tangible fixed assets, with a corresponding understatement of expenses and overstatement of profit.

3. **Negative Net Book Value – Fixed Assets**

The audit identified a negative net book value of $12,212.54[5] where accumulated depreciation exceeded the recorded cost of the assets. In accordance with IAS 16 Property, Plant and Equipment, the carrying amount shall not be reduced below its residual value.

Emphasis of Matter

The audit would like to draw the attention of users of KOIL financial statements to the following matters stated below:

1. **Long Outstanding Trade Debtors.**

Trade debtors totalling $6,907,296.64[6] have remained outstanding since as far back as 2006. These balances raise significant concerns regarding recoverability. Although management has indicated that a further review will be undertaken in 2026 to seek Cabinet approval for write-off, no adequate impairment provision has been recognised in accordance with IFRS 9. As a result, trade receivables and profit may be overstated.

2. **Dishonoured cheques**

Dishonoured cheques totalling $7,274,943.81[7] from previous years remain unresolved, comprising PUB debt of $7,208,071.67 (dating back to 2010) and other organizations' debt of $66,872.14. Although PUB's Board approved in principle the removal of this $7m liability, KOIL continues to report the balance in its financial statement, and no formal agreement or Cabinet approval has been obtained to support the write off. Management has indicated that it plans to review these debts in 2026 and propose any unrecoverable amounts to Cabinet for write off.

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[4] Refer to Appendix 3
[5] Details are available with the Kiribati Audit Office
[6] Details are available with the Kiribati Audit Office
[7] Refer to Appendix 4

3. **Long outstanding Non-Project Grant Aid Loan**

A long-term loan amounting to $1.9 million remains outstanding and its current status has not been confirmed. No sufficient supporting documentation was provided to establish whether the loan remains valid, is in default or has been renegotiated.

4. **Outstanding Imprest Advances**

The imprest advances totalling $41,322.21[8] issued to staff remained outstanding at year-end and had not been repaid or properly accounted for. This is not in accordance with the company's policy, which requires staff to retire imprest advances within 10 days. The outstanding balances therefore remain unresolved.

6. Change in useful life of Tank Asset

The useful life of a tank asset with a carrying amount of $8,932,675.73 was changed from 60 years to 20 years in 2025 without supporting documentation, such as a formal useful life reassessment, asset condition report, and others. In the absence of sufficient evidence, the auditor is unable to determine whether the revised useful life assessment was reasonable and in accordance with IAS 16.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Entity'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 entity or to cease operations, or has no realistic alternative but to do so.

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[8] Details are available with the Kiribati Audit Office

Those charged with governance are responsible of overseeing the entity's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue and auditor's report that includes my opinion as required under the Public Finance (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,* I exercise professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies uses 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 Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if su8ch disclosures are inadequate, to modify my opinion. My

conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

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

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

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

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

Report on Other Legal and Regulatory Requirements

KOIL lodged its Financial Statement 2025 on 16 April 2026, which indicates that KOIL had not complied with Section 20 of the SOE Act 2013.

Independence

Section 114 (4) of the Kiribati Constitution stipulates that the Auditor General shall not be subject to the direction or control of any other person or authority. Other than the audit, we have no relationship with or interest in KOIL.

.... Date: 27/08/2026

Mr. Eriati Tauma Manaima
Auditor General.

Appendix 1
1.1 Tarawa Fixed Assets

Date	Details	Amount
31/01/2025	Nafta Pos	$14,629.25
31/01/2025	Completed and Installed parts & accessories	$14,945.45
31/12/2025	Customs Warehouse	$24,133.75
31/12/2025	Bonriki Aviation Office	$12,137.34
31/12/2025	Depot Concrete Road	$123,649.32
31/12/2025	KOIL Existing Tanks 1 - 7 [Mobil Depot Asset]	$28,654.93
31/12/2025	3 new tanks - reallocated to correct asset type (from PPM)	$7,332,238.13
31/12/2025	Completion installation of Generator FM	$62,295.52
	Total	**$7,612,683.69**

1.2 Xmas Fixed Assets

Date	Details	Amount
31/12/2025	Laptop - for Auditor	$1,000.00
31/12/2025	Laptop - for Stock	$1,000.00
31/12/2025	Laptop - for Aviation Banana	$1,000.00
31/12/2025	Solar Water Pump for Banana DC 12V	$ 300.00
31/12/2025	5 Samsung Mobile phones (1 Samsung A56, 4 Samsung A26)	$3,154.09
31/12/2025	1 Starlink for Office	$ 1,020.00
31/12/2025	Timepunch_IB101/25	$1,374.87
31/12/2025	Timepunch_IB113/25	$1,374.87
31/12/2025	1 WaterHeater 20L	$ 850.00
31/12/2025	10 Excurtive chairs (Betty Trading)	$1,500.00
31/12/2025	1 Refrigerato	$1,539.00
31/12/2025	Cabinet (Betty Trading)	$ 530.00
31/12/2025	2 Table Steel & 2 Paint Middle Desk	$ 3,400.00
31/12/2025	3 Clerical Office Table 2 Whites, 1 Black	$711.00
31/12/2025	Bus 16 seats	$9,236.59
31/12/2025	Chain Block 3tons	$2,219.07
31/12/2025	Toolbox	$550.00
31/12/2025	Mixer (King Holdings)	$7,612.50
31/12/2025	Motorbike (Escort) Blue	$2,900.00
31/12/2025	Grass Cutter	$461.20
31/12/2025	Air Compressor (King Holdings)	$3,360.00
31/12/2025	KOIL Generator	$21,000.00
31/12/2025	Solar Pannel (Tikatai Supplier)	$2,923.88
31/12/2025	Aviation reallocation	$ 669,163.99
31/12/2025	Staircase repair tank 2024	$ 142,061.50
31/12/2025	ISO Tank 40ft & Fittings	$ 137,513.25
31/12/2025	Banana Depot	$ 116,051.42
31/12/2025	New Operation Office - Gate	$ 105,527.24

