

**PAPUA NEW GUINEA ASSOCIATION
OF AUSTRALIA INCORPORATED**

ABN: 35 027 362 171



FINANCIAL STATEMENTS

31 DECEMBER 2020

PAPUA NEW GUINEA ASSOCIATION OF AUSTRALIA INC.

CONTENTS

	Page No.
Independent Auditor's Report to the Members	1
Statement by Committee	2
Statement of Income and Expenditure	3
Statement of Assets and Liabilities	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-8

INDEPENDENT AUDIT REPORT

To the members of the **PAPUA NEW GUINEA ASSOCIATION OF AUSTRALIA INC.**

SCOPE

We have audited the attached special purpose financial report comprising the Statement of Financial Position and Operating Statement and Notes to the financial position of the PAPUA NEW GUINEA ASSOCIATION OF AUSTRALIA INC. for the period ended 31ST DECEMBER, 2020. The entity's Committee of Management is responsible for the preparation and presentation of the financial report and the information contained therein, and have determined that the accounting policies used are consistent with the financial reporting requirements of the entity's constitution and are appropriate to meet the needs of the members. We have conducted an independent audit of the financial report in order to express an opinion to the members of the PAPUA NEW GUINEA ASSOCIATION OF AUSTRALIA INC. on its preparation and presentation. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Committee of Management's financial reporting requirements under the entity's constitution. We disclaim and assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures include examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1 to the financial statements. (These policies do not require the application of all Statements of Accounting Concepts and Accounting Standards).

The audit opinion expressed in this report has been formed on the above basis.

QUALIFICATION

As is common for organisations of this type although total income has been verified it was not possible to verify the total received before receipts being issued and the allocation of income. Therefore our audit in relation to the above activities was limited to the amounts recorded.

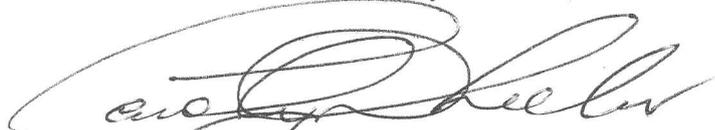
AUDIT OPINION

In our opinion other than the qualifications above, the financial reports present fairly in accordance with accounting policies described in Note 1 to the financial statements the financial position of the PAPUA NEW GUINEA ASSOCIATION OF AUSTRALIA INC. as at 31ST DECEMBER, 2020 and the results of its operations for the period then ended.

INDEPENDENCE

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Signed at Woodford this. 11th day of March, 2021



CAROLYN WHEELER
C.M. WHEELER & ASSOCIATES
FELLOW OF CERTIFIED PRACTISING ACCOUNTANTS



PAPUA NEW GUINEA ASSOCIATION OF AUSTRALIA INC.

(Formerly the Retired Officers' Association of Papua New Guinea, Inc.)

Incorporated in New South Wales - ABN 35 027 362 171

STATEMENT BY THE COMMITTEE

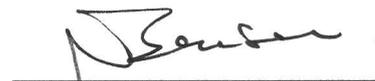
The Committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Committee:-

- i. the accompanying financial statements, as set out on pages 3 to 8, of the Papua New Guinea Association of Australia Inc. Financial Statements present a true and fair view of the financial position for the year ended 31 December 2020;
- ii. at the date of this statement, there are reasonable grounds to believe that the Papua New Guinea Association of Australia Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:


Max Uechtritz
President


Murrough Benson
Treasurer

Dated this eighth day of April 2021

PAPUA NEW GUINEA ASSOCIATION OF AUSTRALIA INC.

