

Building on
SUCCESS



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Directors' Report

For the year ended 31 December 2015

The directors of Oil Search Foundation Limited as trustee of the Oil Search Foundation trust ("the Foundation") submit herewith the annual financial report of the Foundation for the period ended 31 December 2015.

The directors report as follows.

OFFICE HOLDERS

The names and particulars of the directors of the trustee during and at the end of the financial year were:

Gerea Aopi (Non-Executive director)

Peter Botten (Non-Executive director)

Stephanie Copus-Campbell (Non-Executive director)

PURPOSE AND MISSION

The Oil Search Foundation is a development partner dedicated to improving the lives of Papua New Guineans. Our vision is for every adult and child in Papua New Guinea to have access to functioning and effective health and education services. To achieve our vision we contribute to nationwide development goals by working in partnership with government and stakeholders to improve development outcomes and achieve system stability and functionality. Our focus is on health, leadership and education, and women's protection and empowerment because in these fields we can make a real difference.

We recognise that Papua New Guineans know what is best for Papua New Guineans. Our work therefore aligns with PNG's own development priorities to ensure our programs have strong ownership and result in sustainable benefits for the communities with which we work.

Identifying PNG's priorities is only the first step. Working closely in partnership with individuals in communities right through to decision-makers at the national level is the key to realising our success.

DEVELOPMENT STREAMS

The Oil Search Foundation Strategy 2015-2020 is underpinned by three organisational pillars, each with a high-level development goal.

PILLAR 1: SIGNATURE PROGRAMS

We deliver Signature Programs in selected locations to improve development outcomes.

PILLAR 2: DEVELOPMENT PARTNER

We support the national development agenda as an active and effective Development Partner.

PILLAR 3: ORGANISATIONAL PERFORMANCE

We have appropriate internal support systems to achieve our objectives and deliver on our purpose.

The Strategy enables the Oil Search Foundation to develop expertise in specific locations in the Papua New Guinea Highlands and Gulf where we will build partner capacity to deliver services and direct the country's own resources towards development priorities that are most beneficial to communities. We will support national development priorities through our commitment to grant implementation as well as engage as an active development partner with a focus on achieving better outcomes for Papua New Guineans.

STRATEGIC PRIORITIES

The Oil Search Foundation continues to concentrate on six strategic priority areas:

- 1) PROGRAM DELIVERY:**
Signature Programs contribute to improved development outcomes.
- 2) EFFECTIVE PARTNERSHIPS:**
Resilient and effective partnerships drive improved development outcomes.
- 3) PROGRAM EXPANSION:**
Expanded activities include Leadership and Education and Women's Protection and Empowerment.
- 4) SYSTEMS AND PROCESSES:**
Effective and efficient systems and processes facilitate good governance and compliance; and increased communication boosts profile and reputation of the Foundation.
- 5) PERFORMANCE MEASUREMENT:**
Performance measurement is prioritised and contributes to organisation-wide quality improvement.
- 6) LEARNING AND DEVELOPMENT:**
Workforce development prioritises capacity building of citizen personnel.

The Oil Search Foundation reported a net result of \$25,801. Prior year: \$(4,447,273).

CHANGE IN ACCOUNTING POLICIES

No changes in accounting policies occurred during the financial year.

REMUNERATION ABOVE \$45,000 PER ANNUM

There were no employees whose remuneration was above \$45,000 per annum.

DONATIONS

No donations were made during the current financial year by the foundation.

Directors' Report

For the year ended 31 December 2015

INDEPENDENT AUDIT REPORT

The financial statements have been audited by Deloitte Touche Tohmatsu and should be read in conjunction with the independent audit report. Audit fees are disclosed in note 6 to the financial statements.

