

NATIONAL ST.JOHN COUNCIL OF PAPUA NEW GUINEA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

CONTENTS

	Page Number
Index	2
Chair Lady's Report	3-4
Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of Cashflows	8
Notes to the financial statements	9-17
Auditor's report	18-19

NATIONAL ST. JOHN COUNCIL OF PAPUA NEW GUINEA

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Chair Lady's Report

The members submit herewith the annual financial report of the association for the financial year ended 31 December 2016.

In order to comply with the provisions of the Associations Act of Papua New Guinea, 1966 and the St. John Corporation Act Chapter 1043 the chairlady's report as follows:

Office holders

The names and particulars of the committees holding office during and at the end of the financial year were:

MEMBERS/COMMITTEES

Mrs Jean Kekedo, CMS, OBE – Chair
Mollen Molki - Secretary
Lawrence Ouma - Treasurer
Michael Wagambi – Honorary Legal Council
Winnie Harry Ugava
Dr Mahmood Sidiqji
Pascoe Kasse
Dr Filipi Kapua
Anthony (Tony) Honey
Graham Osbourne
Pater Allan Lowing
Dr Gary O'uu
Mabel Gavera

Review of operations and changes in state of affairs

The company's principal activities are those of the provision of ambulance services and the supply of the First Aid kits in Papua New Guinea. During the financial year there was no significant change in the principal activities or state of affairs of the company.

Financial Results

The company reported a net surplus/(deficit) of (K374,034) and Prior year: (K994,133)

Change in accounting policies

No changes in accounting policies occurred during the current year.

Independent Audit Report

The financial report has been audited and must be read in conjunction with the independent audit report on pages 15-16.

Subsequent events

There were no material events after the financial position date that have significant effect on the financial statements as at 31 December 2016.

NATIONAL ST. JOHN COUNCIL OF PAPUA NEW GUINEA

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

Other information

The office is located at 3 Mile, Port Moresby, NCD, and PNG. Postal address: P O Box 6075, Boroko 111, National Capital District, PNG.

Signed at Port Moresby on _____ of _____, 2017.

Jean Kekedo, CMS OBE

Chair Lady

For and on behalf of the members:

Director's declaration

The directors in accordance with section 179 of the PNG Companies Act 1997 declare that:

- a) In their opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due for payment.
- b) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the PNG Companies Act 1997, including compliance with the International Financial Reporting Standards, and giving a true and fair view of the financial position and performance of the company.

Additional Statutory Declaration

- a) The results of the company's operations during the year ended 31 December 2015, in the opinion of the directors, not been materially affected by items of abnormal nature, other than those disclosed in the financial statements.
- b) In the opinion of the directors', no circumstances have arisen that make adherence to the existing method of valuation of assets or liabilities of the company misleading or inappropriate.
- c) No contingent liability has risen since the end of the financial year, which continues to exist at the date of this report, other than those disclosed in the financial statement.
- d) At the date of this report, the directors are not aware of any circumstances that would render the values attributed to current assets in the financial statements misleading

Signed in accordance with the resolution of the Directors this ____ day of _____, 2017

For and on behalf of the board of directors:

Jean Kekedo, CMS, OBE

NATIONAL ST.JOHN COUNCIL OF PAPUA NEW GUINEA

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 K	2015 K
Revenue	3	1,032,488	371,722
Cost of Sales	4	75,689	7,957
Gross Profit		<u>956,799</u>	<u>363,765</u>
Other Income	5	2,045,904	1,554,500
Depreciation Expense	12	730,589	904,842
Staff Costs	6	1,463,135	1,640,544
Operating Expenses	7	<u>1,183,013</u>	<u>367,012</u>
Surplus/(Deficit)		<u>(374,034)</u>	<u>(994,133)</u>

**NATIONAL ST.JOHN COUNCIL OF PAPUA
NEW GUINEA**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Notes	<u>2016 K</u>	<u>2015 K</u> Re-stated
CURRENT ASSETS			
Cash and cash equivalents	8	148,360	37,606
Trade and other receivables	9	<u>418,946</u>	<u>58,862</u>
		<u>567,306</u>	<u>96,468</u>
NON CURRENT ASSETS			
Property, plant and equipment	12	<u>13,284,368</u>	<u>13,997,540</u>
TOTAL NON CURRENT ASSETS		<u>13,284,368</u>	<u>13,997,540</u>
TOTAL ASSETS		<u>13,851,674</u>	<u>14,094,008</u>
CURRENT LIABILITIES			
Trade and other payables	10	<u>148,283</u>	<u>16,583</u>
		<u>148,283</u>	<u>16,583</u>
TOTAL LIABILITIES		<u>148,283</u>	<u>16,583</u>
NET ASSETS		<u>13,703,391</u>	<u>14,077,425</u>
Members Funds			
Retained earnings		2,095,626	3,089,759
Assets revaluation reserve		11,981,799	11,981,799
Current Year Earnings		<u>(374,034)</u>	<u>(994,133)</u>
Total Members Funds		<u>13,703,391</u>	<u>14,077,425</u>

