

Mayban Property (PNG) Limited  
Financial Statements  
For the period ended 31 December 2012

**Mayban Property (PNG) Limited**

**Financial statements for the period ended 31 December 2012**

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# Mayban Property (PNG) Limited

## Financial statements for the period ended 31 December 2012

### Company information

Mayban Property (PNG) Limited is a registered company under the Papua New Guinea Companies Act 1997 and is incorporated and domiciled in Papua New Guinea

Registered Office	Maybank (PNG) Limited Corner Waigani & Islander Drive Waigani Papua New Guinea
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Directors	Mr. Alister Maitland Mr. Sreesanthan Eliathamby Mr. Victor Tan Tee Huat
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Secretary	Mr. Shaiful Azhar Ahmad
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Auditors	Deloitte Touche Tohmatsu Chartered Accountants PO Box 1275 Port Moresby Papua New Guinea
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Bankers	Maybank (PNG) Limited
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# Mayban Property (PNG) Limited

## Financial statements for the period ended 31 December 2012

### Directors' report

The directors of Mayban Property (PNG) Limited submit herewith the annual financial report of the company for the period ended 31 December 2012. In order to comply with the provision of the Companies Act 1997, the directors report as follows:

#### Office holders

The names and particulars of the directors and the office holders for the period ended 31 December 2012 are:

Mr Alister Maitland	Non executive Director
Mr Sreesanthan Ellathamby	Non executive Director
Mr. Victor Tan Tee Huat	Non executive Director

#### Review of operations and the changes in state of affairs

The company's principal activity is the ownership and letting of office accommodation.

During the period there was no significant change in the principal activities or state of affairs of Mayban Property (PNG) Ltd other than that referred to in the financial statements or notes thereto.

Mayban Property (PNG) Ltd reported a net profit of K83,520 for the twelve-month period ended 31 December 2012 (six-month period ended 31 December 2011: K46,724).

#### Changes in accounting policies

No change in accounting policies occurred during the period.

#### Entries in the interest register

No transactions are recorded in the interest register during the period.

#### Dividends

No dividends were declared or paid during the period (December 2011: Nil).

#### Donations

No donations were made during the period.

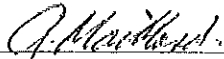
#### Independent audit report

The financial statements have been audited by Deloitte Touche Tohmatsu and should be read in conjunction with the independent audit report on page 4-5.

**Mayban Property (PNG) Limited**

**Financial statements for the period ended 31 December 2012**

Signed in accordance with a resolution of and on behalf of the directors.

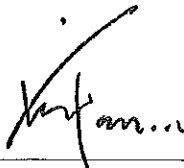


Alister Maitland

Director

Port Moresby

2013



Victor Tan Tee Huat

Director

Port Moresby

23.4. 2013

## Independent audit report to the members of Mayban Property (PNG) Limited

We have audited the accompanying financial statements of Mayban Property (PNG) Limited which comprise the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flow statement for the year then ended on that date, and a summary of significant accounting policies and other explanatory information.

### Management and Director's responsibility for the Financial Statements

Management and Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and the Companies Act 1997, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view, 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.


**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Mayban Property (PNG) Limited as at 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

**Report on Other Legal and Regulatory Requirements**

The financial report of Mayban Property (PNG) Limited is in accordance with the Companies Act 1997 and proper accounting records have been kept by the Company. During the year ended 31 December 2012 we also provide Mayban Property (PNG) Limited with tax services.

*Debitte Touche Tohmatsu*  
DELOITTE TOUCHE TOHMATSU

  
Suzaan Theron

Registered under the Accountants Act 1996

Partner, Chartered Accountants

Port Moresby, *30<sup>th</sup>* day of April 2013

# Mayban Property (PNG) Ltd

## Statement of Comprehensive Income For the period ended 31 December 2012

	Note	Twelve months ended 31 Dec 2012 K	Six months ended 31 Dec 2011 K
Revenue	4	<u>221,769</u>	<u>120,965</u>
Operating Expenses:			
Administrative expenses		61,760	38,604
Other operating expenses		<u>31,224</u>	<u>15,612</u>
Total Operating Expenses	5	<u>92,984</u>	<u>54,216</u>
Profit before tax		<u>128,785</u>	<u>66,749</u>
Income tax expense	6(a)	(45,265)	(20,025)
Profit for the year		<u>83,520</u>	<u>46,724</u>

The statement of comprehensive income are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 14.



