

FRIENDS OF FEMILI PNG INCORPORATED
ABN 41 706 886 372

FINANCIAL REPORT

FOR THE YEAR ENDED
30 JUNE 2023

FRIENDS OF FEMILI PNG INCORPORATED

ABN 41 706 886 372

CONTENTS

MEMBERS' REPORT	2
AUDITOR'S INDEPENDENCE DECLARATION	3
INDEPENDENT AUDITOR'S REPORT	4
STATEMENT OF PROFIT OR LOSS	6
STATEMENT OF FINANCIAL POSITION	7
STATEMENT OF CHANGES IN EQUITY	8
STATEMENT OF CASH FLOWS	9
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023	10-13
MEMBERS' DECLARATION	14

FRIENDS OF FEMILI PNG
INCORPORATED ABN 41 706 886 372

MEMBERS' REPORT

The members present their report, together with the financial statements on Friends of Femili PNG Incorporated for the year ended 30 June 2023.

MEMBERS

The following persons were officers of the incorporated association during the whole of the financial year and up to the date of this report, unless otherwise stated:

Stephen Howes (Chair)
John Kali (Deputy Chair)
Tom Sloan (Treasurer)
Mehere Maladina (Secretary)
Sue Sadauskas (Committee Member)
Daisy Plana/Denga Ilave (Committee Member) CEO management representative (alternating officio)

PRINCIPAL ACTIVITY

The principal activity of the entity was to support and promote the work of Femili PNG to assist survivors of family and sexual violence in Papua New Guinea to access the services they need.

SIGNIFICANT CHANGES

There were no significant changes during the year

OPERATING RESULT

In the current financial year the incorporated association recorded a loss from ordinary activities of \$24,024 (2022: \$244,261)

SUBSEQUENT EVENTS

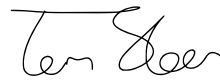
No material subsequent events have occurred since balance date.

The members are not aware of any significant events since the end of the reporting period with exception of the possible effect of the Novel Coronavirus (COVID19) pandemic and the related impact on the Association's future results of operations, cash flows and financial condition which cannot be reasonable estimated at this stage



Stephen Howes

Chair of Friends of Femili PNG



Tom Sloan

Treasurer of Friends of Femili PNG

Dated: 31 October 2023

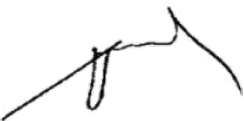
Dated: 31 October 2023

AUDITOR'S INDEPENDENCE DECLARATION

As auditor for the financial report of the Friends of Femili PNG Incorporated for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

PKF Canberra



Anthony J. Bandle FCA
Partner

Canberra

Dated this 31 day of October 2023

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
FRIENDS OF FEMILI PNG INCORPORATED**

We have audited the financial report of Friends of Femili PNG Incorporated. ("the Association") which comprises the Members Report, Statement of Financial Position as 30 June 2023, Statement of Profit or Loss, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2023, a summary of significant accounting policies, other explanatory notes and the Members Declaration.

Qualification

It is not practicable to establish accounting controls over cash receipts from all sources beyond the recording of amounts entered in the books and records.

The audit opinion expressed in this report has been formed on the above basis.

Opinion

In our opinion, the accompanying financial report of the Association is in accordance with Division 60 of the *Australian Charities and Not-for-profits Act 2012*, including:

- a) giving a true and fair view of the Association's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report has been prepared to assist the Association meet the requirements of Note 1. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter. The Members are responsible for the preparation and fair presentation of the special purpose financial report in accordance with the accounting policies described in Note 1 of the financial statements and for such internal control as the Committee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial report, the Members are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
FRIENDS OF FEMILI PNG INCORPORATED

Auditor's Responsibilities for the Audit of the Financial Report

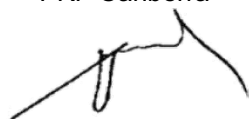
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards 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 report.

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

- Identify and assess the risks of material misstatement of the financial report, 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Members 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.

PKF Canberra



Anthony J. Bandle FCA
Partner

Dated This 31 Day of October 2023

Liability limited by a scheme approved under Professional Standards Legislation

FRIENDS OF FEMILI PNG INCORPORATED
ABN 41 706 886 372

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Revenue		
Monetary donations and gifts	305,137	367,749
Non-monetary donations and gifts	9,330	8,402
Bequests	-	10,000
Grants	277,119	150,000
Australian Foundations	50,000	50,000
Commercial Activities Income	24,996	6,090
Other Income	77,337	94,718
Total Revenue	743,919	686,959
Expenditure		
International Aid and Development Programs		
International Programs		
Funds to international programs		
- Funds to Femili PNG	318,108	145,000
Program support costs	191,591	153,788
Community Education	3,691	
Fundraising costs		-
- Public	99,298	64,543
- Government, multilateral and private	-	20,167
Accountability and administration	120,175	50,798
Non-monetary expenditure	9,330	8,402
Total International Aid and Development Programs	742,193	442,698
Commercial Activities Expenditure	25,750	-
Total Expenditure	767,943	442,698
Total Loss from ordinary activities	(24,024)	244,261

FRIENDS OF FEMILI PNG INCORPORATED
ABN 41 706 886 372

The accompanying notes form part of these financial statements

FRIENDS OF FEMILI PNG INCORPORATED
ABN 41 706 886 372

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	NOTE	2023 \$	2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents	3	1,064,522	591,027
Trade and Other Receivables		5,315	3,188
Total Current Assets		1,069,837	594,215
LIABILITIES			
Current Liabilities			
Trade and other payables		27,572	15,906
Annual leave provision		14,898	23,102
Deferred revenue	4	544,964	45,000
GST Refund		(4,146)	(366)
Total Current Liabilities		583,288	83,642
NET ASSETS		486,549	510,573
EQUITY			
General reserves		209,242	60,000
Retained Earnings		277,307	450,573
TOTAL EQUITY		486,549	510,573

The accompanying notes form part of these financial statements.

