



ASSOCIATION OF SUPERANNUATION FUNDS OF PNG INC.

Financial Statements for the year ended 31 December 2006

INDEX

Page No

- 1 Statement by executive
- 2 Auditor's report to the members
- 3 Income and expenditure statement
- 4 Notes to and forming part of the accounts

ASSOCIATION OF SUPERANNUATION FUNDS OF PNG INC.

Statement by the Executive

In the opinion of the Executive, the financial statements set out on pages 2 to 4 are drawn up so as to exhibit a true and fair view of the state of affairs of the Association of Superannuation Funds of PNG Inc. as at 31 December 2006 and the income and expenditure for the year ended 31 December 2006.

Signed on behalf of the executive on the day of 2007.

Mr. Ian Tarutia
President

Ms. Zanie Theron
Treasurer

ASSOCIATION OF SUPERANNUATION FUNDS OF PNG INC.

**Income and Expenditure Statement
For the year ended 31 December 2006**

	<u>K</u>	<u>K</u>
	<u>2006</u>	<u>2005</u>
Income		
Contributions	39,000	34,500
Less: Expenses		
Bad debts expense (note 3)	(-)	(500)
Bank fees	(-)	(10)
Other expenses (note 4)	<u>(870)</u>	<u>(870)</u>
Surplus for the year	38,130	33,120
Accumulated funds 31 December 2005	<u>120,696</u>	<u>87,576</u>
Accumulated funds 31 December 2006	<u>158,826</u>	<u>120,696</u>
Represented by:		
Assets		
Bank account	<u>158,826</u>	<u>120,696</u>
	158,826	120,696
Liabilities		
Payables	<u>(-)</u>	<u>(-)</u>
NET ASSETS	<u>158,826</u>	<u>120,696</u>

The above statement is to be read in conjunction with the notes on pages 3-4.

ASSOCIATION OF SUPERANNUATION FUNDS OF PNG INC.

**Notes to and Forming Part of the Financial Statements
For the year ended 31 December 2006**

1 Basis of Accounting

The financial statements for the year ended 31 December 2006 have been prepared on a cash receipts and disbursements basis, except that membership fees has been brought to account on an accrual basis.

2 Bank Account Details

ANZ Account 11557107 Type: Cheque Account

3 Bad Debts Expenses

	<u>2006</u> K	<u>2005</u> K
Pacific Equities and Investment Limited	-	500
	<u>-</u>	<u>500</u>

4 Expenses

	<u>2006</u> K	<u>2005</u> K
Date Nets - Web page domain	770	770
PNG University Registration of ASFPNG	100	100
	<u>870</u>	<u>870</u>

5 Incorporation and Office Bearers

The Association of Superannuation Funds of Papua New Guinea Inc was incorporated under the Associations Incorporation Act on 21 May 2002.

The officer bearers for the Association for 2006 were

- Mr Ian Tarutia MBE President
- Mr Leon Buskens Vice President
- Ms Zanie Theron Treasurer
- Mr Rod Mitchell Secretary

The following two were elected as Committee members

- Mr Lutz Heim
- Mr Richard Sinamoi

ASSOCIATION OF SUPERANNUATION FUNDS OF PNG INC.

Notes to and Forming Part of the Financial Statements For the year ended 31 December 2006

6. Financial Members for 2006

Member	Subscription (K)
AON Consulting (PNG) Ltd	4,000
AON Master Trust	4,000
BSP Capital Stockbrokers Ltd	4,000
Defence Force Retirement Fund	3,500
Deloitte	4,000
IP Wealth Management Limited	500
Kina Investment & Superannuation Services	4,000
Kina Securities Ltd	4,000
NASFUND	4,500
POSF	4,000
OK Tedi Mining Superannuation Fund	2,500

7. Changes to the Constitution

At the ASFPNG Meeting No.13 of 14th March 2006, the following Special Resolutions were passed:-

1. Item 6.1 Special Resolution – Rotation of Presidency

It was proposed that the role of President of the ASFPNG should be on a rotation basis starting with Ian Tarutia for 2006, Leon Buskens for 2007 and Richard Sinamoi in 2008. Similar arrangement should also be made for the position of Vice-President.

