

**PAPUA NEW GUINEA - AUSTRALIA ALUMNI ASSOCIATION INC**

**SPECIAL PURPOSE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

# **Papua New Guinea - Australia Alumni Association Inc**

## **Special Purpose Financial Statements for the year ended 31 December 2017**

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## Papua New Guinea - Australia Alumni Association Inc Special Purpose Financial Statements for the year ended 31 December 2017

### Executive Committee's Annual Report

The Executive Committee has the pleasure in submitting the 'Special Purpose financial statements' comprising of statement of Income and expenditure and statement of assets and liabilities for Papua New Guinea - Australia Alumni Association Incorporated ("the Association") for the year ended 31 December 2017.

### Principal activities

The Association was incorporated on 30th July 2007, under the Associations Incorporation Act ("the Act") The Association's principal activity is to strengthen links between Papua New Guinea and Australia and give graduates a forum to contribute to debate about Papua New Guinea's Future and identify ways in which both countries can benefit from continuing relationship.

In accordance with Section 26 of the Act, the members of the Association are not liable to contribute towards the payment of debts and liabilities of the Association.

### Principal Place of Business

The Principal place of business is Ground Floor, Port Tower Building, Hunter Street, Downtown Port Moresby, NCD.

### Financial results

The results of the financial year ended 31 December 2017 show a net deficit of K1,030 (2016: Deficit of K73,360)

### Independent audit report

The financial statements have been audited and should be read in conjunction with the independent auditors' report on page 3 .

### Executive Committee Members

The Executive Committee in office during the period were:

1. Professor Teatalohi (President)
2. Ms. Hane Kila (Vice President)
3. M. Bernadette Caleb (Secretary)
4. Ms Margaret Tenakanai (Treasurer)

The Executive Committee in office at the time of signing the report are:

1. Dr David Kavanamur (President)
2. Dr Janet Rangou (Vice President)
3. Ms Pamela Kamy (Secretary)
4. Ms Judy Ejampi (Treasurer)


### Auditors

The current Executive Committee in its meeting resolved to appoint ABR CPAs & Advisors as the auditors of the Association. The audit fees are disclosed in note 4 (a)

ABR CPAs & Advisors  
Level 3, Suit 4, ANG House  
Hunter Street, Port Moresby  
P.O. Box 722, Port Moresby, National Capital District

  
Dr David Kavanamur (President)

Date: 09 July 2018

  
Ms. Judy Ejampi (Treasurer)

Date: 09 July 2018

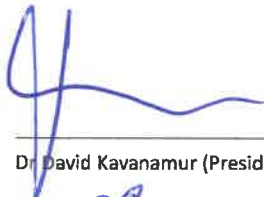
**Papua New Guinea - Australia Alumni Association Inc**  
**Special Purpose Financial Statements for the year ended 31 December 2017**

**Statement by the Executive Committee**

In accordance with a resolution of the Executive Committee of the Association, in its opinion ,

- (a) the special purpose financial statements of the Association are drawn up so as to give a true and fair view of the state of affairs of the Association Inc as at 31 December 2017 and the financial results of its operations of the year then ended.
- (b) The financial statements are prepared in accordance with the approved accounting policies as described in note one (1) and ;
- (c) Proper financial records and other records have been properly kept in accordance with the provisions of the Association Incorporation Act.

For and on behalf of the Executive Committee

  
\_\_\_\_\_  
Dr David Kavanamur (President)

Date: 09 July 2018

  
\_\_\_\_\_  
Ms. Judy Ijampi (Treasurer)

Date: 09 July 2018

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE PAPUA NEW GUINEA- AUSTRALIA ALUMNI ASSOCIATION INC.**

We have audited the accompanying special purpose financial statements of Papua New Guinea- Australia Alumni Association Incorporated ("The Association") , which comprise of the statement of assets and liabilities as at 31 December 2017, and the statement of income and expenditure for the year then ended, and a summary of significant accounting policies and other explanatory information.

***The Executive Committee's Responsibility***

The Executive Committee is responsible for the preparation and fair presentation of these special purpose financial statements in accordance with the accounting polices stated in note 1, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' 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 about 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 judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risks 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 of 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 executives, 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.

***Unqualified Audit Opinion***

In our opinion, the special purpose financial statements of the Association give a true and fair view of the assets and liabilities as of 31 December 2017 and of its statement of income and expenditure for the year then ended on that date.

***Report on Other Legal and Regulatory Requirements***

In accordance with the requirements of the Association Incorporation Act, we also report that in our opinion, the accounting and other records and the cash registers required by the Act to be kept by the Association have been properly kept in accordance with the provisions of the Act.