NATIONAL ST.JOHN COUNCIL OF PAPUA NEW GUINEA

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2016**

	Other reserves K	Retained earnings K	Total K
Balances at 01 January 2015		3,089,759	3,089,759
Surplus/(Deficit)		(994,133)	(994,133)
Revaluation reserve	11,981,799		11,981,799
			-
Balances at 31 December 2015	11,981,799	2,095,626	14,077,425
			-
Unreconciled variance due to error in the balance sheet			-
Surplus/(Deficit) for the year	-	(374,034)	(374,034)
Balances at 31 December 2016	11,981,799	1,721,592	13,703,391

NATIONAL ST. JOHN COUNCIL OF PAPUA NEW GUINEA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
Notes	K	K
Cash flows from operating activities		
Receipts from customers	979,066	
Payments to suppliers and employees	- 1,129,208	
Net cash generated by operating activities	- 150,142	-
Cash flows from investing activities		
Purchase of property, plant and equipment	- 8,033	
Net cash provided by (used in) investing activities	- 8,033	-
Cash flows from financing activities		
Repayment of borrowings	0	-
Related parties loans received		
Loans to directors		
Net cash used in financing activities	0	-
Net increase in cash and cash equivalents	- 158,175	-
Cash and cash equivalents at the start of the year	306,535	
Cash and cash equivalents at the end of the year	8 148,360	-
Net Change in Cash for the period	- 158,175	

NATIONAL ST. JOHN COUNCIL OF PAPUEA NEW GUINEA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

ST. JOHN AMBULANCE SERVICE PNG is an association incorporated, incorporated and operating in Papua New Guinea since its incorporation on 9th October, 1992 and also The St. John Council Incorporation Act 1976.

The company's registered office and principal place of business is given in the directors' report.

2. Statement of Significant Accounting Policies

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards, as adopted by the Accounting Standards Board of Papua New Guinea (ASB) and the requirements of the Papua New Guinea Companies Act 1997.

Basis of preparation

The financial statements have been prepared on the historical cost basis except for the revaluation of certain non-current assets and financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The principal accounting policies are set out below.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed.

Taxation

An application for tax exemption is currently in progress.

NATIONAL ST.JOHN COUNCIL OF PAPUA NEW GUINEA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at cost.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

NATIONAL ST. JOHN COUNCIL OF PAPUA NEW GUINEA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Financial assets

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For listed and unlisted equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable notes classified as AFS and finance lease receivables, objective evidence of impairment could include:

1. significant financial difficulty of the issuer or counterparty; or
2. default or delinquency in interest or principal payments; or
3. it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

NATIONAL ST.JOHN COUNCIL OF PAPUA NEW GUINEA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

De-recognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Held-to-maturity financial assets

The directors have reviewed the entity's held-to-maturity financial assets in the light of its capital maintenance and liquidity requirements and have confirmed the company's positive intention and ability to hold those assets to maturity.

NATIONAL ST. JOHN COUNCIL OF PAPUA NEW GUINEA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment

The entity reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the directors determined that the useful lives do not require adjustment.

Fair value measurements and valuation processes

Some of the entity's assets and liabilities are measured at fair value for financial reporting purposes. The directors of the entity have set up a valuation committee, which is headed up by the Chief Financial Officer, to determine the appropriate valuation techniques and inputs for fair value measurements.

Long Service Leave liability

In determining the liability for long-service payments, management must make an estimate of salary increases over the following ten years, the discount rate for the next ten years to use in the present value calculation and the number of employees expected to leave before they are entitled to receive benefits.

NATIONAL ST.JOHN COUNCIL OF PAPUA NEW GUINEA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 K	2,015 K
3 Revenue		
Sales - First Aid Kits	48,439	6,436
Vol - First Aid Station fees	68,665	101,380
Education/Training	306,073	183,867
NCDC Ambulance fees	92,229	71,850
Other Revenue	517,082	8,189
	1,032,488	371,722
4 COGS		
First Aid Kits	43,966	-
Cost of Medical Supplies	31,723	7,957
	75,689	7,957
5 Other Income		
Department of Health - Government Grants	300,000	1,320,000
Donations	765,847	234,500
Department of Finance	150,000	-
Event Health Services	185,069	-
Income received from FIFA WWC engagement	522,233	-
Proceeds from Fundraising Activities	122,755	-
	2,045,904	1,554,500
6 Staff costs		
Salaries & Wages	1,349,762	1,621,161
Superannuation and other benefits	113,373	19,383
	1,463,135	1,640,544

