



**A lot done.  
More to do.**



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## Director's Report

For the year ended 31 December 2019

**The directors of Oil Search Foundation Limited as trustee of the Oil Search Foundation trust ("the Foundation") present their report with respect to the results for the financial year ended 31 December 2019 and the state of the Foundations affairs at that date.**

### DIRECTORS

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 (Executive director)

### PURPOSE AND MISSION

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 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.

### PERFORMANCE MEASUREMENT

At the Foundation, we take performance measurement seriously as we know that effective decision making and forward planning is founded upon solid measurement of our outcomes and performance. We have a performance framework and targets that align with the targets and priorities of Papua New Guinea and the Government.

The Oil Search Foundation reported a net deficit of \$ 4,307,610 (2018: \$2,438,846 net surplus).

### CHANGE IN ACCOUNTING POLICIES

No changes in accounting policies occurred during the financial year.

### DONATIONS

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

### INDEPENDENT AUDIT REPORT

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



**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, 08 April 2020

**Gereia Aopi**

Director  
Port Moresby, 08 April 2020

**Stephanie Copus-Campbell**

Director  
Port Moresby, 08 April 2020

## Statement of profit and loss and other comprehensive income

For the year ended 31 December 2019

	Notes	2019 \$	2018 \$
<b>REVENUE</b>			
Donations received	5	17,685,455	17,957,874
Interest Income		25,757	15,450
<b>TOTAL INCOME</b>		<b>17,711,212</b>	<b>17,973,324</b>
<b>OPERATING EXPENSES</b>			
<b>Pillar 1 - Signature Programs</b>			
Hela Province Program		5,958,036	-
Gulf Program		3,943,870	1,794,682
Hela Provincial Health Authority Program		-	6,055,947
Earthquake Relief		102,306	321,642
<b>Pillar 2 - Development Partner</b>			
Business Development Unit		1,011,758	347,124
Women's Protection and Empowerment		1,135,894	868,493
Leadership and Education		1,724,288	1,443,837
Global Fund Programs - HIV			
Implementing Partners Expenditure		1,182	432,381
Incentive Fund		1,970,004	557,325
Wok Bung Wantaim		1,146,018	504,637
Bel isi PNG		1,090,548	450,607
Santos - A&E		1,000,258	123,747
Global Alliance on Vaccines and Immunisation		42,655	-
<b>Pillar 3 - Organisation Performance</b>			
Accountability and Administration		2,406,898	2,202,661
Monitoring and Evaluation		484,837	311,567
Foreign currency loss		271	118,043
Loss/(Gain) on disposal of fixed assets		-	1,786
Total expenses		<b>22,018,822</b>	<b>15,534,478</b>
Surplus (Deficit) for the year		<b>(4,307,610)</b>	<b>2,438,846</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(4,307,610)</b>	<b>2,438,846</b>

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 8-15

*Statement of financial position*  
At 31 December 2019

	Notes	2019 \$	2018 \$
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	196,495	72,001
		<b>196,495</b>	72,001
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	9	15,598,708	8,959,664
Trade and other receivables	8	3,806,957	3,371,854
		<b>19,405,665</b>	12,331,518
<b>TOTAL ASSETS</b>		<b>19,602,160</b>	12,403,519
<b>EQUITY AND LIABILITIES</b>			
Retained surplus (deficit)		4,970,732	9,278,343
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	14,631,428	3,125,176
Total Liabilities		<b>14,631,428</b>	3,125,176
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>19,602,160</b>	12,403,519

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 8-15

*Statement of Changes in Equity*  
For the year ended 31 December 2019

	Retained Earnings \$	Total \$
<b>BALANCE AT 1 JANUARY 2018</b>	6,839,496	<b>6,839,496</b>
Total Comprehensive Income for the year ending 31 December 2018	2,438,846	<b>2,438,846</b>
<b>BALANCE AT 1 JANUARY 2019</b>	9,278,342	<b>9,278,342</b>
Total Comprehensive Income for the year ending 31 December 2019	(4,307,610)	<b>(4,307,610)</b>
<b>BALANCE AT 31 DECEMBER 2019</b>	4,970,732	<b>4,970,732</b>

## Statement of Cash Flows

For the year ended 31 December 2019

	2019 \$	2018 \$
<b>Cash flows from operating activities</b>		
Receipts from donations	17,283,548	14,780,895
Payments to suppliers and employees	(10,482,216)	(13,485,764)
Interest received	25,757	15,450
Net cash generated from operating activities	6,827,089	1,310,580
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	-	310
Payments for property, plant and equipment	(188,046)	(5,867)
Net cash generated by / (used in) investing activities	(188,046)	(5,557)
<b>Cash flows from financing activities</b>	-	-
<b>Net increase in cash and cash equivalents</b>	6,639,044	1,305,023
Cash and cash equivalents at the start of the year	8,959,664	7,654,641
Cash and cash equivalents at the end of the year	15,598,708	8,959,664

