

The Kokoda Track Foundation Limited

ABN 45 103 660 948

Annual report for the financial year ended
31 December 2024

The Kokoda Track Foundation Limited

Annual report for the financial year ended 31 December 2024

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Chair & CEO's Report

As we reflect on our 22nd year of delivering and partnering on development programs in Papua New Guinea (PNG), we celebrate another time of growth, impact and expansion for KTF. In 2024, our commitment to empowering the people and communities of PNG has only strengthened, with significant advancements across education, health, equality and leadership. Our vision remains steadfast: to improved lives, livelihoods and futures, where it is needed most. This year, we have continued to expand our reach, deepen our impact, and strengthen partnerships that drive sustainable change.

Education remains at the heart of our mission and 2024 has been a year of further expansion of our education program, delivered across Western, Oro, Central, New Ireland, Morobe, and Madang Provinces and Hanuabada, Pari and Taurama communities in NCD. In 2024, we operated 14 FODE Colleges across PNG, providing 2,250 students with access to second-chance, quality, high-school education. We are particularly proud that 53% of our FODE students are female, and 13% are students with disabilities, ensuring that education remains inclusive and accessible. Furthermore, 71% of our students are on a pathway to becoming teachers, with 515 current teachers enrolled in FODE programs to upgrade their qualifications in line with PNG Government mandatory requirements. We had an extraordinary year with an average of 80% of students enrolled completing an entire academic year and graduating to the next year or with Grade 12 qualifications, enabling to pursue further tertiary or technical study pathways, or employment.

We are proud education partners of the PNG Sustainable Development Program (SDP) in Western Province, and our FODE Colleges and outreach program reached over 100 villages around the Province, providing the only second chance education pathways available to remote communities across North, South, Middle and Delta Fly Districts.

SDP's Balimo College continues to strengthen the education sector in Western Province, and the pre-service teacher training program delivered by KTF in partnership with Western Sydney University, supported 129 students throughout 2024. SDP has opened a School of Nursing in 2025 and KTF is once again proud to support the delivery of the pre-service Bachelor of Nursing with Divine Word University to our inaugural cohort of 40 nursing students. Through our work in schools with SDP in Western Province, 240 teachers across 77 schools are now equipped with digital resources, benefiting more than 8,500 students and transforming classrooms into hubs of interactive learning.

Across New Ireland Province, with the support of Newmont, and Oro Province, as part of our ANCP program, we have built 40 playgrounds and transformed 60 classrooms, creating engaging learning environments that nurture curiosity and creativity; and enable schools to commence early childhood education. Newmont's commitment to teachers and enhancing community opportunities saw the opening of three new FODE Colleges across New Ireland Province, and KTF has enrolled almost 400 students including 240 teachers across the region.

Through our Light for Learning initiative, KTF continues to bridge the energy divide, bringing solar power to remote communities. This year, in partnership with DFAT's Pawarim Komuniti initiative, we installed 8,000 household solar systems across 90 villages, directly impacting 31,000+ people by providing access to clean, sustainable energy. These systems not only power homes but also enable children to study after dark, improve safety, and create opportunities for economic empowerment.

KTF's health programs remain a lifeline for thousands of people in remote areas. Our 15 aid posts across Oro Province provided essential healthcare to 63,000+ patients, delivering primary healthcare, maternal and child health services, family planning, and immunizations. Through 14 Integrated Health patrols, we reached 184 villages, bringing much-needed medical support to some of the most isolated communities in PNG. This year, we also administered 9,200+ vaccinations to protect children from preventable diseases and conducted 12,000+ awareness-raising sessions on critical health issues.

KTF continues to champion gender equality and empower young people through initiatives like Kicks for Kokoda (K4K), where 234 participants (59% female) engaged in sports and education programs aimed at improving health, leadership, and gender outcomes.

Our commitment to combatting family and sexual violence also remains strong. This year, our Safe Haus supported 100+ survivors of violence, providing them with a secure environment and access to critical services including counselling, legal, policing, financial literacy, small business training and repatriation. Additionally, 86 community participants completed counsellor training, strengthening the network of support available to survivors thanks to Pacific Women Lead and DFAT's ANCP.

The Archer Leaders Development Program marked another milestone in its 14th year, welcoming a new cohort of 12 young leaders committed to driving positive change in their communities. Thanks to our valued partners, the Fred P. Archer Trust, Newmont, and Kina Bank, we continue to invest in the next generation of PNG's leaders, equipping them with the skills and knowledge to shape a brighter future.

