

**INSTITUTE OF NATIONAL AFFAIRS INC**

**FINANCIAL STATEMENTS**

**AND**

**REPORTS**

**FOR THE YEAR ENDED 31 DECEMBER 2012**

**INSTITUTE OF NATIONAL AFFAIRS INC**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

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INSTITUTE OF NATIONAL AFFAIRS INC.

BALANCE SHEET

As at 31st December 2012

	NOTE	2012 K	2011 K
<b>CURRENT ASSETS</b>			
Cash on Hand		900	900
Cash at Bank	2(a)	1,410,306	2,116,463
Cash on Deposit	2(b)		478,115
Debtors and Prepayments	3	1,218,427	887,017
		<u>2,629,633</u>	<u>3,482,495</u>
<b>FIXED ASSETS</b>	4	959,080	1,109,594
<b>INVESTMENTS</b>	5	308,453	308,453
<b>TOTAL ASSETS</b>		<u>3,897,164</u>	<u>4,900,543</u>
<b>CURRENT LIABILITIES</b>			
Trade Creditors & Accruals	6	1,664,278	1,316,500
Uncommitted Grants	7	951,542	1,441,050
Employee Provisions		234,782	179,426
		<u>2,850,602</u>	<u>2,936,976</u>
<b>DEFERRED LIABILITIES</b>			
Provision for Annual Leave		84,826	65,709
Provision for Long Service Leave		102,919	70,803
		<u>187,745</u>	<u>136,512</u>
<b>TOTAL LIABILITIES</b>		<u>3,038,347</u>	<u>3,073,488</u>
<b>NET ASSETS</b>		<u><u>858,819</u></u>	<u><u>1,827,054</u></u>
<b>MEMBERS EQUITY</b>			
<b>RESERVES</b>			
Accumulated Funds		<u>858,819</u>	<u>1,827,054</u>
<b>ACCUMULATED FUNDS</b>		<u><u>858,819</u></u>	<u><u>1,827,054</u></u>

Signed on behalf of Councillors

.....  
Dated at Port Moresby this                      day of                      2013.

*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, 2012**

**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 capital.

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

**(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.

**INSTITUTE OF NATIONAL AFFAIRS INC.**

**NOTES TO, AND FORMING PART OF THE ACCOUNTS**

**For the year ended 31st December, 2012**

		<b>2012</b>	<b>2011</b>
		<b>K</b>	<b>K</b>
<b>2 (a) CASH AT BANK</b>			
	Bank South Pacific Main Account - 100586538	1,102,621	856,262
	CIMC Bank South Pacific Account - 1001289336	307,685	1,260,202
		<u>1,410,306</u>	<u>2,116,463</u>
<b>2 (b) CASH ON DEPOSIT</b>			
	Interest Bearing Deposit - Bank South Pacific (INA)	-	
	Treasury Bill - Bank of Papua New Guinea	-	478,115
			<u>478,115</u>
<b>3 (a) DEBTORS AND PREPAYMENTS</b>			
	Dividend Receivable	218	218
	Trade Debtors	910,172	704,291
	Grant receivable	128,357	-
	GST Refund	-	20,363
	Other Debtors	31,687	30,098
	Interest Receivable	-	16,789
	Prepayments	29,214	17,488
	Rental Bonds	85,768	82,968
	Staff Advances	33,012	14,802
		<u>1,218,427</u>	<u>887,017</u>
	<b>GST RECEIVABLE</b>		
	<p>GST Receivable for 2011 of K20,363 consists of K663,205 receivables as of 31/12/11 and a refund of K642,842 received from the Internal Revenue Commission in 2011 for periods prior to 2008. Taken to account in the current 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 still to be ascertained with the Internal Revenue Commission and transferred in 2012.</p>		
<b>4</b>	Leasehold Improvement - at Cost	834,649	-
	Less: Accumulated Depreciation	(166,930)	-
		<u>667,719</u>	
	Motor Vehicles - at Cost	215,662	125,909
	Less: Accumulated Depreciation	(85,542)	(47,497)
		<u>130,119</u>	<u>78,412</u>
	Office Furniture & Equipment at Cost	452,490	435,959
	Less: Accumulated Depreciation	(291,248)	(239,426)
		<u>161,242</u>	<u>196,533</u>
	Work In Progress	-	834,649
		<u>959,080</u>	<u>1,109,594</u>

INSTITUTE OF NATIONAL AFFAIRS INC.

