



**KOITAKI PLANTATIONS LIMITED**

**ANNUAL REPORT - 31ST DECEMBER 2013**

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**KOITAKI PLANTATIONS LIMITED**

**REPORT OF THE DIRECTORS**

The directors of **KOITAKI PLANTATIONS LIMITED** have pleasure in presenting the annual report of the company for the year ended 31st December 2013.

**REGISTERED OFFICE**

The company's registered office is situated at C/- Sinton Spence Chartered Accountants, 2nd Floor Brian Bell Plaza, Turumu Street, Boroke, NCD.

**DIRECTORS**

The following directors held office at since the date of the last annual report to the date of this report:-

Lady Beverley Anne Murray  
William Geoffrey Gardner  
Athena Murray

**RESULT**

The result for the year ended 31st December 2013 was a comprehensive income before taxation amounting to K5,924,904. (2012: a comprehensive income for the year before taxation amounting to K44,279,686).

**DIVIDEND**

The directors recommend that no dividend be paid.

**ACTIVITIES**

The company's main activities during the year were livestock production and the harvesting and production of latex.

**AUDITOR**

The company's financial statements have been audited by Sinton Spence Chartered Accountants and should be read in conjunction with the Independent Audit Report set out on pages 3 and 4.

**FURTHER DISCLOSURES**

The company has obtained consent from its shareholder not to disclose the matters required under Section 212(1)(d) to (j) of the Companies Act 1997.

Signed in Australia

On behalf of the Board  
of Directors

This 12th day of November 2014

  
DIRECTOR

  
DIRECTOR

**KOITAKI PLANTATIONS LIMITED**  
**STATEMENT BY THE DIRECTORS**

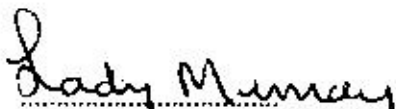
In the opinion of the directors of **KOITAKI PLANTATIONS LIMITED**:-

1. (a) the statement of comprehensive income is drawn up so as to give a true and fair view of the results of the business of the company for the financial year ended 31st December 2013
  - (b) the statement of financial position is drawn up so as to exhibit a true and fair view of the state of affairs of the company as at 31st December 2013
  - (c) the statement of cash flows is drawn up to exhibit a true and fair view of the movements in cash of the company for the financial year ended 31st December 2013
  - (d) the statement of changes in equity is drawn up to exhibit a true and fair view of the changes in equity for the financial year ended 31st December 2013
  - (e) at the date of this statement there are reasonable grounds to believe the company will be able to pay its debts as and when they fall due
2. the financial statements have been prepared in accordance with International Financial Reporting Standards adopted in Papua New Guinea and the Companies Act 1997 of Papua New Guinea.

Signed in Australia

On behalf of the Board  
of Directors

This 12th day of November 2014

  
DIRECTOR

  
DIRECTOR

**KOITAKI PLANTATIONS LIMITED**  
**INDEPENDENT AUDIT REPORT**  
**ON THE FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED 31ST DECEMBER 2013**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **KOITAKI PLANTATIONS LIMITED**, which comprise the statement of financial position as at 31st December 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Independence**

As auditor, we are required to be independent of the company and free of interests that could be incompatible with integrity and objectivity. In respect of this engagement, we followed the independence requirements set out by Certified Practising Accountants Papua New Guinea.

**Qualification**

***Cash at bank***

The cash at bank and bank overdraft balances are stated as per the bank statement balances. The company has not reconciled these balances to un-presented cheques or unrecorded deposits. At the date of this report we have not obtained a bank audit certificate in respect of any of the bank accounts.

***Loans and advances***

***Unsecured loans***

We could not obtain sufficient audit evidence with respect to the unsecured loan advanced to Papua Bulumakau Company Limited in the amount of K2,241,050 (2012: K2,241,050). Consequently we do not express an opinion on the balance or likely recoverability of the unsecured loan to Papua Bulumakau Company Limited as at 31st December 2013.

**KOITAKI PLANTATIONS LIMITED**  
**INDEPENDENT AUDIT REPORT**  
**ON THE FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED 31ST DECEMBER 2013**

**Qualification continued**

***Loans and advances continued.***

***Shareholder's loan***

We could not obtain sufficient audit evidence with respect to the confirmation of loan payable to Escrow Express Limited in the amount of K3,582,780 (2012: K3,582,780). Consequently we do not express an opinion on the balance of the shareholder's loan payable to Escrow Express Limited as at 31st December 2013.