STATEMENT OF INCOME AND EXPENDITURE
Year ending 31 December 2020

	Notes	2020		2019	
		\$	\$	\$	\$
INCOME					
Membership			39,436.99		36,818.10
Membership Subscriptions	2	39,436.99		36,818.10	
Functions	3		4,312.28		11,232.39
Christmas Luncheon - Sydney		4,267.28		6,707.39	
Christmas Luncheon - Melbourne		0.00		1,470.00	
AGM Luncheon		0.00		1,280.00	
Other Functions		45.00		1,775.00	
Net Receipts from Trading Activities	4		1,175.51		2,564.18
Kiap: Stories Behind the Medal (DVD)		65.00		195.00	
Walk Into Paradise (DVD)		39.50		180.00	
RMvM 70th Anniversary (DVD)		25.00		60.00	
When the War Came (Book)		510.01		920.00	
The Volcano's Wife (Book)		185.00		449.18	
Cloudlands Memoirs (Book)		27.00		255.00	
Sundry Books		150.00			
Tote Bags		154.00		270.00	
Sales on Commission (non PNGAA items)		20.00		235.00	
Other Income	5		4,709.75		5,498.89
Donations		533.51		607.00	
Membership Directory		57.00		104.00	
Raffles/Silent Auctions		1,430.00		1,697.45	
Advertising					
Interest - Term Deposits		2,454.24		3,032.44	
Sundry		235.00		58.00	
TOTAL INCOME			49,634.53		56,113.56
EXPENDITURE					
Journal			32,676.47		34,195.49
Printing & Distribution	6	32,676.47		34,195.49	
Functions	3		4,230.70		9,883.87
Christmas Luncheon - Sydney		4,230.70		6,745.57	
Christmas Luncheon - Melbourne		0.00		1,338.80	
AGM Luncheon		0.00		1,089.50	
Other Functions		0.00		710.00	
Administration			8,754.97		8,140.70
Printing, Stationery & Telephone		335.46		232.99	
General Postage		414.55		686.92	
Lodgement Fees (NSW Dept of Fair Trading)	7	100.50		97.38	
Audit		660.00		550.00	
Bookkeeping	8	0.00		600.00	
Bank Charges		2.50		(62.71)	
Insurance	9	2,306.44		2,156.91	
Storage		3,146.83		2,982.96	
Website	10	1,788.69		896.25	
Other Expenses			500.00		500.00
Subscriptions		0.00		150.00	
Donations	11	500.00			
Sundry	12	0.00		350.00	
Income Tax Assessed	13	0.00		0.00	
TOTAL EXPENDITURE			46,162.14		52,720.06
SURPLUS / (DEFICIT)			3,472.39		3,393.50

This statement to be read in conjunction with the notes attached

PAPUA NEW GUINEA ASSOCIATION OF AUSTRALIA INC.

**STATEMENT OF ASSETS AND LIABILITIES
as at 31 December 2020**

	Notes	2020		2019	
		\$	\$	\$	\$
ASSETS					
Current Assets					
Cash and cash equivalents					
Current account (CBA)		22,350.85	39,876.70	17,278.83	32,350.44
Current account - RMvM (CBA)		13,555.45		13,555.45	
Savings account (Qudos Bank - interest earned on Term Deposits)		3,970.40		1,516.16	
Inventories					
	4		12,538.00		13,454.00
DVD - Kiap: Stories Behind the Medal [220]		2,200.00		2,240.00	
DVD - Walk Into Paradise [205]		1,025.00		1,105.00	
DVD - RMvM 70th Anniversary [518]		2,590.00		2,600.00	
DVD - Some Came Home [447]		2,235.00		2,235.00	
Book - When the War Came [120]		3,600.00		4,170.00	
Tote Bags [111]		888.00		1,104.00	
Investments					
	5		120,000.00		120,000.00
Term Deposit (Qudos Bank)		40,000.00		40,000.00	
Term Deposit - RMvM (Qudos Bank)		80,000.00		80,000.00	
TOTAL ASSETS			172,414.70		165,804.44
LIABILITIES					
Current Liabilities					
Subscriptions in Advance (next year)		24,923.48	36,529.22	20,078.73	31,530.47
Provision for Income Tax	13	0.00		(154.00)	
Provision - Special Projects	14	11,605.74		11,605.74	
Accounts Payable					
Long Term Liabilities					
			2,968.90		4,829.78
Subscriptions in Advance (2 years ahead)		2,754.72		4,444.78	
Subscriptions in Advance (3 years ahead)		214.18		385.00	
TOTAL LIABILITIES			39,498.12		36,360.25
NET ASSETS			132,916.58		129,444.19
Represented by:					
General Reserve		35,648.52		33,351.79	
Historical Preservation Reserve		13,222.35		13,682.85	
RMvM Reserve		84,045.71		82,409.55	
TOTAL MEMBER FUNDS			132,916.58		129,444.19

PAPUA NEW GUINEA ASSOCIATION OF AUSTRALIA INC.

**STATEMENT OF CHANGES IN EQUITY
for year ended 31 December 2020**

	Notes	General Reserve	Historical Preservation Reserve	Rabaul & Montevideo Maru (RMvM) Reserve	Total
		\$	\$	\$	\$
Balance 1 January 2020 (as reported)		32,952.97	13,633.35	81,874.95	128,461.27
Adjustment to Operating Profit for 2019 (Income Tax)	13	398.82	49.50	534.60	982.92
Adjusted Balances 1 January 2020		33,351.79	13,682.85	82,409.55	129,444.19
Operating Surplus/(Loss) for 2020		2,296.73	(460.50)	1,636.16	3,472.39
Balance 31 December 2020		35,648.52	13,222.35	84,045.71	132,916.58

This statement to be read in conjunction with the notes attached

PAPUA NEW GUINEA ASSOCIATION OF AUSTRALIA INC.