As we close another impactful year, we extend our deepest gratitude to our dedicated teams, partners, donors, and supporters. Your unwavering commitment fuels our work and enables us to reach even more communities in need.

While we celebrate our achievements, we remain mindful of the challenges ahead. There is still much to do, and we stand ready to continue our mission with determination, resilience, and the spirit of Kokoda - courage, sacrifice, endurance, and mateship.

Together, we look to 2025 with optimism, ready to deepen our impact and expand opportunities for the people of PNG.



Ian Kemish AM
Chair
27 March 2025



Dr Genevieve Nelson
Chief Executive Officer
27 March 2025

Directors' Report

The directors of The Kokoda Track Foundation Limited (KTF) submit herewith the annual financial report of KTF for the financial year ended 31 December 2024. In order to comply with the provisions of the *Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC), the directors report as follows:

Information about the directors

The names and particulars of the directors of the company during or since the end of the financial year are:

Name	Qualifications and experience
Ian Ferguson Kemish AM	Chair - The Kokoda Track Foundation Limited BA (Hons) Dip Ed (University of Queensland) Co-founder and Principal Consultant, Forridel International Advisory Services Chair - ChangeMakers Alumni Engagement Committee, UQ Chair - 3rd Space Brisbane Director - Australia Indonesia Centre Adjunct Associate Professor, UQ Distinguished Adviser at the ANU National Security College
Elizabeth Jessie Carr AM	Deputy Chair - The Kokoda Track Foundation Limited Member - Finance Audit & Risk Management Committee, The Kokoda Track Foundation Limited Member - Gift Fund Committee, The Kokoda Track Foundation Limited BA (Hons) (University of Western Australia) MPA (Harvard University) Member, Fellow and Facilitator of the Australian Institute of Company Directors Chair - Waste Authority WA Chair - South Metropolitan TAFE (WA) Chair - North Regional TAFE (WA) Chair - St Mary's Anglican Girls School (WA) Chair - NSW Murrumbidgee Local Health District Audit & Risk Committee Chair - WA Department Communities Audit & Risk Committee Chair - WA Department Primary Industries and Regional Development Audit & Risk Committee Chair - NSW Department Education and Training Audit & Risk Committee Member - NSW Trustees & Guardians Audit & Risk and Investment Committee Past President - Harvard Club Australia
Genevieve Fiona Nelson	Chief Executive Officer – The Kokoda Track Foundation Limited BPsych (Hons) (Western Sydney University) PhD in Educational and Cross Cultural Psychology (Western Sydney University) Adjunct Research Fellow, University of Queensland Adjunct Research Fellow, Western Sydney University Director - KTF PNG Limited Director - Partnering PNG Limited Director - Balimo College Limited Chair - Port Moresby Grammar School Graduate - Australian Institute of Company Directors
Francina Thomson (retired 24 April 2024)	BA - Journalism and Public Relations (University of Papua New Guinea, 2005) Cert IV in Training and Assessment (Canberra Institute of Technology, 2015)

Jessica Leigh Gallagher (on leave)	PhD in Comparative Cultural Studies (University of Queensland) Graduate of the Australian Institute of Company Directors Adjunct Senior Lecturer, School of Languages and Cultures (University of Queensland)
Peter Barrow	Fellow of the Australian Institute of Company Directors Fellow of Chartered Accountants Australia and New Zealand Founder & Senior Partner 35 years - MBT Chartered Accountants Chair - Oaks Hotels & Resorts Limited Chair - Audit & Risk Committee, Flight Centre Limited Director - Mosaic Oil N.L
Peter John Aitsi	Dip Program (PNG Institute of Banking & Finance) MBE for services to media and broadcasting in 2007 Male Director of the Year 2018 - PNG Institute of Directors Chair - MiBank Chair - PNGFM Ltd Chair - Transparency International PNG Executive Chair - PNG Property Developers Association Executive Director - OM Holdings Ltd Director - Steamships Trading Ltd Group Member - PNG Institute of Directors Member - Australian Institute of Company Directors
Peter William John Parry	Chair - Finance Audit & Risk Management Committee, The Kokoda Track Foundation Limited Chair - Gift Fund Committee, The Kokoda Track Foundation Limited Fellow Certified Practicing Accountant Bachelor of Business (NSW Institute of Technology) Director - KTF PNG Limited Director - Moss Vale Golf Club Pty Limited
Roselyne Kenneth (appointed 24 April 2024)	Independent Consultant - Papua New Guinea Certificate in Gender Studies (International Labour Organisation) Graduate Diploma of Arts / Social Anthropology (Monash University, Australia) Bachelor of Arts with Honours (University of PNG) Bachelor of Arts (University of Papua New Guinea)
Susan Patricia Black	BOccThy (University of Queensland) Master of Social Welfare Administration and Planning (University of Queensland) President - The Sandgate and Bracken Ridge Action Group Incorporated Social Enterprise Mentor, Build Your Future Today, Cambodia Board Member, Nundah Community Enterprise Co-operative
William Manfred James	BEcon (University of Sydney) Dip Ed (University of Sydney) Founding Director - Flight Centre Travel Group Director - Partnering PNG Limited

