

Mayban Property (PNG) Limited
Financial Statements
For the year ended 31 December 2014

Mayban Property (PNG) Limited

Financial statements for the year ended 31 December 2014

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
Mr. Joshua Kalinoe

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 2014

Directors' report

The directors of Mayban Property (PNG) Limited submit herewith the annual financial report of the company for the year ended 31 December 2014. 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 2014 are:

Mr Alister Maitland	Non executive Director
Mr Geoffrey Stecyk	Executive Director
Mr. Victor Tan Tee Huat	Executive Director
Mr. Joshua Kalinoe	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 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 K115,644 for the year ended 31 December 2014 (2013: K93,223).

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 (2013: 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 2014

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



Signature
Mr. Alister Maitland
Chairman
Port Moresby
30th March 2015



Signature
Mr. Victor Tee Huat Tan
CEO/Director
Port Moresby
30th March 2015

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 2014, 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.

Director's responsibility for the Financial Statements

The 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 2014, 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 2014 we also provide Mayban Property (PNG) Limited with tax services.


DELOITTE TOUCHE TOHMATSU



Suzaan Theron

Registered under the Accountants Act 1996

Partner, Chartered Accountants

Port Moresby, 31st day of March 2015

Mayban Property (PNG) Ltd

Statement of Comprehensive Income For the year ended 31 December 2014

	Note	2014 K	2013 K
Revenue	4	243,348	264,106
Operating Expenses:			
Administrative expenses		46,917	71,411
Other operating expenses		31,224	56,064
Total Operating Expenses	5	78,141	127,475
Profit before tax		165,207	136,631
Income tax expense	6(a)	(49,563)	(43,408)
Profit for the year		115,644	93,223

The statement of comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 15.

Mayban Property (PNG) Ltd

Statement of Financial Position As at 31 December 2014

	Note	2014 K	2013 K
ASSETS			
CURRENT ASSET			
Cash and cash equivalents	10	2,058,903	1,840,518
GST recoverable		2,017	2,017
Income tax receivable		12,499	66,516
TOTAL CURRENT ASSET		2,073,419	1,909,051
NON CURRENT ASSET			
Deferred tax asset	6(c)	15,264	7,764
Investment property	7	1,673,171	1,704,395
TOTAL NON CURRENT ASSET		1,688,435	1,712,159
TOTAL ASSET		3,761,854	3,621,210
CURRENT LIABILITY			
Trade and other payables	9	63,886	38,886
TOTAL CURRENT LIABILITIES		63,886	38,886
NET ASSET		3,697,968	3,582,324
EQUITY			
Share capital	8	2,125,000	2,125,000
Retained earnings		1,572,968	1,457,324
TOTAL EQUITY		3,697,968	3,582,324

The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 15.

Mayban Property (PNG) Ltd

Statement of Changes in Equity As at 31 December 2014

	Share Capital K	Retained Earnings K	Total K
Balance at 1 January 2013	2,125,000	1,364,101	3,489,101
Profit for the year	-	93,223	93,223
Balance at 31 December 2013	2,125,000	1,457,324	3,582,324
Profit for the year	-	115,644	115,644
Balance at 31 December 2014	2,125,000	1,572,968	3,697,968

The statement 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 15.

Mayban Property (PNG) Ltd

Statement of Cash Flows For the year ended 31 December 2014

	Note	2014 K	2013 K
Cash flows from operating activities			
Cash receipts from customers		243,348	264,106
Cash paid to suppliers		(21,918)	(75,066)
Cash generated from operating activities		221,430	189,040
Income taxes paid		(3,045)	(71,302)
Net cash flows from operating activities		218,385	117,738
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		218,385	117,738
Cash and cash equivalents at beginning of the year		1,840,518	1,722,780
Cash and cash equivalents at end of the year	10	2,058,903	1,840,518

The statement of cash flow is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 15.

Mayban Property (PNG) Ltd

Notes to and forming part of the financial statements

For the year ended 31 December 2014

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

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are held at cost. The company adopts the cost model for its investment property..

