

Sir Theophilus Constantinou Foundation

Financial report for the year ended 31 December 2018

Sir Theophilus Constantinou Foundation
Trustee's report
For the year ended 31 December 2018

Annual financial report

for the year ended 31 December 2018

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Sir Theophilus Constantinou Foundation
Trustee's report
For the year ended 31 December 2018

Trustee's report

The Trustee of Sir Theophilus Constantinou Foundation ("the Trust") submits herewith the annual financial report of the Foundation for the year ended 31 December 2018.

The particulars of the Board of Trustee of the Foundation during or since the end of the period are:

Board of Trustee

Name	Particulars
Sir Theophilus Constantinou, CBE	Chairman
Mr Darren Young, MBE	Director of Infrastructure and Facility Development (resigned 1/6/19)
Grand Chief Governor Hon. Peter Ipatas	Director of Policies and Programs
Mr Gereia Aopi	Director, Fundraising Committee (effective 1/6/19)
Mr Ernie Gangloff	Director of Finance (resigned 1/6/19)
Mr John Beatie	Legal Director (resigned 1/6/19)
Kathleen Conroy	Legal Director (effective 1/6/19)
Bruce Mead	Director of Finance (effective 1/6/19)

Principal activity

The principal activity of the Foundation is to provide manpower to the Port Moresby General Hospital and other health centres within Port Moresby and National Capital District to promote welfare and health of the people of Papua New Guinea.

Review of operations

During the year under review, the Foundation did not engage in any fundraising activities.

The general operations for the Foundation were funded via the kind donation from ABT Associates Pty Limited and Tiare Limited amounting to K1,330,856. These were the only donations received during the year.

Sir Theophilus Constantinou Foundation
Trustee's report
For the year ended 31 December 2018

Changes in state of affairs

There was no significant change in status of the Foundation during 2018.

All existing Board Members remained in office and there were no new appointments or resignations of members.

The Foundation also maintained its tax exemption status as a Charitable Organisation.

Subsequent events

In July 2019, the Entity officially changed its name to Sir Theo Foundation.

There has not been any matter or circumstances, other than the change in name, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Foundation, the results of those operations, or the state of affairs of the company in future financial years.

Signed on behalf of the Trustee

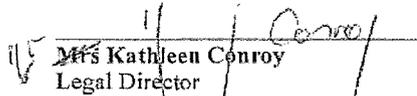


Mr Bruce Mead
Director of Finance

Port Moresby,

19/11/

2019



Mrs Kathleen Conroy
Legal Director

Port Moresby

Brisbane

19/11/

2019

Independent Auditor's Report to the Members of Sir Theophilus Constantinou Foundation

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Sir Theophilus Constantinou Foundation (the "Foundation"), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and Trustee's Declaration.

In our opinion the accompanying financial report presents fairly, in all material respects, the Foundation's financial position as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with Policies adapted by the Trust and detailed in note 1 to the financial statements and the requirements of the *Trust Deed*.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing. 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 Foundation in accordance with the auditor independence requirements of the *International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report. 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.

Other Information

The Trustee is responsible for the other information. The other information comprises the Trustee's report for the year ended 31 December 2018, but does not include the financial report or our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be



materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the Financial Report

The Directors of the Trustee are responsible for the preparation and fair presentation of the financial report in accordance with International Financial Reporting Standards and the Trust Deed, and for such internal control as Directors determine is necessary to enable the preparation and fair presentation of the financial report and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors of the Trustee are responsible for assessing the Foundation'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 Directors either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Financial reporting process.

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 the International Standards on Auditing 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 International Standards on Auditing, 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director's.
- Conclude on the appropriateness of the Directors of the Trustee'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 Foundation'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

Deloitte

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 Foundation 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 management and Directors of the Trustee, 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.