***Unsecured loan***

We could not obtain sufficient audit evidence with respect to the unsecured loan payable to Muri Estates Limited in the amount of K718,876 (2012: K718,876). Consequently we do not express an opinion on the balance of the unsecured loan due to Muri Estates Limited as at 31st December 2013.

***Livestock***

***Valuation***

The livestock valuation was performed by the company directors. We could not obtain sufficient audit evidence to confirm whether the valuation of livestock is in accordance with IAS 41. Consequently we do not express an opinion on the valuation of livestock as at 31st December 2013.

***Physical observation***

We did not observe the counting of inventories as at 31st December 2013. Accordingly we cannot verify the physical existence of stock appearing in the financial statements at a value of K10,104,000 (2012: K3,683,469).

**Opinion**

In our opinion, subject to the effects the qualifications may have, if any, the financial statements give a true and fair view of the financial position of **KOITAKI PLANTATIONS LIMITED** as at 31st December 2013 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the Papua New Guinea Companies Act 1997.

**Other Assignments**

This firm carries out other assignments on behalf of the company in the areas of taxation statutory compliance and statutory matters.

**Signed at Boroko**

**This 12th day of November 2014**

.....  
**By J.S. SPENCE**  
(Registered under the  
Accountants Act - 1996)  
**SINTON SPENCE**  
**CHARTERED ACCOUNTANTS**  
2nd Floor Brian Bell Plaza,  
Turumu Street, Boroko, NCD  
PO Box 6861, Boroko, NCD  
Papua New Guinea

**KOITAKI PLANTATIONS LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31ST DECEMBER 2013**

	NOTES	2013 K	2012 K
Operating income		<u>2,119,191</u>	<u>1,230,259</u>
Operating expenses			
Depreciation		318,336	366,494
Staff costs		692,363	682,282
Other operating expenses		<u>(4,757,749)</u>	<u>1,350,742</u>
		<u>(3,747,050)</u>	<u>2,399,518</u>
Profit from operations		5,866,241	(1,169,259)
Finance expenses			
Interest and bank charges		<u>5,959</u>	<u>49,502</u>
Loss before other income		<u>5,860,282</u>	<u>(1,218,761)</u>
Other income		<u>64,622</u>	<u>45,498,447</u>
Comprehensive income before taxation	4	5,924,904	44,279,686
Taxation	5		
Current period charge		-	-
Deferred tax		-	-
		<u>-</u>	<u>-</u>
Total comprehensive income for the year after taxation		<u>K 5,924,904</u>	<u>K 44,279,686</u>

The accompanying notes form part of these financial statements.

**KOITAKI PLANTATIONS LIMITED**

**STATEMENT OF FINANCIAL POSITION - 31ST DECEMBER 2013**

	NOTES	2013 K	2012 K
<b>SHAREHOLDER'S EQUITY</b>			
Share capital	3	5,000,000	5,000,000
Reserves		51,233,863	45,308,959
<b>SURPLUS OF SHAREHOLDER'S EQUITY</b>		<b>K 56,233,863</b>	<b>K 50,308,959</b>
Represented by:-			
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash on hand and at bank		21,351	180,303
Receivables	6	137,662	296,535
Stock	7	10,104,000	3,683,469
		<u>10,263,013</u>	<u>4,160,307</u>
<b>NON CURRENT</b>			
Unsecured advance	10	2,241,050	2,241,050
Fixed assets	15	49,420,203	49,738,539
		<u>51,661,253</u>	<u>51,979,589</u>
<b>TOTAL ASSETS</b>		<u>61,924,266</u>	<u>56,139,896</u>
<b>LIABILITIES</b>			
<b>CURRENT</b>			
Bank overdraft		198,384	-
Payables	8	747,623	918,304
Secured loan	13	303,276	491,513
		<u>1,249,283</u>	<u>1,409,817</u>
<b>NON CURRENT</b>			
Provision for long service leave	9	139,464	119,464
Shareholder's loan	11	3,582,780	3,582,780
Unsecured loan	12	718,876	718,876
		<u>4,441,120</u>	<u>4,421,120</u>
<b>TOTAL LIABILITIES</b>		<u>5,690,403</u>	<u>5,830,937</u>
<b>NET ASSETS</b>		<b>K 56,233,863</b>	<b>K 50,308,959</b>

The accompanying notes form part of these financial statements.