# Mayban Property (PNG) Ltd

## Statements of Financial Position As at 31 December 2012

	Note	December 2012 K	December 2011 K
<b>ASSETS</b>			
<b>CURRENT ASSET</b>			
Cash and cash equivalents	10	1,722,780	1,655,368
<b>TOTAL CURRENT ASSET</b>		<u>1,722,780</u>	<u>1,655,368</u>
<b>NON CURRENT ASSET</b>			
Deferred tax asset	6(c)	7,434	14,064
Investment property	7	1,735,619	1,766,843
<b>TOTAL NON CURRENT ASSET</b>		<u>1,743,053</u>	<u>1,780,907</u>
<b>TOTAL ASSET</b>		<u>3,465,833</u>	<u>3,436,275</u>
<b>CURRENT LIABILITY</b>			
Trade and other payables	9	15,684	38,778
Provision for taxes payable	6(b)	(38,952)	(8,084)
<b>TOTAL CURRENT LIABILITIES</b>		<u>(23,268)</u>	<u>30,694</u>
<b>NET ASSET</b>		<u>3,489,101</u>	<u>3,405,581</u>
<b>EQUITY</b>			
Share capital	8	2,125,000	2,125,000
Retained earnings		1,364,101	1,280,581
<b>TOTAL EQUITY</b>		<u>3,489,101</u>	<u>3,405,581</u>

The statement of financial position are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 14.

## Mayban Property (PNG) Ltd

### Statement of Changes in Equity As at 31 December 2012

	Share Capital K	Retained Earnings K	Total K
Balance at 30 June 2011	2,125,000	1,233,857	3,358,857
Profit for the six months	-	46,724	46,724
<b>Balance at 31 December 2011</b>	<b>2,125,000</b>	<b>1,280,581</b>	<b>3,405,581</b>
Profit for the year	-	83,520	83,520
<b>Balance at 31 December 2012</b>	<b>2,125,000</b>	<b>1,364,101</b>	<b>3,489,101</b>

The statements of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 14.

## Mayban Property (PNG) Ltd

### Statement of Cash Flows

For the period ended 31 December 2012

	Note	December 2012 K	December 2011 K
<b>Cash flows from operating activities</b>			
Cash receipts from customers		221,769	120,965
Cash paid to suppliers		(84,854)	(38,125)
Cash generated from operating activities		136,915	82,840
Income taxes paid		(69,503)	(82,086)
<b>Net cash flows from operating activities</b>		<b>67,412</b>	<b>754</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		-	-
<b>Net cash flows from investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Dividends paid		-	-
<b>Net cash flows from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>67,412</b>	<b>754</b>
Cash and cash equivalents at beginning of the year		1,655,368	1,654,614
Cash and cash equivalents at end of the year	10	<u>1,722,780</u>	<u>1,655,368</u>

The statements of cash flow are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 14.

# Mayban Property (PNG) Ltd

## Notes to and forming part of the financial statements

### For the period ended 31 December 2012

#### 1 General information

Mayban Property (PNG) Ltd (the "Company") is a company incorporated in Papua New Guinea.

##### Registered office:

Portion 2034  
Corner Waigani and Islander Drive  
Waigani, NCD  
Papua New Guinea

The Company primarily is involved letting of office accommodation.

#### 2 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards, as adopted by the Accounting Standards Board of Papua New Guinea (ASB) and the requirements of the Papua New Guinea Companies Act 1997.

##### Basis of preparation

The financial statement has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Papua New Guinea kina, unless otherwise noted.

##### Comparatives

In 2011, the Company changed its financial year-end from 30 June to 31 December.

Accordingly, the financial statements of the Company for the previous financial period ended 31 December 2011 covers a six-month period compared to a twelve-month period for the current financial year ended 31 December 2012, and therefore the comparative amounts are not in respect of comparable periods for the income statements, statements of comprehensive income, changes in equity, cash flows and the related notes.

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

#### 3 Significant accounting policies

##### (a) Presentation of financial statements

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company.

Certain comparative amounts have been reclassified to conform with the current year's presentation.

##### (b) Investment Property

###### *Recognition and measurement*

Land and buildings are stated in the statement of financial position at cost/their revalued amounts. Revalued amounts are the fair values at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period.

# Mayban Property (PNG) Ltd

## Notes to and forming part of the financial statements

### For the period ended 31 December 2012

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

#### *Depreciation*

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Land is not depreciated.

#### (c) Trade and other receivables

The fair value of trade and other receivables, excluding construction work in progress, but including service concession receivables, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

#### (d) Provisions

A provision is recognised, if as a result of a past event, the entity has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risk specific to the liability.

#### (e) Income tax

##### Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

##### Deferred tax

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities which affects neither taxable income nor accounting profit.

