

ST. JOHN AMBULANCE PNG
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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ST. JOHN AMBULANCE PNG

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

Chairman's Report

The members submit herewith the annual financial report of the association for the financial year ended 31 December 2017.

In order to comply with the provisions of the Associations Act of Papua New Guinea, 1966, the chairman'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:

COUNCIL MEMBERS

1. Ms Jean Kekedo, CSM, OBE – Chairman
2. Mr Peter Lowing, MBE – Co-Deputy Chairman
3. Mr Ian Clough – Co-Deputy Chairman
4. Mr Des Yaninen – Treasurer
5. Ms Carolyne Blacklock
6. Mr Ivan Lu
7. Dr Bobby Wellsh
8. Dr Lynda Sirogoi
9. Ms Vavine Anang
10. Mr Matthew Cooper
11. Mr David Manning, MBE, DPS, QPM
12. Mr Matthew Cannon – ex-officio, Secretary

Review of operations and changes in state of affairs

The company's principal activities are those of the provision of ambulance and health services, teaching of first aid and the supply of 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 K 394,738 and Prior year: (K374,034)

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 18-19.

Subsequent events

There were no material events after the financial position date that have significant effect on the financial statements as at 31 December 2017.

ST. JOHN AMBULANCE PNG

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

Other information

The office is located at Portion 702, Taurama Road, 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 _____, 2018.

Jean Kekedo, CSM, OBE
Chairman

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 2017, 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 _____, 2018.

For and on behalf of the board of directors:

Jean Kekedo, CSM, OBE

ST. JOHN AMBULANCE PNG

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

		2017	2016
	Notes	K	K
Revenue	3	1,166,586	1,032,488
Cost of Sales	4	41,381	75,689
Gross Profit		1,125,205	956,799
Other Income	5	3,581,326	2,045,904
Depreciation Expense	12	690,702	730,589
Staff Costs	6	2,652,478	1,463,135
Operating Expenses	7	968,613	1,183,013
Surplus/(Deficit)		394,738	- 374,034

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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

		2017	2016
	Notes	K	K
CURRENT ASSETS			
Cash and cash equivalents	8	192,022	148,360
Trade and other receivables	9	1,031,490	418,946
		1,223,512	567,306
NON CURRENT ASSETS			
Property, plant and equipment	12	12,576,249	13,284,368
TOTAL NON CURRENT ASSETS		12,576,249	13,284,368
TOTAL ASSETS		13,799,761	13,851,674
CURRENT LIABILITIES			
Trade and other payables	10	247,402	148,283
		247,402	148,283
NON CURRENT LIABILITIES			
Long Outstanding SWT Payable	13	118,326	-
		118,326	-
TOTAL LIABILITIES		365,729	148,283
NET ASSETS		13,434,032	13,703,391
Members Funds			
Retained earnings		1,721,592	2,095,626
Assets revaluation reserve		11,317,702	11,981,799
Current Year Earnings		394,738	- 374,034
Total Members Funds		13,434,032	13,703,391

ST. JOHN AMBULANCE PNG

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2017**

	Other reserves	Retained earnings	Total
	K	K	K
Balances at 01 January 2016		2,095,626	2,095,626
Surplus/(Deficit)		(374,034)	(374,034)
Revaluation reserve	11,981,799		11,981,799
			-
Balances at 31 December 2016	11,981,799	1,721,592	13,703,391
			-
Unreconciled variance due to error in the balance sheet			-
Surplus/(Deficit) for the year	(664,097)	394,738	(269,358)
Balances at 31 December 2017	11,317,702	2,116,330	13,434,032

ST JOHNS AMBULANCE PNG

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

		2017	2016
	Notes	K	K
Cash flows from operating activities			
Receipts from customers		3,688,670	979,066
Payments to suppliers and employees		- 4,536,362	(1,129,208)
Cash receipts from other operating activities		- 7,081	-
Net cash generated by operating activities		- 854,773	(150,142)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		698,483	
Purchase of property, plant and equipment		- 274,429	(8,033)
Net cash provided by (used in) investing activities		424,053	(8,033)
Cash flows from financing activities			
Repayment of borrowings		-	-
Related parties loans received			
Loans to directors			
Other Cash items from financing activities		476,407	
Net cash used in financing activities		476,407	0
Net increase in cash and cash equivalents		45,688	(158,175)
Cash and cash equivalents at the start of the year		146,334	324,723
Cash and cash equivalents at the end of the year	8	192,022	166,548
Net Change in Cash for the period		- 45,688	-158175

ST. JOHN AMBULANCE PNG

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

ST, JOHN AMBULANCE PNG is an association incorporated, incorporated and operating in Papua New Guinea since its Incorporation on 9th October, 1992. The National St. John Council is a statutory body established by the St. John Council Incorporation Act of 1976.

The association'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

St, John Ambulance is agent of the state therefore it's exempted from the company income tax and other tax compliances. Accept for salary and wages tax which is compulsory.

ST. JOHN AMBULANCE PNG

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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.

ST. JOHN AMBULANCE PNG

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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.

