

INSTITUTE OF NATIONAL AFFAIRS INC

FINANCIAL STATEMENTS

AND

REPORTS

FOR THE YEAR ENDED 31 DECEMBER 2011

INSTITUTE OF NATIONAL AFFAIRS INC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

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INSTITUTE OF NATIONAL AFFAIRS INC.

BALANCE SHEET

As at 31st December 2011

	NOTE	2011 K	2010 K
CURRENT ASSETS			
Cash on Hand		900	900
Cash at Bank	2(a)	2,116,464	2,826,615
Cash on Deposit	2(b)	478,115	538,750
Debtors and Prepayments	3	887,016	1,548,752
		<hr/>	<hr/>
		3,482,495	4,915,017
FIXED ASSETS	4	1,109,594	1,036,605
INVESTMENTS	5	308,453	308,453
TOTAL ASSETS		<hr/>	<hr/>
		4,900,543	6,260,075
CURRENT LIABILITIES			
Trade Creditors & Accruals	6	1,316,500	1,005,143
Uncommitted Grants	6a	1,441,050	3,005,154
Employee Provisions		179,426	176,661
		<hr/>	<hr/>
		2,936,976	4,186,958
DEFERRED LIABILITIES			
Provision for Annual Leave		65,709	45,343
Provision for Long Service Leave		70,803	49,600
		<hr/>	<hr/>
		136,512	94,943
TOTAL LIABILITIES		<hr/>	<hr/>
		3,073,488	4,281,901
NET ASSETS		<hr/>	<hr/>
		1,827,054	1,978,174
MEMBERS EQUITY RESERVES			
Accumulated Funds		<hr/>	<hr/>
		1,827,054	1,978,174
ACCUMULATED FUNDS		<hr/>	<hr/>
		1,827,054	1,978,174

Signed on behalf of Councillors

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Dated at Port Moresby this day of 2012.

The balance sheet is to be read in conjunction with the notes set out on pages 6 to 8

INSTITUTE OF NATIONAL AFFAIRS INC.

NOTES TO, AND FORMING PART OF THE ACCOUNTS

For the year ended 31st December, 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been made out in accordance with the requirements of the Papua New Companies Act and applicable Accounting Standards.

The accounting policies are consistent with those of the previous year, unless otherwise stated.

The Institute of National Affairs is incorporated under the Association Act and accordingly has no share

The accounting methods adopted by the Institute are in accordance with the relevant accounting standards and disclosure requirements of the Papua New Guinea Institute of Accountants Inc and/or by law. They have been prepared on the basis of historical costs and do not take into account changing money values nor, except where stated, current valuations of non current assets. Unless otherwise stated, the accounting policies have been consistently applied.

Set out below is a summary of the significant accounting policies adopted by the Institute in the preparation of the accounts.

(a) Contributions

Contributions received in advance are deferred and recognised as income in the year to which the contribution relates.

(b) Fixed Assets

Fixed Assets are shown in the accounts at historical costs. Profits or losses on disposal of major items of fixed assets other than operating plant are included in earnings as extraordinary items. Disposals of items of operating plant in the normal course of business are taken into account in arriving at the operating profit.

(c) Depreciation

Depreciation is calculated using the prime cost method at rates considered adequate to write off each asset over its expected useful life. Rates of depreciation used are those allowed by the taxation authorities. Additions are depreciated from the date of acquisition.

Depreciation rates used are:

Leasehold Improvements	20.00%	On cost
Motor Vehicles	20.00%	On written down value
Office Furniture & Fittings	20.00%	On written down value
Plant and Equipment	25.00%	On written down value

(d) Income Tax

The income of the Institute is exempted from tax pursuant to Section 25 of the Papua New Guinea Income Tax Act

INSTITUTE OF NATIONAL AFFAIRS INC.

NOTES TO, AND FORMING PART OF THE ACCOUNTS

For the year ended 31st December, 2011

(e) Employee Benefits

Charges have been made against income for amounts expected to be paid to employees to cover entitlements for a leave fare, annual leave and long service leave.

(f) Income - Members Subscriptions

Members' subscriptions have been accounted for on an accruals basis, only where the subscriptions have been received after year end.