STATEMENT OF CASHFLOWS
for the year ended 31 December 2020

	Notes	2020 \$	2019 \$
Cash inflows/(outflows) from operating activities			
Trading income	4	2,526.55	4,954.99
Subscriptions		42,403.80	33,065.37
Function receipts	3	4,312.28	11,232.39
Raffle/Silent Auction receipts	5	1,165.00	1,697.45
Interest received	5	2,454.24	3,032.44
Donations (Sundry)		533.51	769.00
Function expenses	3	(4,230.70)	(9,883.87)
Payments to suppliers		(41,484.42)	(46,047.67)
Income tax paid	13	(154.00)	(738.92)
Net inflow for the year		7,526.26	(1,918.82)
Cash – 1 January 2020		152,350.44	154,269.26
Cash – 31 December 2020		159,876.70	152,350.44

PAPUA NEW GUINEA ASSOCIATION OF AUSTRALIA INC.

Notes to the Financial Statements
for the year ended 31 December 2020

Note 1 - Statement of Significant Accounting Policies

This special purpose financial report has been prepared for distribution to members to fulfil the Committee of Management's financial reporting requirements under the entity's constitution. The accounting policies used in the preparation of this report, as described below, are consistent with the financial reporting requirements of the entity's constitution and are, in the opinion of the Committee of Management, appropriate to meet the needs of members.

(a) The financial report has been prepared on a modified accrual basis of accounting including the historical cost convention and the going concern assumption.

(b) The requirements of the Australian Accounting Standards and the Statements of Accounting Concepts promulgated by the Australian Society of Certified Practising Accountants and the Institute of Chartered Accountants in Australia do not have mandatory applicability to the PAPUA NEW GUINEA ASSOCIATION OF AUSTRALIA INCORPORATED in relation to the year ended 31 December 2020 because the entity is not a 'reporting entity' as defined therein. The Committee of Management has not therefore prepared the financial report in accordance with Australian Accounting Standards. The requirements of Statements of Accounting Concepts have been complied with only to the extent that they coincide with the accounting policies described in this Note.

	2020 \$	2019 \$
Note 2 - Membership Subscriptions		
Brought forward from previous year	20,078.73	21,162.71
Current year subscriptions	<u>19,358.26</u>	<u>15,655.39</u>
	<u>39,436.99</u>	<u>36,818.10</u>
Note 3 - Functions		
Christmas Luncheon: Sydney - Income	4,267.28	6,707.39
Christmas Luncheon: Sydney - Expenses	<u>(4,230.70)</u>	<u>(6,745.57)</u>
Surplus / (Deficit)	<u>36.58</u>	<u>(38.18)</u>
Christmas Luncheon - Melbourne - Income	0.00	1,470.00
Christmas Luncheon - Melbourne - Expenses	<u>0.00</u>	<u>(1,338.80)</u>
Surplus / (Deficit)	<u>0.00</u>	<u>131.20</u>
AGM Luncheon - Income	0.00	1,280.00
AGM Luncheon - Expenses	<u>0.00</u>	<u>(1,089.50)</u>
Surplus / (Deficit)	<u>0.00</u>	<u>190.50</u>
Other Functions - Income	45.00	1,775.00
Other Functions - Expenses	<u>0.00</u>	<u>(710.00)</u>
Surplus / (Deficit)	<u>45.00</u>	<u>1,065.00</u>
Total Function Income	4,312.28	11,232.39
Total Function Expenses	<u>(4,230.70)</u>	<u>(9,883.87)</u>
Surplus / (Deficit) for the Year	<u>81.58</u>	<u>1,348.52</u>
See Note 5 for additional revenue raised through raffles and silent auction at functions.		
Note 4 - Trading Activities		
DVD Sales		
Kiap: Story Behind the Medal (4)	120.00	340.00
Walk Into Paradise (16)	269.59	548.26
Rabaul & Montevideo Maru 70 th Anniversary (2)	<u>45.00</u>	<u>95.00</u>
	<u>434.59</u>	<u>983.26</u>
Less: Cost of goods sold	<u>(305.09)</u>	<u>(548.26)</u>
	<u>129.50</u>	<u>435.00</u>
Book Sales		
When the War Came (19)	1,330.01	2,170.00
The Volcano's Wife (6)	233.00	496.73
Cloudlands Memoirs (2)	<u>33.00</u>	<u>267.00</u>
	<u>1,596.01</u>	<u>2,933.73</u>
Less: Cost of goods sold	<u>(874.00)</u>	<u>(1,309.55)</u>
	<u>722.01</u>	<u>1,624.18</u>
Tote Bags (27)	495.95	658.00
Less: Cost of goods sold	<u>(341.95)</u>	<u>(388.00)</u>
	<u>154.00</u>	<u>270.00</u>
Book/DVD (Non-PNGAA) Sales on Commission	20.00	380.00
Less: Cost of goods sold	<u>0.00</u>	<u>(145.00)</u>
	<u>20.00</u>	<u>235.00</u>
Sundry Books	150.00	0.00
Less: Cost of goods sold	<u>0.00</u>	<u>0.00</u>
	<u>150.00</u>	<u>0.00</u>
Total Trading Activities - Gross Sales	2,696.55	4,954.99
Total Trading Activities - Cost of Goods Sold	<u>(1,521.04)</u>	<u>(2,390.81)</u>
	<u>1,175.51</u>	<u>2,564.18</u>

