

INSTITUTE OF NATIONAL AFFAIRS INC.

FINANCIAL STATEMENTS

AND

REPORTS

FOR THE YEAR ENDED 31 DECEMBER 2020

INSTITUTE OF NATIONAL AFFAIRS INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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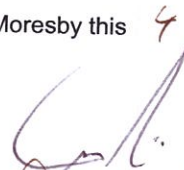
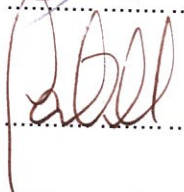
INSTITUTE OF NATIONAL AFFAIRS INC.

STATEMENT BY COUNCILLORS

FOR THE YEAR ENDED 31 DECEMBER 2020

In the opinion of the councillors of the Institute of National Affairs Inc., the Balance Sheet and Income & Expenditure Statement set out on pages 3 to 4 are drawn so as to give a true and fair view of the state of affairs of the Institute as at 31 December 2020 and of its results for the year then ended.

Dated at Port Moresby this 4 day of MAY 2022.


Kevin)

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)
) COUNCILLORS
)

STATEMENT BY THE TREASURER

I, SIMON-MARC BREDDING being the Treasurer of the Institute of National Affairs Inc. confirm that the balance sheet and income and expenditure account set out on pages 3 to 4 are to the best of my knowledge and belief, correct.

And I make this solemn declaration by virtue of the Oaths, Affirmations and Statutory Declaration Act (Chapter 317), conscientiously believing the statements contained therein to be true in every particular.

Declared at PORT MORESBY, Papua New Guinea
this 4TH OF MAY 2022

Before Me:



**INSTITUTE OF NATIONAL AFFAIRS INC.
AUDITOR'S REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Scope

We have audited the attached financial report of the INSTITUTE OF NATIONAL AFFAIRS INC., for the financial year ended 31 December 2020, comprising of the Balance Sheet, the Income and Expenditure Statement and the Statement of Cashflows set out on pages 3 to 5. The Institute's Council is responsible for the preparation and presentation of the financial report and the information contained therein and we have determined that the accounting policies used are consistent with the financial reporting requirements of the Institute's constitution and are appropriate to meet the needs of the members. We have conducted an independent audit of the financial report in order to express that accounting policies used are appropriate to the needs of the members.

The financial report has been prepared for distribution to the members for the purpose of fulfilling the council's financial reporting requirements under the Institute's Constitution. We disclaim any assumption of responsibility for any reliance on this report or the financial report to which it relates to any person other than the members, or for any purpose other than which it was prepared.

Our audit has been conducted in accordance with International Standards on Auditing. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note.1 to the financial report.

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

Audit Opinion

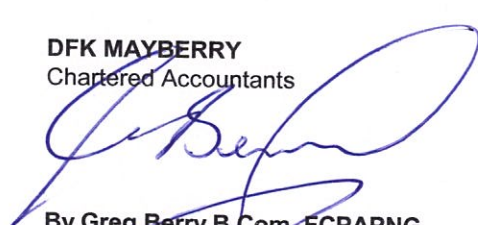
In our opinion, the financial report presents fairly in accordance with the accounting policies described in Note 1 to the Financial report the cash flows and Income & Expenditure of the Institute of National Affairs Inc., for the year ended 31 December 2020.

DATED at Port Moresby

day of

2022.

DFK MAYBERRY
Chartered Accountants


By Greg Berry B.Com, FCPAPNG
Managing Partner
Registered under the Accountants Act 1996

INSTITUTE OF NATIONAL AFFAIRS INC.
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 K	2019 K
RECEIPTS	<u>5,885,528</u>	<u>5,763,457</u>
INCOME	655,960	1,330,370
LESS EXPENSES	<u>1,534,406</u>	<u>1,546,517</u>
PROFIT/(LOSS)	(878,446)	(216,147)
Transfer of Net Grant Fixed Assets	<u>28,003</u>	<u>52,295</u>
	(850,443)	(163,852)
Accumulated Funds - Beginning of Year	(504,524)	(340,672)
Total Available for Appropriation	<u>(1,354,967)</u>	<u>(504,524)</u>
Asset Revaluation Reserves	<u>-</u>	<u>-</u>
ACCUMULATED FUNDS as at 31st December 2020	<u><u>(1,354,967)</u></u>	<u><u>(504,524)</u></u>

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

INSTITUTE OF NATIONAL AFFAIRS INC.