**KOITAKI PLANTATIONS LIMITED**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31ST DECEMBER 2013**

	<b>SHARE CAPITAL K</b>	<b>ASSET REVALUATION K</b>	<b>RETAINED EARNINGS K</b>	<b>TOTAL K</b>
<b>BALANCE AT 31.12.2011</b>	5,000,000	1,236,573	(207,300)	5,598,227
Total comprehensive loss for the year after taxation	-	-	44,279,686	44,279,686
Revaluation	-	45,412,975	(45,412,975)	-
Dividend	-	-	-	-
<b>BALANCE AT 31.12.2012</b>	<u>5,000,000</u>	<u>46,649,548</u>	<u>(1,340,589)</u>	<u>49,877,913</u>
Total comprehensive income for the year after taxation	-	-	5,924,904	5,924,904
Dividend	-	-	-	-
<b>BALANCE AT 31.12.2013</b>	<u><b>K 5,000,000</b></u>	<u><b>K 46,649,548</b></u>	<u><b>K 4,584,315</b></u>	<u><b>K 55,802,817</b></u>

The accompanying notes form part of these financial statements.



**KOITAKI PLANTATIONS LIMITED**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2013**

	NOTE	2013 K	2012 K
<b>Cash flows from operating activities</b>			
Cash received in operations		2,183,813	1,315,731
Cash paid to service providers		(2,352,912)	(1,957,718)
<b>Net cash used in operating activities</b>	14	<u>(169,099)</u>	<u>(641,987)</u>
<b>Cash flows from investing activities</b>			
Purchase of fixed assets		-	(98,563)
<b>Net cash used in investing activities</b>		<u>-</u>	<u>(98,563)</u>
<b>Cash flows from financing activities</b>			
Borrowing from related party		-	346,395
Advance to related party repaid		-	-
Secured borrowing net repaid		(188,237)	(68,029)
<b>Net cash from financing activities</b>		<u>(188,237)</u>	<u>278,366</u>
Net increase in cash and cash equivalents		(357,336)	(462,184)
Cash and equivalents at 31.12.2012		<u>180,303</u>	<u>642,487</u>
<b>Cash and equivalents at 31.12.2013</b>		<b><u>K (177,033)</u></b>	<b><u>K 180,303</u></b>
Cash and equivalents are comprised of the following balances:-			
Cash on hand and at bank		21,351	180,303
Bank overdraft		(198,384)	-
<b>Cash on hand and at bank at 31.12.2013</b>		<b><u>K (177,033)</u></b>	<b><u>K 180,303</u></b>

The accompanying notes form part of these financial statements.

**KOITAKI PLANTATIONS LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2013**

**1 SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are presented in accordance with the Papua New Guinea Companies Act of 1997 and comply with applicable financial reporting standards and other mandatory professional reporting requirements approved for use in Papua New Guinea by the Accounting Standards Board (ASB). The ASB has adopted International Financial Reporting Standards (IFRS) and interpretations issued by the Standing Interpretations Committee as the applicable financial reporting framework.

The fundamental accounting assumptions recognised as appropriate for the measurement and reporting of results, cash flows and the financial position have been followed in the preparation of these financial statements.

Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year.

The financial statements have been prepared on a going concern basis.

(a) **Historical Cost Convention**

The financial statements have been prepared under the historical cost convention and have not been adjusted to take account of the current costs of specific assets or their impact on the operating results, or changes in the general purchasing power of the kina.

(b) **Recognition of Revenue and Expenditure**

All revenue and expenditure is taken to account in accordance with the principal of matching income and expenses.

(c) **Depreciation**

Depreciation is calculated on the reducing balance basis so as to write off the net costs of the various classes of fixed assets during their effective working lives. Additions are depreciated from the date of purchase in the year of acquisition. The principal annual rates in use are:-

Land (plantation)	2.77%, 3.87%
Buildings	3.00%
Plant and equipment	15.00%, 20.00%
Furniture, fixtures and fittings	15.00%
Office equipment	15.00%
Yard and fences	15.00%
Motor vehicles	20.00%

(d) **Inventory**

Cattle livestock are valued at directors valuation, which approximates the average cleaned and dressed value. Crops in the field and trees are valued at directors valuation.

All costs associated with planting, growing and harvesting crops and fruits are expensed as incurred.

(e) **Employee Entitlements**

The liability or amounts expected to be paid to employees for their pro-rata entitlement to long service leave, annual leave and leave fares are accrued annually at current pay rates having regard to period of service and statutory obligations.