REGISTERED OFFICE

Oil Search Foundation
Ground Floor, Harbourside East Building
Stanley Esplanade
Port Moresby
Papua New Guinea

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



Peter Botten
Director
Port Moresby, 8 April 2016



Gereia Aopi
Director
Port Moresby, 8 April 2016



Stephanie Copus-Campbell
Director
Port Moresby, 8 April 2016

Statement of profit and loss and other comprehensive income

For the year ended 31 December 2015

	Notes	2015 \$	2014 \$
REVENUE			
Donations received		11,610,568	14,165,416
Other Income		12,501	16,719
TOTAL INCOME	5	11,623,069	14,182,135
OPERATING EXPENSES			
Pillar 1 – Signature Programs			
Tari-Pori		1,898,433	–
Pillar 2 – Development Partner			
Global Fund Programs			
<i>Malaria</i>			
– Implementing Partners Expenditure		583,116	3,987,341
– Sub Recipient Expenditure		446,159	1,605,525
– Oil Search Funded Expenditure		–	434,506
<i>HIV</i>			
– Implementing Partners Expenditure		1,807,628	3,542,411
– Sub Recipient Expenditure		835,681	2,502,963
– Oil Search Funded Expenditure		1,231,990	2,284,910
Reproductive Health Training Unit		1,257,516	1,084,857
Sorptomist		228,198	–
PNG Industry Malaria Initiative		180,652	390,524
Closed Programs		152,380	560,872
Pillar 3 – Organisation Performance			
Accountability and Administration		2,430,297	2,063,476
Monitoring and Evaluation		135,501	–
Foundation expansion		367,301	–
Fx (gain)/ loss		51,620	78,400
Gain/ loss on disposal of fixed assets		(9,204)	93,623
TOTAL EXPENSES		11,597,268	18,629,408
(Deficit) / Surplus for the year		25,801	(4,447,273)
Other Comprehensive (Loss) / Income		–	–
TOTAL COMPREHENSIVE (LOSS) / INCOME	6	25,801	(4,447,273)

The Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the notes to and forming part of the financial statements set out on pages 8-12.

Statement of financial position

As at 31 December 2015

	Notes	2015 \$	2014 \$
NON-CURRENT ASSETS			
Property, plant and equipment	11	153,007	350,244
		153,007	350,244
CURRENT ASSETS			
Cash and cash equivalents	9	4,387,029	4,401,117
Debtors	8	485,557	376,090
		4,872,586	4,777,207
TOTAL ASSETS		5,025,593	5,127,452
EQUITY AND LIABILITIES			
Retained surplus		4,201,278	4,175,477
CURRENT LIABILITIES			
Trade and other payables	7	824,315	951,975
TOTAL LIABILITIES		824,315	951,975
TOTAL EQUITY AND LIABILITIES		5,025,593	5,127,452

The Statement of Financial Position should be read in conjunction with the notes to and forming part of the financial statements set out on pages 8-12.

Statement of Changes in Equity

For the year ended 31 December 2015

	Retained earnings \$	Total \$
BALANCE AT 1 JANUARY 2014	8,622,750	8,622,750
		–
Deficit for the financial year	(4,447,273)	(4,447,273)
Other Comprehensive Income	–	–
Total Comprehensive Loss	(4,447,273)	(4,447,273)
BALANCE AT 1 JANUARY 2015	4,175,477	4,175,477
Income for the financial year	25,801	25,801
Total Comprehensive Income	25,801	25,801
BALANCE AT 31 DECEMBER 2015	4,201,278	4,201,278

The Statement of Changes in Equity should be read in conjunction with the notes to and forming part of the financial statements set out on pages 8-12.

Statement of Cash Flows

For the year ended 31 December 2015

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from donations		11,501,100	14,165,416
Payments to suppliers and employees		(11,599,533)	(18,771,232)
Cash generated from operations		(98,433)	(4,605,816)
Interest received		12,501	16,719
Net cash used in operating activities		(85,932)	(4,589,097)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		84,314	54,320
Payments for property, plant and equipment		(12,470)	(103,846)
Net cash generated by / (used in) investing activities		71,844	(49,526)
Cash flows from financing activities			
		-	-
Net decrease in cash and cash equivalents			
Cash and cash equivalents at the start of the year		4,401,117	9,039,740
Cash and cash equivalents at the end of the year		4,387,029	4,401,117

The Statement of Cash Flows should be read in conjunction with the notes to and forming part of the financial statements set out on pages 8-12.