FRIENDS OF FEMILI PNG INCORPORATED
ABN 41 706 886 372

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Retained Earnings	Reserves	Total
Balance as at 30 June 2021	216,311	50,000	266,311
Surplus from operations	244,262	50,000	294,262
Balance as at 30 June 2022	450,573	60,000	510,573
Loss from operations	(24,024)		(24,024)
Transfer to Reserves	(149,242)	149,242	-
Balance as at 30 June 2023	277,307	209,242	486,549

The accompanying notes form part of these financial statements.

FRIENDS OF FEMILI PNG INCORPORATED
ABN 41 706 886 372

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	1,232,426	675,003
Payments to suppliers and employees	(758,931)	(419,417)
Net cash generated from/ (used in) operating activities	<u>473,495</u>	<u>255,586</u>
	473,495	255,586
Net increase/(decrease) in cash held	473,495	255,586
Cash on hand at the beginning of the financial year	591,027	335,441
Cash on hand at the end of the financial year	<u>1,064,522</u>	<u>591,027</u>

The accompanying notes form part of these financial statements.

FRIENDS OF FEMILI PNG INCORPORATED
ABN 41 706 886 372

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements for Friends of Femili PNG Incorporated are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The incorporated association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the requirements set out in the ACFID Code of Conduct, Australian Accounting Standards – Simplified Disclosures and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act (ACT) 1991* and associated regulations, as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the incorporated association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the incorporated association and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Donations- monetary

Donations are recognised at the time the funds are received.

Donations- non- monetary

In line with the ACFID Code of Conduct, the value of material volunteer services received in-kind is disclosed in the Income Statement. Material voluntary services are valued using the job descriptions and relative rates of pay published in the Recognised Development Expenditure (ROE) Guidelines published by DFAT at: https://dfat.gov.au/about-us/publications/Documents/rde_notes.doc.

Grants

Grants are recognised as revenue in the year received or receivable to the extent of expenditure during the year for the purpose of the grant. Grant monies that have been received or are receivable but have not been expended at balance date are recognised as unexpended grants in Deferred Revenue.

FRIENDS OF FEMILI PNG INCORPORATED
ABN 41 706 886 372

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax

As the incorporated association is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the incorporated association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the incorporated association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Deferred Revenue

Grants are recognised as revenue in the year received or receivable to the extent of expenditure during the year for the purpose of the grant. Grant monies that have been received or are receivable but have not been expended at balance date are recognised as Unexpended grants in Deferred Revenue.

NOTE 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

FRIENDS OF FEMILI PNG INCORPORATED
ABN 41 706 886 372

NOTE 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Key judgement - Deferral of revenue and revenue recognition

Grants are recognised as revenue in the year received or receivable to the extent of expenditure during the year for the purpose of the grant. Grant monies that have been received or are receivable but have not been expended at balance date, including interest thereon where required under the terms of the grant, are recognised as Unexpended grants in Deferred Revenue.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The incorporated association assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the incorporated association and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

NOTE 3. CASH AND CASH EQUIVALENTS

	2023	2022
	\$	\$
Cash at bank	<u>1,064,522</u>	<u>591,027</u>

NOTE 4. DEFERRED REVENUE

Grant for project	<u>544,964</u>	<u>45,000</u>
-------------------	----------------	---------------

NOTE 5. KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation

The aggregate compensation made to officers and other members of key management personnel of the incorporated association is set out below:

Aggregate compensation	<u>80,000</u>	<u>80,000</u>
------------------------	---------------	---------------

NOTE 6. CONTINGENT LIABILITIES

The incorporated association has no contingent liabilities as at 30 June 2023 and 30 June 2022.

FRIENDS OF FEMILI PNG INCORPORATED
ABN 41 706 886 372

NOTE 7. COMMITMENTS

The incorporated association had no commitments for expenditure as at 30 June 2023 and 30 June 2022

NOTE 8. RELATED PARTY TRANSACTIONS

Key management personnel

Disclosures relating to key management personnel are set out in Note 5.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

NOTE 9. EVENTS AFTER THE REPORTING PERIOD

The members are not aware of any significant events since the end of the reporting period with the exception of the possible effect of the Novel Coronavirus (COVID-19) pandemic and the related impact on the Association's future results of operation, cash flows and financial condition which cannot be reasonably estimated at this stage.

.

FRIENDS OF FEMILI PNG INCORPORATED
ABN 41 706 886 372

MEMBERS' DECLARATION

I declare that:

- the attached financial statements and notes comply with Australian Accounting Standards - Simplified Disclosures and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act (ACT) 1991* and associated regulations;
- the attached financial statements and notes give a true and fair view of the incorporated association's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the incorporated association will be able to pay its debts as and when they become due and payable.

Dated this 31st day of October 2023

Treasurer:

