

**PAPUA NEW GUINEA ASSOCIATION
OF AUSTRALIA INC.
ABN: 35 027 362 171
STATEMENT OF INCOME & EXPENDITURE**

For Year Ended 31 December 2012

	Notes	2012 \$	2011 \$
INCOME			
INCOME			
Functions (Net)	2	626.85	290.10
Badges (net)			15.14
Donations		2,265.00	2,253.90
Membership Subscriptions		34,442.00	34,582.09
Interest		2,818.80	2,231.28
DVD Sales (Net)	3	584.88	1,323.56
TOTAL INCOME		40,737.53	40,696.07
EXPENDITURE			
Admin Expenses	4	4,115.13	6,947.00
Caring Committee		50.00	
Depreciation		116.00	753.00
Income Tax	5	712.50	854.70
Membership Listing		887.00	
Secretarial Expenses		8,568.31	8,769.70
Storage	6	2,166.00	885.85
Subscriptions		130.00	130.00
Una Voce Journal		17,107.49	17,309.49
Website		958.00	541.00
Write off Tales of PNG book	7	367.94	
TOTAL EXPENDITURE		35,178.37	36,190.74
SURPLUS/(DEFICIT)		5,559.16	4,505.33

**PAPUA NEW GUINEA ASSOCIATION
OF AUSTRALIA INC.**

ABN: 35 027 362 171

STATEMENT OF FINANIAL POSITION

For Year Ended 31 December 2012

	Notes	2012 \$	2011 \$
CURRENT ASSETS			
Cash and cash equivalents	8	82,190.54	70,985.97
Accounts receivable			528.00
Inventories	9	5,483.08	6,795.19
Total Current Assets		87,673.62	78,309.16
Office Equipment (Written-off)			116.00
TOTAL ASSETS		87,673.62	78,425.16
CURRENT LIABILITIES			
Subscriptions 2013		23,712.00	22,226.00
Trade Creditors		3,447.50	
Provision for Audit		350.00	350.00
Provision for Income Tax	5	712.50	854.70
Total Current Liabilities		28,222.00	23,430.70
NON CURRENT LIABILITIES			
Subscriptions in Advance		10,855.00	11,957.00
Total Non-Current Liabilities		10,855.00	11,957.00
TOTAL LIABILITIES		39,077.00	35,387.70
NET ASSETS		48,596.62	43,037.46
EQUITY			
Retained Surplus B/ Forward		31,996.83	28,230.43
Historical Preservation Reserve		11,040.63	10,301.70
Surplus for Current Year		5,559.16	4,505.33
TOTAL MEMBER FUNDS		48,596.62	43,037.46

PAPUA NEW GUINEA ASSOCIATION OF AUSTRALIA, INC.
ABN 35 027 362 171

Explanatory Notes to Accompany the Financial Statement of the Papua New Guinea Association of Australia, Inc. for the Year Ended 31 December 2012.

Note 1 - Statement of Significant Accounting Policies

The financial statements contained in this report have been prepared in accordance with the requirements of the Associations Incorporation Act NSW and the limited range of accounting standards applicable to a non-reporting entity.

The financial statements contained in this report have been prepared on an accrual basis and are based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non current assets.

Note 2 – Results of Functions Held in 2012

	Gross	Expense	Net
AGM	2,665.00	2,321.90	343.10
XMAS	10,955.75	10,888.00	67.75
Other	475.00	259.00	216.00
	<u>14,095.75</u>	<u>13,468.90</u>	<u>626.85</u>

Note 3 – Sale of DVD

	Gross	C.O.S	Net
Gross			
AGM	1,240.00	664.78	575.22
XMAS	34.50	24.84	9.66
	<u>1,274.50</u>	<u>689.62</u>	<u>584.88</u>

Note 4 – Admin Expenses

25% of these items are offset against profits from commercial activities.

Audit Fee	350.00
Bank / Merchant Fees	642.57
Insurance	1,688.50
Legal Fees	91.00
General Postage	686.69
General Print & Stationery	591.14
Telephone	65.23
	<u>4,115.13</u>

Note 5 - Income Tax Calculation

Net Income – DVD Sales	584.88
Interest	2,818.80
Total Assessable Income,	3,403.68
LESS Allowable Deduction	
25% Admin Expenses	1,028.78
Assessable Income	<u>2,374.90</u>
Tax at 30% (Rounded)	<u>712.50</u>

Note 6 - Storage

The expenditure in 2011 was for only part of the year. There was no significant change in the monthly expense.