Notes to the financial statements

1. GENERAL INFORMATION

The Oil Search Foundation was created in Papua New Guinea. The addresses of its registered office and principal place of business are disclosed in the Directors Report. The principal activities of the Foundation are disclosed in the Directors Report.

The financial statements were authorised for issue by the Directors of the Trustee on 8 April 2016.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Amendments to IFRSs and the new interpretations that are mandatory effective

Below is a list of the amendments to IFRSs and the new interpretations that are mandatory effective for the annual reporting period beginning 1 January 2015.

- Amendments to IAS 9 Defined benefit plans: Employee contributions;
- Amendments to IFRSs Annual Improvements to IFRSs 2010-2012 Cycle; and
- Amendments to IAS 36 Annual Improvements to IFRSs 2011-2013 Cycle.

The application of the amendments to IFRSs and the new interpretation that are mandatory effective have been reviewed and considered to have no material impacts on the financial statements of the entity for the annual reporting period beginning 1 January 2015.

New and amended IFRSs that are not mandatory effective (but early adoption allowed)

Below is a list of new and amended IFRSs that are not yet mandatory effective (but allow early adoption) for the annual reporting period beginning 1 January 2015.

- IFRS 9 *Financial Instruments*;
- IFRS 14 *Regulatory Deferral Accounts*;
- IFRS 15 *Revenue from Contracts with Customers*;
- Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to IAS 1 *Disclosure Initiative*
- Amendments to IAS 16 and IAS 36 *Clarification of Acceptable Methods of Depreciation and Amortisation*;
- Amendments to IAS 27 *Equity Method in Separate Financial Statements*;
- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*;
- Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities; Applying the Consolidation Exception*; and
- *Annual Improvements to IFRS 2012-2014 Cycle*.

The entity has not allowed the early application of the new and amended IFRSs that are not mandatory effective (but allow early application) for the annual reporting period beginning 1 January 2015.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards and International Financial Reporting Interpretations Committee interpretations. All amounts in these financial statements are expressed in US dollars, as this is the functional and presentational currency of the Foundation.

Basis of preparation

Title of goods purchased by sub recipients with grant funds allocated to them remains with the sub recipient unless otherwise directed by the Foundation.

The principal accounting policies are set out below.

Revenue recognition

Donations, gifts in kind and contributions are recognised at their fair value when received or receivable.

Interest revenue is recognised as it accrues.

Foreign currencies

In preparing the financial statements, transactions in currencies other than the Foundation's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Government grants

Government grants are not recognised until there is reasonable assurance that the entity will comply with the conditions attaching to them and that the grants will be received.

Notes to the financial statements (cont'd)

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the entity should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in profit or loss in the period in which they become receivable.

Taxation

The Foundation is exempted from income tax under Section 25A of the PNG Income Tax Act 1959, as a charitable institution

Property, plant and equipment

Plant and equipment are carried at cost less accumulated depreciation and impairment. Any gain or loss on the disposal of assets is determined as the difference between the carrying value of the asset at the time of disposal and the proceeds from disposal, and is included in the results in the year of disposal.

