

**PAPUA NEW GUINEA ASSOCIATION
OF AUSTRALIA INCORPORATED**

ABN: 35 027 362 171



FINANCIAL STATEMENTS

31 DECEMBER 2022

PAPUA NEW GUINEA ASSOCIATION OF AUSTRALIA INC.

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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, 2022. 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, 2022 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 4th day of April, 2023



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 Incorporated Financial Statements present a true and fair view of the financial position for the year ended 31 December 2022;
- ii. at the date of this statement, there are reasonable grounds to believe that the Papua New Guinea Association of Australia Incorporated 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:



Chris Pearsall
President



Murrough Benson
Treasurer

Dated this twentieth day of April 2023

PAPUA NEW GUINEA ASSOCIATION OF AUSTRALIA INC.

STATEMENT OF INCOME AND EXPENDITURE

Year ending 31 December 2022

	Notes	2022		2021	
		\$	\$	\$	\$
INCOME					
Membership			39,384.45		41,681.35
Membership Subscriptions	2	39,384.45		41,681.35	
Functions	3		16,390.34		8,057.50
Christmas Luncheon - Sydney		4,838.50		3,472.00	
Christmas Luncheon - Melbourne		0.00		0.00	
AGM Luncheon		1,395.00		1,200.00	
RMvM Dinner		9,999.34			
Other Functions		157.50		3,385.50	
Net Receipts from Trading Activities	4		1,063.41		3,200.98
Kiap: Stories Behind the Medal (DVD)		30.00		120.00	
Walk Into Paradise (DVD)		-266.50		31.00	
RMvM 70th Anniversary (DVD)		75.01		15.00	
When the War Came (Book)		179.04		510.01	
Land of the Unexpected (Book)		269.51		1,769.05	
The Volcano's Wife (Book)		150.00		50.00	
Cloudlands Memoirs (Book)		69.84		15.00	
Mangroves, Coconuts and Frangipani (Book)		410.00		0.00	
Sundry Books		50.00		58.00	
Tote Bags		76.76		140.00	
Sales on Commission (non PNGAA items)		19.75		492.92	
Other Income	5		10,812.01		2,485.72
Donations		7,420.58		261.59	
Membership Directory		14.00		60.00	
Raffles/Silent Auctions		1,055.00		594.00	
Advertising		0.00		0.00	
Interest - Term Deposits		2,197.77		1,281.19	
Sundry		124.66		288.94	
TOTAL INCOME			67,650.21		55,425.55
EXPENDITURE					
Journal			28,940.71		29,700.02
Printing & Distribution	6	28,940.71		29,700.02	
Functions	3		14,955.66		7,916.20
Christmas Luncheon - Sydney		4,120.72		3,400.00	
Christmas Luncheon - Melbourne		0.00		0.00	
AGM Luncheon		1,472.20		1,259.40	
RMvM Dinner		9,362.74			
Other Functions		0.00		3,256.80	
Administration			12,317.81		10,884.98
Printing, Stationery & Telephone		0.00		38.00	
General Postage		546.43		423.74	
Lodgement Fees (NSW Dept of Fair Trading)	7	48.00		47.21	
Audit		550.00		550.00	
Bookkeeping		0.00		0.00	
Bank Charges		0.00		2.50	
Insurance	8	2,139.87		2,407.08	
Storage	9	6,869.94		3,152.07	
Website	10	2,163.57		4,264.38	
Other Operating Expenses			1,618.63		488.50
Book Purchases	11	1,600.00		0.00	
Subscriptions		0.00		0.00	
Donations		0.00		0.00	
Sundry		18.63		796.50	
Income Tax Assessed	12	0.00		-308.00	
Rabaul & Montevideo Maru Expenses			10,737.00		
RMvM Website Redevelopment		5,764.00			
MS Montevideo Maru Memorial Seat & Storyboard		4,973.00			
TOTAL EXPENDITURE			68,569.81		48,989.70
SURPLUS / (DEFICIT)			-919.60		6,435.85