# Mayban Property (PNG) Ltd

## Notes to and forming part of the financial statements

### For the period ended 31 December 2012

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

#### Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

#### **(f) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### **(g) Rental income**

Rental income from property is recognised in profit or loss on a straight-line basis

	December 2012 K	December 2011 K
<b>4 Revenue</b>		
Rentals from property	221,769	120,965
	<u>221,769</u>	<u>120,965</u>
<b>5 Other operating expenses</b>		
Operating profit / (loss) for the year is stated after charging the following items;		
<b>Charging</b>		
Auditors remuneration		
- audit	29,700	26,000
- other services	32,060	2,604
Land lease	-	10,000
Depreciation of fixed assets	31,224	15,612
	<u>92,984</u>	<u>54,216</u>

# Mayban Property (PNG) Ltd

## Notes to and forming part of the financial statements

### For the period ended 31 December 2012

#### 6 Income tax

##### (a) Income tax expense

Current tax expense		
- Current year	38,635	20,025
Deferred tax expense	6,630	-
Income tax expense	<u>45,265</u>	<u>20,025</u>

The prima facie tax charge on the profit for the year is reconciled to the tax expense as follows:

Accounting profit before tax	<u>128,785</u>	<u>66,749</u>
Tax on the profit for the year at 30%	38,635	20,025
Deferred tax expense relating to origination and reversal of temporary differences	6,630	-
	<u>45,265</u>	<u>20,025</u>

##### (b) Provision for income taxes payable

Beginning balance	(8,084)	46,873
Income tax expense for the period	38,635	20,025
Under/over provision in prior years	-	7,104
Income taxes paid during the year	<u>(69,503)</u>	<u>(82,086)</u>
At 31 December	<u>(38,952)</u>	<u>(8,084)</u>

##### (c) Deferred tax asset

Deferred tax assets arise from the following:

2012	Opening Balance	Charge to Income	Closing Balance
<i>Temporary difference</i>			
Provision for audit fees	14,064	(6,630)	7,434
	<u>14,064</u>	<u>(6,630)</u>	<u>7,434</u>

# Mayban Property (PNG) Ltd

## Notes to and forming part of the financial statements

### For the period ended 31 December 2012

#### 7 Investment property

	Land K	Buildings K	Total K
<b>Cost</b>			
At 30 June 2011	1,000,000	1,101,610	2,101,610
Additions	-	-	-
At 31 December 2011	1,000,000	1,101,610	2,101,610
Additions	-	-	-
At 31 December 2012	1,000,000	1,101,610	2,101,610
<b>Accumulated Depreciation</b>			
At 30 June 2011	-	319,155	319,155
Charge for the 6 months	-	15,612	15,612
At 31 December 2011	-	334,767	334,767
Charge for the year	-	31,224	31,224
At 31 December 2012	-	365,991	365,991
<b>Written Down Value</b>			
At 31 December 2011	1,000,000	766,843	1,766,843
At 31 December 2012	1,000,000	735,619	1,735,619

On 19<sup>th</sup> December 2008, a revaluation of the property was conducted by The Professional Valuers of PNG Ltd. The property's market value at the date of the valuation was K5,323,000 which includes the chattels and generator.

	December 2012 K	December 2011 K
<b>8 Share capital</b>		
Issued capital	2,125,000	2,125,000
	<u>2,125,000</u>	<u>2,125,000</u>
In accordance with the provisions of the Companies Act 1997 the share capital does not have a par value. All issued shares are fully paid.		
<b>9 Trade and other payables</b>		
Other creditors and accrued expenses	15,684	38,777
	<u>15,684</u>	<u>38,779</u>
<b>10 Cash and cash equivalent</b>		
Cash and cash at bank	1,722,780	1,655,368
	<u>1,722,780</u>	<u>1,655,368</u>



# Mayban Property (PNG) Ltd

## Notes to and forming part of the financial statements

### For the period ended 31 December 2012

#### 11 Related party

The company enters into renting transactions with its shareholder in the normal course of business. These transactions are on normal commercial terms and conditions. Maybank (PNG) Ltd is the only related company with which the company enters into transactions.

The monthly rental fee charge by Mayban Property (PNG) Ltd to Maybank (PNG) Ltd amount to K22,177 per month inclusive of GST.

As at 31 December 2012, there were no amounts outstanding owed by Maybank (PNG) Ltd to Mayban Property (PNG) Ltd in respect of rental fees.

#### 13 Commitments

At balance date the capital commitment was nil (December 2011: nil).

#### 14 Contingencies

At balance date, there were no litigations against the company.

#### 15 Number of employees

The number of employees at the end of the year was nil (December 2011: nil)

#### 16 Remuneration of auditors

	December 2012 K	December 2011 K
Audit services	29,700	26,000
Other non audit services	32,060	2,604
	<u>61,760</u>	<u>28,604</u>

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