Depreciation

Depreciation on corporate plant and equipment is calculated on a straight line-basis so as to generally write off the cost of each fixed asset over its estimated useful life on the following basis:

Motor Vehicles	20%
Office Furniture	13%
Computer Equipment	33%
Medical Equipment	20%
Other Plant	15%

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Financial Assets & Liabilities

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. Other financial liabilities will consist of trade payables and accruals.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the foundation's accounting policies, directors of the trustee are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Useful lives of property, plant and equipment

As described above, the foundation reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

Notes to the financial statements (cont'd)

5. REVENUE

	2015	2014
	\$	\$
<i>Donations received:</i>		
Oil Search Limited	7,900,000	5,840,100
Global Fund	1,066,143	6,489,607
Other	2,644,425	1,835,710
	11,610,568	14,165,416
Interest Income	12,501	16,719
Total revenue	11,623,069	14,182,135

6. PROFIT FOR THE YEAR

Profit for the year from continuing operations has been arrived at after charging (crediting):

	\$	\$
Auditor's remuneration		
Auditing the financial statements	16,685	19,275
	16,685	19,275
Depreciation of property, plant and equipment	103,924	182,452

7. TRADE AND OTHER PAYABLES

	\$	\$
Trade creditors	759,017	694,464
Accruals	65,298	257,511
	824,315	951,975

8. TRADE AND OTHER RECEIVABLES

	\$	\$
Prepayments	214,918	329,188
Other debtors	270,639	46,902
	485,557	376,090

9. CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

	\$	\$
Cash at bank	4,385,686	4,399,345
Petty Cash held	1,343	1,773
	4,387,029	4,401,117

10. REMUNERATION OF KEY MANAGEMENT PERSONNEL

There was no remuneration paid to key management personnel during the year.

11. SUBSEQUENT EVENTS

There has not been any matter or circumstance, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Foundation, the results of those operations, or state of affairs of the Foundation in future years.

Notes to the financial statements (cont'd)

12. PROPERTY, PLANT AND EQUIPMENT

	Furniture \$	Computer Equipment \$	Other Plant \$	Medical Equipment \$	Motor Vehicles \$	Total \$
2015						
Cost						
Balance at 31 December 2014	13,657	112,990	9,478	43,332	547,360	726,817
Additions	–	12,471	–	–	12,919	25,389
Disposals	(1,640)	(20,071)	–	(7,035)	(257,655)	(286,402)
Balance at 31 December 2015	12,017	105,390	9,478	36,297	302,623	465,804
Accumulated depreciation and impairment						
Balance at 31 December 2014	2,936	78,340	3,116	25,015	267,166	376,573
Charge for the year	1,562	21,656	1,422	7,259	72,870	104,769
Depreciation on disposals	(89)	(15,502)	–	(4,104)	(148,850)	(168,545)
Balance at 31 December 2015	4,410	84,494	4,537	28,170	191,186	312,797
Carrying amount at 31 December 2015	7,607	20,896	4,941	8,126	111,437	153,007
Title of goods purchased by sub recipients with grant funds allocated to them remains with the sub recipient unless otherwise directed by OSHF.						
2014						
Cost						
Balance at 31 December 2013	6,622	103,455	9,478	54,954	649,235	823,744
Additions	7,035	14,993	–	–	81,818	103,846
Disposals	–	(5,458)	–	(11,622)	(183,694)	(200,773)
Balance at 31 December 2014	13,657	112,990	9,478	43,332	547,360	726,817
Accumulated depreciation and impairment						
Balance at 31 December 2013	1,897	45,764	1,694	18,867	178,715	246,937
Charge for the year	1,039	34,834	1,422	10,797	134,375	182,466
Depreciation on disposals	–	(2,258)	–	(4,649)	(45,923)	(52,831)
Balance at 31 December 2014	2,936	78,340	3,116	25,015	267,166	376,573
Carrying amount at 31 December 2014	10,721	34,651	6,362	18,317	280,193	350,244

Notes to the financial statements (cont'd)

13. FINANCIAL INSTRUMENTS

Capital management

The Foundation manages its capital to ensure that it will continue to be able to fulfil its' charitable purposes in Papua New Guinea.

The Foundation is not subject to any externally imposed capital requirements.