PAPUA NEW GUINEA ASSOCIATION OF AUSTRALIA INC.

Notes to the Financial Statements
for the year ended 31 December 2020

	2020	2019
	\$	\$
Note 5 - Other Income		
Donations - PNGAA Collection	533.51	607.00
Membership Directory	57.00	104.00
Membership Directory (15) supplied to members on request.		
Raffles / Silent Auctions		
Sydney Christmas luncheon	1,130.00	1,106.00
Oceanic Art Society Tribal Fair, Sydney	0.00	295.00
Other functions	300.00	296.45
	<u>1,430.00</u>	<u>1,697.45</u>
Interest - Term Deposits		
PNGAA	818.08	1,080.79
RMvM - Credited to RMvM Reserve	1,636.16	1,951.65
	<u>2,454.24</u>	<u>3,032.44</u>
Sundry Income		
PNGAA journal sales	235.00	38.00
Place mats	0.00	20.00
	<u>235.00</u>	<u>58.00</u>
Note 6 - Journal		
Layout and printing costs	24,735.01	24,621.01
Postage and envelopes	7,941.46	9,574.48
	<u>32,676.47</u>	<u>34,195.49</u>
Note 7 - Lodgement Fees		
Form A12-T2: Annual Summary of Financial Affairs	47.21	46.18
Form A6: Application to Register Change of Objects or Constitution	53.29	51.20
	<u>100.50</u>	<u>97.38</u>
Note 8 - Bookkeeping		
The \$600 cost incurred in 2019 was continuation of the subscription to MYOB accounting software under the previous Treasurer. This subscription was not required by the current Treasurer and was therefore cancelled in 2020.	0.00	600.00
Note 9 - Insurance		
Association Liability (Officers and Directors)	1,307.91	1,287.07
Public and Product Liability	998.53	869.84
	<u>2,306.44</u>	<u>2,156.91</u>
Note 10 - Website		
2019 expenditure was recurrent expenditure only (business hosting, domain renewal and licence fees for various 'plug-ins' required to provide functionality across a range of website applications (eg, online payments, publishing, galleries). Additional expenditure in 2020 was related to further development of the website to improve its functionality.	1,788.69	896.25
Note 11 - Donations		
Donation to Francis Nii Literary Collection - debited to Historical Preservation Reserve.	500.00	0.00
Note 12 - Sundry Expenses - 2019		
Bus hire - contribution to PNG Women's Assn to participate in CWA seminar on PNG in Dubbo, NSW	0.00	250.00
Table at Oceanic Art Society Tribal Fair, Sydney	0.00	100.00
	<u>0.00</u>	<u>350.00</u>
Note 13 - Income Tax		
When auditing the PNGAA Annual Financial Statements for the first time in May 2020, Carolyn Wheeler of C.M. Wheeler & Associates said that she believed the Association should be exempt from having to lodge a tax return under the ATO's Cultural Organisation provisions, specifically on the grounds that PNGAA "supply and encourage literature, etc. along with the usual not for profit requirements." On the advice of the Auditor, subsequent PAYG instalment notices were adjusted by the Treasurer to zero and the 2019 tax return was lodged as a 'nil' and 'final' return. Indicating acceptance of the Association's self-assessment of its tax liability, during the 2020 year the ATO refunded the March 2020 quarter PAYG tax instalment paid in April. After assessment of the 2019 'nil' tax return, in January 2021 the ATO refunded the September 2019 and December 2019 quarter PAYG instalments paid in October 2019 and February 2020 respectively. Appropriate adjustments have been made in the 2019 Statement of Income and Expenditure, Statement of Assets and Liabilities and Statement of Changes in Equity.		
Note 14 - Provision - Special Projects		
After meeting the medical, funeral and repatriation costs to PNG after the passing of Gideon Kakabin in Canberra in August 2018, the PNGAA Committee resolved to use the remaining donated funds (\$11,605.74 as at 31 December 2020) to fund special projects on the Gazelle Peninsula in memory of Gideon.		