NATIONAL ST. JOHN COUNCIL OF PAPUA NEW GUINEA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
	K	K
7 Other operating expenses		
Advertising	5,642	-
Accounting	8,595	-
Bank Fees	5,234	6,158
Cleaning & Waste Disposal	3,608	4,108
Communication Repeater Rental	16,283	13,420
Computer Expenses	12,878	3,476
Consulting Fees	3,144	-
Council Meetings Expenses	774	24
Duty Travel Allowances	12,576	2,625
Electricity & Gas - Utilities	56,598	45,976
Entertainment	3,623	1,622
FIFA Expenses	280,400	-
Fines	-	273
Freight & Courier	948	9,896
Fundraising Activities	44,016	-
General Expenses	5,249	2,469
Hotel Accommodations & Meal	31,246	-
Insurance inc Workers Comp	33,188	6,058
Interest - Bank	-	812
Licenses & Lodgements	300	6,303
MV - Fuel	84,117	66,313
MV - Insurance	8,923	9,782
MV - Registration	8,061	5,096
MV - Repairs & Maintenance	215,568	16,214
MV - Running Expenses	43,826	14,367
NAC Airport Coverage Expenses	3,465	-
Office Expenses	51,357	34,150
Printing & Stationery	32,684	10,015
Protective Clothing	5,768	196
Rates & Taxes	860	306
Rent	-	58,039
Repairs and Maintenance inc Buildings	52,185	5,642
Staff Accommodation Rent	13,300	-
Staff Amenities	40,760	19,873
Staff Training	1,517	2,868
Subscriptions	1,773	-
Telephone & Internet	6,659	12,465
Tool Replacement	537	-
Travel - International	44,759	4,619
Travel - National	-	975
Venue Hire	-	2,871
Uniforms	42,591	-
Total operating expenses	1,183,013	367,012

NATIONAL ST.JOHN COUNCIL OF PAPUA NEW GUINEA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 K	2015 K
8 CASH AND CASH EQUIVALENTS		
Cash on hand and cash at Bank	<u>148,360</u>	<u>37,606</u>
9 Trade and other receivables		
Trade debtors	251,175	58,862
Other receivables	309,614	-
Unreconciled difference (TB & BS)	- 141,843	-
	<u>418,946</u>	<u>58,862</u>
10 Trade and other payables		
Trade creditors	148,283	16,583
	<u>148,283</u>	<u>16,583</u>

11 Taxation

Application is in progress to the Internal Revenue Commission for confirmation/approval of the Organisation as a Charitable Organisation for Tax Purposes.

It is highly likely that the organisation will be granted Charitable Status, hence no tax applicable or computed.

NATIONAL ST. JOHN COUNCIL OF PAPUA NEW GUINEA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

11 PROPERTY, PLANT AND EQUIPMENTS

	Land, Buildings & Improvements	Motor Vehicles	Office Equipment	Total
2015				
Historical Costs	15,000,000	639,900	26,083	15,665,983
Additions		-	-	-
Total cost	15,000,000	639,900	26,083	15,665,983
Acc Depreciation	1,462,500	198,970	6,973	1,668,443
Closing WDV	13,537,500	440,930	19,110	13,997,540
2016				
Historical Costs	15,000,000	639,900	26,083	15,665,983
Additions			17,417	17,417
Total Costs	15,000,000	639,900	43,500	15,683,400
Opening WDV	13,537,500	440,930	36,527	14,014,957
Depreciation	676,875	49,605	4,109	730,589
Opening Accum Depreciation	1,462,500	198,970	6,973	1,668,443
Total Accum Depn	2,139,375	248,575	11,082	2,399,032
WDV	12,860,625	391,325	32,418	13,284,368



UMA & CO LIMITED

ACCOUNTANTS, AUDITORS, TAX AGENTS & BUSINESS ADVISORS

POSTAL ADDRESS:

PO Box 341
Port Moresby
National Capital District
Papua New Guinea
Phone: (675) 7148 5736 / 7653 2864 / 7073 5491 / 7540 8217
Email: umaco2014@gmail.com
: umaco12014@gmail.com

REGISTERED OFFICE:

Section 145, Lot 049, Boroko
Malolo Estate
Port Moresby,
National Capital District
Papua New Guinea

Independent Audit Opinion to the members of

NATIONAL ST. JOHN COUNCIL OF PAPUA NEW GUINEA

Report on the Financial Statements

We have audited the accompanying financial report of National St. John Council of Papua New Guinea, which comprise the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and the statement of cash flow for the year then ended and a summary of significant accounting policies, other explanatory information and the directors' declaration.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Papua New Guinea Associations Act, 1966, St. John Council Incorporation Act 1976 and Corporation Act Chapter 1043 and International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by managements, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion,

- (a) The Financial Statements give a true and fair view of the Financial Position of St. John Ambulance PNG as at 31 December 2016 and of their Financial Performance and Cashflows for the year ended in accordance with the International Financial Reporting Standards, Other applicable laws and regulations.
- (b) Proper accounting records have been kept.

Other Information

We did not provide any other services during the year apart from this Audit.

Uma & Co Limited

Edward UMA (MBA.CPA)

Managing Director

Registered under the Accountants Act 1996

Port Moresby, this.....day of 2017