Categories of financial instruments

	2015 \$	2014 \$
FINANCIAL ASSETS		
Cash and cash equivalents	4,387,029	4,401,117
Debtors	485,557	376,090
FINANCIAL LIABILITIES		
Trade and other payables	824,315	951,975

Financial risk management objectives

The Foundation does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Title of goods purchased by sub recipients with grant funds allocated to them remains with the sub recipient unless otherwise directed by the Foundation.

The carrying amounts of the foundation's foreign currency denominated monetary assets and monetary liabilities are as follows.

	2015 \$	2014 \$
Assets denominated in Kina	542,231	679,583

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the foundation. The Foundation has adopted a policy of only dealing with creditworthy counterparties.

The Foundation does not have significant credit risk exposure to any single counterparty.

Liquidity risk management

The Foundation manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows.

Fair value of the foundation's financial assets and financial liabilities

The directors of the trustee consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Independent auditor's report



Deloitte Touche Tohmatsu

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Douglas Street
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Papua New Guinea

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OIL SEARCH FOUNDATION LIMITED

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial statements of Oil Search Foundation Limited, which comprise the statement of financial position as at 31 December 2015, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL REPORT

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.

Independent auditor's report (cont'd)

Deloitte.

AUDIT OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of Oil Search Foundation Limited as at 31 December 2015, 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 Oil Search Foundation 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 2015 we did not provide any other services Oil Search Foundation Limited.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Suzaan Theron

Suzaan Theron

Partner

Registered under the Accountants Act 1996

Dated this 8th day of April 2016.

Supplementary Information

Global Fund Financial Information

GLOBAL FUND STATEMENT OF SUB RECIPIENT ADVANCES

In 2012, OSHF applied and was granted Principal Recipient status and received funding from the Global Fund for the deployment of Health initiatives under two grants, Round 8 Malaria grant in Phase 2 (PNG-812-G08-M grant) and Round 10 HIV-HSS grant in Phase 1 (PNG-012-G09-H). The Round 8 Malaria grant closed in March 2015 and the Round 10 HIV grant closed in June 2015.

In July 2015 the HIV Grant under the New Funding model (PNG-H-OSHF-726) was awarded to Oil Search Foundation and activities commenced.

The statement of profit and loss and other comprehensive income, statement of financial position and cash flows for the combined Global Fund projects are shown below.

A statement of budget versus actual expenditures for the grant programmes in Global Fund EFR format is included in Appendix A and B.

GLOBAL FUND STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
REVENUE		
Donations received	1,066,143	6,489,607
Other Income	6,407	12,407
Total Income	1,072,550	6,502,014
OPERATING EXPENSES		
Labour Costs	2,433,979	2,190,637
Travel costs / Monitoring & Evaluation	91,160	748,508
Procurement and materials	599,176	1,723,751
Other Direct Program Expenditure	110,244	5,675,381
Professional fees & Consultants	168,948	1,207,866
Admin expenses	269,075	89,625
Fx (gain)/ loss	5,300	19,769
Depreciation	-	2,473
Total expenses	3,677,883	11,658,010
Other Comprehensive Income	-	-
Total Comprehensive Surplus	(2,605,334)	(5,155,996)

Supplementary Information (cont'd)

Global Fund Financial Information

GLOBAL FUND STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2015

	2015 \$	2014 \$
NON-CURRENT ASSETS		
Property, plant and equipment	-	32,303
	-	32,303
CURRENT ASSETS		
Cash at Bank	783,582	3,134,721
Petty Cash	678	-
Debtors	24	30,515
Prepayments	174,286	321,666
	958,570	3,486,902
TOTAL ASSETS	958,570	3,519,205
EQUITY AND LIABILITIES		
Retained surplus	734,738	3,340,072
CURRENT LIABILITIES		
Trade and other payables	201,167	-
Accruals	22,666	179,133
TOTAL LIABILITIES	223,832	179,133
TOTAL EQUITY AND LIABILITIES	958,570	3,519,205