BALANCE SHEET

AS AT 31ST DECEMBER 2020

	NOTE	2020 K	2019 K
CURRENT ASSETS			
Cash on Hand		900	900
Cash at Bank	2	2,702,587	2,373,329
Debtors and Prepayments	3	1,113,821	1,622,185
		<u>3,817,308</u>	<u>3,996,414</u>
FIXED ASSETS	4	811,547	931,947
INVESTMENTS	5	197,818	197,818
TOTAL ASSETS		<u>4,826,673</u>	<u>5,126,179</u>
CURRENT LIABILITIES			
Trade Creditors & Accruals	6	2,093,672	2,001,419
Uncommitted Grants	7	3,160,904	2,748,619
Employee Provisions		510,259	490,851
		<u>5,764,835</u>	<u>5,240,889</u>
DEFERRED LIABILITIES			
Provision for Annual Leave		162,824	148,183
Provision for Long Service Leave		253,981	241,631
		<u>416,805</u>	<u>389,814</u>
TOTAL LIABILITIES		<u>6,181,640</u>	<u>5,630,703</u>
NET ASSETS		<u>(1,354,967)</u>	<u>(504,524)</u>
MEMBERS EQUITY			
RESERVES			
Asset Revaluation Reserve		-	-
Accumulated Funds		(1,354,967)	(504,524)
ACCUMULATED FUNDS		<u>(1,354,967)</u>	<u>(504,524)</u>

Signed on behalf of Councillors



Dated at Port Moresby this 4TH day of MAY 2022.

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

INSTITUTE OF NATIONAL AFFAIRS INC.

CASH FLOW STATEMENT

	2020	2019
	K	K
Cash Flow from operating activities		
Cash receipts from members and other revenue	1,210,993	1,407,608
Cash paid to suppliers and employees	<u>-881,735</u>	<u>(1,408,381)</u>
Net Cash (utilised in)/ generated from operations	<u>329,258</u>	<u>(773)</u>
Cash flows from investing activities		
Transfer/Purchase of fixed assets	-	-
Interest received	<u>-</u>	<u>-</u>
Net cash from investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities		
Proceeds from investments	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	329,258	(773)
Cash and cash equivalents at beginning of the year	2,374,226	2,374,999
Cash and cash equivalents at the end of the year	<u>2,703,488</u>	<u>2,374,226</u>
Represented by:		
Bank and cash	2 2,703,487	2,374,229
Net Cash Generated from Operations	<u>2,703,487</u>	<u>2,374,229</u>
 Operating Profit Income & Expenditure statement	 (850,443)	 (163,852)
Non cash items:		
Depreciation	<u>120,400</u>	<u>87,929</u>
	<u>(730,042)</u>	<u>(75,923)</u>
Net movements in current assets and liabilities:		
Debtors	706,019	252,353
Creditors	<u>353,552</u>	<u>(177,202)</u>
	<u>329,528</u>	<u>(773)</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.

NOTES TO, AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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 / Member Subscriptions

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.

Depreciation is calculated using the diminishing value 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	10% & 20%	On cost
Motor Vehicles	25.00%	On written down value
Office Furniture & Fittings	25.00%	On written down value
Plant and Equipment	25.00%	On written down value

(d) Income Tax

The income tax 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

Member's subscription have been accounted for on an accrual 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 31 DECEMBER 2020

	2020	2019
	K	K
2 (a) CASH AT BANK		
Bank South Pacific Main Account - 100586538	1,169,931	1,406,592
CIMC Bank South Pacific Account - 1001289336	144,479	371,412
FSVAC A/c# 7007108777	888,177	95,325
	<u>2,202,587</u>	<u>1,873,329</u>
(b) CASH ON DEPOSIT		
Heduru Moni Ltd/Moni Plus	500,000	500,000
	<u>2,702,587</u>	<u>2,373,329</u>
3 DEBTORS AND PREPAYMENTS		
Trade Debtors	234,506	863,457
Provision for doubtful	(150,000)	(150,000)
	<u>84,506</u>	<u>713,457</u>
Other Debtors	10,753	4,506
Interest Receivable	49,444	40,053
Prepayments	75,229	67,779
Rental Bonds	83,737	83,737
Staff Advances	80,886	134,373
GST Clearing	729,266	578,280
	<u>1,029,315</u>	<u>908,728</u>
	<u>1,113,821</u>	<u>1,622,185</u>
4 FIXED ASSETS		
Leasehold Improvement - at Cost	857,460	857,460
Leasehold Improvements - at valuation	800,000	800,000
Less: Accumulated Depreciation	(1,094,180)	(1,013,719)
	<u>563,280</u>	<u>643,741</u>
Motor Vehicles - at Cost	364,430	364,430
Less: Accumulated Depreciation	(296,091)	(273,312)
	<u>68,338</u>	<u>91,118</u>
Library Assets at cost	19,662	19,662
Library Assets at valuation	50,000	50,000
Less: Accumulated Depreciation	(42,166)	(33,000)
	<u>27,497</u>	<u>36,662</u>
Office Furniture & Equipment at Cost	760,854	726,342
Less: Accumulated Depreciation	(608,423)	(565,916)
	<u>152,431</u>	<u>160,426</u>
	<u>811,547</u>	<u>931,947</u>

