

PAPUA NEW GUINEA - AUSTRALIA ALUMNI ASSOCIATION INC

SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

Papua New Guinea - Australia Alumni Association Inc
Special Purpose Financial Statements for the year ended 31 December 2018

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Papua New Guinea - Australia Alumni Association Inc
Special Purpose Financial Statements for the year ended 31 December 2018

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 2018.

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, Westpac Building, Waigani Drive, Central Waigani, Port Moresby, NCD.

Financial results

The results of the financial year ended 31 December 2018 show a net surplus of K76,917 (2017: Deficit of K1,030)

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

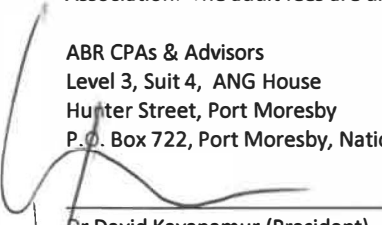
The Executive Committee in office at the time of signing the report are:

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

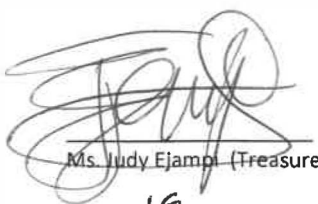
Auditors

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: 19 June 2019


Ms. Judy Ejampi (Treasurer)

Date: 19 June 2019

Papua New Guinea - Australia Alumni Association Inc
Special Purpose Financial Statements for the year ended 31 December 2018

Statement by the Executive Committee

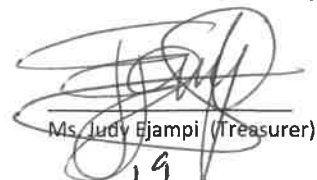
In accordance with a resolution of the Executive Committee of the Association, in its opinion ,

- (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 2018 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: 19 June 2019



Ms. Judy Ejampi (Treasurer)
Date: 19 June 2019



ABR CPAs & Advisors
Level 3, Suite 4
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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 2018, 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 policies 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 2018 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 21st day of June 2019

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 2018
Statement of Income and Expenditure

	Note	2018 K	2017 K
Revenue			
Membership fees	3(a)	64,576	38,350
Fundraising	3(b)	45,450	77,550
Small Grant	3(c)	90,795	85,000
Other Income	3(d)	45,921	104
Total Income		246,742	201,004
Expenditure			
Accounting & Audit Fee	4 (a)	7,487	6,317
Banking Fees	4 (b)	138	90
Conference & Dinner	4 (c)	95,346	144,194
Gift/Donation	4 (d)	42,759	10,000
Grant Refunds	4 (e)	20,795	-
National Campaign Expense	4 (f)	-	7,616
Membership Reimburshments	4 (g)	3,300	-
National Chapter Forum	4 (h)	-	23,760
Networking Event	4 (k)	-	10,058
Total expenditure		169,825	202,035
Net Surplus (Deficit) for the period		76,917	(1,030)

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 9.

Papua New Guinea - Australia Alumni Association Inc
Special Purpose Financial Statements for the year ended 31 December 2018
Statement of Assets and Liabilities


	Note	2018 K	2017 K
ASSETS			
Cash and cash equivalent	12	184,506	105,999
Other debtors	5	-	1,540
Total current assets		<u>184,506</u>	<u>107,539</u>
LIABILITIES			
Accruals	6	5,100	5,050
Total liabilities		<u>5,100</u>	<u>5,050</u>
Net Asset		<u>179,406</u>	<u>102,489</u>
ACCUMULATED FUNDS			
Funds Brought Forward		102,489	103,519
Current Year Surplus/(Deficit)		76,917	(1,030)
Total accumulated funds		<u>179,406</u>	<u>102,489</u>

For and on behalf of the Executive Committee



 Dr David Kavanamur (President)

Date: 19 June 2019



 Ms. Judy Ejampi (Treasurer)

Date: 19 June 2019

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 9.