ST. JOHN AMBULANCE PNG

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	K	K
3 Revenue		
Sales - First Aid Kits	149,369	48,439
Vol - First Aid Station fees	84,300	68,665
Education/Training	296,678	306,073
NCDC Ambulance fees	135,939	92,229
Other Revenue	500,300	517,082
	1,166,586	1,032,488
4 COGS		
First Aid Kits	24,749	43,966
Cost of Medical Supplies	16,632	31,723
	41,381	75,689
5 Other Income		
Department of Health - Government Grants	300,000	300,000
Donations	250,738	765,847
Department of Finance	1,500,000	150,000
Event Health Services	46,040	185,069
Income received from FIFA WWC engagemen	887,875	522,233
Proceeds from Fundraising Activities	145,601	122,755
APEC	151,072	-
Digicel Mobile and Cub Account	240,000	-
Digicel SIP Account	60,000	-
	3,581,326	2,045,904
6 Staff costs		
Salaries & Wages	2,097,849	1,349,762
Superannuation and other benefits	554,629	113,373
	2,652,478	1,463,135

ST JOHNS AMBULANCE PNG

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017	2016
7 Other operating expenses	K	K
Advertising	40,757	5,642
Accounting	21,450	8,595
Bank Fees	3,451	5,234
Cleaning & Waste Disposal	7,139	3,608
Communication Repeater Rental	16,460	16,283
Computer Expenses	28,968	12,878
Consulting Fees	7,092	3,144
Council Meetings Expenses	178	774
Dishonored Payments	20	-
Duty Travel Allowances	19,005	12,576
Electricity & Gas - Utilities	80,369	56,598
Entertainment	1,081	3,623
Expense incurred on behalf of SJA PNG in AU	4,725	-
FIFA Expenses	12,638	280,400
Filling Fees	593	-
Fines	100	-
Freight & Courier	15,505	948
Fundraising Activities	-	44,016
General Expenses	6,418	5,249
Hire of Plant & Equipment	3,700	-
Hotel Accommodations & Meal	24,182	31,246
Insurance inc Workers Comp	47,096	33,188
Interest - Bank	38	-
Licenses & Lodgements	3,932	300
Medical Expense	3,107	-
MV - Fuel	114,601	84,117
MV - Insurance	11,951	8,923
MV - Registration	11,283	8,061
MV - Repairs & Maintenance	59,532	215,568

ST. JOHN AMBULANCE PNG

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

MV - Running Expenses	34,782	43,826
NAC Airport Coverage Expenses	-	3,465
Office Expenses	41,013	51,357
Printing & Stationery	36,502	32,684
Protective Clothing	468	5,768
Rates & Taxes	1,530	860
Rent	50	-
Repairs and Maintenance inc Buildings	52,239	52,185
Special Operations	34,170	-
Staff Accommodation Rent	51,073	13,300
Staff Amenities	27,093	40,760
Staff Training	15,233	1,517
Subscription	5,092	1,773
Telephone & Internet	4,957	6,659
Tool Replacement	1,769	537
Travel - International	25,533	44,759
Travel - National	1,983	-
Venue Hire	827	-
Uniforms	88,930	42,591
Total operating expenses	968,613	1,183,013

ST. JOHN AMBULANCE PNG

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016		
	K	K		
8 CASH AND CASH EQUIVALENTS				
Cash on hand and cash at Bank	192,022	148,360		
9 Trade and other receivables				
Trade debtors	1,031,490	251,175		
Other receivables	-	309,614		
Unreconciled difference (TB & BS)	-	- 141,843		
	1,031,490	418,946		
10 Trade and other payables				
Accounts Payable	112,395	148,283		
Rounding	- 69	-		
Sales Tax	- 287,316	-		
Superannuation Payable	469,060	-		
Suspense	- 141,541	-		
Unpaid Expenses Claims	1,571	-		
Wages Withholdings Payable	93,304	-		
	247,402	148,283		
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 under that the organisation will be granted Charitable Status, hence no tax has been calculated.				
12 PROPERTY, PLANT AND EQUIPEMENT				
	Land, Buildings & Improvements	Motor Vehicles	Office Equipment	Total
2016				
Historical Costs	15,000,000	639,900	26,083	15,665,983
Additions	-	-	17,417	17,417
Total cost	15,000,000	639,900	43,500	15,683,400
Acc Depreciation	2,139,375	248,575	11,082	2,399,032
Closing WDV	12,860,625	391,325	32,418	13,284,368
2017				
Historical Costs	15,000,000	639,900	26,083	15,665,983
Additions				-
Total Costs	15,000,000	639,900	26,083	15,665,983
Opening WDV	12,860,625	391,325	32,418	13,284,368
Depreciation	643,031	44,024	3,647	690,702
Opening Acc Depreciation	2,139,375	248,575	11,082	2,399,032
Total Accum Depn	2,782,406	292,599	14,729	3,089,734
WDV	12,217,594	347,301	11,354	12,576,249
13 Long Term SWT Payables				
SWT Outstanding Tax Payables	396,011	-		
GST Refunds	- 277,685	-		
	118,326	-		



UMA & CO LIMITED

ACCOUNTANTS, AUDITORS, TAX AGENTS & BUSINESS ADVISORS

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National Capital District
Papua New Guinea

Independent Audit Opinion to the members of

St. John Ambulance PNG

Report on the Financial Statements

We have audited the accompanying financial report of St. John Ambulance PNG, which comprise the statement of financial position as at 31 December 2017, 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 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 Service PNG as at 31 December 2017 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 also provide Tax Advice 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 2018.