



Financial Report 2020

RESILIENCE THROUGH ADVERSITY

(YUMI SANAP STRONG WANTAIM, NAMEI LONG DISPLA TAIM NOGUT)



INDEX TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

CONTENTS

Index	3
Directors' report	4
Statement of profit and loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10-17
Independent Auditor's Report	18

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 and the state of the Foundations affairs at that date.

DIRECTOR

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

Rick Lee (Non-executive director appointed on Wednesday 08th April 2020)

Gerea Aopi (Non-executive director resigned on Monday 28th September 2020)

Leon Buskens (Non-executive director appointed on Monday 28th September 2020)

Peter Botten (Non-executive director)

Stephanie Copus-Campbell (Executive director)

PURPOSE AND MISSION

Oil Search Foundations mission is to contribute to nationwide development goals by working in partnership with government and stakeholders to improve development outcomes and achieve system stability and functionality.

We deliver key humanitarian and development assistance to three Provinces and the National Capital District and provides advisory support for national policies and plans. We are committed to making a difference and realising transformational and sustainable change in our communities.

Our programmes contribute to building capacity and strengthening service delivery in Papua New Guinea's isolated and hard to reach regions; places where the need is greatest. Our primary donor is Oil Search Limited (OSL) hence our activities are primarily focussed in the Hela, Southern Highlands and Gulf Provinces.

We are a caring organisation that operates with high integrity and respect. We are passionate about development and strive to deliver excellence through innovation and partnerships with a diverse and highly responsible workforce.

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.

2020 REVIEW

The 2020 financial year brought unexpected challenges with COVID-19 impacting our primary donors funding streams as well as plans to grow our externally funded grant portfolio. This resulted in a full review of our operating model, a redundancy program and reprioritisation of activities which achieved a USD\$5.0 million savings on the OSL grant coupled with the challenges of staff working remotely.

Whilst transitioning to a new way of working and managing the impacts of COVID-19 on program implementation, 2020 was also the final year for our 5-year OSL grant (2016 – 2020). The development of a new longer-term strategy was underway as at the end of the 2020 financial year and as at the reporting date OSL have approved a one (1) year extension to the current grant agreement whilst the new strategy is finalised in 2021. The funding attached to this extension is USD\$10.4 million.

The Oil Search Foundation reported a net deficit of USD \$ 1,372,023 (2019: USD \$ 4,307,611 net deficit).

CHANGE IN ACCOUNTING POLICIES

No changes in accounting policies occurred during the financial year.

ENTRIES IN THE INTEREST REGISTER

Nil.

DIRECTORS' REMUNERATION AND PAYMENTS TO KEY MANAGEMENT

There were no fees paid to directors during the financial year.

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, 29 April 2021



Leon Buskens

Director

Port Moresby, 29 April 2021



Stephanie Copus-Campbell

Director

Port Moresby, 29 April 2021

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 USD \$	2019 USD \$
REVENUE			
Donations received	5	12,142,205	17,685,455
Interest Income		14,828	25,757
TOTAL INCOME		12,157,033	17,711,212
OPERATING EXPENSES			
Pillar 1 - Signature Programs			
Hela Province Program		5,207,354	5,958,036
Gulf Program		1,480,910	3,943,870
Earthquake Relief		-	102,306
Pillar 2 - Development Partner			
Business Development Unit		180,947	1,011,758
Women Protection and Empowerment		525,605	1,135,894
Leadership and Education		1,014,442	1,724,288
Global Fund Programs - HIV			
Implementing Partners Expenditure		-	1,182
Incentive Fund		152,904	1,970,004
Wok Bung Wantaim		494,815	1,146,018
Bel isi PNG		1,025,113	1,090,548
Santos - A&E		-	1,000,258
Global Alliance on Vaccines and Immunisation		355,577	42,655
Pillar 2 - Development Partner			
Accountability and Administration		2,806,419	2,406,898
Monitoring and Evaluation		370,919	484,837
Foreign currency loss		(85,949)	271
Loss/(Gain) on disposal of fixed assets		-	-
Total expenses		13,529,056	22,018,823
Deficit for the year		(1,372,023)	(4,307,611)
TOTAL COMPREHENSIVE INCOME		(1,372,023)	(4,307,611)

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 10-17.

