

Mayban Property (PNG) Limited
Financial Statements
For the year ended 31 December 2013

Mayban Property (PNG) Limited

Financial statements for the year ended 31 December 2013

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Mayban Property (PNG) Limited

Financial statements for the year ended 31 December 2013

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
Directors	Mr. Alister Maitland Mr. Geoffrey Stecyk Mr. Victor Tan Tee Huat
Secretary	Mr. Shaiful Azhar Ahmad
Auditors	Deloitte Touche Tohmatsu Chartered Accountants PO Box 1275 Port Moresby Papua New Guinea
Bankers	Maybank (PNG) Limited

Mayban Property (PNG) Limited

Financial statements for the year ended 31 December 2013

Directors' report

The directors of Mayban Property (PNG) Limited submit herewith the annual financial report of the company for the year ended 31 December 2013. 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 year ended 31 December 2013 are:

Mr Alister Maitland	Non executive Director
Mr Geoffrey Stecyk	Executive Director, appointed on 1 April 2013
Mr Victor Tan Tee Huat	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 year 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 K93,223 for the year ended 31 December 2013 (2012: K83,520).

Changes in accounting policies

No change in accounting policies occurred during the year.

Entries in the interest register

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

Dividends

No dividends were declared or paid during the year (2012: Nil).

Donations

No donations were made during the year.

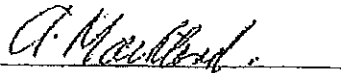
Independent audit report

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

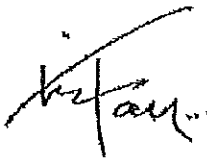
Financial statements for the year ended 31 December 2013

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



Mr. Ajister Matlland
Chairman/Director
Port Moresby

31st March 2014



Mr. Victor Tan Tee Huat
CEO/Director
Port Moresby

31st March 2014

Deloitte Touche Tohmatsu

Deloitte Tower, Level 12
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Port Moresby
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National Capital District
Papua New Guinea

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
MAYBAN PROPERTY (PNG) LTD**

We have audited the accompanying financial statements of Mayban Property (PNG) Limited which comprise the statement of financial position as at 31 December 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flow statement for the year then ended, 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 the 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
MAYBAN PROPERTY (PNG) LTD
FOR THE YEAR ENDED 31 DECEMBER 2012

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Mayban Property (PNG) Ltd as at 31 December 2013, 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 2013 we also provided Mayban Property (PNG) Limited taxation services.

DELOITTE TOUCHE TOHMATSU

Suzaan Theron

Registered under the Accountants Act 1996

Partner, Chartered Accountants

Port Moresby, March 2014

Mayban Property (PNG) Ltd

Statement of Comprehensive Income For the year ended 31 December 2013

	Note	2013 K	2012 K
Revenue	4	<u>264,106</u>	<u>221,769</u>
Operating Expenses:			
Administrative expenses		71,411	53,160
Other operating expenses		<u>56,064</u>	<u>39,824</u>
Total Operating Expenses	5	<u>127,475</u>	<u>92,984</u>
Profit before tax		<u>136,631</u>	<u>128,785</u>
Income tax expense	6(a)	(43,408)	(45,265)
Profit for the year		<u>93,223</u>	<u>83,520</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 2013**

	Note	2013 K	2012 K
ASSETS			
CURRENT ASSET			
Cash and cash equivalents	10	1,840,518	1,722,780
GST recoverable		2,017	24,194
Income tax receivable		66,516	38,952
TOTAL CURRENT ASSET		<u>1,909,051</u>	<u>1,785,926</u>
NON CURRENT ASSET			
Deferred tax asset	6(c)	7,764	7,434
Investment property	7	1,704,395	1,735,619
TOTAL NON CURRENT ASSET		<u>1,712,159</u>	<u>1,743,053</u>
TOTAL ASSET		<u>3,621,210</u>	<u>3,528,979</u>
CURRENT LIABILITY			
Trade and other payables	9	38,886	39,878
TOTAL CURRENT LIABILITIES		<u>38,886</u>	<u>39,878</u>
NET ASSET		<u>3,582,324</u>	<u>3,489,101</u>
EQUITY			
Share capital	8	2,125,000	2,125,000
Retained earnings		1,457,324	1,364,101
TOTAL EQUITY		<u>3,582,324</u>	<u>3,489,101</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 2013**

	<u>Share Capital K</u>	<u>Retained Earnings K</u>	<u>Total K</u>
Balance at 1 January 2012	2,125,000	1,280,581	3,405,581
Profit for the year	-	83,520	83,530
Balance at 31 December 2012	<u>2,125,000</u>	<u>1,364,101</u>	<u>3,489,101</u>
Profit for the year	-	93,223	93,223
Balance at 31 December 2013	<u><u>2,125,000</u></u>	<u><u>1,457,324</u></u>	<u><u>3,582,324</u></u>