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 8-15

	2019 \$	2018 \$
<b>Reconciliation of net loss to net cash provided by operating activities</b>		
<b>Opening Cash as at 1 January 2019</b>	8,959,664	7,654,641
Net surplus (deficit)	(4,307,610)	2,438,846
Adjustment for:		
Depreciation	63,552	53,722
Changes in assets and liabilities:		
Asset	(188,046)	(3,018)
Accounts receivable	(435,103)	(3,176,979)
Accounts payable	11,351,626	1,757,792
Accrued expenses	154,625	234,659
<b>Closing cash as at 31 December 2019</b>	15,598,708	8,959,664

## Notes to the Financial Statements

For the year ended 31 December 2019

### 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 08 April 2020.

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

#### Amendments to IFRSs that are mandatorily effective for annual periods beginning on or after 1 January 2019.

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 2019.

- IFRS 16 Leases;

IFRS 16, which was issued in 2016 and sets out the new principles for recognition, measurement, presentation and disclosure of leases, replacing existing accounting requirements for leases from 1 January 2019. Under current requirements leases are classified based on their nature, either as finance leases which are recognised on the balance sheet or operating leases which are not recognised on the balance sheet.

The application of IFRS 16 results in the recognition of all leases on the balance sheet in the form of a right-of-use asset and a corresponding lease liability at the commencement of all leases except for short term leases and leases of low value assets. Over the life of the lease, the liability incurs interest and is reduced as lease payments are made, and the asset is amortised over its useful life.

The application of the amendments to IFRS and the new interpretation that are mandatory have been reviewed and considered to have no material impact.

#### New and amended IFRS standards in issue but not yet effective (but early adoption allowed)

Below is a list of new and amended IFRSs that effective for the annual reporting period beginning 1 January 2020.

#### - Amendments to IAS 1 and IAS 8, Definition of material

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.

The amendments are applied prospectively for annual periods beginning on or after 1 January 2020, with earlier application permitted.

#### - Conceptual Framework

Amendments to References to the Conceptual Framework in IFRS Standards

Together with the revised Conceptual Framework, which became effective upon publication on 29 March 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual framework.

The amendments, where they actually are updates, are effective for annual periods beginning on or after 1 January 2020, with early application permitted.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### Statement of compliance

The financial report has been prepared in accordance with International Financial Reporting Standards and the Trust Deed. All amounts in this financial report 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 receives.

**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.

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.

**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	20%
Computer Equipment	33%
Medical Equipment	20%
Other Plant	14%

**Financial instruments**

The Foundation initially recognizes financial assets and liabilities in the statement of financial position when and only when, the Foundation becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially recognized at fair value. Except for financial assets at fair value through profit or loss (FVPL), the initial measurement of financial assets includes transaction costs.

The Foundation's financial assets are trade receivables that are held within a business model whose objective is to hold the financial asset in order to collect the contractual cashflows, the contractual terms give rise to sole payments of principal and interest on specified dates. Financial liabilities are trade creditors and accruals. All financial assets and liabilities are subsequently measured at amortised cost.

The Foundation recognises an allowance for expected credit losses for trade receivables.

**4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

**Statement of compliance**

The financial report has been prepared in accordance with International Financial Reporting Standards and the Trust Deed. All amounts in this financial report are expressed in US dollars, as this is the functional and presentational currency of the Foundation.

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 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.



**5. DONATIONS RECEIVED**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Oil Search Limited	<b>15,363,588</b>	14,242,030
Global Fund	-	(526,729)
Australian Government	<b>1,962,391</b>	2,945,745
Centres for Disease Control	-	43,836
Santos Ltd	-	365,000
2019 Earthquake Donations	-	682,975
Nipa Kutubu LLG	<b>44,100</b>	-
Other	<b>315,376</b>	205,017
	<b>17,685,455</b>	17,957,874
Interest Income	<b>25,757</b>	15,450
Total Revenue	<b>17,711,212</b>	17,973,324

**6. NET DEFICIT FOR THE YEAR**

Loss for the year from continuing operations has been arrived at after charging:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Auditor's remuneration</b>		
Auditing the financial statements	<b>16,199</b>	16,365
	<b>16,199</b>	16,365
Salaries and Wages	<b>4,682,037</b>	4,399,588
Depreciation of property, plant and equipment	<b>63,552</b>	53,722

**7. TRADE AND OTHER PAYABLES**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Oil Search (PNG) Limited	<b>13,222,072</b>	2,386,872
External Suppliers	<b>75,572</b>	20,882
Accruals	<b>638,633</b>	484,007
Other Payables	<b>695,151</b>	233,416
	<b>14,631,428</b>	3,125,176