Mayban Property (PNG) Ltd

Notes to and forming part of the financial statements

For the year ended 31 December 2014

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 2014

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

	<u>2014</u> <u>K</u>	<u>2013</u> <u>K</u>
4 Revenue		
Rentals from property	243,348	264,106
	<u>243,348</u>	<u>264,106</u>
5 Other operating expenses		
Operating profit for the year is stated after charging the following items;		
Charging		
Auditors remuneration		
- audit	25,000	28,600
- other services	21,918	22,811
Land lease	-	20,000
Depreciation of investment property	31,224	31,224
Other fees and charges	-	24,840
	<u>78,142</u>	<u>127,475</u>

Mayban Property (PNG) Ltd

Notes to and forming part of the financial statements

For the year ended 31 December 2014

6 Income tax	2014	2013
	K	K
(a) Income tax expense		
Current tax expense		
- Current year	57,063	43,738
Deferred tax expense	(7,500)	(330)
Income tax expense	<u>49,563</u>	<u>43,408</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>165,207</u>	<u>136,631</u>
Tax on the profit for the year at 30%	49,563	40,989
Adjustment recognised in the current year in relation to current tax of prior years	<u>-</u>	<u>2,419</u>
	<u>49,563</u>	<u>43,408</u>
(b) Income tax receivable		
Income tax receivable	<u>12,499</u>	<u>66,516</u>

(c) Deferred tax asset

Deferred tax assets arise from the following:

2014	Opening Balance	Charge to Income	Closing Balance
<i>Temporary difference</i>			
Provision for audit fees	7,764	7,500	15,264
	<u>7,764</u>	<u>7,500</u>	<u>15,264</u>
2013	Opening Balance	Charge to Income	Closing Balance
<i>Temporary difference</i>			
Provision for audit fees	7,434	330	7,764
	<u>7,434</u>	<u>330</u>	<u>7,764</u>

Mayban Property (PNG) Ltd

Notes to and forming part of the financial statements

For the year ended 31 December 2014

7 Investment property

	Land K	Buildings K	Total K
Cost			
At 1 January 2013	1,000,000	1,101,610	2,101,610
Additions	-	-	-
At 31 December 2013	1,000,000	1,101,610	2,101,610
Additions	-	-	-
At 31 December 2014	1,000,000	1,101,610	2,101,610
Accumulated Depreciation			
At 1 January 2013	-	365,991	365,991
Charge for the year	-	31,224	31,224
At 31 December 2013	-	397,215	397,215
Charge for the year	-	31,224	31,224
At 31 December 2014	-	428,439	428,439
Written Down Value			
At 31 December 2013	1,000,000	704,395	1,704,395
At 31 December 2014	1,000,000	673,171	1,673,171

On 30 April 2014, a valuation of the property was conducted by The Professional Valuers of PNG Ltd. The property's market value at the date of the valuation was K9,617,000 which includes the chattels and generator.

	2014 K	2013 K
8 Share capital		
Issued capital	2,125,000	2,125,000
	2,125,000	2,125,000

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	6,499	6,499
Provision for Audit Fee	50,879	25,879
Provision for Tax Agent Fee	6,508	6,508
	63,886	38,886

10 Cash and cash equivalent

Cash and cash at bank	2,058,903	1,840,518
	2,058,903	1,840,518

Mayban Property (PNG) Ltd

Notes to and forming part of the financial statements

For the year ended 31 December 2014

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 charged by Mayban Property (PNG) Ltd, to Maybank (PNG) Ltd, amounts to K22,177 per month, inclusive of GST.

As at 31 December 2014, 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 2013: 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 2013: nil)

15 Remuneration of auditors

	<u>2014</u> <u>K</u>	<u>2013</u> <u>K</u>
Audit services	25,000	28,600
Other non audit services	<u>21,918</u>	<u>22,811</u>
	<u>46,918</u>	<u>51,411</u>

16 Events after balance sheet date

There has not been any matter or circumstances, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the reporting period, that has significantly affected, or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future reporting periods.

17 Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 30 March 2015