NOTES TO, AND FORMING PART OF THE ACCOUNTS  
For the year ended 31st December, 2012

	2012 K	2011 K
<b>5 INVESTMENTS</b>		
<b>Shares At Cost</b>		
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
	<u>308,453</u>	<u>308,453</u>
<b>Shares At Market Value</b>		
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
	<u><b>868,496</b></u>	<u><b>894,578</b></u>
<b>6 CREDITORS AND ACCRUALS</b>		
Trade Creditors	355,940	381,764
GST Refund/Payable	364,985	
Sundry Creditors & Accruals	273,463	178,520
Security Bonds Payables	87,708	74,573
Wages Tax	582,182	681,643
	<u><b>1,664,278</b></u>	<u><b>1,316,500</b></u>
<b>7 UNCOMMITTED GRANTS</b>		
Asia Foundation	84,008	86,828
AusAID	-	314,230
Bank of Papua New Guinea	151,281	-
British High Commission	35,304	35,304
GoPNG	299,680	639,299
UNFPA	54,448	89,993
UNICEF	29,385	38,664
Other	297,436	236,732
	<u><b>951,542</b></u>	<u><b>1,441,050</b></u>



**INSTITUTE OF NATIONAL AFFAIRS INC.**  
**INCOME AND EXPENDITURE STATEMENT**  
**For the Year Ended 31st December 2012**

	<b>2012</b>	<b>2011</b>
	<b>K</b>	<b>K</b>
<b>RECEIPTS</b>	<u>5,993,016</u>	<u>6,185,542</u>
<b>INCOME</b>	438,339	712,117
<b>LESS EXPENSES</b>	1,486,891	961,999
<b>PROFIT/(LOSS)</b>	<b>(1,048,553)</b>	<b>(249,882)</b>
Transfer of Net Grant Fixed Assets	<b>80,319</b>	<b>98,762</b>
	<u><b>(968,235)</b></u>	<u><b>(151,120)</b></u>
Accumulated Funds - Beginning of Year	<u>1,827,054</u>	<u>1,978,174</u>
<b>Total Available for Appropriation</b>	<u>858,819</u>	<u>1,827,054</u>
<b>ACCUMULATED FUNDS as at 31st December 2012</b>	<u><b>858,819</b></u>	<u><b>1,827,054</b></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 2012

	2012 K	2011 K
<b>INCOME</b>		
Members Contributions	300,987	323,660
Administration Fee	168,000	156,000
Rental Income - Net Income	34,098	128,762
INA - Projects - Net Income	(128,505)	19,333
Directors Fees and Staff Appearance	16,424	29,131
Dividend Income	29,606	21,594
Grant/Funding - Asia Foundation	9,089	6,097
Interest Income	5,918	24,815
Profit on Disposal of Asset(s)		770
Publication Sales	25	1,100
Miscellaneous Income	2,695	854
	<hr/>	<hr/>
<b>Total Income</b>	<b>438,339</b>	<b>712,117</b>