31/12/2025	Resisdence Hse Teraina Farm & Agent House	$ 104,651.55
31/12/2025	Fanning JetA1 Farm	$ 99,400.55
31/12/2025	Agent Resisdence & Deport Farm - Fanning	$ 64,687.95
31/12/2025	Xmas House Project	$ 62,354.46
31/12/2025	Mwaneaba Canteen	$ 61,422.19
31/12/2025	Motor Vehicles- Double Cap	$ 8,422.94
31/12/2025	Canteen Umwanikuuka	$ 7,736.91
31/12/2025	New Generator Hse - Beside Warehouse	$ 7,329.82
31/12/2025	2 * Fanning used ISO Tanks utilized by KOIL	$ 6,934.54
31/12/2025	Upgrade Bnkng Trailer2	$ 3,290.94
31/12/2025	IT equipment	$ 2,010.75
31/12/2025	IT equipment	$ 1,740.26
31/12/2025	IT equipment	$ 1,486.92
31/12/2025	AIR Conditioner split type 20BTU	$ 1,456.88
31/12/2025	Sparepart Shad	$ 1,313.33
31/12/2025	BSA Laptop	$ 826.88
31/12/2025	Starlink Unit for KOIL Branch Internet	$ 592.97
31/12/2025	Water Tank (5000L) - Hse No 4	$ 513.33
31/12/2025	Mobile - Agency Tabuaeran, Teraina and OIls	$ 408.00
31/12/2025	Water Tank (1000L) - Hse No 3 - (Pv#951/18)	$ 372.95
31/12/2025	Water Tank - Port Location	$ 350.80
31/12/2025	Water Tank (750L) - Operation	$ 341.25
31/12/2025	1 3drawers cabinet - Director document lock (Boardroom)	$ 298.13
31/12/2025	1 3 drawer cabinet - Auditor	$ 298.13
31/12/2025	Water Tank (1200L) - Hse No 1	$ 281.25
31/12/2025	Air Conditioner Split type - SA	-$ 0.00
31/12/2025	Air Conditioner Split type - OS	-$ 0.00
31/12/2025	Duoble Cap - Seat cover	-$ 2.43
31/12/2025	Double Cap - Door mat	-$ 2.43
31/12/2025	Water Dispenser Office	-$ 9.38
31/12/2025	Water Dispenser Boardroom	-$ 9.38
31/12/2025	Water Dispenser Operation	-$ 9.38
31/12/2025	Mobiles for Drivers	-$ 26.67
31/12/2025	Security Light - London Depot	-$ 90.59
31/12/2025	Cordless	-$ 134.17
	Total	**$1,677,573.72**

Appendix 2
Fixed Asset – Depreciation charge variance

				Auditor calculation				
Asset	Acq Date	Rate	NBV as per KOIL FAR	Original cost	Monthly Dep	Recalculated Dep	NBV	Variance
Nafta Pos	31/01/2025	25%	$ 14,324.47	$ 14,629.25	$ 304.78	$ 3,657.31	$ 10,971.94	$ 3,352.53
Completed and Installed parts & accessories	31/01/2025	25%	$ 14,634.09	$ 14,945.45	$ 311.36	$ 3,736.36	$ 11,209.09	$ 3,425.00
1 Jig saw	28/02/2025	25%	$ 186.88	$ 195.00	$ 4.06	$ 44.69	$ 150.31	$ 36.57
Portable Fire Pump	30/03/25	25%	$ 9,834.51	$ 10,043.75	$ 209.24	$ 2,092.45	$ 7,951.30	$ 1,883.21
Payment of refund cost of mobile phone	01/04/2025	25%	$ 293.75	$ 300.00	$ 6.25	$ 56.25	$ 243.75	$ 50.00
New Fire Pump	30/04/25	25%	$190,997.09	$ 195,060.86	$ 4,063.77	$ 36,573.91	$158,486.95	$32,510.14
Port charge Fire fighting equipment	31/05/2025	25%	$ 251.45	$ 256.80	$ 5.35	$ 42.80	$ 214.00	$ 37.45
Custom charge for fire fighting equipment	16/05/2025	25%	$ 3,162.27	$ 3,229.55	$ 67.28	$ 538.26	$ 2,691.29	$ 470.98
2 HP Laptop (1 Laptop for SA & 1 Laptop for travel outer island)	30/06/2025	25%	$ 4,086.80	$ 4,173.75	$ 86.95	$ 608.67	$ 3,565.08	$ 521.72
1 Solar LED flood light 60W @$110.00	18/08/2025	25%	$ 215.42	$ 220.00	$ 4.58	$ 22.92	$ 197.08	$ 18.34
2 Access platform ladder 8 steps	09/08/2025	25%	$ 7,212.49	$ 7,365.95	$ 153.46	$ 767.29	$ 6,598.66	$ 613.83
Party chairs, Portable tent,Folded table and toolbox	09/08/2025	25%	$ 8,060.31	$ 8,231.81	$ 171.50	$ 857.48	$ 7,374.33	$ 685.98
LPG Gas pump	9/16/2025	25%	$ 3,588.88	$ 3,665.24	$ 76.36	$ 305.44	$ 3,359.80	$ 229.08
Fire Extingusher materials	26/11/2025	25%	$ 44,536.09	$ 45,483.67	$ 947.58	$ 1,895.15	$ 43,588.52	$ 947.57
1 AirCon for OM	28/02/2025	25%	$ 949.23	$ 1,012.50	$ 21.09	$ 232.03	$ 780.47	$ 168.76
1 water dispenser for Depot	28/02/2025	25%	$ 281.25	$ 300.00	$ 6.25	$ 68.75	$ 231.25	$ 50.00
1 Air con for Cashiers office	28/02/2025	25%	$ 970.32	$ 1,012.50	$ 21.09	$ 232.03	$ 780.47	$ 189.85
TV wall mount 45kg for TV screen	02/04/2025	25%	$ 322.36	$ 336.38	$ 7.01	$ 63.07	$ 273.31	$ 49.05
Local charges for MT Clyinder	15/05/2025	25%	$ 305.69	$ 312.19	$ 6.50	$ 52.03	$ 260.16	$ 45.53
Custom Charge for MT Cylinder	16/05/2025	25%	$ 5,615.95	$ 5,735.44	$ 119.49	$ 955.91	$ 4,779.53	$ 836.42
1 New Aircon for Storewoman Storeroom/Office	21/05/2025	25%	$ 1,982.81	$ 2,025.00	$ 42.19	$ 337.50	$ 1,687.50	$ 295.31
Air Condition for KOIL aviation Bonriki office	05/27/25	25%	$ 1,982.81	$ 2,025.00	$ 42.19	$ 337.50	$ 1,687.50	$ 295.31
1 Office Table for storewoman @ new storeroom	6/19/2025	25%	$ 391.67	$ 400.00	$ 8.33	$ 58.33	$ 341.67	$ 50.00
1 Water Dispenser for Account Upstairs @$197.80	22/08/2025	25%	$ 193.68	$ 197.80	$ 4.12	$ 20.60	$ 177.20	$ 16.48
1 Water Dispenser @$197.80	22/08/2025	25%	$ 193.68	$ 197.80	$ 4.12	$ 20.60	$ 177.20	$ 16.48
1 Air Condition size 24 @$1980	09/09/2025	25%	$ 2,181.09	$ 2,227.50	$ 46.41	$ 185.63	$ 2,041.88	$ 139.22
40 Timber 2x2 @$40.52	04/07/2025	5%	$ 1,593.80	$ 1,620.80	$ 6.75	$ 40.52	$ 1,580.28	$ 13.52
Ford double cap-Grey for Koil Tarawa	06/07/2021	20%	$ 12,322.08	$ 47,356.50	$789.28	$42,620.85	$4,735.65	$7,586.43
30% Part payment for New Bus Transport for KOIL Staff	22/08/2022	20%	$ 12,397.18	$23,994.57	$399.91	$16,396.29	$7,598.28	$4,798.90
Saloon car for KOIL-to be used by engineer (Toyota vitz-white) KLTA 5661	17/10/2022	20%	5,445.00	$9,900.00	$165.00	$6,435.00	$3,465.00	$1,980.00
Store room, overhead & Sample capinet	23/12/2020	5%	3,403.13	$3,598.00	$14.99	$914.49	$2,683.51	$719.62
2 tank 10L for purification project	05/12/2024	5%	5,285.60	$3,598.00	$14.99	$194.89	$3,403.11	$1,882.49
								$63,915.77