GLOBAL FUND STATEMENT OF CASH FLOWS BY IMPLEMENTING ENTITY

	2015 \$	2014 \$
Cash flows from operating activities		
Receipts from donations	1,066,143	6,489,607
Payments to suppliers and employees	(3,423,011)	(10,878,853)
Cash generated from operations	(2,356,868)	(4,389,245)
Interest received	6,407	12,407
Net cash used by operating activities	(2,350,461)	(4,376,838)
Cash flows from investing activities		
Payments for property, plant and equipment	-	(34,789)
Net cash provided used by investing activities	-	(34,789)
Net decrease in cash and cash equivalents		
Cash and cash equivalents at the start of the year	3,134,721	7,546,349
Cash and cash equivalents at the end of the year	784,260	3,134,721

Supplementary Information (cont'd)

Global Fund Financial Information

GLOBAL FUND STATEMENT OF SUB RECIPIENT ADVANCES

	IMR	Anglicare	Igat Hope	NCAO	Hope WW
SR balance as at 1/1/15	248,874	61,414	32,483	63,769	–
Advanced to sub recipient during 2015	251,115	209,222	27,181	471,111	125,733
SR expenditure during 2015	(499,989)	(204,861)	(58,366)	(460,484)	(103,220)
SR balance as at 31/12/15	(0)	65,775	1,297	74,396	22,513

GLOBAL FUND STATEMENT OF FIXED ASSETS:

Title of goods purchased by sub recipients with grant funds allocated to them remains with the sub recipient unless otherwise directed by OSF.

Item Detail	Item	Serial Number	Acquisition Date	Location
Toyota Landcruiser 10 Seater	Motor Vehicle	BEU-529	08-Jan-16	NCD
Toyota L/Cruiser 5 door S/Wagon	Motor Vehicle	BDK-364	03-Jun-15	NCD
TOYOTA RAV 4	Motor Vehicle	CBA 560	11/02/2014	NCD
Dell OptiPlex 3020	CPU	5WLM862	11-Aug-15	NCD
Dell OptiPlex 3020	CPU	5WVJ862	11-Aug-15	NCD
Dell OptiPlex 3020	CPU	5WVKH62	11-Aug-15	NCD
Dell OptiPlex 3020	CPU	5WXF862	11-Aug-15	NCD
Dell OptiPlex 3020	CPU	5WXGH62	11-Aug-15	NCD
Dell OptiPlex 3020	CPU	5W2K862	11-Nov-15	NCD
Dell OptiPlex 3020	CPU	5W2KH62	13-Nov-15	Western Highlands
Dell OptiPlex 3020	CPU	5WDG862	24-Nov-15	Enga
Dell OptiPlex 3020	CPU	5WGGH62	16-Nov-15	Morobe
Dell OptiPlex 3020	CPU	5X1GH62	22-Jan-16	Goroka
Dell Optiplex 3020	CPU	5X9HH62	03-Sep-15	NCD
Dell Optiplex 3020	CPU	5X3G862	03-Sep-15	NCD
Dell Optiplex 3020	CPU	5X7GH62	03-Sep-15	NCD
HP 820 G1 i7-4600U 12.5 8GB/256 HSPA PC	Laptop	5CG52851FK	24-Aug-15	NCD
HP 820 G1 i7-4600U 12.5 8GB/256 HSPA PC	Laptop	5CG52851DF	01-Sep-15	NCD
HP 820 G1 i7-4600U 12.5 8GB/256 HSPA PC	Laptop	5CG52851G9	28-Oct-15	NCD
HP 820 G1 i7-4600U 12.5 8GB/256 HSPA PC	Laptop	5CG52428DO	12-Aug-15	NCD
HP 820 G1 i7-4600U 12.5 8GB/256 HSPA PC	Laptop	5CG52851DQ	17-Nov-15	NCD
HP 820 G1 i7-4600U 12.5 8GB/256 HSPA PC	Laptop	5CG52851FS	18-Nov-15	NCD
HP 820 G1 i7-4600U 12.5 8GB/256 HSPA PC	Laptop	5CG52428D4	08-Jan-16	NCD
HP 820 G1 i7-4600U 12.5 8GB/256 HSPA PC	Laptop	5CG52851F7	12-Aug-15	NCD