**KOITAKI PLANTATIONS LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2013**

(f) **Sales**

Sales as shown in the statement of comprehensive income comprise of the amounts received and receivable by the company for livestock and produce sales to customers in the ordinary course of business. They equate to the invoiced value for the sale of goods net of goods and services tax, rebates and discounts. Revenue from the sale of goods is recognised when significant risks and ownership of the goods are transferred to the buyer.

(g) **Components of Cash and Cash Equivalents**

For the purposes of the statement of cash flows, cash is considered to be cash on hand and current accounts in banks, net of bank overdrafts. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash.

(h) **Bad and Doubtful Debts**

The provision for doubtful debts is a general provision for estimated doubtful debts.

Where not previously provided, bad debts are written off directly to the income statement. Debts previously written off and subsequently recovered are written back to the income statement in the year in which they are recovered.

(i) **Income Tax**

Tax effect accounting procedures are followed whereby the income tax expense in the income statement is matched with the accounting profit (after allowing for permanent differences). Income tax on net cumulative timing differences is set aside to the deferred income tax and future tax benefit accounts at the rates which are expected to apply when those timing differences reverse. The current rates have been used for this purpose.

Future income tax benefits relating to timing differences are not brought to account unless realisation of the asset is assured beyond reasonable doubt.

(j) **Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from taxation authority, in which case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of the GST recoverable from or payable to, the taxation authority is included with other receivables or payables in the statement of financial position

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority are presented as operating cash flows.

(k) **Provisions**

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(l) **Impairment of Assets**

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

**KOITAKI PLANTATIONS LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2013**

**2 FINANCIAL INSTRUMENTS**

**Financial Instruments**

The company's financial instruments include cash equivalents, receivables, accounts payable and borrowings.

**Financial Risk Management**

The company's activities expose it to a variety of financial risks, including the effects of changes in market prices and interest rates. The company monitors these financial risks and seeks to minimise the potential adverse effects on the financial performance of the company. The company does not use any derivative financial instruments to hedge these exposures.

**(a) Foreign Exchange Risk**

The company does not undertake transactions denominated in foreign currencies and consequently is not exposed to foreign currency risks.

**(b) Liquidity Risk**

The company aims to prudently manage liquidity risk by maintaining sufficient financial capital through prompt collection of debtors and support from the shareholder.

**(c) Fair Values**

The estimated fair values of the company's financial assets and liabilities approximate their carrying values in the statement of financial position.

	2013 K	2012 K
<b>3 <u>SHARE CAPITAL</u></b>		
Issued and fully paid		
2,500,000 ordinary share K2.00 each	<u>5,000,000</u>	<u>5,000,000</u>
<b>4 <u>COMPREHENSIVE LOSS BEFORE TAXATION</u></b>		
The comprehensive loss before taxation is arrived at after charging and crediting the following items:		
Charging:-		
Auditors' remuneration		
- Audit	15,000	-
- Other services	-	-
Provision for doubtful debts	288,923	-
	<u>                    </u>	<u>                    </u>
Crediting:-		
Asset revaluation	-	45,412,975
	<u>                    </u>	<u>                    </u>

**KOITAKI PLANTATIONS LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2013**

	2013	2012
	K	K
<b>5 <u>TAXATION</u></b>		
(i) <b>Income tax expense</b>		
Profit before taxation	5,924,904	44,279,686
Prima facie tax on income at 30%	1,777,471	13,283,906
Permanent differences	37,702	(13,582,878)
Timing differences	(1,720,173)	16,973
Transfer to taxation losses	(95,000)	281,999
Income tax expense	-	-
(ii) <b>Provision for taxation</b>		
Taxation payable at 31.12.2012	-	-
Taxation charge for the year	-	-
Taxation paid during the year	-	-
Provision for tax at 31.12.2013	-	-
(iii) <b>Deferred taxation</b>		
Taxation loss	1,360,669	1,677,336
Provision for long service leave	139,464	119,464
Provision for doubtful debts	288,923	-
	1,789,056	1,796,800
Deferred tax at 30% taxation rate	536,717	539,040
Uncertainty of realisation	(536,717)	(539,040)
Provision for deferred taxation	-	-
<b>6 <u>RECEIVABLES</u></b>		
Trade debtors	426,585	295,735
Provision for doubtful debts	288,923	-
	137,662	295,735
Sundry debtors	-	800
	137,662	296,535
<b>7 <u>STOCK</u></b>		
Cattle at valuation	9,691,500	3,650,469
Horses at valuation	412,500	33,000
	10,104,000	3,683,469
<b>8 <u>PAYABLES</u></b>		
Trade creditors	54,135	167,104
Sundry creditors	693,488	751,200
	747,623	918,304