		2011 K	2010 K
2	(a) CASH AT BANK		
	Bank South Pacific Main Account - 100586538	856,262	58,216
	CIMC Bank South Pacific Account - 1001289336	1,260,201	2,768,400
		2,116,464	2,826,615
2	(b) CASH ON DEPOSIT		
	Interest Bearing Deposit - Bank South Pacific (INA)	-	538,750
	Treasury Bill - Bank of Papua New Guinea	478,115	-
		478,115	538,750
3	(a) DEBTORS AND PREPAYMENTS		
	Dividend Receivable	218	218
	Trade Debtors	704,291	778,053
	GST Refund	20,363	647,731
	Other Debtors	30,098	13,694
	Interest Receivable	16,788	25,063
	Prepayments	17,488	-
	Rental Bonds	82,968	77,968
	Staff Advances	14,801	6,025
		887,016	1,548,752
3	(b) GST RECEIVABLES		
	GST Receivables for 2011 of K20,363 consists of K633,205 receivables as of 31/12/11 and a refund of K642, received from the Internal Revenue Commission in 2011 for periods prior to 2008. Taken to account in the cu GST Receivable balance of K663,205 is an amount of onl K280,280 for the periods 2006-2008, due to the uncertainty of recovery for the periods prior to 2006, at the time the claim was lodged in 2008. the refund is st to be ascertained with the Internal Revenue Commission and transferred in 2012.		
4	Motor Vehicles - at Cost	125,909	58,182
	Less: Accumulated Depreciation	(47,497)	(23,276)
		78,413	34,906
	Office Furniture & Equipment at Cost	435,959	363,469
	Less: Accumulated Depreciation	(239,426)	(190,777)
		196,533	172,692
	Work In Progress	834,649	829,007
		1,109,594	1,036,605

INSTITUTE OF NATIONAL AFFAIRS INC.

NOTES TO, AND FORMING PART OF THE ACCOUNTS
For the year ended 31st December, 2011

		2011 K	2010 K
5	INVESTMENTS		
	Shares At Cost		
	New Britain Palm Oil Ltd	110,635	110,635
	Bank of South Pacific Ltd	99,952	99,952
	Oil Search Ltd	97,866	97,866
		308,453	308,453
	Shares At Market Value		
	New Britain Palm Oil Ltd	500,000	502,000
	Bank of South Pacific Ltd	223,596	231,613
	Oil Search Ltd	144,900	160,965
		868,496	894,578
6	CREDITORS AND ACCRUALS		
	Trade Creditors	381,764	407,167
	Sundry Creditors & Accruals	181,104	49,894
	Security Bonds Payables	74,573	74,573
	Staff Savings and Loans Clearing	(2,585)	(1,691)
	Wages Tax	681,644	475,200
		1,316,500	1,005,143
6a	UNCOMMITTED GRANTS		
	Asia Foundation	86,828	86,828
	AusAID	314,230	1,889,892
	British High Commission	35,304	35,304
	GoPNG	639,299	471,228
	UNFPA	89,993	92,667
	UNICEF	38,664	295,744
	Other	236,731	133,491
		1,441,050	3,005,154

INSTITUTE OF NATIONAL AFFAIRS INC.
INCOME AND EXPENDITURE STATEMENT
For the Year Ended 31st December 2011

	2011 K	2010 K
RECEIPTS	<u>6,150,314</u>	<u>5,503,663</u>
INCOME	712,116	484,009
LESS EXPENSES	961,998	971,528
PROFIT/(LOSS)	(249,882)	(487,519)
Transfer of Net Grant Fixed Assets	98,762	46,169
	<u>(151,120)</u>	<u>(441,350)</u>
Accumulated Funds - Beginning of Year	<u>1,978,174</u>	<u>2,419,524</u>
Total Available for Appropriation	<u>1,827,054</u>	<u>1,978,174</u>
ACCUMULATED FUNDS as at 31st December 2011	<u>1,827,054</u>	<u>1,978,174</u>

The income and expenditure account is to read in conjunction with the notes set out on pages 6 to 8

INSTITUTE OF NATIONAL AFFAIRS INC.

INCOME STATEMENT

For the year ended 31st December 2011

	2011 K	2010 K
INCOME		
INA - Projects - Net Income	19,333	(113,870)
Rental Income - Net Income	128,762	39,017
Consultation Fees	-	-
Directors Fees and Staff Appearance	29,131	-
Grant/Funding - Asia Foundation	6,097	-
Members Contributions	323,660	263,555
Publication Sales	1,100	100
Administration Fee	156,000	156,000
Miscellaneous Income	854	33,595
Dividend Income	21,594	17,101
Profit on Disposal of Asset(s)	770	45,000
Interest Income	24,815	43,511
Total Income	712,116	484,009

INSTITUTE OF NATIONAL AFFAIRS INC.