It was resolved that:-

- *Section 13(2) of the ASFPNG Rules be amended so that the position of President and Vice-President be filled on a rotation basis.*

2. Item 6.2 Special Resolution – President Reserved for ASF

It was proposed that the position of President should be reserved only for an ASF or its representative.

It was resolved unanimously that:-

- *Section 13 of the ASFPNG Rules be amended so that the position of President is reserved only for an ASF or its representative.*

Pursuant to the above resolutions the following amendments have been made to the ASFPNG Rules:-

1. Section 13(2) which requires the Executive to be appointed annually has been amended so that it is now made subject to any resolutions of the Executive, in the following manner:-

- (2) Subject to any resolutions of the Executive in respect of appointments and duration of the office of ~~the~~ President, Vice President, Secretary and Treasurer ~~they~~ shall be appointed annually by the members. The Executive may act notwithstanding any vacancy in their number.

2. Similarly Section 14(1) has also been amended in the same way as follows:-

- (1) Subject to any resolutions of the Executive in respect of appointments and duration of a member to the Executive, ~~the~~ Executive (except the first members of the Executive) shall be elected annually, as provided in these Rules and at the Annual General Meeting all the members of the Executive will retire from office, but retiring members of the Executive are eligible for re-election.

3. Item 6.2 Special Resolution – Disqualification from standing for Election and voting

It was proposed that where a member of ASFPNG or its representative is subject to any investigations by the Regulator for any irregularities, then such member or its representative should be disqualified from standing for elections or voting at any meeting from the date of the commencement of such investigations until certified to be “fit and proper person” by the Regulator. Such list of members under investigations is to be provided by the Central Bank on a quarterly basis or at the request of the ASFPNG unless any updated list is available prior to the AGM or any meeting of the ASFPNG.

*It was **resolved** unanimously that:-*

- ***The appropriate provisions of the ASFPNG Rules be amended to incorporate the proposal as set out above.***

Pursuant to the above resolution Section 14 of the ASFPNG Rules has been amended to include new Sub-sections (2) and (3) as follows:-

- (2) Where a member of the Association or its representative is subject to any investigations by the Central Bank for any irregularities, such member or its representative shall be disqualified from standing for elections or voting at any meeting from the date of the commencement of such investigations until certified by the Central Bank to be a fit and proper person.
- (3) For the purpose of Subsection (2) the Central Bank shall on a quarterly basis or at the request of the President provide to the Association a list of members under investigations.

NOTICE OF SPECIAL RESOLUTION

Under Item 6.4 of the Minutes it is recorded the Chairman advised the members that he intended placing on notice a special resolution in the next ASFPNG meeting to further amend the ASFPNG Rules to achieve the following:-

- Move the requirement for the accounts to be presented at the annual general meeting in February to March or three months after the close of the financial year.
- Remove the requirement for voting of the Executives by ballot so that such elections are conducted by show of hands.

1. Amendment to Section 19(1) of the Rules - Annual General Meeting.

(a) Proposed Resolution

To consider and if thought fit to pass the following resolution as a Special Resolution:-

That Sub-section (1) of Section 19 be amended by substituting the words "...in February in each year..." with the words "...within three months of the end of the financial year..."

2. Amendment to Section 14(2)(b) of the Rules - Election of Executives

(a) Proposed Resolution

To consider and if thought fit to pass the following resolution as a Special Resolution:-

That the existing paragraph (b) of Section 14(2) be deleted and replaced with the with a new paragraph (b) and (bc) as following:-

- (b) *The Secretary shall announce the names of all persons nominated for the particular office and shall state each name separately and call for a vote by show of hands.*
- (bc) *The Secretary after counting of votes shall then declare the candidate with the greatest number of votes as duly elected.*

ASFPNG RULES WITH THE PROPOSED AMENDMENT.