Company Secretary

Mr Peter Barrow, FAICD, FCA, is the company secretary.

Principal activities

The Kokoda Track Foundation Limited (KTF) is an international development organisation working in Papua New Guinea.

KTF works with people and communities to improve lives, livelihoods and futures. KTF is inspired by keeping the spirit of Kokoda alive.

Review of operations

KTF's net loss for the financial year was \$459,305 (2023: net surplus of \$1,064,011). A review of the operations of KTF during the financial year and the results of those operations found that KTF continued to engage in its principal activity of delivering development programs in education, health, equality and leadership in Papua New Guinea.

KTF has a policy of holding reserves sufficient to ensure it can meet existing commitments to its upcoming development activities.

KTF is a Deductible Gift Recipient and as such can accept tax deductible donations.

Changes in state of affairs

There was no significant change in the state of affairs of KTF during the financial year.

Subsequent events

Subsequent to 31 December 2024, KTF renewed a \$12.4 million funding agreement for 2025, within a long-term partnership with PNG Sustainable Development Program for the expansion of our joint educational initiatives in Western Province.

There has not arisen in the interval between 31 December 2024 and the date of these Financial Statements, any other event that would have a material effect on the Financial Statements as at 31 December 2024.

Future developments

Disclosure of information regarding likely developments in the operations of KTF in future financial years is made in the Chair and Chief Executive Officer's Report.

Dividends

KTF is a not-for-profit organisation and pays no dividends.

Directors' meetings

The following table sets out the number of directors' meetings and meetings of the Finance Audit & Risk Management Committee and the Gift Fund Committee held during the financial year and the number of meetings attended by each director (while they were a director). No payments were made to non-executive directors.

Directors	Held	Attended
Ian Kemish AM (Chair)	5	5
Elizabeth Carr AM (Deputy Chair)	5	4
Genevieve Nelson (Chief Executive Officer)	5	5
Peter Barrow	5	4
Peter Aitsi	5	3
Peter Parry	5	5
Susan Black	5	5
William James	5	5
Roselyne Kenneth (appointed 24 April 2024)	3	3
Jessica Gallagher (on leave)	0	0
Francina Thomson (retired 24 April 2024)	1	1
Finance Audit & Risk Management Committee		
Peter Parry (Chair)	5	5
Elizabeth Carr AM	5	4
Bernie Egan	5	5
Gift Fund Committee		
Peter Parry (Chair)	5	5
Elizabeth Carr AM	5	4
Bernie Egan	5	5

Auditor's independence declaration

The Lead Auditor's Independence Declaration is set out on page 9 and forms part of the Directors' Report for the financial year ended 31 December 2024.

On behalf of the Directors

A handwritten signature in grey ink, appearing to read 'Ian Kemish'.

Ian Kemish AM
Chairman
Sydney, 27 March 2025



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the directors of The Kokoda Track Foundation Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

A handwritten signature in cursive script, appearing to read 'Patrice Scott'.

Patrice Scott

Partner

Sydney

27 March 2025



Independent Auditor's Report

To the members of The Kokoda Track Foundation Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report**, of The Kokoda Track Foundation Limited (the Foundation).

In our opinion, the accompanying Financial Report of the Foundation is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, and sections 23(1)(d) and 24B of the *Charitable Fundraising Act (NSW) 1991*, including:

- i. giving a true and fair view of the **Group's** financial position as at 31 December 2024, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Simplified Disclosures Framework* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022 (ACNCR)* and section 21 of the *Charitable Fundraising Regulation (NSW) 2021*.