**INSTITUTE OF NATIONAL AFFAIRS INC.**

**OVERHEAD EXPENSE STATEMENT**

**For the year ended 31st December, 2012**

	<b>2012</b>	<b>2011</b>
	<b>K</b>	<b>K</b>
<b>EXPENSES</b>		
Administration Costs	10	8,242
Advertising	4,354	2,128
Audit & Accounting Fees	9,250	4,125
Bad Debts Expense	45,839	-
Bank Charges	5,568	1,708
Cleaning	16,968	9,754
Conference Registrations	4,575	2,909
Consulting Fees	45,201	23,651
Depreciation	236,251	54,486
Donations	3,300	2,270
Electricity	45,751	21,043
Field Equipment	-	955
Insurance	29,732	11,725
Internet Cost	60,867	15,294
Internet Costs - Website	7,487	8,874
Meetings/Meals/Refreshments	8,243	988
Motor Vehicle Expenses	2,626	2,784
Motor Vehicle Expenses - R&M	1,663	9,379
Office Equipment Expense	9,954	6,469
Office Furniture & Fittings	8,985	6,964
Postage, Printing Stationery & Courier	12,699	16,025
Rent & Outgoing Expenses - Office	217,294	138,544
Repairs & Maintenance -Building	(9)	744
Staff Expense - Salaries & Wages	433,798	340,498
Staff Expense - Rent	129,261	120,000
Staff Expense - Amenities	4,169	8,486
Staff Expense - Leave Fare	27,889	29,253
StaffExpense - LSL	28,203	17,347
Staff Expense -Casual	165	9,697
Staff Expense -Recruitment/Training/Transport	-	813
Staff Expense - Superannuation (INA Contribution)	7,857	5,586
Subscriptions and Membership Fees	35,954	18,446
Sundry Expense	1,490	254
Telephone	20,323	26,899
Training & Workshop	1,500	(1,480)
Travel Expense - Accommodation	19,678	13,139
Prior Year Adjustments - Accommodation	-	24,000
<b>Total Expenses</b>	<b>K1,486,891</b>	<b>K961,999</b>

**INSTITUTE OF NATIONAL AFFAIRS INC.**

**CASH FLOW STATEMENT**

**For the year ended 31st December, 2012**

	<b>2012</b>	<b>2011</b>
	<b>K</b>	<b>K</b>
<b>Cash Flow from operating activities</b>		
Cash receipts from members and other revenue	5,993,016	6,185,542
Cash paid to suppliers and employees	(7,890,700)	(4,368,977)
Net Cash (utilised in)/ generated from operations	<u><b>(1,897,684)</b></u>	<u><b>1,816,565</b></u>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(726,476)	(924,817)
Sale of fixed assets		
Interest received	5,918	24,815
Net cash from investing activities	<u><b>(720,557)</b></u>	<u><b>(900,002)</b></u>
Net increase (decrease) in cash and cash equivalents	(2,618,242)	916,565
Cash and cash equivalents at beginning of the year	4,029,448	3,112,883
Cash and cash equivalents at the end of the year	<u><b>1,411,206</b></u>	<u><b>4,029,448</b></u>
Represented by:		
Bank and cash	1,411,206	2,117,363
Treasury bills		478,115
	<u><b>1,411,206</b></u>	<u><b>2,595,478</b></u>
<b>Net Cash Generated from Operations</b>		
Operating Profit Income & Expenditure statement	(1,048,553)	(249,882)
Non cash items:		
Depreciation	236,251	54,486
Unallocated Grant	(489,508)	113,410
Employee Provisions	106,588	130,451
Revaluation Investments	-	-
Investments	-	1
Loss on sale of fixed asset/Transfer of fixed Assets	66,257	98,762
Interest Received	(5,918)	(24,815)
	<u>(1,134,883)</u>	<u>122,412</u>
Net movements in current assets and liabilities:		
Debtors	(331,410)	4,542
Creditors	(431,392)	780,648
	<u><b>(1,897,685)</b></u>	<u><b>907,602</b></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 2012

	<b>2012</b>	<b>2011</b>
	<b>K</b>	<b>K</b>
<b>Income</b>		
Rental	1,010,173	1,007,632
	<u>1,010,173</u>	<u>1,007,632</u>
 <b>Expenditure</b>		
Agency Fees	13,255	-
Bad Debts Expense	120,685	-
Legal costs	-	31,212
Rent - Office Sublease	842,135	842,061
	<u>976,075</u>	<u>873,273</u>
<b>Total Expenses</b>		
<b>Other Expenses</b>		
Prior Year Adjustments	-	5,597
	<u>-</u>	<u>5,597</u>
 <b>Net Rents Profit/(Loss)</b>	 <b><u><u>34,098</u></u></b>	 <b><u><u>128,762</u></u></b>