Report on Other included Legal and Regulatory Requirements

The financial report of Sir Theophilus Constantinou Foundation is in accordance with the Trust Deed and proper accounting records have been kept by the Foudantion. We have not performed any other services to Sir Theophilus Constantinou Foundation during the year ended 31 December 2018.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU



Benjamin Lee

Registered under the Accountants Act 1996
Partner

Port Moresby, 19th November 2019

Sir Theophilus Constantinou Foundation
Trustee's declaration
For the year ended 31 December 2018

Trustee's declaration

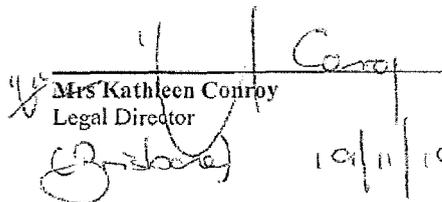
The Trustee declares that:

- a) in the Trustee's opinion, there are reasonable grounds to believe that the Sir Theophilus Constantinou Foundation will be able to pay its debts as and when they become due and payable;
- b) In the Trustee's opinion, the attached financial statements and notes thereto are in accordance with the requirements of the Trust deed, including giving a true and fair view of the financial position and performance of the Sir Theophilus Constantinou Foundation.

Signed on behalf of the Trustee



Mr Bruce Mead
Director of Finance



Mrs Kathleen Conroy
Legal Director

Port Moresby,

19 / 11 /

2019

Sir Theophilus Constantinou Foundation
Income statement
For the year ended 31 December 2018

	Note	2018	2017
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Revenue		1,330,856	1,926,573
Operational costs		(433,545)	(354,154)
Project grant and donations		(1,121,403)	(999,577)
Total Expenses		(1,554,948)	(1,353,731)
Surplus/ (Deficit) for the year		(224,092)	572,842

The above income statement is to be read in conjunction with the notes to and forming part of the financial statement.

Sir Theophilus Constantinou Foundation
Balance sheet
As at 31 December 2018

	Note	2018	2017
Current assets			
Cash and cash equivalents	2(a)	222,166	455,477
Other receivables	3	29,055	36,689
Prepayment	4	8,882	-
Total Current assets		260,103	492,166
Non-current assets			
Property, plant and equipment		26,292	21,904
Other receivables		48,080	56,945
Total Non-current assets		74,372	78,849
Total assets		334,475	571,015
Current liabilities			
Trade and other payables	5	120,791	133,240
Total current liabilities		120,791	133,240
Total Liabilities		120,791	133,240
Net Assets		213,684	437,775
Equity			
Retained earnings		213,684	437,775
Total Equity		213,684	437,775

The above balance sheet is to be read in conjunction with the notes to and forming part of the financial statements.

Sir Theophilus Constantinou Foundation
Statement of Changes in Equity
For the year ended 31 December 2018

	Share Capital	Retained earnings K	Total K
Balance at 31 December 2016	1	(135,067)	(135,066)
Surplus for the year	-	572,842	572,842
Balance at 31 December 2017	1	437,775	437,556
Deficit for the year	-	(224,092)	(224,092)
Balance at 31 December 2018	1	213,683	213,684

The above statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements.

Sir Theophilus Constantinou Foundation
Cash flow statement
For the year ended 31 December 2018

	Note	2018	2017
Cash flows from operating activities			
Receipts from donors		1,330,856	1,926,573
Payments to employees and suppliers		(428,343)	(538,419)
Payments of donations and grants		(1,121,403)	(999,577)
Net cash provided by or used on operating activities	2(b)	(218,890)	388,577
Cash flows from investing activities			
Purchase of fixed asset		(14,421)	-
Net cash from investing activities		(14,421)	-
Net cash (outflow)/inflow		(233,311)	388,577
Cash and cash equivalents at the beginning of the financial period		455,477	66,900
Net increase (decrease) in cash and cash equivalents		(233,311)	388,577
Cash and cash equivalents at the end of the financial period	2(a)	222,166	455,477

The above cash flow statement is to be read in conjunction with the notes to and forming part of the financial statements

Sir Theophilus Constantinou Foundation

Notes to the financial statements

For the year ended 31 December 2018

1. Summary of accounting policies

Statement of compliance

The financial statements of Sir Theophilus Constantinou Foundation have been prepared in accordance with accounting policies adopted by the Trust and detailed in Note 1 to the financial statements.

