

Sir Theo Foundation

Financial report for the year ended 31 December 2020

Sir Theo Foundation
Annual Financial Report
for the year ended 31 December 2020

	Page
Trustee's Report	1
Independent auditor's report	3
Trustee's declaration	6
Income Statement	7
Balance Sheet	8
Statement of changes in equity	9
Cash flow statement	10
Notes to the financial statements	11

**Sir Theo Foundation
Trustee's report
For the year ended 31 December 2020**

Trustee's report

The Trustee of Sir Theo Foundation ("the Trust") submits herewith the annual financial report of the Foundation for the year ended 31 December 2020.

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

Board of Trustee

Name	Particulars
Vacant	Chairman
Hon Chief Sir Peter Ipatas KBE	Director of Policies and Programs
Mr Gereia Aopi	Director, Fundraising Committee
Kathleen Conroy	Legal Director
Bruce Mead	Director of Finance

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 the Grant account was closed and funds amounting to K 235,866 was transferred back to ABT Associates Pty Ltd. Also during the year a new sponsorship program called the Diamond Sponsor Program was launched for the years 2020 & 2021. Donations for the year were received from this program.

Changes in state of affairs

There were no significant changes in status of the Foundation during 2020.

The position of Chairman was not filled in 2020 and remained vacant.

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

Sir Theo Foundation
Trustee's report
For the year ended 31 December 2020

Subsequent events

COVID 19

The spread of Novel Coronos Virus (COVID-19) in 2020 is currently impacting business globally. The extent of impact varies by industry. The Foundation has experienced decrease in donation received during the year.

Signed on behalf of the Trustee



Mr Bruce Mead
Director of Finance



Ms Kathleen Conroy
Legal Director

Brisbane
Port Moresby



June 25, 2021

Independent Auditor's Report to the Members of Sir Theo Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sir Theo Foundation (the "Foundation"), which comprises the statement of financial position as at 31 December 2020, 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 Foundations's financial position as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with Policies adopted 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.

Responsibilities of Management and Directors of the Financial Statements

The management and directors of the Trustee are responsible for the preparation and fair presentation of the financial statements 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 statements, 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 statements.

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 statements, 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 the related disclosures in the financial statements 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 statements, including the disclosures, and whether the financial statements 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 statements of Sir Theo Foundation is in accordance with the Trust Deed and proper accounting records have been kept by the Foundation. We have no interest in the Foundation or any other relationship, other than that of the auditor of the Foundation.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to read "Benjamin Lee".

Benjamin Lee
Registered under the Accountants Act 1996
Partner

Port Moresby, 2 July 2021

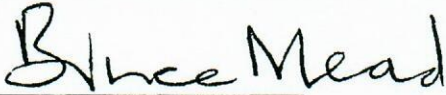
Sir Theo Foundation
Trustee's declaration
For the year ended 31 December 2020

Trustee's declaration

The trustee's declare that:

- a) In the Trustee's opinion, there are reasonable grounds to believe that the Sir Theo 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 Theo Foundation.

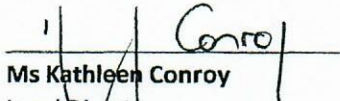
Signed on behalf of the Trustee



Mr Bruce Mead
Director of Finance

Port Moresby,

June 25, 2021



Ms Kathleen Conroy
Legal Director

~~Port Moresby,~~
Brisbane


25 June, 2021

Sir Theo Foundation
Income statement
For the year ended 31 December 2020

	Note	2020	2019
Revenue	8	486,966	5,246,063
Operational Costs	9(a)	(132,767)	(1,892,555)
Project grant and donations	9(b)	(559,293)	(2,806,440)
Total Expenses		(692,059)	(4,698,995)
Surplus/(Deficit) for the year		(205,093)	547,068

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

Sir Theo Foundation
Balance sheet
As at 31 December 2020

	Note	2020	2019
Current Assets			
Cash and cash equivalents	2(a)	530,893	923,728
Other receivables	3(a)	3,493	281,223
Prepayment	4	7,466	7,105
Total Current assets		541,852	1,212,056
Non-current assets			
Property, plant and equipment	5	-	10,941
Other receivables	3(b)	40,100	44,090
Total Non-current assets		40,100	55,031
Total assets		581,952	1,267,087
Current liabilities			
Trade and other payables	6	26,294	506,336
Total Current liabilities		26,294	506,336
Total Liabilities		26,294	506,336
Net assets		555,658	760,751
Equity			
Retained earnings		555,658	760,751
Total equity		555,658	760,751

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

Sir Theo Foundation
Statement of Changes in Equity
For the year ended 31 December 2020

	Share Capital K	Retained earnings K	Total K
Balance at 31 December 2019	1	213,683	213,684
Surplus for the year	-	547,068	547,068
Balance at 31 December 2019	1	760,751	760,752
Deficit for the year		(205,093)	(205,093)
Balance at 31 December 2020	1	555,658	555,659

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 Theo Foundation
Cash flow statement
For the year ended 31 December 2020

	<u>Note</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities			
Receipts from donors		486,966	5,246,063
Payments to employees and suppliers		(607,935)	(1,747,103)
Payments of donations and grants		(271,866)	(2,806,440)
Net cash provided by or used on operations activities	2(b)	<u>(392,835)</u>	<u>692,520</u>
Cash flows from investing activities			
Purchase of fixed asset		-	9,043
Net cash from investing activities		<u>-</u>	<u>9,043</u>
Net cash (outflow)/inflow		(392,835)	701,563
Cash and cash equivalents at the beginning of the financial period		923,728	222,165
Net increase (decrease) in cash and cash equivalents		(392,835)	701,563
Cash and cash equivalents at the end of the financial period	2(a)	<u>530,893</u>	<u>923,728</u>

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

Sir Theo Foundation
Notes to the financial statements
For the year ended 31 December 2020

1. Summary of accounting policies

Statement of compliance

The financial statements of Sir Theo 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 Theo Foundation was established under the Trust Deed. The Trustee entity is the Sir Theo 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 Theo 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 Theo Foundation
Notes to the financial statements
For the year ended 31 December 2020

(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.