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020

	Notes	2020 USD \$	2019 USD \$
NON CURRENT ASSETS			
Property, plant and equipment	10	140,902	196,495
		140,902	196,495
CURRENT ASSETS			
Cash and cash equivalents	8	4,665,494	15,598,708
Trade and other receivables	9	1,510,110	3,806,957
		6,175,604	19,405,665
TOTAL ASSETS		6,316,506	19,602,160
EQUITY AND LIABILITIES			
Retained surplus (deficit)	7	3,598,709	4,970,732
CURRENT LIABILITIES			
Trade and other payables		2,717,797	14,631,428
TOTAL LIABILITIES		2,717,797	14,631,428
TOTAL EQUITY AND LIABILITIES		6,316,506	19,602,160

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 10-17.

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



Peter Botten

Director

Port Moresby, 29 April 2021



Leon Buskens

Director

Port Moresby, 29 April 2021



Stephanie Copus-Campbell

Director

Port Moresby, 29 April 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Retained earnings USD \$	Total USD \$
BALANCE AT 1 JANUARY 2019	9,278,343	9,278,343
Total Comprehensive Income for the year ending 31 December 2019	(4,307,611)	(4,307,611)
BALANCE AT 1 JANUARY 2020	4,970,732	4,970,732
Total Comprehensive Income for the year ending 31 December 2020	(1,372,023)	(1,372,023)
BALANCE AT 31 DECEMBER 2020	3,598,709	3,598,709

STATEMENT OF CASH FLOWS FOR THE YEAR FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 USD \$	2019 USD \$
Cash flows from operating activities		
Receipts from donations	11,106,463	17,283,548
Payments to suppliers and employees	(22,054,505)	(10,482,216)
Interest received	14,828	25,757
Net cash generated from operating activities	(10,933,214)	6,827,089
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	-	-
Payments for property, plant and equipment	-	(188,046)
Net cash generated by / (used in) investing activities	-	(188,046)
Cash flows from financing activities		
Proceeds of borrowings	-	-
Repayment of borrowings	-	-
Net cash provided (used) by financing activities	-	-
Net increase in cash and cash equivalents	(10,933,214)	6,639,044
Cash and cash equivalents at the start of the year	15,598,708	8,959,664
Cash and cash equivalents at the end of the year	4,665,494	15,598,708

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 10-17.

	2020 USD \$	2019 USD \$
Reconciliation of net loss to net cash provided by operating activities		
Opening Cash as at 1 January	15,598,708	8,959,664
Net surplus (deficit)	(1,372,023)	(4,307,610)
Adjustment for:		
Depreciation	55,593	63,552
Changes in assets and liabilities:		
Asset	-	(188,046)
Accounts receivable	2,296,847	(435,103)
Accounts payable	(13,105,947)	11,351,626
Accrued expenses	1,192,316	154,625
Closing cash as at 31 December 2020	4,665,494	15,598,708

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 14th April 2021.

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 2020

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 2020.

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

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 IASB 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.

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

At the date of authorisation of these financial statements, the Foundation has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

IFRS 10 and IAS 28 (amendments)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture¹</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current²</i>
Amendments to IFRS 3	<i>Reference to the Conceptual Framework³</i>
Amendments to IAS 16	<i>Property, Plant and Equipment—Proceeds before Intended Use³</i>
Amendments to IAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract³</i>
Annual Improvements to IFRS Standards 2018-2020 Cycle	<i>Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases³</i>

¹The effective date of the amendments has yet to be set by the

²The amendments are applied retrospectively for annual periods

³Effective on or after the beginning of the first annual period

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial report has been prepared in accordance with International Financial Reporting Standards, the Trust Deed and the Companies Act 1997 (amended 2014). 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 is received.

