

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

**SPECIAL PURPOSE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Papua New Guinea - Australia Alumni Association Inc**  
**Special Purpose Financial Statements for the year ended 31 December 2020**

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**Papua New Guinea - Australia Alumni Association Inc**  
**Special Purpose Financial Statements for the year ended 31 December 2020**

**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 2020.

**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 2020 show a net deficit of K19,542 (2019: Surplus of K84,341)

**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 Janet Rangou (President)
2. Dr Pamela Kamy (Vice President)
3. Ms Martina Yaueb (Secretary)
4. Mr Shane Koniel (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 Janet Rangou (President)

Date: \_\_09\_\_ June 2021

  
Mr. Shane Koniel (Treasurer)

Date: \_\_09\_\_ June 2021

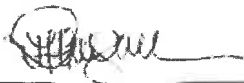
**Papua New Guinea - Australia Alumni Association Inc**  
**Special Purpose Financial Statements for the year ended 31 December 2020**

**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 2020 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 Janet Rangou (President)

Date: \_\_\_09\_\_\_ June 2021



Mr. Shane Koniel (Treasurer)

Date: \_\_\_ 09\_\_\_ June 2021



ABR CPAs & Advisors  
Level 3, Suite 4  
ANG House  
Hunter Street  
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Papua New Guinea

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

### *Qualified Audit Opinion*

In our opinion, except for the qualification matter as described in the Basis of Qualified Opinion section of our report, the accompanying special purpose financial statements;

- are based on proper accounts and records.
- are in agreement with those accounts and records and present fairly, in all material respects, the statement of assets and liabilities as at 31 December 2020 and the statement of income and expenditure for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

We have also considered provisions of the Association Incorporation Act and 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.
- We have obtained all the information and explanations we have required and;
- During the year ended 31 December 2020 we provided no conflicting services to the Association.

### *Basis for Qualified Opinion*

#### *Limitation of Scope- Fee Reimbursements*

Included in the expenses are fee reimbursements for various Provincial Chapters of the Association. These reimbursements are approved by the use of internal memorandums. The underlying third party documentation including invoices supporting these payments by the Chapters are not available at the National Office as the responsibility for the maintenance of these records is with the Provincial Chapters. Accordingly, we were unable to verify the expenses related to these reimbursements and consequently the accuracy and completeness of the expenses as recorded in these reimbursements.



We have conducted the audit in accordance with International Standards on Auditing and other applicable statutory requirements. Our responsibilities under those standards are further described in the auditors' responsibilities section of this report.

We are independent of the Association in accordance with the requirements of ethical standards that are relevant to our audit of the financial statement in Papua New Guinea and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***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.

DATED at Port Moresby this 10<sup>th</sup> day of June 2021

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 2020**  
**Statement of Income and Expenditure**

	Note	2020 K	2019 K
<b>Revenue</b>			
Membership fees	3(a)	41,042	77,606
Fundraising	3(b)	-	190,005
Australia Bush Fire Fund Raising	3(c)	374,784	-
Other Income	3(d)	-	1,447
<b>Total Income</b>		<b>415,826</b>	<b>269,058</b>
<b>Expenditure</b>			
Accounting & Audit Fee	4 (a)	5,200	6,334
Banking Fees	4 (b)	1,058	447
Conference & Dinner	4 (c)	-	159,283
Gift/Donation	4 (d)	17,875	5,809
Australia Bush Fire Donation	4 (e)	374,620	-
Accommodation and Travel	4 (f)	21,130	8,844
Membership Reimbursements	4 (g)	7,200	-
Provincial Chapter Launching	4 (h)	6,285	3,000
Advertising & Marketing	4 (i)	-	1,000
Internet and Telecommunications	4 (j)	2,000	-
<b>Total expenditure</b>		<b>435,368</b>	<b>184,717</b>
<b>Net Surplus (Deficit) for the period</b>		<b>( 19,542)</b>	<b>84,341</b>

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 7 to 10.