Appendix 3.
Incorrect classification of Teammate professional package

Date	Description	Amount
04/07/2023	Audit Item teammate professional package	$27,870.40
29/08/2023	Teammate Professional package & TeamMate hosting set-up	$15,205.95
		$43,076.35

Appendix 4.
Dishonored cheques

Date	Customer	Total
03/11/2005	KIISS	13,165.64
12/02/2005	KPF	340.00
2010	PUB	1,001,993.22
2011	PUB	1,442,811.20
2012	PUB	1,602,922.40
2013	PUB	1,245,961.20
2014	PUB	1,360,687.50
2015	PUB	274,296.15
2016	PUB	279,400.00
2006	T& T.T Tiikai	17,235.00
2009	Taitai Enterprises	19,880.00
2008	TRW Fisherman	10,182.90
2006	WKK	6,068.60
		7,274,943.81

KIRIBATI OIL COMPANY LTD
Incorporated in Kiribati no# 21
KOIL
Driving Kiribati with quality fuel
P.O Box 488
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Republic of Kiribati
Phone: 00-686-75126052
Email: info@koil.com.ki
Website: www.koil.com.ki

Date: 15/04/2026

File ref:

Auditor General
Bairiki
Tarawa

Wayner
Payne
16/4

Dear Mr Eriati Manaima

Re: Kiribati Oil Company Limited financial statements for the year ended 31/12/2025

In line with the SOE Act and Companies Act I hereby submit the KOIL financial statements for financial year ended December 2025 to be audited and laid before the Auti ni Maungatabu.

Ko bati n raba

Mr Tiimi Kaiekieki
Chief Executive Officer
Kiribati Oil Company Limited

RECEIVED
16 APR 2026
Kiribati Audit Office

Driving Kiribati with quality fuel

KIRIBATI OIL COMPANY LTD
FINANCIAL STATEMENTS
31 DECEMBER 2025

KIRIBATI OIL COMPANY LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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DIRECTOR'S REPORT

The Board of Directors present the financial statements of Kiribati Oil Company Ltd (KOIL or 'the Company') for the year ended 31st December 2025 being the statement of profit and loss, statement of financial position, statement of movement in equity and statement of cash flows.

Directors

At the date of this report the Board of Directors of the KOIL are:
Mr Kautoa Tonganibeia – Chairman
Ms Ereta Bruce – Vice Chairlady
Mr Rimon Tororo - Director
Mr Abera Aukitino - Director
Mr Salona Isaia Resture – Director
Mr James Taom – Director

Principal Activity

The principal activity of the Company is to import, sell and distribute fuel and related petroleum products in Kiribati.

Dividend

On the 19th of February 2026 the Board of directors through the Annual General Meeting (AGM) approved and declared a dividend of $952,965.11 for the financial year ended 2025. Yet there was a dividend payable brought forward balance of $1,447,071 not yet paid due to KOIL financial distress at the time after it was declared.

Certificate of Solvency

In accordance with section 143 of the Companies Act 2021, KOIL Board of Directors confirm that: -

a) As of 31st December 2025, the company owned fixed assets at the value of $16,686,000 and current assets of $38,445,477.

b) As of 31st December 2025, the company had total accounts receivable and dishonored cheques of $8,608,859 and $7,275,306 respectively. This totaled $15.88 million, of which 79% related to SOEs and Government ministries. Compared to last year there has been an improvement since PUB increased its current debt repayment, however, there remains unresolved matter regarding debt offsetting re PUB Dishonored cheques. A provision for doubtful debts was set at $15.37 million to consider prolonged debts or receivables that were estimated to be uncollectible.

c) As of 31st December 2025, the company did not have any loans with ANZ bank and neither with other banks.

d) As of 31st December 2025, a sum of $1,973,909 considered the amount owed to the Japanese Non-Project Grant Aid Scheme which was a brought forward balance from previous years.

e) As of 31st December 2025, the company had tax liability of $3.57 million, noting that nothing was owed by the company directors or shareholders of the company as at that date.

f) In the opinion of directors of the company, the company was able to pay its debts and liabilities as of 31st December 2025.

Bad and Doubtful debts

The Board of directors took reasonable steps to ensure that all known bad debts were written off and the provision for doubtful debts was adequate. At the date of this report, the Board of Directors are not aware of any circumstances that would materially render the inadequacy of the amount written off for bad debts, or the amount of the provision for doubtful debts.

Related party transactions

In the opinion of the Board directors all related party transactions known at the time of reporting have been accounted for and properly disclosed in the attached financial statements.

Other circumstances

The Directors are not aware of any circumstances that may materially affect the financial statements at the date of reporting.

Unusual transactions

All known unusual transactions or events of a material nature have been properly disclosed in the financial statements.

Directors' interest

The Directors of the Fund have not received any benefit other than their eligible entitlements as directors during the financial year.

Dated 15th April 2026.

Signed for and on behalf of the Board:

....	....
Chairperson Mr Kautoa Tonganibeia	Vice Chairlady Ms Ereta Bruce

In the opinion of the Board Directors:

a) The accompanying statement of financial performance is drawn up so as to give a true and fair view of the results of the Company for the financial year ended 31 December 2025;

b) The accompanying statement of financial position is drawn up so as to give a true and fair view of the state of the affairs of the Company at 31 December 2025;

c) The accompanying statement of changes in equity is drawn up so as to give a true and fair view of the movement in equity of the Company as at 31 December 2025

d) The accompanying statement of cash flows is drawn up so as to give a true and fair view of the cash flows of the Company for the financial year ended 31 December 2025.

e) At the date of this statement there are reasonable grounds to believe that the Company will be able to pay their debts as and when they fall due.

f) All related party transactions have been recorded and disclosed in the financial statements.