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 2022

	Notes	2022		2021	
		\$	\$	\$	\$
ASSETS					
Current Assets					
Cash and cash equivalents					
			40,293.01		37,082.39
Current account (CBA)		13,288.20		18,275.35	
Current account - RMvM (CBA)		13,555.45		13,555.45	
Savings account (Qudos Bank - interest earned on Term Deposits)		13,449.36		5,251.59	
Inventories					
	4		12,825.00		13,613.00
DVD - Kiap: Stories Behind the Medal [210]		2,100.00		2,120.00	
DVD - Walk Into Paradise [188]		940.00		970.00	
DVD - RMvM 70th Anniversary [412]		2,060.00		2,085.00	
DVD - Some Came Home [442]		2,210.00		2,235.00	
Book - When the War Came [93]		2,790.00		3,090.00	
Book - Land of the Unexpected [163]		2,445.00		2,745.00	
Tote Bags [35]		280.00		368.00	
Investments					
	5		114,000.00		120,000.00
Term Deposit (Qudos Bank)		34,000.00		40,000.00	
Term Deposit - RMvM (Qudos Bank)		80,000.00		80,000.00	
TOTAL ASSETS			167,118.01		170,695.39
LIABILITIES					
Current Liabilities					
			25,911.55		28,917.30
Subscriptions in Advance (next year)		14,305.81		17,311.56	
Provision for Income Tax	12	0.00		0.00	
Provision - Special Projects	13	11,605.74		11,605.74	
Accounts Payable		0.00		0.00	
Long-Term Liabilities					
			2,773.63		2,425.66
Subscriptions in Advance (2 years ahead)		2,323.63		2,026.70	
Subscriptions in Advance (3 years ahead)		450.00		398.96	
TOTAL LIABILITIES			28,685.18		31,342.96
NET ASSETS			138,432.83		139,352.43
Represented by:					
General Reserve		49,751.46		41,199.25	
Historical Preservation Reserve		12,986.85		13,253.35	
RMvM Reserve		75,694.52		84,899.83	
TOTAL MEMBER FUNDS			138,432.83		139,352.43

PAPUA NEW GUINEA ASSOCIATION OF AUSTRALIA INC.

**STATEMENT OF CHANGES IN EQUITY
for year ended 31 December 2022**

	Notes	General Reserve	Historical Preservation Reserve	Rabaul & Montevideo Maru (RMvM) Reserve	Total
		\$	\$	\$	\$
Balance 1 January 2022 (as reported)		41,199.25	13,253.35	84,899.83	139,352.43
Operating Surplus/(Loss) for 2022	14	8,552.21	-266.50	-9,205.31	-919.60
Balance 31 December 2022		49,751.46	12,986.85	75,694.52	138,432.83

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 2022

	Notes	2022 \$	2021 \$
Cash inflows/(outflows) from operating activities			
Trading income	4	2,424.16	6,256.05
Subscriptions		36,730.13	33,526.19
Function receipts	3	16,390.34	8,057.50
Raffle/Auction/Sales on Commission receipts	5	1,074.75	1,086.92
Interest received	5	2,197.77	1,281.19
Donations (Sundry)		7,420.58	261.59
Function expenses	3	-14,955.66	-7,916.20
Payments to suppliers		-54,017.99	-45,655.55
Income tax paid	13	0.00	308.00
Net inflow for the year		-2,735.92	-2,794.31
Cash – 1 January 2022		157,082.39	159,876.70
Cash – 31 December 2022		154,346.47	157,082.39

PAPUA NEW GUINEA ASSOCIATION OF AUSTRALIA INC.

**Notes to the Financial Statements
for the year ended 31 December 2022**

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 2022 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.

	2022	2021
	\$	\$
Note 2 - Membership Subscriptions		
Brought forward from previous year	17,311.56	24,923.48
Current year subscriptions	<u>22,072.89</u>	<u>16,757.87</u>
	<u>39,384.45</u>	<u>41,681.35</u>
Note 3 - Functions		
Christmas Luncheon: Sydney - Income	4,838.50	3,472.00
Christmas Luncheon: Sydney - Expenses	<u>-4,120.72</u>	<u>-3,400.00</u>
Surplus / (Deficit)	<u>717.78</u>	<u>72.00</u>
Christmas Luncheon - Melbourne - Income	0.00	0.00
Christmas Luncheon - Melbourne - Expenses	<u>0.00</u>	<u>0.00</u>
Surplus / (Deficit)	<u>0.00</u>	<u>0.00</u>
AGM Luncheon - Income	1,395.00	1,200.00
AGM Luncheon - Expenses	<u>-1,472.20</u>	<u>-1,227.00</u>
Surplus / (Deficit)	<u>-77.20</u>	<u>-27.00</u>
Rabaul & Montevideo Maru (RMvM) Dinner - Income	9,999.34	0.00
Rabaul & Montevideo Maru (RMvM) Dinner - Expenses	<u>-9,362.74</u>	<u>0.00</u>
Surplus / (Deficit)	<u>636.60</u>	<u>0.00</u>
Other Functions - Income	157.50	3,385.50
Other Functions - Expenses	<u>0.00</u>	<u>-3,289.20</u>
Surplus / (Deficit)	<u>157.50</u>	<u>96.30</u>
Total Function Income	16,232.84	4,672.00
Total Function Expenses	<u>-14,955.66</u>	<u>-4,627.00</u>
Surplus / (Deficit) for the Year	<u>1,277.18</u>	<u>45.00</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 (2)	55.00	235.00
Walk Into Paradise (6)	90.00	174.59
Rabaul & Montevideo Maru 70 th Anniversary (5)	115.01	25.00
	<u>260.01</u>	<u>434.59</u>
Less: Cost of goods sold	<u>-421.50</u>	<u>-268.59</u>
	<u>-161.49</u>	<u>166.00</u>