**KOITAKI PLANTATIONS LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2013**

	2013 K	2012 K
<b>9 <u>EMPLOYEE PROVISIONS</u></b>		
Provision for long service leave	139,464	119,464
<b>10 <u>UNSECURED ADVANCE</u></b>		
Loan to Papua Bulumakau Company Limited	2,241,050	2,241,050
<p>The loan to Papua Bulumakau Limited is for working capital, in respect of a joint venture between Koitaki Plantations Limited and the Livestock Development Corporation. The loan is unsecured with no provision for interest and repayable on demand.</p> <p>Papua Bulumakau Company Limited is incorporated in Papua New Guinea.</p>		
<b>11 <u>SHAREHOLDER'S LOAN</u></b>		
Escrow Express Limited	3,582,780	3,582,780
<p>Escrow Express Limited is incorporated in Cook Islands.</p> <p>The loan is unsecured with no provision for interest and repayable on demand.</p>		
<b>12 <u>UNSECURED LOAN</u></b>		
Muri Estates Limited	718,876	718,876
<p>The loan is unsecured with no provision for interest and repayable on demand.</p>		
<b>13 <u>SECURED LOAN</u></b>		
Bank South Pacific Limited	303,276	491,513
<p>The loan is for a term of five years and is secured over the company's assets.</p>		
<b>14 <u>RECONCILIATION OF OPERATING ACTIVITY</u></b>		
<b><u>CASH FLOW TO LOSS BEFORE TAXATION</u></b>		
Operating profit before taxation	5,924,904	44,279,686
Adjustments for:		
Asset revaluation	-	(45,412,975)
Depreciation	318,336	253,120
Provision for doubtful debts	288,923	-
Provision for long service leave	20,000	-
Decrease in stock	(6,420,531)	380,616
Increase in current assets	(130,050)	(194,249)
Decrease in creditors and provisions	(170,681)	211,375
<b>Net cash from operating activities</b>	<b>(169,099)</b>	<b>(482,427)</b>

**KOITAKI PLANTATIONS LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2013**

**15 FIXED ASSETS**

<b>At cost</b>	<b>Cost</b>	<b>Accumul. Deprec.</b>	<b>Net Book Value</b>	<b>Net Book Value</b>
	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2012</b>
	<b>K</b>	<b>K</b>	<b>K</b>	<b>K</b>
Land including rubber and citrus plantations	-	-	-	-
Furniture and fixtures	11,079	9,554	1,525	1,694
Motor vehicles	1,641,643	990,063	651,580	814,474
Office equipment	19,893	16,738	3,155	4,323
Buildings, fences, plant, equipment	1,085,320	868,880	216,440	244,874
	<u>2,757,935</u>	<u>1,885,235</u>	<u>872,700</u>	<u>1,065,365</u>
<b>At valuation</b>	<b>Valuation</b>	<b>Accumul. Deprec.</b>	<b>Net Book Value</b>	<b>Net Book Value</b>
	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2012</b>
	<b>K</b>	<b>K</b>	<b>K</b>	<b>K</b>
Land including rubber and citrus plantations	51,425,759	2,921,492	48,504,267	48,627,976
Furniture and fixtures	11,079	10,137	942	1,108
Motor vehicles	1,615,842	963,770	652,072	815,089
Office equipment	24,437	21,253	3,184	4,401
Buildings, fences, plant, equipment	724,610	464,872	259,738	289,965
	<u>53,801,727</u>	<u>4,381,524</u>	<u>49,420,203</u>	<u>49,738,539</u>

**Revaluations**

On the 21st December 2000 the assets were valued by Australian Valuation Group. Land, plantation, orchard, buildings, fences and equipment were valued at K78,429,165 and the cattle at K6,694,500. Australian Valuation Group are registered valuers in Queensland and New South Wales, Australia.

The directors reconsidered the valuation on 18th March 2003 and reduced the asset revaluation to reflect an increase of K5,000,000 excluding cattle as a more conservative increase in asset value.

In December 2012, the directors revalued the rubber tree plantation. The revaluation of the rubber tree plantation is based on the net realizable value of felled and processed timber of the rubber tree plantation.