13. EXECUTIVE

- (1) *The business of the Association shall be administered by the Executive, which shall be composed of:-*
 - (a) *a President;*
 - (b) *a Vice President;*
 - (c) *a Secretary/Treasurer;*
 - (d) *a Treasurer; and*
 - (e) *two ordinary members.*
- (2) *Subject to any resolutions of the Executive in respect of appointments and duration of the office of ~~the~~ President, Vice President, Secretary and Treasurer they shall be appointed annually by the members. The Executive may act notwithstanding any vacancy in their number.*
- (3) *The Annual Meeting, or on the recommendation of the Executive, a Special General Meeting convened by the Chairman of the meeting of the Executive at which such recommendation has been passed, may change the number of elected members of the Executive.*
- (4) *A member of the Executive is to declare his interest or the interest of any Member of which he is aware, in any contract or proposed contract with the Association.*

14. ELECTION OF EXECUTIVE

- (1) *Subject to Subsection (2) and to any resolutions of the Executive in respect of appointments and duration of a member to the Executive, ~~the~~ Executive (except the first members of the Executive) shall be elected annually, as provided in these Rules and at the Annual General Meeting all the members of the Executive will retire from office, but retiring members of the Executive are eligible for re-election.*
- (2) *Where a member of the Association or its representative is subject to any investigations by the Central Bank for any irregularities, such member or its representative shall be disqualified from standing for elections or voting at any meeting from the date of the commencement of such*

investigations until certified by the Central Bank to be a fit and proper person.

(3) For the purpose of Subsection (2) the Central Bank shall on a quarterly basis or at the request of the President provide to the Association a list of members under investigations.

~~(2)~~(4) The election of members of the Executive is to take place in the following manner:-

(a) a Member may nominate himself, another Member or a Nominated Representative to serve on the Executive. Every nomination must be in writing, and signed by an officer of the Member nominating or by the Member himself, and by the person nominated and must be received by the Secretary not later than ~~fourteen (14)~~ one days prior to the Annual General Meeting;

~~(b) elections are to be by way of secret ballot and balloting lists containing the names of the candidates so nominated printed in alphabetical order, are to be presented at the Annual General Meeting to each Member present which includes those represented by proxy or by Nominated Representative and each Member present or so represented at the Annual General Meeting is entitled to vote. The Secretary is to ensure that the Rules governing the election are adhered to and also that two scrutineers are appointed from Members present to determine the results of the secret ballot. The Secretary after counting of votes is to then declare the results of the ballot;~~

(b) The Secretary shall announce the names of all persons nominated for the particular office and shall state each name separately and call for a vote by show of hands.

(bc) The Secretary after counting of votes shall then declare the candidate with the greatest number of votes as duly elected.

(c) in the event that there is not a sufficient number of candidates nominated to fill all vacancies on the Executive, the candidates nominated are deemed elected and further nominations will be received at the Annual General Meeting. If insufficient further nominations are not received any vacant positions are to be filled by the incoming Executive within thirty (30) days of the Annual General Meeting;

(d) if two or more candidates receive an equal number of votes, the Chairman has a second or casting vote.

19. ANNUAL GENERAL MEETING

- (1) *The Annual General Meeting of the Association shall be held ~~in February in each year~~ within three months of the end of the financial year and is to be convened on such date and at such place and time as the Executive thinks fit.*
- (2) *In addition, to any other business which may be transacted at an Annual General Meeting, business of an Annual General Meeting will be:-*
 - (a) *to confirm the Minutes of the last preceding Annual General Meeting and of any Special General Meeting held since that meeting;*
 - (b) *to receive from the Executive reports upon the activities of the Association during the last preceding year;*
 - (c) *to elect office bearers of the Association and ordinary members of the Executive;*
 - (d) *to receive and consider the income and expenditure statement, the balance sheet and auditor's report; and*
 - (e) *consider and, if necessary, deal with any business or motion of which 14 days notice has been given to the Secretary*