Book Sales

When the War Came (10)	579.04	1,320.01
Land of the Unexpected (20)	661.51	4,086.45
The Volcano's Wife (6)	185.00	57.00
Cloudlands Memoirs (5)	78.84	18.00
Mangroves, Coconuts & Frangipani (7)	<u>450.00</u>	<u>0.00</u>
	1,954.39	5,481.46
Less: Cost of goods sold	<u>-876.00</u>	<u>-3,152.40</u>
	<u>1,078.39</u>	<u>2,329.06</u>

Tote Bags (11)

Less: Cost of goods sold	<u>-98.00</u>	<u>-200.00</u>
	<u>76.76</u>	<u>140.00</u>

Books/DVDs/Artefacts (Non-PNGAA) Sales on Commission

Less: Cost of goods sold	<u>-242.00</u>	<u>-884.00</u>
	<u>19.75</u>	<u>492.92</u>

Sundry Books

Less: Cost of goods sold	<u>0.00</u>	<u>0.00</u>
	<u>50.00</u>	<u>58.00</u>

Total Trading Activities - Gross Sales

	2,700.91	7,690.97
Total Trading Activities - Cost of Goods Sold	<u>-1,637.50</u>	<u>-4,504.99</u>
	<u>1,063.41</u>	<u>3,185.98</u>

PAPUA NEW GUINEA ASSOCIATION OF AUSTRALIA INC.

Notes to the Financial Statements
for the year ended 31 December 2022

	2022	2021
	\$	\$
Note 5 - Other Income		
Donations		
General	5,300.05	261.59
Scholarship Fund	2,120.53	0.00
	<u>7,420.58</u>	<u>261.59</u>
Membership Directory	14.00	60.00
Membership Directory (4) supplied to members on request.		
Raffles / Silent Auctions		
Sydney Christmas luncheon	565.00	0.00
Oceanic Art Society Tribal Fair, Sydney	0.00	0.00
Other functions	490.00	594.00
	<u>1,055.00</u>	<u>594.00</u>
Interest - Term Deposits		
PNGAA	666.08	427.07
RMvM - Credited to RMvM Reserve	1,531.69	854.12
	<u>2,197.77</u>	<u>1,281.19</u>
Sundry Income		
PNGAA journal sales	124.00	286.00
Test transactions on payment facilities	0.66	2.94
	<u>124.66</u>	<u>288.94</u>
Note 6 - Journal		
Layout and printing costs	20,728.60	22,294.09
Postage and envelopes	8,212.11	7,405.93
	<u>28,940.71</u>	<u>29,700.02</u>
Note 7 - Lodgement Fees		
Form A12-T2: Annual Summary of Financial Affairs	48.00	47.21
Note 8 - Insurance		
Association Liability (Officers and Directors)	1,378.85	1,408.55
Public and Product Liability	761.02	998.53
	<u>2,139.87</u>	<u>2,407.08</u>
Note 9 - Storage		
Additional storage unit rented from February 2022 to accommodate growing PNGAA Collection	6,869.94	3,152.07
Note 10 - Website		
Hosting and management - 3 years to 29 April 2024 paid in 2021	0.00	1,544.00
Technical support - on demand	1,671.84	1,692.20
Technical support - one off	87.96	470.25
Licence and domain renewals	403.77	557.93
	<u>2,163.57</u>	<u>4,264.38</u>
Note 11 - Book Purchases		
Purchase - for resale - 40 copies of <i>Mangroves, Coconuts & Frangipani</i> by PNGAA member Neville Threlfall	1,600.00	0.00
Note 12 - Income Tax		
<p>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 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 were made in the 2019 Financial Statements.</p>		
Note 13- Provision - Special Projects		
<p>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 2022) to fund special projects on the Gazelle Peninsula in memory of Gideon.</p>		
Note 14 - Changes in Equity		
<p>Historical Preservation Reserve: Net profit from sale of <i>Walk Into Paradise</i> DVDs in 2022 less payment of royalties of \$285.00 due to the Principal Licensor (previously unable to be contacted) for sale of 95 DVDs over the five years 2017-2021.</p> <p>Rabaul & Montevideo Maru (RMvM) Reserve: Gross interest earned on RMvM term deposit in 2022 = \$1,531.69 less expenses, totalling \$10,737.00 (made up of RMvM website redevelopment = \$5,764.00 and <i>MS Montevideo Maru</i> memorial seat and storyboard = \$4,973.00).</p>		