Note 7 - Write off of Tales of PNG

The Committee believed that there is negligible prospect of any further sales of this book and accordingly has written off the value of the remaining copies. They will be retained as archival and presentation copies.

Note 8 - Cash & Cash Equivalents

Cash at Bank	16,498.77
Police Bank – Savings	19.40
Police bank – shares	10.00
Police bank – Term Deposits	45,000.00
CBA – Term Deposit Assessable Income	<u>20,662.37</u>
	<u>82,190.54</u>

Note 9 - Inventory

WIP	4,035.03
Stationery	755.00
Flags	563.40
DVD's	24.84
Tales PNG	0.00
Badges	<u>104.81</u>
	<u>5,483.08</u>

The change from 2012 reflects the write off of Tales of PNG book and a reduction in stationery holdings.

PAPUA NEW GUINEA ASSOCIATION OF AUSTRALIA, INC.
ABN 35 027 362 171

STATEMENT BY MEMBERS OF 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 the accompanying financial statements, being the Statement of Assets and Liabilities as at 31 December 2012 the Statement of Income and Expenditure for the year ended 31 December 2012 and the accompanying notes of the Papua New Guinea Association of Australia, Inc.

1. Present a true and fair view of the financial position of the Papua New Guinea Association of Australia, Inc. for the year ended on that date.
2. 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:

President


.....
(Andrea Williams)

Treasurer..


.....
(Nick Booth)

Dated this 26 day of April 2013

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE PAPUA NEW GUINEA ASSOCIATION OF AUSTRALIA INC.**

Report on the Financial Report

I have audited the accompanying financial report, being a special purpose financial report, of The Papua New Guinea Association of Australia Inc., which comprises the statement of assets and liabilities as at 31 December 2012, and the statement of income and expenditure for the year then ended, a summary of significant accounting policies, other explanatory notes and the Committee's declaration.

The Responsibility of The Committee for the Financial Report

The Committee of the association are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the financial reporting requirements of the constitution and are appropriate to meet the needs of the members. The Committee's responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of the Association, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Committee's financial reporting obligations under the constitution. We disclaim any 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

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

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of The Papua New Guinea Association of Australia Inc. as of 31 December 2012 and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Dated at Sydney, NSW on 26th April 2013

A handwritten signature in black ink, appearing to read 'L W Bailey', is written over the printed name.

L W Bailey CPA, JP, RCA No. 1154

L W Bailey & Co Pty Ltd

Certified Practising Accountant

The following tables have been extracted from the audited accounts for 2011 and 2012 to provide further information about the Association's position.

**PAPUA NEW GUINEA ASSOCIATION OF AUSTRALIA
CHANGES IN EQUITY**

For the year ended 31 December 2012

	Retained Surplus	Historical Pres. Rve	Current Yr Surplus	Member Funds
Balance at 1 January 2012	\$28 230.43	\$10 301.70	\$4 505.33	\$43 037.46
Transfer 2011 net		\$738.93	-\$738.93	
Current Year Surplus	\$3 766.40		-\$3 766.40	
			\$5 559.16	\$5 559.16
Balance at 31 December 2012	\$31 996.83	\$11 040.63	\$5 559.16	\$48 596.62

**PAPUA NEW GUINEA ASSOCIATION OF AUSTRALIA
STATEMENT OF CASH FLOWS**

For the year ended 31 December 2012

	2012 \$	2011 \$
Cash flows from operating activities		
Subscriptions from members	34 826	23 330
Function receipts	14 096	9 535
Trading activities (DVD's etc)	1 275	1 338
Interest	2 819	2 231
Donations	2 265	2 254
Payments to Suppliers	-43 222	-44 423
Income tax paid	-854	-1 012
Net change (+/-) in cash resources	11 205	-6 747
Cash resources at beginning of period	70 986	77 733
Cash resources at end of period	82 191	70 986