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 year ended 31 December 2013

	Note	2013 K	2012 K
Cash flows from operating activities			
Cash receipts from customers		264,106	221,769
Cash paid to suppliers		(75,066)	(84,854)
Cash generated from operating activities		189,040	136,915
Income taxes paid		(71,302)	(69,503)
Net cash flows from operating activities		117,738	67,412
Cash flows from investing activities			
Acquisition of property, plant and equipment		-	-
Net cash flows from investing activities		-	-
Cash flows from financing activities			
Dividends paid		-	-
Net cash flows from financing activities		-	-
Net increase in cash and cash equivalents		117,738	67,412
Cash and cash equivalents at beginning of the year		1,722,780	1,655,368
Cash and cash equivalents at end of the year	10	<u>1,840,518</u>	<u>1,722,780</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 year ended 31 December 2013

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.

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.

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.

Mayban Property (PNG) Ltd

Notes to and forming part of the financial statements

For the year ended 31 December 2013

3 Significant accounting policies (cont'd)

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.

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.

Mayban Property (PNG) Ltd

Notes to and forming part of the financial statements

For the year ended 31 December 2013

3 Significant accounting policies (cont'd)

(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

	2013 K	2012 K
4 Revenue		
Rentals from property	264,106	221,769
	<u>264,106</u>	<u>221,769</u>
5 Other operating expenses		
Operating profit for the year is stated after charging the following items;		
Charging		
Auditors remuneration		
- audit	28,600	29,700
- other services	22,811	23,460
Land lease	20,000	-
Depreciation of investment property	31,224	31,224
Other fees and charges	24,840	8,600
	<u>127,475</u>	<u>92,984</u>

Mayban Property (PNG) Ltd

Notes to and forming part of the financial statements

For the year ended 31 December 2013

6 Income tax	2013 K	2012 K
(a) Income tax expense		
Current tax expense		
- Current year	43,738	38,635
Deferred tax expense	<u>(330)</u>	<u>6,630</u>
Income tax expense	<u>43,408</u>	<u>45,265</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>136,631</u>	<u>128,785</u>
Tax on the profit for the year at 30%	40,989	38,635
Adjustment recognised in the current year in relation to current tax of prior years	<u>2,419</u>	<u>6,630</u>
	<u>43,308</u>	<u>45,265</u>
(b) Income tax receivable		
Income tax receivable	<u>66,516</u>	<u>38,952</u>

(c) Deferred tax asset

Deferred tax assets arise from the following:

2013	Opening Balance	Charge to Income	Closing Balance
<i>Temporary difference</i>			
Provision for audit fees	<u>7,434</u>	330	<u>7,764</u>
	<u>7,434</u>	<u>330</u>	<u>7,764</u>
2012			
<i>Temporary difference</i>			
Provision for audit fees	<u>14,064</u>	(6,630)	<u>7,434</u>
	<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 year ended 31 December 2013

7 Investment property

	Land K	Buildings K	Total K
Cost			
At 1 January 2012	1,000,000	1,101,610	2,101,610
Additions	-	-	-
At 31 December 2012	1,000,000	1,101,610	2,101,610
Additions	-	-	-
At 31 December 2013	<u>1,000,000</u>	<u>1,101,610</u>	<u>2,101,610</u>
Accumulated Depreciation			
At 1 January 2012	-	334,767	334,767
Charge for the year	-	31,224	31,224
At 31 December 2012	-	365,991	365,991
Charge for the year	-	31,224	31,224
At 31 December 2013	-	<u>397,215</u>	<u>397,215</u>
Written Down Value			
At 31 December 2012	<u>1,000,000</u>	<u>735,619</u>	<u>1,735,619</u>
At 31 December 2013	<u>1,000,000</u>	<u>704,395</u>	<u>1,704,395</u>

On 19 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.

	2013 K	2012 K
8 Share capital		
Issued capital	<u>2,125,000</u>	<u>2,125,000</u>
	<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.		
9 Trade and other payables		
Other creditors and accrued expenses	<u>38,886</u>	<u>39,878</u>
	<u>38,886</u>	<u>39,878</u>
10 Cash and cash equivalent		
Cash and cash at bank	<u>1,840,518</u>	<u>1,722,780</u>
	<u>1,840,518</u>	<u>1,722,780</u>

Mayban Property (PNG) Ltd

Notes to and forming part of the financial statements

For the year ended 31 December 2013

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 2013, there were no amounts outstanding owed by Maybank (PNG) Ltd to Mayban Property (PNG) Ltd in respect of rental fees.

12 Commitments

At balance date the capital commitment was nil (December 2012: nil).

13 Contingencies

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

14 Number of employees

The number of employees at the end of the year was nil (December 2012: nil)

15 Remuneration of auditors

	2013 K	2012 K
Audit services	28,600	29,700
Other non audit services	22,811	23,460
	<u>51,411</u>	<u>53,160</u>