Basis of preparation

The Sir Theophilus Constantinou Foundation was established under the Trust Deed. The Trustee entity is The Sir Theophilus Constantinou Foundation Limited.

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Revenue Recognition

Revenue is received from donations, fundraising events and is brought to account on a cash received basis. When assets, such as investments or properties, are received from a donation, an asset is recognized, at fair value, when the Foundation gains control of such assets and the value of the asset can be reliably measured.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments.

(c) Income tax

The Sir Theophilus Constantinou Foundation has been confirmed as a charitable body pursuant to Section 25A of the Income Tax Act. As a result, the income of the Trust is exempt from tax.

(d) Payables

Trade payables and other accounts payable are recognized when the company becomes obliged to make future payments resulting from the purchase of goods and services.

Sir Theophilus Constantinou Foundation

Notes to the financial statements

For the year ended 31 December 2018

(e) Depreciation

Depreciation has been calculated annually based on the Diminishing Value Method (reducing balance) as considered appropriate over the useful life of the assets to the entity commencing from the date of purchase. The average rates used are:

Motor vehicles	30.00%
Office Equipment	30.00%
Office Furniture	11.25%

f) Foreign currency

Foreign currency transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognized in profit or loss in the period in which they arise.

g) Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Foundation will be able to meet its liabilities and obligations as and when they fall due in the normal course of business for the foreseeable future.

The Fund recorded a deficit of K224,092(2017: Surplus of K572,842) and experienced net cash outflow of K233,312 (2017: net inflow of K388,577) for the year ended 31 December 2018.

The financial report has been prepared on the going concern basis, based on the following:

- The Chairman is putting in quarterly donations of K200,000 each through one of his companies, Tiare No.23 to fund the activities of the Foundation
- Major fund raising events are being planned to be carried out to generate funds for the foundation.

At the date of this report and having considered the above factors, the Directors are confident that the Fund will be able to continue as a going concern.

Sir Theophilus Constantinou Foundation
Notes to the financial statements
For the year ended 31 December 2018

2018
K

2017
K

2. Notes to the cash flow statement

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash at Bank	222,166	455,477
	<u>222,166</u>	<u>455,477</u>

(b) Reconciliation of Deficit for the period to net cash flows from operating activities:

Surplus/(Deficit) for the year	(224,092)	572,842
Housing Equity amortization	8,865	2,997
Prepayment	(8,882)	-
Depreciation	10,034	8,576
Increase/Decrease in payable	(4,815)	(195,838)
Net cash from operating activities	<u>(218,890)</u>	<u>388,577</u>

3. Other receivables

GST payable/(refundable)	29,055	36,689
	<u>29,055</u>	<u>36,698</u>

4. Prepayments

Prepaid Insurance	8,882	-
	<u>8,882</u>	<u>-</u>

5. Current trade payables

Trade Creditors	102,091	114,540
Other creditors & accrual	18,700	18,700
	<u>120,791</u>	<u>133,240</u>

6. Remuneration of Auditors

Audit of the financial report	37,600	17,255
	<u>37,600</u>	<u>17,255</u>

The auditors are Deloitte Touche Tohmatsu

Sir Theophilus Constantinou Foundation

Notes to the financial statements

For the year ended 31 December 2018

7. Related Party

The Foundation related parties are; Tiare No. 23 Limited and Monier Limited. There were nil related parties balances at year end 2018.

8. Additional Trust information

Sir Theophilus Constantinou Foundation is a charitable organization. It is managed in accordance with the requirements of the Constitution of the Foundation.

9. Events after the reporting period

The entity's name was changed to Sir Theo Foundation in 2019. However, that would not significantly affect the operations of the Foundation, the results of those operations, or the state of affairs of the company in future financial years.

10. Approval of the financial statements

The date the financial statements were approved by the board of Trustee and authorized for issue is shown on in the Trustee's report.