The directors valuation of Fit-out and library was estimated at "fair value" in accordance with the International Accounting Standards.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
NOTES TO, AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

		K	K
5	INVESTMENTS		
	Bank of South Pacific Ltd	99,952	99,952
	Oil Search Ltd	97,866	97,866
		<u>197,818</u>	<u>197,818</u>
	Shares At Market Value		
	Bank of South Pacific Ltd	356,328	349,795
	Oil Search Ltd	99,960	181,755
		<u>456,288</u>	<u>531,550</u>
6	TRADE & OTHER CREDITORS		
	Trade Creditors	747,337	751,242
	Sundry Creditors & Accruals	592,632	469,002
	Security Bonds Payables	29,103	44,288
	Wages Tax	724,601	736,887
		<u>2,093,672</u>	<u>2,001,419</u>
7	UNCOMMITTED GRANTS		
	Asia Foundation	84,426	84,426
	Australian Aid - SPSN/ABT	784,073	784,073
	DFAT	126,547	-
	British High Commission	35,304	35,304
	Coffey International	21,050	21,050
	GoPNG	428,134	918,905
	Pacific Women	-	189,260
	UNFPA	629,613	22,299
	UNICEF	66,014	66,014
	UN Women LEP	211,668	-
	MRA	76,128	197,700
	World Bank	95,200	95,200
	Publish what you pay - PWYP	633	-
	Other	602,114	334,388
		<u>3,160,904</u>	<u>2,748,619</u>

INSTITUTE OF NATIONAL AFFAIRS INC.

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	K	K
INCOME		
Members Contributions	273,212	260,196
Administration Fee	192,000	192,000
Rental Income - Net Income	82,735	92,432
Rental Income - Covid discount	139,073	-
INA - Projects - Net Income	-78,935	7,410
Directors and Consultation Fees	10,051	16,551
Dividend Income	37,545	46,071
Grant/Funding - ABT Associates	-	715,439
	<u>655,681</u>	<u>1,330,099</u>
Profit on disposal of asset	-	117
Publication Sales	35	104
Miscellaneous Income	<u>244</u>	<u>50</u>
Total Income	<u><u>655,960</u></u>	<u><u>1,330,370</u></u>

INSTITUTE OF NATIONAL AFFAIRS INC.
OVERHEAD EXPENSE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 K	2019 K
EXPENSES		
Advertising	882	252
Auditing and Accounting fees	106,177	-
Bank Charges	1,522	1,466
Consulting Fees	6,119	3,250
Depreciation	153,280	157,000
Donations	-	4,000
Insurance	80,186	78,553
Internet Cost	14,166	7,826
Internet Costs - Website	5,527	709
Library Asset	-	2,396
Meetings/Meals/Refreshments	-	15,202
Motor Vehicle Expenses - fuel & rego	17,585	20,856
Motor Vehicle Expenses - R&M	23,645	21,963
Office Equipment Expense	11,833	8,342
Office Furniture & Fittings	610	825
Postage, Printing Stationery & Courier	16,716	11,116
Rent & Outgoing Expenses - Office	233,201	229,149
Staff Expense - Salaries & Wages	620,560	615,579
Staff Expense -Casual	561	1,201
Staff Expense - Amenities	15,055	13,280
Staff Expense - Leave Fare	14,641	16,260
StaffExpense - LSL	20,495	24,425
Staff Expense - Rent	146,518	243,279
Staff Expense -Recruitment/Training/Transport	2,310	10,018
Staff Expense - Superannuation (INA Contribution)	20,564	21,931
Subscriptions and Membership Fees	20,915	13,173
Sundry Expense	2,174	-
Telephone	10,947	11,682
Training & Workshop & venue hire	2,700	2,754
Travel Expense	45,056	10,830
Prior Year Adjustments - Accommodation	(59,539)	(800)
Total Expenses	<u>K1,534,406</u>	<u>K1,546,517</u>