The **Financial Report** comprises:

- i. Consolidated statement of financial position as at 31 December 2024.
- ii. Consolidated statement of revenue and expenditure and comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended.
- iii. Notes, including material accounting policies.
- iv. Directors' declaration of the Foundation.

The **Group** consists of The Kokoda Track Foundation Limited and the entity it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Group in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Other information

Other Information is financial and non-financial information in The Kokoda Track Foundation Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Chair and Chief Executive Officer's Report and Director's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do 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. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures Framework and the ACNC and ACNCR and sections 23(1)(d) and 24B of the *Charitable Fundraising Act (NSW) 1991* and section 21 of the *Charitable Fundraising Regulation (NSW) 2021*.
- ii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- iii. Assessing the Group and Foundation's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Foundation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report¹

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- i. 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.
- ii. 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 registered Group's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. 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 registered Group and 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 registered Group and Foundation to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.
- vi. Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors of the registered Foundation 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.

KPMG

Patrice Scott

Partner

Sydney

27 March 2025

Directors' Declaration

In the opinion of the Directors of KTF:

- (a) KTF is not publicly accountable;
- (b) the consolidated financial statements and notes that are set out on pages 15 to 27 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the *Charitable Fundraising Act (NSW) 1991*, including:
 - (i) giving a true and fair view of KTF's financial position as at 31 December 2024 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards - Simplified Disclosures, the *Australian Charities and Not-for-profits Commission Regulation 2022*, the *Charitable Fundraising Act (NSW) 1991* and the *Charitable Fundraising Regulation (NSW) 2021*;
- (c) there are reasonable grounds to believe that KTF will be able to pay its debts as and when they become due and payable; and
- (d) the internal controls exercised by KTF are appropriate and effective.

Signed in accordance with a resolution of the directors:



Ian Kemish AM
Chairman
Sydney, 27 March 2025

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The Kokoda Track Foundation Limited

Consolidated Statement of Revenue and Expenditure and Comprehensive Income for the financial year to 31 December 2024

	FY 2024 \$	FY 2023 \$
REVENUE		
Donations & Gifts		
Donations	1,145,070	1,103,102
Government Grants		
Department of Foreign Affairs and Trade		
Australian NGO Cooperation Program Grant	1,070,372	617,220
Kokoda Initiative Partnership	260,001	102,246
Australian Sports Partnerships Program	166,875	249,375
DFAT/ESIP – Pawarim Komuniti Program	588,817	359,427
Kokoda College Solar Mini-Grid	213,000	-
SPC - Pacific Women Lead	124,475	-
High Commission of Canada	63,447	79,783
Non-government Grants		
PNG Sustainable Development Program	9,283,973	7,014,778
Newcrest Community Funding	1,234,194	1,012,500
Finance Income	179,942	65,401
Other Revenue	97,076	56,456
TOTAL REVENUE	14,427,242	10,660,288
EXPENDITURE		
International Aid and Development Programs Expenditure		
International Programs		
Funds to International Programs – PNG		
Education	(10,210,164)	(6,055,243)
Health	(755,321)	(672,858)
Equality	(280,636)	(473,045)
Leadership	(291,544)	(389,802)
Program Support Costs	(1,945,761)	(1,291,420)
Fundraising Costs		
Public	(335,499)	(236,505)
Government, multilateral and private	(88,039)	(62,749)
Community Education	(16,658)	(14,490)
Accountability and Administration	(962,925)	(400,165)
Total International Aid and Development Programs Expenditure	(14,886,547)	(9,596,277)
TOTAL EXPENDITURE	(14,886,547)	(9,596,277)
EXCESS OF REVENUE OVER EXPENDITURE	(459,305)	1,064,011
Other comprehensive income	-	-
TOTAL (DEFICIT) / SURPLUS	(459,305)	1,064,011

Notes to the financial statements are included on pages 19 to 27.