**Papua New Guinea - Australia Alumni Association Inc**  
**Statement of Assets and Liabilities**  
**As at 31 December 2020**

	Note	2020 K	2019 K
<b>ASSETS</b>			
Cash and cash equivalent	12	254,905	269,247
Other debtors	5	-	-
<b>Total current assets</b>		<u>254,905</u>	<u>269,247</u>
<b>LIABILITIES</b>			
Accruals	6	10,700	5,500
<b>Total liabilities</b>		<u>10,700</u>	<u>5,500</u>
<b>Net Asset</b>		<u>244,205</u>	<u>263,747</u>
<b>ACCUMULATED FUNDS</b>			
Funds Brought Forward		263,747	179,406
Current Year Surplus/(Deficit)		(19,542)	84,341
<b>Total accumulated funds</b>		<u>244,205</u>	<u>263,747</u>

For and on behalf of the Executive Committee



Dr Janet Rangou (President)

Date: 09 June 2021



Mr. Shane Koniel (Treasurer)

Date: 09 June 2021

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 7 to 10.



**Papua New Guinea - Australia Alumni Association Inc**  
**Special Purpose Financial Statements for the year ended 31 December 2020**  
**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 2020**  
**Notes to and forming part of the financial statements**

	2020 K	2019 K
<b>3 Income</b>		
<b>(a) Membership fees</b>		
Membership fees	41,042	77,606
	<u>41,042</u>	<u>77,606</u>
<b>(b) Fundraising</b>		
Fund Raising Events	-	190,005
	-	<u>190,005</u>
<b>(c) Australia Bush Fire Appeal</b>		
Australia Bush Fire Appeal	374,784	-
Alumni Grant Scheme	-	-
	<u>374,784</u>	<u>-</u>
<b>(d) Other Income</b>		
Other Income	-	1,447
	-	<u>1,447</u>
<b>4 Expenditure</b>		
<b>(a) Audit and Accounting</b>		
Audit Fees	4,000	4,700
Accounting fee	1,200	1,634
	<u>5,200</u>	<u>6,334</u>
<b>(b) Banking Fees</b>		
Bank Charge	1,058	447
	<u>1,058</u>	<u>447</u>
<b>(c) Conference &amp; Dinner</b>		
Venue and catering	-	155,433
Others and Entertainment	-	3,850
	-	<u>159,283</u>
<b>(d) Donation &amp; Gift</b>		
Souvenir and merchandise	-	5,809
PNG AAA Merchandise -250 Polo Shirts	17,875	-
	<u>17,875</u>	<u>5,809</u>
<b>(e) Australia Bush Fire Donation</b>		
Donations to the Australian People	363,620	-
Room Hire - Australia Bush Fire Appeal	11,000	-
	<u>374,620</u>	<u>-</u>
<b>(f) National Campaign Expense</b>		
Accommodation	21,130	8,844
	<u>21,130</u>	<u>8,844</u>
<b>(g) Membership Reimbursement</b>		
Membership Costs	7,200	-
	<u>7,200</u>	<u>-</u>
<b>(h) Provincial Chapter Launching</b>		
Morobe Chapter Launching	6,285	-
National Chapter Launching Cost	-	3,000
	<u>6,285</u>	<u>3,000</u>

**Papua New Guinea - Australia Alumni Association Inc**  
**Special Purpose Financial Statements for the year ended 31 December 2020**  
**Notes to and forming part of the financial statements**

	2020 K	2019 K
<b>(I) Advertising and marketing</b>		-
Media coverage	-	1,000
	<u>-</u>	<u>1,000</u>
<b>(J) Internet &amp; Telecommunication</b>		-
Internet Connectivity	2,000	-
	<u>2,000</u>	<u>-</u>
<b>5 Other debtors</b>		
Overpayment to Gore Accountants- 2015 audit fee	-	-
Provision for doubtful debts	-	-
	<u>-</u>	<u>-</u>
<p>On 15 May 2019 the Executive Committee resolved and wrote off 2015 audit fee which was advanced to Gore Accountants.</p>		
<b>6 Accruals</b>		
Audit and Accounting fees	5,200	5,500
Australia Award Office	5,500	-
	<u>10,700</u>	<u>5,500</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 (2019 : 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 2020**  
**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 (2019: nil )

	<b>2020</b>	<b>2019</b>
<b>12 Cash in bank and on hand</b>	<b>K</b>	<b>K</b>
Cash includes cash on hand and at bank and short-term deposits at call.		
Cash and bank balances	254,905	269,247
	<u>254,905</u>	<u>269,247</u>