**8. TRADE AND OTHER RECEIVABLES**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Oil Search (PNG) Ltd	<b>3,300,662</b>	2,861,733
Prepayments	<b>401,824</b>	486,146
Other Debtors	<b>104,471</b>	23,975
	<b>3,806,957</b>	3,371,854

**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

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	<b>15,598,119</b>	8,952,422
Petty Cash held	<b>589</b>	7,243
	<b>15,598,708</b>	8,959,664



## 10. PROPERTY, PLANT AND EQUIPMENT

	Furniture \$	Computer Equipment \$	Other Plant \$	Medical Equipment \$	Motor Vehicles \$	Total \$
<b>2019</b>						
<b>Cost</b>						
Balance at 31 December 2018	13,047	122,568	3,510	36,297	303,972	479,394
Additions	-	-	-	-	188,046	188,046
Disposals	-	-	-	-	(71,818)	(71,818)
Balance at 31 December 2019	13,047	122,568	3510	36,297	420,200	595,622
<b>Accumulated Depreciation and impairment</b>						
Balance at 31 December 2018	9,702	94,862	3,510	36,288	263,031	407,393
Charge for the year	1,411	21,248	-	-	40,893	63,552
Depreciation on disposals	-	-	-	-	(71,818)	(71,818)
Balance at 31 December 2019	11,113	116,110	3,510	36,288	232,107	399,127
<b>Carrying amount at 31 December 2019</b>	1,934	6,458	0	9	188,094	196,495
<b>2018</b>						
<b>Cost</b>						
Balance at 31 December 2017	14,899	116,701	3,510	36,297	303,972	475,379
Additions	-	5,867	-	-	-	5,867
Disposals	(1,852)	-	-	-	-	(1,852)
Balance at 31 December 2018	13,047	122,588	3510	36,297	303,972	479,394
<b>Accumulated Depreciation and impairment</b>						
Balance at 31 December 2017	7,629	71,691	3,201	36,241	233,911	352,673
Charge for the year	2,073	22,174	309	47	29,120	53,723
Depreciation on disposals	-	997	-	-	-	997
Balance at 31 December 2018	9,702	94,862	3,510	36,288	263,031	407,393
<b>Carrying amount at 31 December 2018</b>	3,345	27,706	0	9	40,941	72,001

## 11. FINANCIAL INSTRUMENTS

### Capital Management

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

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

### Categories of financial instruments

	2019 \$	2018 \$
<b>Financial assets</b>		
Cash and cash equivalents	15,598,708	8,959,664
Trade and other receivables	104,471	2,885,708
<b>Financial liabilities</b>		
Trade and other payables	14,631,428	3,125,176

### 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:

	2019 \$	2018 \$
Assets denominated in Kina	1,184,390	3,455,972

### 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 credit worthy counterparties and operates within Oil Search Limited Financial Risk Management Procedure.

### Exposure to credit Risk

	2019 \$	2018 \$
Cash at Bank - Australia and New Zealand Banking Group	15,616,678	8,989,695
Cash at Bank - Bank of South Pacific	23,650	23,778

### Liquidity risk management

The Foundation manages liquidity risk by maintaining adequate reserves 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.

## 12. 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 result of those operations or state of affairs of the Foundation in future years.

## Independent auditor's report

# Deloitte.

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### Independent Auditor's Report to the Members of Oil Search Foundation

#### Report on the Audit of the Financial Report

##### *Opinion*

We have audited the financial report of Oil Search Foundation (the "Foundation") which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies.

In our opinion, the accompanying financial report, gives a true and fair view of the Foundation's financial position as at 31 December 2019 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Trust Deed.

##### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Foundation in accordance with the auditor independence requirements of the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants* (the IESBA Code) that are relevant to our audit of the financial report. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

##### *Other Information*

The directors of the Trustee are responsible for the other information. The other information comprises the Director's report for the year ended 31 December 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

##### *Responsibilities of the Directors of the Trustee for the Financial Report*

The directors of the Trustee are responsible for the preparation of the financial report that gives a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Trust Deed and for such internal control as the directors determine is necessary to enable the preparation of the financial report that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the Trustee are responsible for assessing the ability of the Foundation to continue as a going concern, disclosing, as applicable, matters related to going concern and using

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## Notes to the Financial Statements

### Deloitte

the going concern basis of accounting unless the directors either intend to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

#### *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the director's and management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Report on Other Legal and Regulatory Requirements**

Proper accounting records have been kept by Oil Search Foundation for the year ended 31 December 2019. We did not provide any other services to Oil Search Foundation.

*Deloitte Touche Tohmatsu*  
DELOITTE TOUCHE TOHMATSU

*Benjamin Lee*

**Benjamin Lee**  
Registered under the Accountants Act 1996  
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