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

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	2020 USD \$	2019 USD \$
Oil Search Limited	10,536,859	15,363,588
Australian Government - Bel isi PNG	557,700	340,550
Australian Government - PPF	397,420	999,159
Australian Government - GAVI	199,159	147,000
Australian Government - Incentive Fund	-	475,682
Bel isi PNG Subscriptions	267,252	241,629
Nipa Kutubu LLG	-	44,100
Other	183,815	73,747
	12,142,205	17,685,455
Interest Income	14,828	25,757
Total revenue	12,157,033	17,711,212

6. NET DEFICIT FOR THE YEAR

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

Auditor's remuneration	2020 USD \$	2019 USD \$
Auditing the financial statements	17,100	16,199
	17,100	16,199
Salaries and Wages	4,286,874	4,682,037
Depreciation of property, plant and equipment	55,593	63,552

7. TRADE AND OTHER PAYABLES	2020 USD \$	2019 USD \$
Oil Search (PNG) Limited	507,095	13,222,072
External Suppliers	5,479	75,572
Accruals	1,830,948	638,633
Other payables	374,275	695,151
	2,717,797	14,631,428

8. TRADE AND OTHER RECEIVABLES	2020 USD \$	2019 USD \$
Oil Search (PNG) Limited	148,225	3,300,662
External Receivables	131,062	
Prepayments	397,284	401,824
Other debtors	833,539	104,471
	1,510,110	3,806,957

9. CASH AND CASH EQUIVALENTS	2020 USD \$	2019 USD \$
For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks.		
Cash at bank	4,665,494	15,598,119
Petty Cash held	-	589
	4,665,494	15,598,708

10. PROPERTY, PLANT AND EQUIPMENT

	Furniture USD \$	Computer Equipment USD \$	Other Plant USD \$	Medical Equipment USD \$	Motor Vehicles USD \$	Total USD \$
2020 Cost						
Balance at 31 December 2019	1,934	6,458	-	9	188,094	196,495
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance at 31 December 2020	1,934	6,458	-	9	188,094	196,495
Accumulated depreciation and impairment						
Balance at 31 December 2019	-	-	-	-	-	-
Charge for the year	592	5,490	-	-	49,512	55,593
Depreciation on disposals	-	-	-	-	-	-
Balance at 31 December 2020	592	5,490	-	-	49,512	55,593
Carrying amount at 31 December 2020	1,342	969	-	9	138,582	140,902

2019 Cost						
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	3,510	36,297	420,200	595,622
Accumulated depreciation and impairment						
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
Carrying amount at 31 December 2019	1,934	6,458	-	9	188,094	196,495

11. 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

Financial assets

	2020 USD \$	2019 USD \$
Cash and cash equivalents	4,665,494	15,598,708
Trade and other receivable	1,510,110	104,471

Financial liabilities

Trade and other payables	2,717,797	14,631,428
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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.

	2020 USD \$	2019 USD \$
Assets denominated in Kina	4,739,871	1,184,390

Exposure to credit Risk

	2020 USD \$	2019 USD \$
Cash at Bank - Australia and New Zealand Banking Group	4,688,283	15,616,678
Cash at Bank - Bank of South Pacific	19,613	23,650

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.

12. SUBSEQUENT AND SIGNIFICANT EVENTS

Subsequent, and significant, events for 2020 included a review of the organisations operating model due to COVID-19.

The outcomes of the review resulted in a more efficient organisational model, changes to staff working arrangements to cater for increased remote working capability and a USD\$5.0 million reduction in the 2020 funding requirements from the Foundations primary donor (Oil Search Limited).

2020 marked the end of the Foundations 5 year strategy (2016 - 2020) and approval was granted from the Foundations primary donor to extend the grant agreement by one (1) year whilst a new longer term strategy is to be developed in 2021.

INDEPENDENT AUDITOR'S REPORT

Deloitte.

Deloitte Touche Tohmatsu

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

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 2020, 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, give a true and fair view of the Foundation's financial position as at 31 December 2020 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 2020 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.

INDEPENDENT AUDITOR'S REPORT

Deloitte

Responsibilities of 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 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 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 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.

INDEPENDENT AUDITOR'S REPORT

Deloitte.

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 2020. We did not provide any other services to Oil Search Foundation.


DELOITTE TOUCHE TOHMATSU



Benjamin Lee
Registered under the Accountants Act 1996
Partner

Port Moresby, 29 April 2021

OIL SEARCH FOUNDATION LIMITED

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