Papua New Guinea - Australia Alumni Association Inc
Special Purpose Financial Statements for the year ended 31 December 2018
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 recognised.

(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 2018
Notes to and forming part of the financial statements

	2018 K	2017 K
3 Income		
(a) Membership fees		
Membership fees	64,576	38,350
	<u>64,576</u>	<u>38,350</u>
(b) Fundraising		
Fund Raising Events	45,450	77,550
	<u>45,450</u>	<u>77,550</u>
(c) Small Grant		
Grant - Australian Award Office	70,000	85,000
Australia Govt Solicitor Grants (AGS)	20,795	-
	<u>90,795</u>	<u>85,000</u>
(d) Other Income		
Other Income	45,921	104
	<u>45,921</u>	<u>104</u>
4 Expenditure		
(a) Audit and Accounting		
Audit Fees	3,900	3,850
Gore Accountants - provision for doubtful debts	1,540	-
Accounting fee	2,047	2,467
	<u>7,487</u>	<u>6,317</u>
(b) Banking Fees		
Bank Charge	138	90
	<u>138</u>	<u>90</u>
(c) Conference & Dinner		
Venue and catering	70,325	129,300
Flowers and painting	2,604	5,590
Others and Entertainment	22,417	9,304
	<u>95,346</u>	<u>144,194</u>
(d) Donation & Gift		
Donations from proceed from Dinner	11,000	10,000
PNGAAA merchandise	30,259	-
PNGAAA funeral contribution (Late Carolyn Pia'afu)	500	-
Chapter funding (participate in Kenu Festival)	1,000	-
	<u>42,759</u>	<u>10,000</u>
(e) Australia Govt Solicitor Grants (AGS)		
Australia Govt Solicitor Grants (AGS)	20,795	-
	<u>20,795</u>	<u>-</u>
(f) National Campaign Expense		
Advertisement & others	-	7,616
	<u>-</u>	<u>7,616</u>
(g) Membership Reimburshment		
Membership Costs	3,300	-
	<u>3,300</u>	<u>-</u>

Papua New Guinea - Australia Alumni Association Inc
Special Purpose Financial Statements for the year ended 31 December 2018
Notes to and forming part of the financial statements

	2018 K	2017 K
(h) National Chapter Forum		
National Chapter Forum cost	-	23,760
	<u>-</u>	<u>23,760</u>
(i) Thank You Dinner & Fundraising Dinner		
Dinner Cost	-	-
	<u>-</u>	<u>-</u>
(j) Networking Events		
Family Fund day	-	10,058
	<u>-</u>	<u>10,058</u>
5 Other debtors		
Overpayment to Gore Accountants- 2015 audit fee	1,540	1,540
Provision for doubtful debts	(1,540)	-
	<u>-</u>	<u>1,540</u>
6 Accruals		
Audit and Accounting fees	5,100	5,050
	<u>5,100</u>	<u>5,050</u>

7 Commitments

No capital commitments not otherwise provided for in the financial statements at year end.

8 Contingencies

The Association had no contingent liabilities not otherwise provided for in the financial statements at year end (2017 : Nil)

9 Financial Instruments

(a) Financial risk management objectives

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) Interest rate risk management

The Association is not exposed to interest rate risk as it does not have any borrowing with any financial institution at year end.

(c) Credit risk management

The Association has no significant exposure to credit risk.

(d) Liquidity risk

The Association maintains sufficient cash and marketable securities to meet all future commitments

Papua New Guinea - Australia Alumni Association Inc
Special Purpose Financial Statements for the year ended 31 December 2018
Notes to and forming part of the financial statements

10 Events Subsequent to the Balance Sheet Date

No significant post balance date events have occurred which may require adjustment to balances at year end or disclosures.

11 Employees

The average number of employees for the year was nil (2017: nil)

	2018	2017
12 Cash in bank and on hand	K	K
Cash includes cash on hand and at bank and short-term deposits at call.		
Cash and bank balances	184,506	105,999
	<u>184,506</u>	<u>105,999</u>