OVERHEAD EXPENSE STATEMENT

For the year ended 31st December, 2011

	2011	2010
	K	K
EXPENSES		
Administration Costs	8,242	4,376
Advertising	2,128	10,699
Audit & Accounting Fees	4,125	7,500
Bad Debts Expense	-	20,869
Bank Charges	1,708	1,460
Cleaning	9,754	2,284
Conference Registrations	2,909	8,104
Consulting Fees	23,651	48,319
Depreciation	54,486	43,818
Donations	2,270	2,000
Electricity	21,043	9,902
Field Equipment	955	-
Insurance	11,725	23,638
Internet Cost	15,294	16,800
Internet Costs - Website	8,874	3,531
Meetings/Meals/Refreshments	988	9,654
Motor Vehicle Expenses	2,784	7,353
Motor Vehicle Expenses - R&M	9,379	1,403
Office Equipment Expense	6,469	3,999
Office Furniture & Fittings	6,964	3,431
Postage, Printing Stationery & Courier	16,025	38,279
Rent & Outgoing Expenses - Office	138,544	107,854
Repairs & Maintenance -Building	744	967
Staff Expense - Salaries & Wages	340,498	326,710
Staff Expense - Rent	120,000	92,977
Staff Expense - Amenities	8,486	6,445
Staff Expense - Leave Fare	29,253	29,054
StaffExpense - LSL	17,347	14,239
Staff Expense -Casual	9,697	13,520
Staff Expense -Recruitment/Training/Transport	813	3,000
Staff Expense - Superannuation (INA Contribution)	5,586	3,956
Subscriptions and Membership Fees	18,446	38,662
Sundry Expense	252	616
Telephone	26,899	19,586
Training & Workshop	(1,480)	1,403
Travel Expense - Accommodation	13,139	45,158
Prior Year Adjustments - Accommodation	24,000	(37)
Total Expenses	K961,998	K971,528

INSTITUTE OF NATIONAL AFFAIRS INC.

CASH FLOW STATEMENT

For the year ended 31st December, 2011

	2011	2010
	K	K
Cash Flow from operating activities		
Cash receipts from members and other revenue	6,150,314	5,503,663
Cash paid to suppliers and employees	(7,949,245)	(4,368,976)
Net Cash (utilised in)/ generated from operations	<u>(1,798,930)</u>	<u>1,134,687</u>
Cash flows from investing activities		
Purchase of fixed assets	995,807	(924,817)
Sale of fixed assets		
Interest received	24,815	43,511
Net cash from investing activities	<u>1,020,622</u>	<u>(881,306)</u>
Net increase (decrease) in cash and cash equivalents	(778,308)	253,382
Cash and cash equivalents at beginning of the year	3,366,265	3,112,883
Cash and cash equivalents at the end of the year	<u>2,587,957</u>	<u>3,366,265</u>
Represented by:		
Bank and cash	2,117,364	2,827,515
Treasury bills	478,115	538,750
	<u>2,595,479</u>	<u>3,366,265</u>
Net Cash Generated from Operations		
Operating Profit Income & Expenditure statement	(249,882)	(487,519)
Non cash items:		
Depreciation	54,486	43,818
Unallocated Grant	(1,564,105)	1,677,514
Employee Provisions	44,334	86,117
Revaluation Investments	-	-
Investments	(26,082)	1
Loss on sale of fixed asset/Transfer of fixed Assets	98,762	46,169
Interest Received	(24,815)	(43,511)
	<u>(1,667,302)</u>	<u>1,322,589</u>
Net movements in current assets and liabilities:		
Debtors	661,736	(657,193)
Creditors	311,357	469,291
	<u>(694,209)</u>	<u>1,134,687</u>

The cash flow statement is to be read in conjunction with the notes set out on pages 6 to 8

INSTITUTE OF NATIONAL AFFAIRS INC
INCOME & EXPENDITURE STATEMENT - RENTAL

For the year ended 31st December 2011

	2011 K	2010 K
Income		
Rental	<u>1,007,632</u>	<u>291,949</u>
	1,007,632	291,949
 Expenditure		
Legal costs	31,212	-
Rent - Office Sublease	842,061	252,932
Total Expenses	<u>873,273</u>	<u>252,932</u>
 Other Expenses		
Prior Year Adjustments	<u>5,597</u>	-
	5,597	-
 Net Rents Profit/(Loss)	<u><u>128,762</u></u>	<u><u>39,017</u></u>