Dated 15th April 2026.

Signed for an on behalf of the Board.

.... Chairperson Mr Kautoa Tonganibeia

.... Vice Chairlady Ms Ereta Bruce

Kiribati Oil Company Ltd

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended December 2025

	Note	CONSOLIDATED 2025	Tarawa 2025	Kiritimati 2025	CONSOLIDATED 2024
Income					
Sales	3	71,918,993	64,740,449	7,178,545	51,913,150
COS	4	54,359,651	49,252,789	5,106,862	54,656,020
Gross profit		**17,559,342**	**15,487,660**	**2,071,682**	**-2,742,870**
Gov't subsidy		1,167,099	1,167,099	0	13,409,549
Deferred grant income	2.6.1	115,767	115,767	0	115,767
Other income	5	745,769	592,181	153,589	1,003,498
Operating income		**19,587,977**	**17,362,706**	**2,225,271**	**11,785,945**
Expenses					
Personnel emoluments	6.1	4,213,907	3,250,733	963,174	2,940,116
Administration costs	6.2	1,834,205	1,629,311	204,894	1,346,443
Selling & Distribution	6.3	2,178,718	1,675,853	502,865	2,850,506
Operations	6.4	1,266,294	1,026,893	239,401	471,886
Other expenses		86,772	77,541	9,230	13,048
Bad & doubtful debts	7.3	819,472	707,268	112,204	4,434,702
Depreciation	9	1,264,854	1,089,534	175,320	475,504
Operating expenses		**11,664,222**	**9,457,133**	**2,207,089**	**12,532,205**
Operating profit		**7,923,755**	**7,905,573**	**18,182**	**-746,260**
Income tax		**2,768,243**	2,768,243	$ -	$ -
Profit/(Loss) after tax		**5,155,512**	**5,137,330**	**18,182**	**-746,260**

The accompanying notes form part of these financial statements

Kiribati Oil Company Ltd

STATEMENT OF FINANCIAL POSITION

As at 31st December 2025

	Note	CONSOLIDATED 2025	Tarawa 2025	Kiritimati 2025	CONSOLIDATED 2024
Current assets					
Cash at bank & on hand		$ 9,955,566	$ 9,669,871	$ 285,695	$ 4,184,195
Cash in transit		$ 1,798,675	$ 1,757,090	$ 41,585	$ 1,611,749
Account receivables	7.1	$ 8,608,859	$ 7,235,083	$ 1,373,777	$ 9,869,141
Dishonoured cheques	7.2	$ 7,275,306	$ 7,274,944	$ 362	$ 7,389,704
Prepayments and other receivables	7.3	$ 2,929,282	$ 2,535,199	$ 394,083	$ 2,318,569
Less: provision for doubtful debts	7.4	-$ 15,369,650	-$ 14,279,627	-$ 1,090,023	-$ 14,550,178
Inventory	8	$ 21,546,005	$ 13,505,343	$ 8,040,661	$ 16,912,468
Spare parts		$ 1,701,434	$ 835,704	$ 865,730	$ 1,643,456
Total current assets		$ 38,445,477	$ 28,533,605	$ 9,911,872	$ 29,379,105
Current liabilities					
Account payables		$ 14,075,234	$ 10,455,240	$ 3,619,994	$ 12,871,090
Other payables & accruals		$ 7,480,926	$ 6,592,562	$ 888,364	$ 3,285,182
Dividend payable		$ 1,447,071	$ 1,447,071	$ -	$ 1,447,071
		$ 23,003,230	$ 18,494,872	$ 4,508,358	$ 17,603,342
Working capital		**$ 15,442,247**	**$ 10,038,733**	**$ 5,403,514**	**$ 11,775,763**
Non-current assets					
Property plant & equipment	9	$ 12,636,431	$ 10,534,734	$ 2,101,697	$ 11,593,959
Projects - work in progress		$ 4,049,569	$ 2,642,260	$ 1,407,309	$ 3,718,779
Total non-current assets		$ 16,686,000	$ 13,176,995	$ 3,509,005	$ 15,312,739
Total assets		$ 32,128,247	$ 23,215,728	$ 8,912,519	$ 27,088,501
Non-current liabilities					
Japanese NPGA - Scheme		$ 1,973,909	$ 1,973,909	$ -	$ 1,973,909
ROC-Taiwan grant	2.6.2	$ 7,500,938	$ 7,500,938	$ -	$ 7,616,705
		$ 9,474,846	$ 9,474,846	$ -	$ 9,590,613
Net assets		**$ 22,653,400**	**$ 13,740,881**	**$ 8,912,519**	**$ 17,497,888**
Equity					
Paid up capital		$ 500	$ 500		$ 500
Reserves		$ 1,033,548	$ 1,033,548		$ 1,033,548
Asset revaluation reserve		$ 318,621	$ 318,621		$ 318,621
Retained earnings		$ 16,145,219	$ 12,356,719	$ 3,788,500	$ 16,891,479
Current earning		$ 5,155,512	$ 5,137,330	$ 18,182	-$ 746,260
Total equity		**$ 22,653,400**	**$ 18,846,718**	**$ 3,806,682**	**$ 17,497,888**

Kiribati Oil Company Ltd

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2025

	Note	Consolidated 2025	Tarawa	Kiritimati	Consolidated 2024
Balance as the beginning of the year		$ 17,497,888	$ 13,709,388	$ 3,788,500	$ 18,244,148
Profit/Loss		**5,155,512**	**5,137,330**	**18,182**	**-746,260**
Balance at end of the year		**$ 22,653,400**	**$ 18,846,718**	**$ 3,806,682**	**$ 17,497,888**
Represented as follows:					
Paid up capital		$ 500	$ 500		$ 500
Reserves		$ 1,033,548	$ 1,033,548		$ 1,033,548
Asset revaluation reserve		$ 318,621	$ 318,621		$ 318,621
Retained earnings		$ 16,145,219	$ 12,356,719	$ 3,788,500	$ 16,891,479
Current earning		**5,155,512**	**5,137,330**	**18,182**	**-746,260**
Total Equity		**$ 22,653,400**	**$ 18,846,718**	**$ 3,806,682**	**$ 17,497,888**

The accompanying notes form part of these financial statements

Kiribati Oil Company Ltd

STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Consolidated 2025	Tarawa	Kiritimati	Consolidated 2024
Operating activities				
Cash receipts from customers	$ 69,603,623	$ 64,309,275	$ 5,294,347	$ 62,862,931
Cash paid to suppliers and employees	$ 62,458,991	$ 57,910,108	$ 4,548,882	$ 59,590,230
Net operating cash flow	$ 7,144,632	$ 6,399,167	$ 745,465	*$ 3,272,702*
Investing activities				
Purchase of property,plant and equipments	-$ 1,042,471	-$ 1,158,004	$ 115,533	-$ 1,803,751
Payments for projects - work in progress	-$ 330,790	$ 136,924	-$ 467,714	-$ 648,886
Net investing cash flow	-$ 1,373,261	-$ 1,021,080	-$ 352,181	*-$ 2,452,638*
Financing activities				
Net cash flow from financing activities	*$ -*	*$ -*	*$ -*	*$ -*
Movement in cash and cash equivalent	$ 5,771,371	*$ 5,378,087*	*$ 393,284*	*$ 820,064*
Cash at bank, beginning	$ 4,184,195	$ 4,291,784	-$ 107,589	$ 3,364,131
Cash at bank, closing	**$ 9,955,566**	**$ 9,669,871**	**$ 285,695**	**$ 4,184,195**
Made up of:				
Cheque account	$ 8,119,000	$ 8,119,000	$ -	$ 3,355,217
USD Bank account	$ 1,428,840	$ 1,428,840	$ -	$ 815,911
Term deposit - 1183027	$ 121,532	$ 121,532	$ -	$ 120,157
Petty cash	$ 499	$ 499		$ 499
Kiritimati Imprest acc - 737022	$ 285,695	$ -	$ 285,695	-$ 107,589
Term deposit - 1179666	$ -	$ -	$ -	$ -
Term deposit - 1173165	$ -	$ -	$ -	$ -
Term deposit - 947904	$ -	$ -	$ -	$ -
Cash at bank balance	**$ 9,955,566**	**$ 9,669,871**	**$ 285,695**	**$ 4,184,195**

The accompanying notes form part of these financial statements

1. General information

The Kiribati Oil Company Ltd is a State-owned company registered on the 9th of December 1986 under the Companies Ordinance with Registration No.21. Its authorized and paid-up capital shares are 500 shares of $1 each.

The main activities of the company are the importing, wholesaling, and retailing of all petroleum products in Kiribati including lubes and other petroleum related goods.

The accounting period for the company is from January to December of each year or a calendar year and the official currency used is the Australian Dollar.

2. Summary of significant accounting policies

The financial statements are prepared under the historical cost convention in accordance with generally accepted accounting principles, standards, and relevant legislations applicable in Kiribati. The principal accounting policies adopted by the company are set out below.

2.1. Depreciation

Depreciation is calculated to distribute the cost of an asset over its useful life (Less scrap value if any) using the straight-line method and is generally recognized in profit and loss. The annual rates in use are:

Plant & Machinery	25%
Office Equipment	25%
Fuel Tanks	10%
Fuel Pipes	10%
Water Tanks	10%
Outer Island Projects	5%
Motor Vehicle	20%
Buildings	5%
Furniture & Fittings	25%

Any asset is being disposed of, gain or loss is recognized as income or expense in the income statement and a write-off is made to the Fixed Asset and Accumulated Depreciation on the balance sheet.

2.2. Trade Receivables

Trade Receivables are recognized at invoice amount. A provision for impairment of trade receivables is established when the company will not be able to collect all amounts due according to the original terms of the receivables based in line with policy and professional judgement. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganization, default or delinquency in payment and aged of debts are considered indicators that the trade receivable is impaired.

The carrying amount of the assets is reduced using a provision account and the amount of loss is recognized in the income statement.

When the trade receivables are confirmed uncollectible and bad debts approved by the Board are written off against the provision for doubtful debts. Subsequent recoveries of the amount previously written off are reflected in the income statement.

2.3. Inventory

Inventory is valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less applicable selling expenses.

Cost is determined using the FIFO method. Inventory cost includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location.

2.4. Financial and Market Risk

The company is exposed to losses that an international financial transaction may incur due to currency fluctuations. This arises from purchase of inventory index in US dollars by suppliers. Foreign exchange risk arises from future commercial transactions. Gains and losses are reported in the profit and loss statement.

2.5. USD Bank Account

KOIL established its USD Bank Account in 2015 to help mitigate possible risks that occurs from the exchange of AUD with USD currency. The value of the USD Dollar ($) is converted using the exchange rate and recorded as AUD currency. Any gains or losses during the period of transactions and period of financial reporting are recognized as gains or losses from foreign exchange in the income statement and contra to the USD Bank account in the Cash and Cash Equivalents in the Current Asset of the balance Sheet.

2.6. Government Grants

Government grants are recognized at their fair value, where there is reasonable assurance that the grant will be received, and attaching conditions will be complied with. Monetary grants received as compensation for losses incurred by the company during the financial year in selling out fuel products at a regulated price are recognized in profit and loss when received. Grant in the form of assets (such as three fuel tanks costing $8.5 million funded by ROC Taiwan through Government of Kiribati completed in 2017) credited to the Deferred income as a liability and released to profit over the expected useful economic life of 30 years.

Deferred grant income - ROC 3 Donated Fuel tanks

Deferred grant income related to the donation from ROC Taiwan which financed building of 3 fuel tanks. This financial year it is reclassified as non-current liability as it related to donated fixed assets that have useful life of over 30 years.

	Note		2025		2024
Balance at the beginning of the year		$	7,616,705	$	7,732,472
Additions					
Total balance		$	7,616,705	$	7,732,472
Amounts released to other income	2.6.1	$	115,767	$	115,767
Balance at the end of the year		$	7,500,938	$	7,616,705
Initial cost			8,504,601		8,504,601
Accumulated amortisation start of year			887,896		772,130
Amortisation current year		$	115,767	$	115,767
Accumulated amortisation end of year			1,003,663		887,896
Balance at the end of the year	2.6.2		7,500,939		7,616,705

2.7. Comparative figures

Where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts.

2.8. Events after reporting period

Dividends declared and payment approval for Fuel supplier Union Petrochemical Hong Kong (UPHK) contribution to the renewal energy in Kiribati.

- On the 19th of February 2026 KOIL Board of Directors through the AGM approved and declared a dividend of $952,965.11 and payout as well as payment of the contribution to the renewable energy the sum of $1.23 million to the Government of Kiribati.