DATED at Port Moresby this 10 day of July 2018

ABR CPAs & Advisors



By: Andy Rutil  
Registered under Accountants Act 1996

**Papua New Guinea - Australia Alumni Association Inc**  
**Special Purpose Financial Statements for the year ended 31 December 2017**  
**Statement of Income and Expenditure**

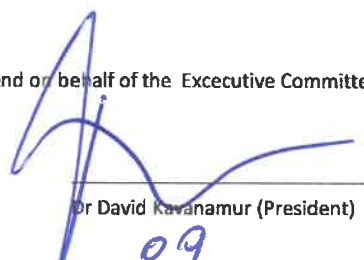
	Note	2017 K	2016 K
<b>Revenue</b>			
Membership fees	3(a)	38,350	31,755
Fundraising	3(b)	77,550	110,750
Small Grant	3(c)	85,000	25,710
Other Income	3(d)	104	1,932
<b>Total Income</b>		<u>201,004</u>	<u>170,147</u>
<b>Expenditure</b>			
Accounting & Audit Fee	4 (a)	6,317	5,550
Ambassadors Programs	4 (b)	-	5,880
Banking Fees	4 (c)	90	291
Conference & Dinner	4 (d)	144,194	100,432
Gift/Donation	4 (e)	10,000	20,000
Grant Refunds	4 (f)	-	25,710
National Campaign Expense	4 (g)	7,616	32,119
Membership Reimburshments	4 (h)	-	6,525
National Chapter Forum	4 (i)	23,760	40,000
Thank you & Fundraising Dinner	4 (j)	-	7,000
Networking Event	4 (k)	10,058	-
<b>Total expenditure</b>		<u>202,035</u>	<u>243,507</u>
<b>Net Surplus (Deficit) for the period</b>		<u>( 1,030)</u>	<u>( 73,360)</u>

The statement of income and expenditure is to be read in conjunction with the notes to and forming part of the special purpose financial statements set out on pages 6 to 8.

**Papua New Guinea - Australia Alumni Association Inc**  
**Special Purpose Financial Statements for the year ended 31 December 2017**  
**Statement of Assets and Liabilities**

	Note	2017 K	2016 K
<b>ASSETS</b>			
Cash and cash equivalent	12	105,999	111,879
Other debtors	5	1,540	1,540
<b>Total current assets</b>		<u>107,539</u>	<u>113,419</u>
<b>LIABILITIES</b>			
Accruals	6	5,050	9,900
<b>Total liabilities</b>		<u>5,050</u>	<u>9,900</u>
<b>Net Asset</b>		<u>102,489</u>	<u>103,519</u>
<b>ACCUMULATED FUNDS</b>			
Funds Brought Forward		103,519	176,879
Current Year Surplus/(Deficit)		(1,030)	(73,360)
<b>Total accumulated funds</b>		<u>102,489</u>	<u>103,519</u>

For and on behalf of the Executive Committee

  
 Dr David Kavanamur (President)  
 Date: 09 July 2018

  
 Ms Judy Ejamp (Treasurer)  
 Date: 09 July 2018

The statement of Assets and Liabilities is to be read in conjunction with the notes to and forming part of the special purpose financial statements set out on pages 6 to 8.

**Papua New Guinea - Australia Alumni Association Inc**  
**Special Purpose Financial Statements for the year ended 31 December 2017**  
**Notes to and forming part of the financial statements**

**1 ACCOUNTING POLICIES**

**(a) Statement of Compliance**

The "Special Purpose Financial statements" have been drawn up in accordance with accounting policies approved by the Executive Committee. The Financial Statements have been prepared using the historical cost convention and do not take into account changing money values, nor does it take into account values of non-current assets, unless otherwise stated.

Set out below is a summary of significant accounting policies adopted by the Association. The Accounting Policies have been consistently applied unless otherwise stated.

**(b) Going Concern**

The Papua New Guinea - Australia Alumni Association Inc will and shall continue to exist as a going concern in the foreseeable future as justified by the continuous financial support of sponsors and members.

**(c) Income Recognition**

- i. Interest Income is brought to account on an accrual basis using the effective interest method.
- ii. Donations and membership fees are brought into account on receipt basis.
- iii. Income from fundraising events is brought to account on receipt basis.

**(d) Donations in Kind**

In the Financial Statements, no value is attributed to donations received in kind.

**(e) Expense Recognition**

- i. Interest Expense is brought into account on an accrual basis.
- ii. A specific provision for doubtful debts is made for all identified doubtful debts. All bad debts are written off against the specific provision in the period in which they are classified as irrecoverable.
- iii. Expenses relating to fund raising events are brought into account in the year the income from the event is

**(f) Taxation**

Income Tax - the association is not for profit organisation and is exempted from income tax under section 27(b) of the PNG Income Tax Act.

Goods and Services Tax - the association is not for profit organisation and is exempted from goods and services tax under section 25A of the PNG income Tax Act.

**(g) Cash and Cash Equivalents**

For cash flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in values.

