

**Special Purpose Financial Statements (Financial Report)**

**FEMILI PNG**

**for the year ending 30<sup>th</sup> June 2017**

**FEMILI PNG**  
**Special Purpose Financial Report**

**INDEX**


<b>Executive Management Declaration</b>	<b>3</b>
<b>Audit Report</b>	<b>4-5</b>
<b>Statement of Receipts &amp; Payments</b>	<b>6</b>
<b>Statement of Financial Position</b>	<b>7</b>
<b>Notes and accompanying special purpose financial statements</b>	<b>8-9</b>

EXECUTIVE MANAGEMENT DECLARATION

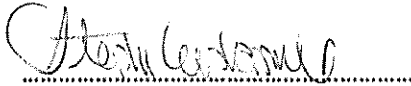
We confirm that the funds received by Femili PNG have been expended and accounted for in accordance with conditions set out in the Partner Agreement with Oxfam Australia.

We confirm that the accompanying Special Purpose Financial Report for Femili PNG funded by the Department of Foreign Affairs and Trade through Oxfam Australia represents a valid statement of Receipts and Payments for the year ended 30<sup>th</sup> June 2017 and the cash balance of project funds at 30<sup>th</sup> June 2017.

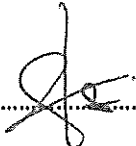
Dated this.....31..... day of.....October..... 2017



.....  
Stephen Howes  
President  
Femili PNG



.....  
Stephanie Copus-Campbell  
Treasurer  
Femili PNG



.....  
Daisy Plana  
CEO  
Femili PNG



# Raja & Associates

**REGISTERED PUBLIC ACCOUNTANTS, AUDITORS, MANAGEMENT CONSULTANTS & TAX AGENTS**

Suite G, Ground floor  
Cuthbertson House  
Port Moresby  
P.O. Box 3312, BOROKO,  
NCD, Papua New Guinea  
Phone : (675) 320 0740  
Fax : (675) 320 0101  
Mobile : (675) 7686 0031/73800896  
Email : [kuhaseer@online.net.pg](mailto:kuhaseer@online.net.pg) /  
[kuhaseelanr@gmail.com](mailto:kuhaseelanr@gmail.com)

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FEMILI PNG INC.(Femili) FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2017**

### **Scope of Audit**

We have audited the Special Purpose Financial Report (Financial Statements) consisting of Statement of Receipts and Payments and Statement of Financial position of Femili for the year ended 30<sup>th</sup> June 2017.

The Management of Femili are responsible for preparation and presentation of the financial statements and the information it contains and has determined that the accounting policies used and described in note 1 to the financial statements which form part of the financial statements are appropriate to meet the reporting requirements of Femili and are appropriate to meet the needs of the members .Our responsibility is to express an opinion on these Special Purpose Financial Statements based on our audit.

The Special Purpose Financial Statements have been prepared for distribution to members and to satisfy the reporting requirements of Femili, Oxfam and/ or Department of Foreign Affairs & Trade (DFAT) We disclaim any assumption of responsibility for reliance on this audit report or the financial statements to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

### **Basis of Opinion**

The audit has been conducted in accordance with International Standards on Auditing to provide reasonable assurance as to whether the financial statements are free of material misstatements.

The audit procedures included examinations, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are consistent with generally accepted accounting practice, to present a view consistent with our understanding of the Femili's financial position and of its performance as represented by the result of its operations. We believe that our audit provides reasonable basis for our opinion.

## **QUALIFICATION:**

As stated in Note 1, Femili's policy is to prepare its financial statements based on cash receipts and payments, consequently, certain revenues and the related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying statement of financial position is not intended to present the financial position and results of operations in accordance with generally accepted accounting principles.

## **AUDIT OPINION**

Subject to the above:

In our opinion, the accounts present fairly the financial position arising from cash transactions of the Femili at 30<sup>th</sup> June 2017 and the cash received and expenses paid during the period then ended on the basis of accounting described in Note 1.