Sir Theo Foundation
Notes to the financial statements
For the year ended 31 December 2020

	2020	2019
	K	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:

	530,893	923,728
Cash at bank	530,893	923,728

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

Surplus/(deficit) for the year	(205,093)	547,068
Housing Equity amortization	19,842	15,852
Prepayment	(7,466)	(7,105)
Depreciation	245	6,308
Increase/Decrease in payable	(480,042)	385,545
Increase/Decrease in receivable	279,678	(255,148)
Net cash from operating activities	(392,835)	692,520

3. Other receivables

a) Current

GST payable/(refundable)	3,493	246,223
Other Receivable	0	35,000
	3,493	281,223

b) Non-current

Other Receivable-Housing Loan Amortization	40,100	44,090
	40,100	44,090

4. Prepayments

Prepaid Insurance	7,466	7,105
	7,466	7,105

Sir Theo Foundation
Notes to the financial statements
For the year ended 31 December 2020

5. Property, Plant & Equipment

	Motor Vehicle (K)	Office Equipment (K)	Furniture & fittings (K)	Total (K)
Cost				
Balance at 1 January 2019	86,684	27,150	4,515	118,349
Additions	-	-	-	-
Disposals	(9,043)	-	-	(9,043)
Balance as 31 December 2019	77,641	27,150	4,515	109,306
Additions	-	-	-	-
Disposals	-	(27,150)	(4,515)	(31,665)
Balance as 31 December 2020	77,641	-	-	77,641
Accumulated depreciation				
Balance at 1 January 2019	74,809	14,999	2,249	92,057
Depreciation expense	2,832	3,231	245	6,308
Balance at 31 December 2019	77,641	18,230	2,494	98,365
Depreciation expense	-	226	19	245
Disposal	-	(18,456)	(2,513)	(20,969)
Balance at 31 December 2020	77,641	-	-	77,641
Net book value				
As at 31 December 2019	-	8,920	2,021	10,941
As at 31 December 2020	-	-	-	-

Sir Theo Foundation
Notes to the financial statements
For the year ended 31 December 2020

	<u>2020</u>	<u>2019</u>
	K	K
6. Current trade payables		
Trade Creditors	7,794	482,336
Other creditors & accruals	18,500	24,000
	<u>26,294</u>	<u>506,336</u>
7. Remuneration of Auditors		
Audit of the financial report	16,970	29,300
The Auditors are Deloitte Touche Tohmatsu	16,970	29,300
	<u>16,970</u>	<u>29,300</u>
8. Revenue		
Donation	486,966	5,246,063
	<u>486,966</u>	<u>5,246,063</u>
9. Expense		
Expenses comprises of the following;		
(a) Operating Expenses		
Accounting Fees	-	56,650
Advertising	-	4,640
Audit Fee	16,970	29,300
Bank Charges	293	1,183
Business Meeting Expenses	-	17,848
Consultancy Fee	61,073	1,456,032
Consultants Accom & Electricity	-	108,412
Depreciation - Property, P&E	245	6,308
Insurance	7,433	11,251
Legal Fees	-	36,469
Medical	-	-
Loan Repayment	30,257	34,830
Motor vehicle expense	822	9,263
Repair and Maintenance	4,476	8,009
Website Fees	-	2,300
Fees and permits	300	27,835
Freight and cartage	200	-
Loss of disposal of fixed asset	10,696	9,043
Fundraising Expenses	-	73,181
	<u>132,767</u>	<u>1,892,555</u>

Sir Theo Foundation
Notes to the financial statements
For the year ended 31 December 2020

	2020 K	2019 K
(b) Project Grant and Donation		
Donation-Buk Bilong Pikinini	36,000	-
Reimbursement of unutilised funds	235,866	-
Salary and benefits	287,426	639,678
Dr.Umesh-Internet	-	3,818
Dr.Umesh-Rental expense	-	119,355
Dr.Umesh-Motor vehicle expenses	-	-
Dr.Umesh-Leave fares	-	35,621
Project Management	-	55,812
Nurses Fob Watch	-	156,800
Relocation of Palliative Care Unit	-	1,795,356
	559,293	2,806,440

10. Related Party

The Foundation related parties are; Tiare No. 23 Limited, Hebou Construction, Monier Limited, Rouna Repairs and Central Sands Supplies. They were nil related parties balances at year end 2020.

11. Additional Trust Information

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

12. Events after the reporting period

COVID 19.

The spread of Novel Corona Virus (COVID-19) is currently impacting business globally. The extent of impact varies by industry. The Foundation has experienced decrease in donation received in the 1st quarter of 2021.

13. Approval of the financial statements

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