	<b>2012 Directors' Valuation</b>	<b>2003 Directors' Valuation</b>	<b>2000 Australian Valuation Group</b>
Land	1,000,000	1,000,000	13,333,333
Rubber tree plantation	47,412,975	2,000,000	60,297,166
Citrus orchard	200,000	200,000	632,000
Building, plant, equipment, fence	1,800,000	1,800,000	4,166,666
	<u>50,412,975</u>	<u>5,000,000</u>	<u>78,429,165</u>

**KOITAKI PLANTATIONS LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2013**

**16 RELATED PARTY TRANSACTIONS**

The company did not enter into any transactions with related parties throughout the year.

**17 CONTINGENT LIABILITIES**

The directors are not aware of any contingent liabilities which existed at the date of this report.

**18 POST BALANCE DATE EVENTS**

In the opinion of the directors there has not arisen, in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature other than the following disclosure likely to affect significantly the operations of the company, the results of the operations, or the state of affairs of the company, in subsequent financial years.

**19 SEGMENT INFORMATION**

**Business segment**

Koitaki Plantations Limited operates in the business segment of:-

- Farming activities (cropping and livestock)

**Geographical segment**

Koitaki Plantations Limited operates exclusively in the geographical segment of Papua New Guinea.

**20 EMPLOYEES**

The average number of employees in 2013 was 90 (2012: 87).



**KOITAKI PLANTATIONS LIMITED**  
**DETAILED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2013**

	2013 K	2012 K
<b>INCOME</b>		
Sales	2,119,191	1,230,259
<b>Less Cost of Sales</b>		
Livestock movement	(6,420,531)	13,815
Wages and salaries	692,363	682,282
Fuel	175,552	198,748
Cattle consumables	103,466	154,966
Farm consumables	359,076	132,274
Meat processing	113,200	-
	<u>(4,976,874)</u>	<u>1,182,085</u>
<b>GROSS PROFIT</b>	7,096,065	48,174
<b>OTHER INCOME</b>		
Rent	13,333	29,333
Sundry	51,289	56,139
Asset revaluation	-	45,412,975
	<u>7,160,687</u>	<u>45,546,621</u>
<b>less EXPENSES</b>		
Accountancy and audit fees	15,000	605
Bank charges	5,959	49,502
Casual wages	-	4,747
Depreciation	318,336	366,494
Donation	1,000	28,079
Electricity	34,459	50,366
Freight and handling	5,369	-
Insurance	47,021	34,299
Interest	40,230	-
Land rent	35,699	10,809
Legal	59,649	8,857
Loose tools	503	2,498
Medical	2,149	4,413
Motor vehicle	40,657	176,547
Nasfund	8,747	6,511
Postage, printing and stationery	-	5,384
Provision for doubtful debts	288,923	-
Provision for long service leave	20,000	-
Recruitment and repatriation	-	18,000
Repairs and maintenance	185,924	419,200
Rent	8,556	11,650
Security	7,142	2,890
Staff amenities and workwear	52,520	4,568
Subscription	-	1,709
Telephone and facsimile	56,695	54,218
Travel and accommodation	1,245	5,589
	<u>1,235,783</u>	<u>1,266,935</u>
<b>NET OPERATING PROFIT</b>	<b><u>K 5,924,904</u></b>	<b><u>K 44,279,686</u></b>

**KOITAKI PLANTATIONS LIMITED**

**STATEMENT OF TAXABLE INCOME**  
**FOR THE YEAR ENDED 31ST DECEMBER 2013**

**Income Tax 2014**  
**File No. TC 20**

	K	K
Profit per financial statements		5,924,904
Add: Depreciation per financial statements	318,336	
Provision for doubtful debts	288,923	
Provision for long service leave	20,000	
Cattle adjustment 31.12.2012	3,556,266	
		4,183,525
		10,108,429
Less: Depreciation for taxation purposes	192,663	
Cattle adjustment 31.12.2013	9,599,099	
		9,791,762
Profit for the year		316,667
Section 101 loss brought forward		1,677,336
Taxation income		(1,360,669)
Taxation thereon at 30%		K Nil

**HISTORY OF TAXATION LOSSES**

YEAR	K	Utilised K	Balance K
31.12.2004	6,188	6,188	-
31.12.2005	127,391	127,391	-
31.12.2008	128,168	128,168	-
31.12.2009	286,686	54,920	231,766
31.12.2011	188,906		188,906
31.12.2012	939,997		939,997
	K 1,677,336	K 316,667	K 1,360,669

Please confirm section 101(A) losses carried forward.

Public Officer: \_\_\_\_\_