**Dated this 3<sup>rd</sup> Day of November 2017**



-----  
**Kuhaseelan Rajadurai**

Registered Auditor

Registered under the Accountants Act 1996

**FEMILI PNG**  
**STATEMENT OF RECEIPTS AND PAYMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	1 July 2015 to 30 June 2016 (PGK)	1 July 2016 to 30 June 2017 (PGK)
<b>RECEIPTS</b>		
DFAT funding	2,035,106	3,659,581
Other funds raised	1,060	464,770
Other	677	341
<b>Total funds received</b>	<b>2,036,843</b>	<b>4,124,692</b>
<b>LESS PAYMENTS</b>		
<b>SET UP AND EQUIPMENT PURCHASES</b>		
6-1001 Computer equipment	13,952	14,644
6-1005 Office furniture	6,935	8,090
6-1008 Mobile phones	418	820
6-1009 House furniture	1,034	427
6-1010 Vehicle purchase	125,000	850
6-1011 Office fit out	0	254,300
6-1012 Security fit out	5,345	2,294
	<b>152,683</b>	<b>281,425</b>
<b>OPERATIONAL COSTS</b>		
6-2001 Rental and utilities	222,214	217,507
6-2003 Staff travel	62,588	70,494
6-2004 Audit and accounting	24,220	15,425
6-2006 Ongong vehicle costs	44,749	53,771
6-2007 Stationary and general office	37,158	34,582
6-2008 Security expenses	20,828	22,250
6-2009 Insurance	10,369	10,656
6-2010 IT recurrent costs	11,739	12,458
6-2011 Bank charges	504	682
6-2013 Phone bills	29,359	39,098
6-2015 Technical expertise	43,957	48,444
6-2016 Repat'n and direct assistance	85,048	85,257
6-2017 Legal advice and assistance	70,107	66,742
6-2018 Outreach and IEC	18,237	118,645
6-2019 Case meetings and coordination	10,837	9,223
6-2020 Planning and debriefing	12,073	21,921
6-2021 Training and exchange	84,454	118,684
6-2022 Research		27,408
6-2023 Partner resourcing allocations	87,643	79,698
6-2024 Governance expenses	25,089	9,021
	<b>901,172</b>	<b>1,061,964</b>
<b>PERSONNEL COSTS</b>		
6-3001 Staff salaries	955,753	1,070,002
6-3002 Staff Insurance	39,502	14,835
	<b>995,255</b>	<b>1,084,837</b>
Exchange and cash losses	(1)	0
<b>Total payments</b>	<b>2,049,108</b>	<b>2,428,226</b>
<b>TOTAL SURPLUS</b>	<b>-12,265</b>	<b>1,696,466</b>

**FEMILI PNG  
STATEMENT OF FINANCIAL POSITION  
AS OF 30TH JUNE 2017**

	YEAR ENDING 30TH JUNE 2016 (PGK)	YEAR ENDING 30TH JUNE 2017 (PGK)
<b>START OF YEAR NET POSITION</b>		
Cash on hand - Lae, PNG	7,863	3,845
Cash in bank - Lae, PNG	321,957	173,278
Net out pending cheques - Lae PNG	3,620	0
Cash in bank - Canberra, Australia	21,166	157,978
	<u>347,366</u>	<u>335,101</u>
<b>PLUS SURPLUS/(DEFICIT)</b>	<u>-12,265</u>	<u>1,696,466</u>
<b>END OF YEAR NET POSITION</b>	<u><u>335,101</u></u>	<u><u>2,031,567</u></u>
<b>REPRESENTED BY</b>		
Cash on hand - Lae, PNG	3,845	6,309
Cash in bank - Lae, PNG	173,278	1,836,390
Net out pending cheques - Lae PNG		18,909
Cash in bank - Canberra, Australia	157,978	206,438
GST refunds owed		1,341
	<u>335,101</u>	<u>2,031,567</u>

## FEMILI PNG

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2017

#### 1. STATEMENT OF ACCOUNTING POLICIES

##### Reporting Entity

The reporting entity is Femili PNG, which is a non-profit organisation registered under Associations Incorporation Act.

##### Basis of preparation

These special purpose financial statements have been prepared on a cash basis. Hence, present obligation to transfer economic benefits as a result of past events are not recognized in the accounts.

The reporting currency is Papua New Guinea Kina (K).

These financial statements have been prepared on the basis that Femili PNG is a going concern. This assumption places reliance on the fact that Femili PNG will continue to receive grants, donations/sponsorships and funding from DFAT and/or various sources.

##### a) Acquisition of Property, Plant and Equipment

All fixed assets acquired are expensed and recorded in the asset register.

##### b) Depreciation on Property, Plant and Equipment

Depreciation is not charged on the fixed assets.

##### c) Cash and Cash Equivalents

Cash is considered to be cash in hand, in transit and at current accounts in banks held in Lae and Canberra, net of pending cheques.

##### d) Goods & Services Tax (GST)

On October 20th 2015, Femili PNG was exempted from paying GST by Internal Revenue Commission (IRC). All payments made prior to that is inclusive of GST. However, after obtaining exemption, certain payments have been recorded inclusive of GST. This is shown as an asset "GST refunds owed", valued at K1,341 as of 30 June 2017. Refunds are currently being sought from IRC.

##### e) Income Tax

Oxfam is exempted from income tax under the Papua New Guinea Income Tax act, as such tax effect accounting procedures are not followed.

##### f) Foreign currency translation

All foreign expenses and foreign funds received and transferred have been translated at an exchange rate of A\$=2.25PGK.



**g) Income**

These figures exclude funds raised in-kind and also funds raised by Friends of Femili PNG, other than those transferred to Femili PNG.

**h) Income**

In October 2015, a Femili PNG vehicle was impounded by police on the grounds that the previous owner was delinquent on a loan for which the car was collateral. This had not been informed to Femili PNG at the time of purchase. Because the car was fraudulently sold to Femili PNG, DFAT requested a refund of the purchase cost from Oxfam. Because of reduced funds available, Oxfam then requested a refund of the amount from Femili PNG. This is recorded as a negative income under "DFAT funding."

In May 2016, payment of \$95 was made from FPNG to Friends of Femili PNG. This was a mistaken reimbursement, and the amount was returned to Femili PNG on 1 December 2016, under "Other"