INSTITUTE OF NATIONAL AFFAIRS INC.
INCOME & EXPENDITURE STATEMENT - RENTAL
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 K	2019 K
Income		
Rental Income - Office	311,677	445,458
Rental Income - Conference Room	<u>136</u>	<u>375</u>
	<u>311,813</u>	<u>445,833</u>
Expenses		
Rent - Office Sublease	229,078	352,916
Repairs & maintenance - buildings	<u>-</u>	<u>485</u>
Total Expenses	<u>229,078</u>	<u>353,401</u>
Net Rents Profit/(Loss)	<u><u>82,735</u></u>	<u><u>92,432</u></u>

INSTITUTE OF NATIONAL AFFAIRS INC.
INCOME & EXPENDITURE STATEMENT - INA PROJECTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 K	2019 K
Income		
Grant/Funding - Abt Associates	82,526	-
Grant/Funding - Australia	128,497	-
Grant/Funding - Barrick	110,603	-
Grant/Funding - CIPE	93,853	-
Grant/Funding - IFRI	100,000	-
Grant/Funding - Mekong Economics Ltd	52	54,249
Grant/Funding - Other	30,000	-
	<u>545,531</u>	<u>54,249</u>
Expenses		
Bank charges	102	4
Consulting Fees	64,152	10,820
Meals & Refreshments	-	9,145
Office expenses	2,233	-
Participants Allowance	-	16,620
Postage,Printing,Stationery & Courier	1,658	492
Staff Expense -Salaries & wages	199,347	1,367
Technical Assistance	-	8,361
Telephone	1,553	30
Travel expenses	9,243	-
	<u>278,288</u>	<u>46,839</u>
Total Expenses		
	<u>278,288</u>	<u>46,839</u>
Transfer Excess Grant Income	(346,178)	-
Net INA Operating Profit/(Loss)	<u>(78,935)</u>	<u>7,410</u>

INSTITUTE OF NATIONAL AFFAIRS INC.
INCOME & EXPENDITURE STATEMENT - CIMC Core Secretariat
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 K	2019 K
Income		
Grant/Funding - GoPNG	1,790,771	2,509,936
Grant/Funding - UNFPA	807,460	-
Grant/Funding - UN Women-LEP	490,250	20,000
Grant/Funding - MRA	116,869	-
Grant/Funding - World Vision	419,532	384,959
Grant/Funding - Pacific Women	469,133	989,927
Grant/Funding - Publish What you pay	19,226	-
Grant/Funding - Canada	108,352	-
Grant/Funding -University Queensland	81,539	-
Grant/Funding - World Bank	-	44,297
Grant/Funding - Other	56,539	56,200
Sundry Income	16,352	27,527
	<u>4,376,023</u>	<u>4,032,846</u>
Expenses		
Administration Costs - Internal	192,000	192,000
Advertising	44,872	27,785
Bank Charges	5,034	5,113
Consulting Fees	46,153	105,375
Facilitators & Trainers Fee	1,700	5,295
Forum & Meeting Expenses	6,967	11,757
Freight	3,800	9,435
Internet Cost	55,122	15,366
Meals/Refreshments	76,593	111,574
Motor Vehicle Expenses	83,904	77,665
Office Equipment Expenses	33,553	45,013
Office Equipment - Grant asset	29,635	60,656
Participant Allowance	35,295	14,196
Postage, Printing & Stationery Expenses	100,945	108,660
Repatriation	16,000	0
Rent Expense - Office	343,966	331,965
Rent Expense - Office Outgoing Expenses	226,320	227,287
Staff Expense - Salaries & Wages	1,437,835	1,438,450
Staff Expense - Casuals	37,861	57,819
Staff Expense - Amenities	7,773	3,807
Staff Expense - LSL	58,290	37,399
Staff Expense - Super(INA Contrib)	76,802	74,006
Staff Expense - Training	-	15,600
Subscriptions & memberships	3,166	2,950
Sundry expenses	1,418	2,006
Telephone	38,940	33,692
Travel expenses	480,716	657,252
Venue Hire	20,223	52,734
Total CIMC Operating Expenses	<u>3,464,883</u>	<u>3,724,857</u>
Other Expenses		
Transfer - Excess Grant Income	911,003	312,334
Prior Year Adjustments	137	(4,345)
Total Other Expenses	<u>911,140</u>	<u>307,989</u>
Net CIMC Operating Surplus/(Deficit)	<u>-</u>	<u>-</u>