**INSTITUTE OF NATIONAL AFFAIRS INC**

**INCOME & EXPENDITURE STATEMENT - INA PROJECTS**

**For the year ended 31st December 2012**

	<b>2012</b>	<b>2011</b>
	<b>K</b>	<b>K</b>
<b>Income</b>		
Grant/Funding - Asian Development Bank	14,609	-
Grant/Funding - ANU	242,746	11,386
Grant/Funding - Bank Of Papua New Guinea	432,088	-
Grant/Funding - Other	97,770	110,452
Grant/Funding - World Bank	64,789	308,701
	<hr/>	<hr/>
	852,002	430,539
 <b>Expense</b>		
Administration Costs	500	-
Advertising	7,377	-
Bad Debts Expenses	9,823	-
Bank Charges	354	12
Consulting Fees	31,200	16,600
Facilitators & Trainers Fees	58,783	55,157
Field Equipment	4,790	600
Insurance	-	175
Material Dissemination / Distribution	1,605	-
Meals & Refreshments	21,608	9,969
Motor Vehicle Expenses - Fuel & Rego	-	2,270
Office Equipment Expenses	8,491	1,620
Participant Allowance	30,942	200
Printing & Stationery	9,743	2,809
Salaries and Wages	381,468	93,254
Staff Expense - Casuals	(409)	225
Staff Expense - Superannuation (INA Contribution)	4,047	2,820
Survey Costs	33,570	3,604
Telephone	4,363	2,320
Training & Workshops	5,700	-
Travel Expense - Accommodation	38,985	39,293
Travel Expense - Air Fares	23,519	52,706
Travel Expense - Allowance	25,213	29,265
Travel Expense -MV /Taxi Hire	80,520	28,106
Venue Hire	14,973	18,124
<b>Total Expense</b>	<hr/>	<hr/>
	797,166	359,128
 <b>Other Expense</b>		
Transfer Excess Grant Income	183,341	52,077
<b>Total Other Expenses</b>	<hr/>	<hr/>
	183,341	52,077
 <b>Net INA Operating Profit/(Loss)</b>		
	<hr/>	<hr/>
	<b>(K128,505)</b>	<b>K19,334</b>

**INSTITUTE OF NATIONAL AFFAIRS INC**  
**INCOME & EXPENDITURE STATEMENT - CIMC Core Secretariat**  
**For the year ended 31st December 2012**

	2012 K	2011 K
<b>Income</b>		
Grant/Funding - AUSAID	1,254,230	1,434,818
Grant/Funding - GoPNG	1,151,631	800,000
Sundry Income	918	-
	<u>2,406,779</u>	<u>2,234,818</u>
<b>Expenditure</b>		
Administration Costs - Internal	168,000	156,000
Advertising	45,004	60,393
Audit & Accountancy Fees	0	4,125
Bad Debts Expense	(2,139)	-
Bank Charges	5,334	2,935
Cleaning	24,909	23,678
Conference Registrations	-	3,009
Consulting Fees	68,874	53,334
Electricity	52,628	35,207
Facilitators & Trainers Fee	660	1,120
Forum & Meeting Expenses	(500)	1,388
Freight	5,861	4,340
Fuel Generator	3,303	3,544
Internet Cost	70,577	30,693
Management Fees	13,857	13,248
Meals/Refreshments	202,919	158,481
Motor Vehicle Expenses	18,570	7,224
Office Equipment Expenses	102,890	49,933
Participant Allowance	87,288	7,989
Postage, Printing & Stationery Expenses	60,565	110,321
Provincial Visits	-	-
Rent Expense - Office	130,684	132,866
Repairs & Maintenance - IPA Haus	-	11,556
Security	9,556	7,394
Staff Expense - Salaries & Wages	435,084	371,434
Staff Expense - Casuals	3,332	2,338
Staff Expense - Amenities	196	195
Staff Expense - LSL	11,713	18,568
Staff Expense - Super(INA Contrib)	17,443	21,142
Staff Expense - Training	3,907	225
Staff Expense - Transport	47,710	31,240
Subscription & Membership Fees	-	-
Sundry Expenses	1,655	-
Telephone	33,915	26,388
Travel Expenses	758,837	386,218
Venue Hire	27,113	52,087
Workshops & Seminars	-	-
	<u>2,409,745</u>	<u>1,788,613</u>
<b>Total CIMC Operating Expenses</b>		
<b>Other Expense</b>		
Transfer - Excess Grant Income	-	446,205
Prior Year Adjustments	(724)	-
<b>Total Other Expenses</b>	<u>(724)</u>	<u>446,205</u>
<b>Net CIMC Operating Surplus/(Deficit)</b>	<u><u>(2,242)</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 2012**