**(h) Current Debtors**

Other debtors are recognised at fair value.

**(i) Comparatives**

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year. The comparative figures were restated to take up audit fee accruals

**2 Liability to Members**

The members of the Association are not liable to contribute towards the payment of debts and liabilities of the Association or the costs, charges and expenses of the winding up of the Association.



**Papua New Guinea - Australia Alumni Association Inc**  
**Special Purpose Financial Statements for the year ended 31 December 2017**  
**Notes to and forming part of the financial statements**

	2017 K	2016 K
<b>3 Income</b>		
<b>(a) Membership fees</b>		
Membership fees	38,350	31,755
	<u>38,350</u>	<u>31,755</u>
<b>(b) Fundraising</b>		
Fund Raising Events	77,550	110,750
	<u>77,550</u>	<u>110,750</u>
<b>(c) Small Grant</b>		
Grant - Australian Award Office	85,000	25,710
	<u>85,000</u>	<u>25,710</u>
<b>(d) Other Income</b>		
Other Income	104	1,932
	<u>104</u>	<u>1,932</u>
<b>4 Expenditure</b>		
<b>(a) Audit and Accounting</b>		
Audit Fees	3,850	3,850
Gore Accountants - GST component	-	700
Accounting fee	2,467	1,000
	<u>6,317</u>	<u>5,550</u>
<b>(b) Ambassadors Programs</b>		
Alumni Cafés- Holiday Inn	-	4,880
Gifts and Prizes	-	1,000
	<u>-</u>	<u>5,880</u>
<b>(c) Banking Fees</b>		
Bank Charge	90	291
	<u>90</u>	<u>291</u>
<b>(d) Conference &amp; Dinner</b>		
Venue and catering	129,300	76,936
Flowers and painting	5,590	16,996
Others and Entertainment	9,304	6,500
	<u>144,194</u>	<u>100,432</u>
<b>(e) Donation &amp; Gift</b>		
Donations from proceed from Dinner	10,000	20,000
	<u>10,000</u>	<u>20,000</u>
<b>(f) Grant Refund</b>		
Small Library Project Chimbu	-	25,710
	<u>-</u>	<u>25,710</u>
<b>(g) National Campaign Expense</b>		
Advertisement & others	7,616	32,119
	<u>7,616</u>	<u>32,119</u>
<b>(h) Membership Reimburshment</b>		
Membership Costs	-	6,525
	<u>-</u>	<u>6,525</u>
<b>(i) National Chapter Forum</b>		
National Chapter Forum cost	23,760	40,000
	<u>23,760</u>	<u>40,000</u>
<b>(j) Thank You Dinner &amp; Fundraising Dinner</b>		
Dinner Cost	-	7,000
	<u>-</u>	<u>7,000</u>
<b>(k) Networking Events</b>		
Family Fund day	10,058	-
	<u>10,058</u>	<u>-</u>

**Papua New Guinea - Australia Alumni Association Inc**  
**Special Purpose Financial Statements for the year ended 31 December 2017**  
**Notes to and forming part of the financial statements**

	<b>2017</b>	<b>2016</b>
	<b>K</b>	<b>K</b>
<b>5 Other debtors</b>		
Overpayment to Gore Accountants- 2015 audit fee	1,540	1,540
	<u>1,540</u>	<u>1,540</u>
<b>6 Accruals</b>		
Audit and Accounting fees	5,050	9,900
	<u>5,050</u>	<u>9,900</u>
<b>7 Commitments</b>		
No capital commitments not otherwise provided for in the financial statements at year end.		
<b>8 Contingencies</b>		
The Association had no contingent liabilities not otherwise provided for in the financial statements at year end (2016 : Nil)		
<b>9 Financial Instruments</b>		
<b>(a) Financial risk management objectives</b>		
Having regarded as a not for profit organisation primarily involve in the promotion of members' interest, the Association does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. However the Association is exposed to interest rate risk, credit risk and liquidity risk. Thus the Association's risk management objective is to minimise the exposure for these different risk categories.		
<b>(b) Interest rate risk management</b>		
The Association is not exposed to interest rate risk as it does not have any borrowing with any financial institution at year end.		
<b>(c) Credit risk management</b>		
The Association has no significant exposure to credit risk.		
<b>(d) Liquidity risk</b>		
The Association maintains sufficient cash and marketable securities to meet all future commitments		
<b>10 Events Subsequent to the Balance Sheet Date</b>		
No significant post balance date events have occurred which may require adjustment to balances at year end or disclosures.		
<b>11 Employees</b>		
The average number of employees for the year was nil (2016: nil )		
<b>12 Cash in bank and on hand</b>		
Cash includes cash on hand and at bank and short-term deposits at call.		
Cash and bank balances	105,999	111,879
	<u>105,999</u>	<u>111,879</u>