

Special Purpose Financial Statements (Financial Report)

FEMILI PNG

for the year ending 30th June 2019

FEMILI PNG
Special Purpose Financial Report

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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 Agreements with Pacific Women and Oil Search Foundation.

We confirm that the accompanying Special Purpose Financial Report for Femili PNG represents a valid statement of Receipts and Payments for the year ended 30th June 2019 and the cash balance of funds at 30th June 2019.

Dated this 1st day of November 2019



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Stephen Howes
Chair
Femili PNG



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Anna Wissink
Treasurer
Femili PNG



.....
Daisy Plana
CEO
Femili PNG



Raja & Associates

REGISTERED PUBLIC ACCOUNTANTS, AUDITORS, MANAGEMENT CONSULTANTS & TAX AGENTS

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FEMILI PNG INC (Femili) FOR THE YEAR ENDED 30th JUNE 2019

Qualified Opinion

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 30th June 2019.

In our opinion, except for the effects of the matter described in the **Basis of qualified opinion** of our report

- the Financial statements present fairly the financial position arising from cash transactions of the Femili at 30th June 2019 and the cash received and expenses paid during the period then ended on the basis of accounting described in Note 1.

Basis of Qualified Opinion

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.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial statements* section of our report. We are independent of Femili PNG in accordance with the ethical requirements that are relevant to our audit of the financial report in Papua 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 opinion.

Basis of Accounting and Restriction on Distribution and Use

The Financial Statements have been prepared for distribution to members and to satisfy the reporting requirements of Femili, and/ or Government of Australia's 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.

Management's Responsibilities for the Financial statements

The Management is responsible for the preparation and fair presentation of the Financial statements and for such internal control as the Management determines is necessary to enable the preparation of the Financial statements that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Audit of the Financial statements

Our objectives are to obtain reasonable assurance about whether the Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial statements.

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Dated 1st day of November 2019.

Raja & Associates



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Kuhaseelan Rajadurai
Registered Auditor
Registered under the Accountants Act 1996

FEMILI PNG
STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 30TH JUNE 2019

	1 July 2017 to 30 June 2018		1 July 2018 to 30 June 2019	
	(PGK)	(PGK)	(PGK)	(PGK)
RECEIPTS				
Pacific Women funding	612,350		2,400,000	
Bel Isi funding			2,293,824	
Other funds raised	437,650		307,725	
Total funds received		1,050,000		5,001,549
LESS PAYMENTS				
SET UP AND EQUIPMENT PURCHASES				
6-1001 Computer and digital equipment	28,087		55,120	
6-1005 Office furniture	45,662		24,237	
6-1008 Mobile phones	714		7,173	
6-1009 House furniture	965		8,451	
6-1010 Vehicle purchase	107,148		98,526	
6-1011 Office fit out	0		111,672	
6-1012 Security fit out	27,541		23,550	
		210,118		328,729
OPERATIONAL COSTS				
6-2001 Rental and utilities	141,675		298,077	
6-2003 Staff travel	129,452		163,213	
6-2004 Audit and accounting	18,161		20,556	
6-2006 Ongong vehicle costs	77,764		93,696	
6-2007 Stationary and general office	39,019		90,400	
6-2008 Security expenses	25,025		29,840	
6-2009 Insurance	22,086		8,017	
6-2010 IT recurrent costs	13,939		74,740	
6-2011 Bank charges	982		2,452	
6-2013 Phone bills	38,131		57,362	
6-2015 Technical expertise	5,843		20,200	
6-2016 Repatriation	82,623		55,577	
6-2017 Legal advice and assistance	2,828		9,988	
6-2018 Outreach and IEC	29,161		33,496	
6-2019 Case meetings and coordination	6,136		16,614	
6-2020 Staff care	10,977		50,104	
6-2021 Training and exchange	56,066		83,226	
6-2022 Research	9,861		1,931	
6-2023 Partner resourcing allocations	71,232		52,204	
6-2024 Governance and planning	23,664		44,510	
6-2025 Staff training	8,028		102,259	
6-2026 Fundraising expenses	4,647		8,573	
6-2028 Direct assistance			95,735	
		817,300		1,408,910
PERSONNEL COSTS				
6-3001 Staff salaries	1,406,942		2,064,994	
6-3002 Staff insurance	27,663		66,957	
6-3003 Relocation and other hiring costs	16,642		31,658	
		1,451,247		2,163,609
Exchange and cash losses		0	-	16,528
Total payments		2,478,665		3,884,720
TOTAL SURPLUS/(DEFICIT)		-1,428,665		1,116,829

FEMILI PNG
STATEMENT OF FINANCIAL POSITION
AS OF 30TH JUNE 2019

	YEAR ENDING 30TH JUNE 2018 (PGK)	YEAR ENDING 30TH JUNE 2019 (PGK)
START OF YEAR NET POSITION		
Cash on hand - Lae, PNG	6,309	8,835
Cash in bank - Lae, PNG	1,836,390	211,980
Net out pending cheques - Lae PNG	18,909	26,895
Cash in bank - Canberra, Australia	206,438	393,137
GST refunds owed	1,341	15,846
	<u>2,031,568</u>	<u>602,903</u>
PLUS SURPLUS/(DEFICIT)	<u>-1,428,665</u>	<u>1,116,829</u>
END OF YEAR NET POSITION	<u>602,903</u>	<u>1,719,732</u>
REPRESENTED BY		
Cash on hand	8,835	5,597
Cash in bank - PNG	211,980	1,367,730
Net out pending cheques - PNG	26,895	9,553
Cash in bank - Canberra, Australia	393,137	310,469
GST refunds owed	15,846	45,489
	<u>602,903</u>	<u>1,719,732</u>

FEMILI PNG
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2019

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

The reporting entity is Femili PNG, which is a non-profit organisation registered under Associations Incorporation Act. Friends of Femili PNG, the support group for Femili PNG, is audited separately and is not included in the Financial statements.

Basis of preparation

These special purpose financial statements have been prepared on a cash basis. Hence, present obligations 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 and sponsorships and funding from DFAT and other 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 PNG and Australia, net of pending cheques.

d) Goods & Services Tax (GST)

On October 20th 2015, Femili PNG was zero-rated with respect to paying GST by Internal Revenue Commission (IRC). Payments are shown exclusive of GST and GST paid is shown separately as an asset "GST refunds owed", valued at K45,488 as of 30 June 2019. An initial, partial refund has been obtained from IRC, and further refunds are being sought.

e) Income Tax

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

g) Foreign currency translation

All foreign expenses and foreign funds received and transferred have been translated at an exchange rate of A\$=2.25PGK for the month of June 2018, 2.2 for the month of July 2018, and 2.35 for the month of August 2019 and thereafter. The item 'exchange and cash losses' represents exchange rate losses/gains entirely.

h) Income

These figures exclude funds raised in-kind.

i) Correction

In the audited accounts for 2017-18, expenditure and pending cheques were overstated by the amount of K1567, on account of incorrect GST calculation. This 2017-18 accounts shown above have been corrected.