	<b>2012</b>	<b>2011</b>
	<b>K</b>	<b>K</b>
<b>Income</b>		
Grant/Funding - AusAID	1,000,000	1,398,200
Grant/Funding - UNFPA	35,545	2,673
Grant/Funding - UNICEF	9,279	277,520
Grant/Funding - UNDP	86,493	119,939
Grant/Funding - Digicel	-	-
Other Income	-	-
	<u>1,131,317</u>	<u>1,798,332</u>
<b>Expenditure</b>		
Administration	1,454	-
Advertising	18,169	29,606
Bank Charges	73	789
Conference registrations	750	6,300
Consultancy Fees	6,506	5,302
Electricity		1,450
Entertainment	800	300
Facilitators & Trainers Fee	37,661	15,780
Field Equipment	5,469	-
Forum	-	7,857
Freight	9,911	-
Insurance	159	1,203
Internet cost	44,222	12,249
Meals & Refreshments	128,705	140,658
Meetings - FSVAC	-	25,464
Motor Vehicle Expenses - Fuel & Rego	18,246	11,010
Motor Vehicle Expenses - R&M	10,615	3,847
Office Equipment Expenses	1,136	78,167
Participant Allowance	53,856	22,633
Postage & Courier	-	5,889
Printing, Stationery, Photocopy	66,989	60,272
Provincial Visits	-	2,746
Rent Expense - Office	136,714	107,400
Repairs & Maintenance		60,050
Staff Expense- Casuals	962	5,996
Staff Expense- Salaries & Wages	225,623	215,317
Staff Expense - Amenities	506	300
Staff Expense - LSL	8,084	4,996
Staff Expense - Training	12,000	-
Staff Expense - Transport	12,700	11,400
Staff Expense - Superannuation (INA Contribution)	13,073	12,440
Subscription/Membership Fees	-	799
Technical Assistance	11,071	53,000
Telephone	9,983	8,690
Training & Workshops	32,740	85,614
Travel Expense - Accommodation	207,345	188,346
Travel Expenses - Airfares	189,644	237,058
Travel Expenses - Allowances	82,901	98,667
Travel Expenses - M.V Hire	121,357	105,993
Venue Hire	46,779	26,531
Workshops & Seminars	500	21,253
	<u>1,516,703</u>	<u>1,675,372</u>
<b>Total FV Operating Expenses</b>		
<b>Other Expenses</b>		
Transfer Excess Grant Income	28,644	123,960
Prior Year adjustments	(1,857)	(1,000)
<b>Total Other Expenses</b>	<u>26,787</u>	<u>122,960</u>
<b>Net FV Operating Surplus/(Deficit)</b>	<u><u>0</u></u>	<u><u>-</u></u>



**INSTITUTE OF NATIONAL AFFAIRS INC**  
**INCOME & EXPENDITURE STATEMENT - Informal Sector**  
**For the year ended 31st December 2012**

	<b>2012</b>	<b>2011</b>
	<b>K</b>	<b>K</b>
<b>Income</b>		
Grant/Funding - AusAID	<u>60,000</u>	<u>150,200</u>
	60,000	150,200
<b>Expenditure</b>		
Bad Debts Expense	25	-
Office Furniture & Fittings	200	438
Meals/Refreshments	698	391
Printing & Stationery	1,188	10,455
Staff Expense - Salaries & Wages	18,416	15,223
Staff Expense - Rent	18,764	15,840
Staff Expense - Superannuation (INA Contribution)	1,683	1,260
Staff Expense - Transport	-	3,600
Telephone	30	-
Travel Expense - Airfares	1,754	10
Venue Hire	-	6,909
Workshop Capacity- Building	<u>15,000</u>	<u>-</u>
<b>Total IS Operating Expense</b>	<u>57,758</u>	<u>54,126</u>
<b>Other Expenses</b>		
Transfer Excess Grant Income	<u>-</u>	<u>96,074</u>
<b>Total Other Expenses</b>	0	96,074
<b>Net IS Operating Surplus/(Deficit)</b>	<u><u>2,242</u></u>	<u><u>0</u></u>