INSTITUTE OF NATIONAL AFFAIRS INC

INCOME & EXPENDITURE STATEMENT - INA PROJECTS

For the year ended 31st December 2011

	2011	2010
	K	K
Income		
Grant/Funding - ADB	-	67,184
Grant/Funding - ANU	11,386	-
Grant/Funding - Other	110,452	70,632
Grant/Funding - World Bank	308,701	436,064
	<hr/>	<hr/>
	430,539	573,880
 Expense		
Administration Costs	-	360
Advertising	-	(1,793)
Bad Debts Expenses	-	114,914
Bank Charges	12	51
Conference Registrations	0	4,000
Consulting Fees	16,600	233,604
Facilitators & Trainers Fees	55,157	-
Field Equipment	600	-
Insurance	175	-
Material Dissemination / Distribution	-	5,000
Meals & Refreshments	9,969	18,645
Motor Vehicle Expenses - Fuel & Rego	2,270	7,310
Office Equipment Expenses	1,620	-
Participant Allowance	200	200
Printing & Stationery	2,809	9,998
Salaries and Wages	93,254	-
Staff Expense - Casuals	225	200
Staff Expense - Superannuation (INA Contribution)	2,820	-
Survey Costs	3,604	17,442
Telephone	2,320	32,133
Training & Workshops	-	8,413
Travel Expense - Accommodation	39,293	51,415
Travel Expense - Air Fares	52,706	51,081
Travel Expense - Allowance	29,265	53,886
Travel Expense -MV /Taxi Hire	28,106	74,223
Venue Hire	18,124	6,668
Total Expense	<hr/>	<hr/>
	359,128	687,750
 Other Expense		
Transfer Excess Grant Income	52,077	-
Total Other Expenses	<hr/>	<hr/>
	52,077	-
 Net INA Operating Profit/(Loss)		
	<hr/> <hr/>	<hr/> <hr/>
	K19,334	(K113,870)

INSTITUTE OF NATIONAL AFFAIRS INC
INCOME & EXPENDITURE STATEMENT - CIMC Core Secretariat
For the year ended 31st December 2011

	2011	2010
	K	K
Income		
Grant/Funding - ADB	-	78,356
Grant/Funding - AUSAID	1,434,818	871,621
Grant/Funding - GoPNG	800,000	877,909
Grant/Funding - Other	-	4,079
Interest Income		15,729
Sundry Income	-	132
	<u>2,234,818</u>	<u>1,847,826</u>
Expenditure		
Administration Costs	-	2,668
Administration Costs - Internal	156,000	156,000
Advertising	60,393	28,770
Audit & Accountancy Fees	4,125	-
Bad Debts Expense	-	1,224
Bank Charges	2,935	1,192
Cleaning	23,678	3,952
Conference Registrations	3,009	2,544
Consulting Fees	53,334	19,302
Electricity	35,207	14,926
Facilitators & Trainers Fee	1,120	5,600
Forum & Meeting Expenses	1,388	2,956
Freight	4,340	7,924
Fuel Generator	3,544	595
Internet Cost	30,693	79,775
Management Fees	13,248	3,738
Meals/Refreshments	158,481	114,260
Motor Vehicle Expenses	7,224	10,510
Office Equipment Expenses	49,933	42,853
Participant Allowance	7,989	20,350
Postage, Printing & Stationery Expenses	110,321	74,228
Provincial Visits	-	9,540
Rent Expense - Office	132,866	162,550
Repairs & Maintenance - IPA Haus	11,556	3,500
Security	7,394	931
Staff Expense - Salaries & Wages	371,434	380,108
Staff Expense - Casuals	2,338	-
Staff Expense - Amenities	195	2,915
Staff Expense - LSL	18,568	20,899
Staff Expense - Super(INA Contrib)	21,142	16,520
Staff Expense - Training	225	1,100
Staff Expense - Transport	31,240	30,030
Subscription & Membership Fees	-	85
Telephone	26,388	37,025
Travel Expenses	386,218	404,483
Venue Hire	52,087	58,489
Workshops & Seminars	-	7,503
Total CIMC Operating Expenses	<u>1,788,613</u>	<u>1,729,044</u>
Other Expense		
Transfer - Excess Grant Income	446,205	109,877
Prior Year Adjustments	-	8,905
Total Other Expenses	<u>446,205</u>	<u>118,782</u>
Net CIMC Operating Profit/(Loss)	<u><u>(0)</u></u>	<u><u>0</u></u>