2.9. Contingent liability

Litigation

The company is currently involved in a legal proceeding arising in the ordinary course of business. Management believes the claim is uncertain and no provision has been recognized. If the claim is successful, the estimated liability is between $20,000 and $70,000.

3. Revenue – Sales

Revenue
Sales

Regulated revenue	2025	Tarawa	Kiritimati	2024
ADO	$ 34,049,106	$30,733,148	$ 3,315,957.85	$ 24,165,924
ULP	$ 27,070,343	$24,970,489	$ 2,099,854.19	$ 18,217,599
DPK	$ 1,404,485	$1,270,334	$ 134,150.50	$ 1,189,342
JetA1	$ 6,375,045	$5,203,205	$ 1,171,839.76	$ 5,627,273
	$ 68,898,979	**$62,177,177**	**$ 6,721,802**	**$ 49,200,138**
Non-regulated revenue				
Lubes	$ 1,480,620	$1,250,735	$ 229,884.91	$ 1,462,128
LPG	$ 1,412,334	$1,249,198	$ 163,136.50	$ 1,191,214
Fuel dispenser	$ 76,408	$42,928	$ 33,480.00	$ 30,023
Other sales	$ 50,064	$19,868	$ 30,196.00	$ 22,897
Gas stove	$ 544	$544	$ -	$ 6,750
AvGas	$ 45		$ 45.00	
	$ 3,020,014	**$2,563,272**	**$ 456,742**	**$ 2,713,011**
Total sales	**$ 71,918,993**	**$64,740,449**	**$ 7,178,545**	**$ 51,913,150**

4. Cost of Sales

Cost of sales	2025	Tarawa	Kiritimati	2024
ADO	$ 26,768,648	$24,446,926	$ 2,321,721.93	$ 26,425,073
ULP	$ 19,369,526	$17,910,630	$ 1,458,896.40	$ 19,778,995
DPK	$ 1,013,481	$936,827	$ 76,653.86	$ 1,592,862
JetA1	$ 5,129,083	$4,120,480	$ 1,008,602.54	$ 4,823,461
Lubes	$ 998,396	$931,973	$ 66,422.78	$ 1,049,937
LPG	$ 981,085	$860,598	$ 120,487.77	$ 944,813
Fuel dispenser	$ 61,923	$35,699	$ 26,224.51	$ 16,155
Other sales	$ 37,074	$9,231	$ 27,843.52	$ 18,306
Gas stove	$ 425	$425	$ -	$ 6,417
AvGas	$ 9		$ 9.00	
Total cost of sales	**$ 54,359,651**	**$49,252,789**	**$ 5,106,862**	**$ 54,656,020**

5. Other income

Other Income

	2025	Tarawa	Kiritimati	2024
Auction	$ -	$0	$ -	$ 985
Crane Truck Hire	$ 980	$980		$ -
Cylinder sales	$ 25,429	$19,734	$ 5,695	$ 26,180
Debtors Recovery Income	$ -	$0		$ -
Document fee	$ 4,264	$2,497	$ 1,767	$ 6,467
Drum sales	$ 170,023	$138,883	$ 31,140	$ 331,578
Freight on sales	$ 114,729	$95,215	$ 19,514	$ 117,341
Gain from foreign exchange	$ 91,725	$88,955	$ 2,769	$ 216,607
Interest Earned	$ 1,375	$1,375	$ -	$ 55,651
Interest on Overdue Account	$ -	$0	$ -	$ -
Internnet - Wifi hotspot	$ 1,711	$1,711		
OI Agencies Rent Income	$ 3,590	$390	$ 3,200	$ 2,956
Other Income	$ 80,117	$45,981	$ 34,136	$ 98,361
Overtime Charged	$ 183,148	$127,781	$ 55,367	$ 147,373
Sidelifter hire	$ 68,679	$68,679		$ -
Waste Oil	$ -	$0		$ -
	$ 745,769	**$592,181**	**$ 153,589**	**$ 1,003,498**

6. Expenses

6.1. Personal emoluments

Personnel emoluments	2025	Tarawa	Kiritimati	2024
Executive Salaries	$ 307,304	$ 251,154	$ 56,150	$ 196,620
Executive KPF	$ 23,027	$18,815	$ 4,211	$ 14,434
Executive allowances	$ 51,451	$45,490	$ 5,960	$ 53,753
Executive House subsidy	$ 54,950	$44,800	$ 10,150	$ 42,300
Executive leave grants/commutation	$ 32,448	$23,018	$ 9,430	$ 22,757
Staff Salaries	$ 1,771,166	$1,305,579	$ 465,587	$ 1,147,527
Temporary assistance	$ 294,462	$277,450	$ 17,012	$ 195,195
Staff KPF	$ 114,197	$101,945	$ 12,252	$ 72,343
Staff allowances	$ 140,702	$109,836	$ 30,866	$ 113,972
Overtime	$ 451,013	$333,038	$ 117,975	$ 389,076
Housing assistance	$ 31,858	$31,858	$ -	$ 43,007
Leave grants & commutation	$ 293,000	$221,000	$ 72,000	$ 282,427
Leave passage	$ 92,000		$ 92,000	
Retirement benefits	$ 25,223	$9,088	$ 16,135	$ -
	$ 3,682,800	$2,773,072	$ 909,728	$ 2,573,411
<u>Outer island agents</u>				
Staff Salaries	$ 343,342	$311,259	$ 32,083	$ 192,003
Temporary assistance	$ 16,238	$15,584	$ 653	$ 18,121
Staff allowances	$ 69,173	$59,750	$ 9,422	$ 72,759
Staff KPF	$ 26,545	$24,400	$ 2,146	$ 14,209
Overtime	$ 11,809	$11,667	$ 142	$ 3,139
Leave grants & commutation	$ 64,000	$55,000	$ 9,000	$ 66,473
	$ 531,107	$477,660	$ 53,446	$ 366,705
Total personnel emoluments	**$ 4,213,907**	**$3,250,733**	**$ 963,174**	**$ 2,940,116**