Supplementary Information (cont'd)

Global Fund Financial Information

Item Detail	Item	Serial Number	Acquisition Date	Location
HP 820 G1 i7-4600U 12.5 8GB/256 HSPA PC	Laptop	5CG52851GK	12-Aug-15	NCD
HP 820 G1 i7-4600U 12.5 8GB/256 HSPA PC	Laptop	5CG52851DY	12-Aug-15	NCD
Dell E Series E1914H 18.5inch	Monitor	CN-0X0T4K-72872-54N-C6UM	11-Aug-15	NCD
Dell E Series E1914H 18.5inch	Monitor	CN-0X0T4K-72872-54N-C78M	11-Aug-15	NCD
Dell E Series E1914H 18.5inch	Monitor	CN-0X0T4K-72872-54N-C7AM	11-Aug-15	NCD
Dell E Series E1914H 18.5inch	Monitor	CN-0X0T4K-72872-54N-C7DM	11-Aug-15	NCD
Dell E Series E1914H 18.5inch	Monitor	CN-0X0T4K-72872-54N-C7MM	11-Aug-15	NCD
Dell E Series E1914H 18.5inch	Monitor	CN-0X0T4K-72872-54N-AHCM	11-Nov-15	NCD
Dell E Series E1914H 18.5inch	Monitor	CN-0X0T4K-72872-54N-C6DM	13-Nov-15	Western Highlands
Dell E Series E1914H 18.5inch	Monitor	CN-0X0T4K-72872-54N-C6RM	24-Nov-15	Enga
Dell E Series E1914H 18.5inch	Monitor	CN-0X0T4K-72872-54N-C6TM	16-Nov-15	Morobe
Dell E Series E1914H 18.5inch	Monitor	CN-0X0T4K-72872-54N-C7PM	22-Jan-16	Goroka
Dell E Series E1914H 18.5' Wide Screen Monitor	Monitor	CN-0X0T4K-72872-54N-C7UM	03-Sep-15	NCD
Dell E Series E1914H 18.5' Wide Screen Monitor	Monitor	CN-0X0T4K-72872-54N-CD9M	03-Sep-15	NCD
3kVA Eaton	UPS (server)		11-Aug-15	NCD

Independent auditor's report

Global Fund



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INDEPENDENT AUDIT REPORT TO MEMBERS OF OIL SEARCH FOUNDATION (PRINCIPAL RECIPIENT) – GLOBAL FUND

We have audited the accompanying financial statements of Oil Search Foundation, which comprise the statement of financial position as at December 31, 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management of Oil Search Foundation based on the financial reporting provisions of Article 7 of the Global Fund Grant Regulations (2014) as they apply to the Framework Agreement dated 14 April 2015, between Oil Search Foundation and The Global Fund.

MANAGEMENTS RESPONSIBILITY FOR THE SOURCE AND USE OF FUNDS STATEMENT

Management is responsible for the preparation of these financial statements in accordance with the financial reporting provisions of Article 7 of the Global Fund grant Regulations as they apply to the Framework Agreement, and for such internal control as management determines 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 statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These auditing standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's 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 management, as well as evaluating the overall presentation of the financial statements.

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

Member of Deloitte Touche Tohmatsu Limited

Independent auditor's report (cont'd)

Global Fund

Deloitte

AUDIT OPINION

In our opinion, the financial statement of Oil Search Foundation for the year ended at December 31, 2015, are prepared, in all material respects, in accordance with the financial reporting provisions of Article 7 of the Global Fund Grant Regulations (2014) as they apply to the Framework Agreement.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Suzaan Theron

**Suzaan Theron
Partner**

Registered under the Accountants Act 1996

Port Moresby, this 8th day of April 2016

Oil Search Foundation Limited

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