INSTITUTE OF NATIONAL AFFAIRS INC

INCOME & EXPENDITURE STATEMENT - Family Sexual Violence Committee

For the year ended 31st December 2011

	2011 K	2010 K
Income		
Grant/Funding - AusAID	1,398,200	1,220,000
Grant/Funding - UNFPA	2,673	221,164
Grant/Funding - UNICEF	277,520	531,148
Grant/Funding - UNDP	119,939	51,034
Grant/Funding - Digicel	-	160,000
Other Income	-	2,300
	<u>1,798,332</u>	<u>2,185,646</u>
Expenditure		
Administration	-	(256)
Advertising	29,606	3,550
Bank Charges	789	175
Conference registrations	6,300	2,580
Consultancy Fees	5,302	17,703
Electricity	1,450	-
Entertainment	300	1,360
Facilitators & Trainers Fee	15,780	17,120
Field Equipment	-	300
Forum	-	2,782
Freight	7,857	-
Insurance	1,203	-
Internet cost	12,249	3,545
Meals & Refreshments	140,658	72,488
Meetings - FSVAC	25,464	5,436
Motor Vehicle Expenses - Fuel & Rego	11,010	410
Motor Vehicle Expenses - R&M	3,847	865
Office Equipment Expenses	78,167	23,183
Participant Allowance	22,633	3,170
Postage & Courier	5,889	832
Printing, Stationery, Photocopy	60,272	118,737
Provincial Visits	2,746	31,947
Rent Expense - Office	107,400	-
Repairs & Maintenance	60,050	79,264
Staff Expense- Casuals	5,996	4,930
Staff Expense- Salaries & Wages	215,317	193,629
Staff Expense - Amenities	300	470
Staff Expense - LSL	4,996	10,622
Staff Expense - Training	-	60
Staff Expense - Transport	11,400	1,780
Staff Expense - Superannuation (INA Contribution)	12,440	6,601
Subscription/Membership Fees	799	998
Survey Costs	-	11,379
Technical Assistance	53,000	180,000
Telephone	8,690	14,632
Training & Workshops	85,614	420,398
Travel Expense - Accommodation	188,346	111,120
Travel Expenses - Airfares	237,058	270,909
Travel Expenses - Allowances	98,667	75,263
Travel Expenses - M.V Hire	105,993	94,528
Venue Hire	26,531	55,658
Workshops & Seminars	21,253	44,733
	<u>1,675,372</u>	<u>1,882,901</u>
Total FV Operating Expenses		
	<u>1,675,372</u>	<u>1,882,901</u>
Other Expenses		
Transfer Excess Grant Income	123,960	299,871
Prior Year adjustments	(1,000)	2,874
Total Other Expenses	<u>122,960</u>	<u>302,745</u>
	<u>122,960</u>	<u>302,745</u>
Net FV Operating Profit/(Loss)	<u>-</u>	<u>(0)</u>

INSTITUTE OF NATIONAL AFFAIRS INC
INCOME & EXPENDITURE STATEMENT - Informal Sector
For the year ended 31st December 2011

	2011	2010
	K	K
Income		
Grant/Funding - AusAID	150,200	45,500
	<u>150,200</u>	<u>45,500</u>
Expenditure		
Bad Debts Expense	0	1,210
Office Furniture & Fittings	438	-
Meals/Refreshments	391	341
Printing & Stationery	10,455	12,690
Staff Expense - Salaries & Wages	15,223	13,171
Staff Expense - Rent	15,840	13,750
Staff Expense - LSL	-	3,200
Staff Expense - Superannuation (INA Contribution)	1,260	1,052
Staff Expense - Transport	3,600	-
Telephone	10	-
Venue Hire	6,909	-
	<u>54,126</u>	<u>45,414</u>
Total IS Operating Expense		
	<u>54,126</u>	<u>45,414</u>
Other Expenses		
Transfer Excess Grant Income	96,074	86
Total Other Expenses	<u>96,074</u>	<u>86</u>
Net IS Operating Profit/(Loss)	<u><u>0</u></u>	<u><u>0</u></u>