6.2.Administration costs

Administration costs	2025	Tarawa	Kiritimati	2024
Advetisements & Promotions	$ 42,483	$32,905	$ 9,578	$ 22,726
Bank charges	$ 3,507	$3,056	$ 451	$ 14,874
Board expense	$ 63,196	$34,695	$ 28,502	$ 59,862
Council charges	$ 2,346	$2,346		$ 525
Electricity & water	$ 136,852	$114,287	$ 22,565	$ 101,659
Fees and License	$ 465,811	$455,646	$ 10,165	$ 240,923
Fuel tender expenses	$ 2,736	$2,736		$ -
General repairs & maintenance	$ 76	$76		$ 310
Insurance	$ 405	$405		$ -
Land lease	$ 1,693	$1,693		$ -
Loss on foreign currency	$ 86,135	$74,292	$ 11,843	$ 4,184
Management expense	$ 52,598	$38,985	$ 13,613	$ 36,768
Office & computer supplies	$ 26,699	$21,026	$ 5,673	-$ 15,354
Office repairs		$15,866		
Office stationeries	$ 29,739	$17,100	$ 12,638	$ 53,049
Other expenses	$ 166,349	$166,349	$ -	$ 148,655
Security services	$ 33,113	$12,813	$ 20,300	$ 33,873
Staff recruitment	$ 14,070	$11,239	$ 2,831	$ 16,974
Telecom charges	$ 64,338	$46,199	$ 18,139	$ 55,935
Trade loan interest	$ -	$0		$ -
Training	$ 245,453	$226,820	$ 18,633	$ 277,247
Travelling	$ 327,474	$305,298	$ 22,176	$ 248,091
Uniform & safety wears	$ 6,305	$0	$ 6,305	$ 5,498
	$ 1,787,242	$1,583,831	$ 203,411	$ 1,319,921
Outer island agency cost				
Leakage and Spills	$ -	$0		$ -
Office stationeries & supplies	$ 900	$900		$ 638
Repair & Maintenance	$ 13,649	$13,649		$ 85
Sundry Expenses	$ 3,789	$2,310	$ 1,479	$ 4,005
Telecom charges	$ 28,625	$28,621	$ 4	$ 21,795
	$ 46,963	$45,480	$ 1,483	$ 26,523
Total administration costs	**$ 1,834,205**	**$1,629,311**	**$ 204,894**	**$ 1,346,443**

6.3. Selling and distribution costs

Selling & Distribution costs	2025	Tarawa	Kiritimati	2024
Empty drums	$ 1,146,264	$846,535	$ 299,730	$ 1,863,852
Freight handling	$ 165,889	$513	$ 165,376	$ 170,315
Hire expenses	$ 41,011	$29,264	$ 11,746	$ 70,195
LPG sales commission	$ 32,672	$32,209	$ 463	$ 23,043
	$ 1,385,835	$908,520	$ 477,315	$ 2,127,405
Outer islands				
Freight & Handling	$ 636,405	$625,520	$ 10,884.95	$ 574,157
Hire Expenses	$ 140,121	$125,956	$ 14,165.45	$ 128,888
Outer island agency costs	$ 7,357	$7,357		$ 11,056
Trading License	$ 9,000	$8,500	$ 500	$ 9,000
	$ 792,883	$767,333	$ 25,550	$ 723,101
Total selling & distribution costs	**$ 2,178,718**	**$1,675,853**	**$ 502,865**	**$ 2,850,506**

6.4.Operations

Operation	2025	Tarawa	Kiritimati	2024
Charter	$ 454,476	$454,476		$ 98,105
Fuel testing	$ 37,810	$37,810	$ -	$ 23,348
General repairs & maintenance	$ 436,508	$276,951	$ 159,557	$ 221,559
Motor vehicle expenses	$ 126,394	$123,934	$ 2,461	$ 103,705
Office repairs	$ 6,784		$ 6,784	$ 7,253
Other expenses	$ 303	$303	$ -	$ 50
Uniform & safety wears	$ 204,018	$133,419	$ 70,599	$ 17,866
Total operation costs	**$ 1,266,294**	**$1,026,893**	**$ 239,401**	**$ 471,886**

7. Trade and other receivables

7.1.Account receivables

Tarawa		0-30 days	31-60 days	61-90 days	90+ days	2025	2024
Airlines	Domestic	$0	$0	$0	$2,399,322	$2,399,322	$2,435,897
	Scheduled flights	$0	$0	$0	$2,438,682	$2,438,682	$2,438,682
	Un-scheduled flights	$2,231	$0	$0	$25,485	$27,716	$25,485
Government	Ministries	$7,345	$0	$0	$152,686	$160,031	$230,826
	SOES	$0	$0	$0	$1,801,959	$1,801,959	$2,741,763
Others		$139,139	$7,640	-$318	$260,971	$407,431	$470,360
		$148,715	$7,640	-$318	$7,079,105	$7,235,142	$8,343,012
Estimated	uncollectible revenue	5%	20%	50%	85%		
Provision for	doubtful debts	7,436	1,528	- 159	6,017,239	**6,026,044**	

Kiritimati		0-30 days	31-60 days	61-90 days	90+ days	2025	2024
Airlines	Domestic	$1,498	$1,485	$0	$418,754	$421,736	$418,754
	Scheduled flights	-$579	$1,661	$0	-$93	$990	$142,951
	Un-scheduled flights	$0	$0	$10,809	$92,878	$103,687	$88,520
Government	Ministries	$3,005	$21	$377	$363,587	$366,990	$357,012
	SOES	$27,321	$8,103	$1,014	$158,605	$195,043	$206,158
Others		$22,735	$16,891	-$6,775	$252,480	$285,331	$312,795
	Total receivables	$53,979	$28,161	$5,426	$1,286,211	$1,373,777	$1,526,190
		5%	20%	50%	75%		
Provision for	doubtful debts	2,699	5,632	2,713	964,658	**975,702**	

7.2.Dishonored cheques

*Dishonoured cheques	2025	Tarawa	Kiritimati	2024
PUB	$7,208,072	$7,208,072		$7,322,359
Private	$ 67,234	$ 66,872	$362	$67,345
	$ 7,275,306	**$ 7,274,944**	**$ 362**	**$ 7,389,704**

*KOIL estimated that 100% of total dishonoured cheques are uncollectable

7.3.Prepayments and others

Prepayments & other receivables	2025	Tarawa	Kiritimati	2024
Outer island agency	$ 100,046	$ 51,097	$ 48,949	$ 50,993
Deposit to vendor	$ 1,697,171	$ 1,450,976	$ 246,194	$ 1,396,465
Special imprest & advance	$ 161,150	$ 116,513	$ 44,637	$ 180,645
Freight levy fund	$ 785,041	$ 785,041		$ 461,197
Container & security deposit	$ 22,052	$ 22,052		$ 16,002
Sundry debtors	$ 68,032	$ 13,730	$ 54,302	$ 83,835
Prepayments	$ 95,791	$ 95,791		$ 89,433
Provisional tax	$ -	$ -		$ 40,000
	$ 2,929,282	$ 2,535,199	$ 394,083	$ 2,318,569

7.4.Provision for doubtful debts

Provision for doubtful debts	2025	Tarawa	Kiritimati	2024
Provision at the beginning	-$ 14,550,178	-$ 13,572,359	-$ 977,819	-$ 10,115,476
Adjustment +/- in provision	-$ 819,472	-$ 707,268.46	-$ 112,204	-$ 4,434,702
Provision at the end of the year	-$ 15,369,650	-$ 14,279,627	-$ 1,090,023	-$ 14,550,178

8. Inventory

Inventory	2025	Tarawa	Kiritimati	2024
ADO	$ 4,499,850	$ 1,799,443	$ 2,700,407	$ 3,094,269
ADO Drum	$ 117,675	$ 117,675.41		$ 117,675
AvGas	$ 62,432		$ 62,432	$ 62,441
DPK	$ 319,457	$ 192,387	$ 127,070	$ 498,432
Fuel Dispenser	$ 135,508	$ 123,821	$ 11,687	$ 61,545
G/Stove	$ 11,406	$ 11,406		$ 15,983
Jet A1	$ 3,906,957	$ 2,452,183	$ 1,454,774	$ 4,219,382
Jet A1 drum	$ 113,391	$ 113,391		$ 113,391
LPG	$ 644,597	$ 316,106	$ 328,491	$ 424,865
Lubes	$ 1,778,230	$ 1,133,295	$ 644,935	$ 1,894,053
Others	$ 2,613,441	$ 2,056,356	$ 557,085	$ 948,508
ULP	$ 7,340,354	$ 5,186,574.44	$ 2,153,780	$ 5,459,218
ULP drum	$ 2,705	$ 2,705		$ 2,705
	$ 21,546,005	$ 13,505,343	$ 8,040,661	$ 16,912,469

9. Non-current assets – Fixed asset schedule

PROPERTY, PLANT AND EQUIPMENT - CONSOLIDATED

Cost	Plants, properties and machineries	Bulk fuel tanks	Building	Motor vehicle	Furniture & fittings	Equipments	Total PPE	Capital WIP*	Total
Beginning of the year	17,644,564	2,744,950	4,255,466	6,819,341	365,270	1,930,399	33,759,990	3,718,993	37,478,982
Additions/Transfers	41,027	276,139	113,260	1,461,584	76,644	347,698	2,316,351	330,576	2,646,928
Disposal	-$8,932,676	8,932,676	-	-	-	-	-	-	-
End of the year	8,752,915	11,953,764	4,368,726	8,280,925	441,913	2,278,098	36,076,341	4,049,569	40,125,910
Accumulated depreciation									
Opening balance	9,452,930	2,225,801	1,976,447	6,478,036	320,517	1,712,096	22,165,828	-	22,165,828
Depreciation charged	195,597	505,292	169,143	268,965	27,545	107,541	1,274,084	-	1,264,854
Reversal of disposal acc depreciation	-$1,144,574	1,153,804	-	-	-	-	9,230	-	9,230
Closing balance	8,494,724	3,884,897	2,145,590	6,747,001	348,062	1,819,637	23,439,911	-	23,439,911
Net book value beginning of year	8,191,633	519,149	2,279,019	341,305	44,753	218,303	11,594,162	3,718,993	15,313,155
Net book value end of year	**258,191**	**8,068,868**	**2,223,135**	**1,533,924**	**93,851**	**458,461**	**12,636,430**	**4,049,569**	**16,685,999**

***Capital work in progress (WIP) are ongoing projects not yet depreciated until project work completed and asset in use for business operation.**

PROPERTY, PLANT AND EQUIPMENT - TARAWA

Cost	Plants, properties and machineries	Bulk fuel tanks	Building	Motor vehicle	Furniture & fittings	Equipments	Total PPE	Capital WIP*	Total
Beginning of the year	15,466,553	1,572,947	1,900,234	4,984,747	281,507	1,632,077	25,838,065	2,779,398	28,617,463
Additions/Transfers		276,139	113,260	1,452,348	69,494	336,094	2,247,334	- 137,138	2,110,197
Disposal	-$8,932,676	8,932,676					-		-
End of the year	6,533,877	10,781,761	2,013,494	6,437,095	351,001	1,968,172	28,085,399	2,642,260	30,727,659
Accumulated depreciation									
Opening balance	7,276,037	1,385,324	1,447,245	4,667,289	255,690	1,429,546	16,461,132	-	16,461,132
Depreciation charged	$176,915	469,786	65,838	256,788	24,077	96,130	1,089,534		1,089,534
Adjusted acc depreciation	-$1,153,804	1,153,804					-		-
Closing balance	6,299,148	3,008,914	1,513,083	4,924,077	279,768	1,525,676	17,550,666	-	17,550,666
Net book value beginning of year	8,190,516	187,623	452,989	317,458	25,817	202,531	9,376,933	2,779,398	12,156,331
Net book value end of year	**234,729**	**7,772,847**	**500,411**	**1,513,017**	**71,233**	**442,495**	**10,534,734**	**2,642,260**	**13,176,994**

***Capital work in progress (WIP) are ongoing projects not yet depreciated until project work completed and asset in use for business operation.**

PROPERTY, PLANT AND EQUIPMENT - KIRITIMATI

Cost	Plants, properties and machineries	Bulk fuel tanks	Land & Building	Motor vehicle	Furniture & fittings	Equipments	Total PPE	Capital WIP*	Total
Beginning of the year	2,178,011	1,172,003	2,355,231	1,834,594	83,763	298,322	7,921,925	939,595	8,861,520
Additions/Transfers	41,027	-	-	9,237	7,150	11,604	69,017.07	467,714	536,731
Disposal	-						-		-
End of the year	2,219,038	1,172,003	2,355,231	1,843,830	90,913	309,926	7,990,942	1,407,309	9,398,251
Accumulated depreciation									
Opening balance	2,176,893	840,477	529,202	1,810,747	64,827	282,550	5,704,696	-	5,704,696
Depreciation charged	9,453	35,506	103,305	12,177	3,468	11,410	175,320		175,320
Adjusted acc depreciation	9,230						9,230		9,230
Closing balance	2,195,576	875,983	632,507	1,822,924	68,295	293,960	5,889,246	-	5,889,246
Net book value beginning of year	1,118	331,526	1,826,029	23,847	18,936	15,772	2,217,229	939,595	3,156,824
Net book value end of year	**23,462**	**296,020**	**1,722,724**	**20,907**	**22,618**	**15,966**	**2,101,696**	**1,407,309**	**3,509,005**

***Capital work in progress (WIP) are ongoing projects not yet depreciated until project work completed and asset in use for business operation.**