The Kokoda Track Foundation Limited

Consolidated Statement of Financial Position as at 31 December 2024

	Note	31 December 2024	31 December 2023
Current assets			
Cash and cash equivalents		2,633,472	2,888,995
Short-term bank deposits		3,483,526	3,850,827
Trade and other receivables	4	118,967	36,926
Total current assets		6,235,965	6,776,748
Non-current assets			
Property, plant & equipment	5	370,610	284,685
Right-of-use assets	6	396,469	440,521
Intangibles		3,975	3,975
Total non-current assets		771,054	729,181
Total assets		7,007,019	7,505,929
Current liabilities			
Trade and other payables		387,403	806,261
Deferred income	11	2,578,472	2,231,376
Provisions	7	234,413	177,284
Lease liabilities	6	35,003	35,003
Total current liabilities		3,235,291	3,249,924
Non-current liabilities			
Provisions	7	50,045	40,015
Lease liabilities	6	370,516	405,518
Total non-current liabilities		420,561	445,533
Total liabilities		3,655,852	3,695,457
Net assets		3,351,167	3,810,472
Accumulated funds			
Funds held		3,351,167	3,810,472
Total accumulated funds		3,351,167	3,810,472

Notes to the financial statements are included on pages 19 to 27.

The Kokoda Track Foundation Limited

Consolidated Statement of Changes in Equity for the financial year ended 31 December 2024

	Accumulated Funds
	\$
Balance at 1 January 2023	2,746,461
Surplus for the year	<u>1,064,011</u>
Balance at 31 December 2023	<u>3,810,472</u>
Balance at 1 January 2024	3,810,472
Deficit for the year	<u>(459,305)</u>
Balance at 31 December 2024	<u>3,351,167</u>

The Kokoda Track Foundation Limited

Consolidated Statement of Cash Flows for the financial year ended 31 December 2024

		FY 2024	FY 2023
	Note	\$	\$
Cash flows from operating activities			
Receipts from donors, fundraising activities, and government grants		14,430,355	12,381,753
Payments to suppliers and employees		(14,831,322)	(9,008,261)
Cash receipts from other operating activities		97,076	56,456
Lease payments for short-term leases		(150,566)	(73,541)
Lease payments for leases of low-value assets		(6,302)	(3,053)
Net cash (used in) / provided by operating activities		(460,759)	3,353,354
Cash flows from investing activities			
Payment for property, plant and equipment	5	(307,004)	(276,218)
Net cash redemptions / (payments) of short-term bank deposits		367,301	(2,065,052)
Interest received		179,942	65,401
Net cash provided by / (used in) investing activities		240,239	(2,275,869)
Cash flows from financing activities			
Repayments of lease liabilities		(35,003)	(31,818)
Net cash used in financing activities		(35,003)	(31,818)
Net (decrease) / increase in cash and cash equivalents		(255,523)	1,045,667
Cash and cash equivalents at the beginning of the financial year		2,888,995	1,843,328
Cash and cash equivalents at the end of the financial year		2,633,472	2,888,995

Notes to the financial statements are included on pages 19 to 27.

The Kokoda Track Foundation Limited

Notes to the Consolidated Financial Statements for the financial year ended 31 December 2024

1. General information

The Kokoda Track Foundation Limited (KTF) is an entity limited by guarantee, incorporated in Australia, and operating in Australia and Papua New Guinea (PNG). It has one 100% owned subsidiary company in PNG: KTF PNG Limited, which was not in operation during financial year 2024.

KTF is an international development organisation working in Papua New Guinea. KTF works with people and communities to improve lives, livelihoods, and futures. KTF does this by assisting remote and rural communities with access to elementary, primary, and secondary education; improving access to quality and accessible healthcare; improving opportunities for and the safety of women; and by fostering the next generation of leaders. KTF works across four main program areas: Education, Health, Equality and Leadership. Our inspiration is to keep the spirit of Kokoda alive.

KTF raises funds in both Australia and Papua New Guinea to design, manage, co-deliver, and monitor and evaluate its programs in education, health, equality, and leadership across Papua New Guinea.

KTF's registered office and its principal place of business are as follows:

Registered office	Principal place of business	In-Country office - PNG
Level 1	Level 1	Level 3, Fincorp Haus
274 Darling Street	274 Darling Street	30 Independence Drive
BALMAIN NSW 2041	BALMAIN NSW 2041	Waigani, NCD, Port Moresby

2. Basis of preparation

Statement of compliance

The financial report is a Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission (ACNC Act).

In the opinion of the Directors, having regard to the not-for-profit nature of KTF's business, the terms used in the prescribed format of the Statement of Revenue and Expenditure and Comprehensive Income are not appropriate. "Profit or Loss" in the prescribed format of the Statement of Revenue and Expenditure and Comprehensive Income has been substituted by "Surplus or Deficit". Statements are also compliant with the Australian Council for International Development's Code of Conduct.

Basis of measurement

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Notes to the Consolidated Financial Statements for the financial year ended 31 December 2024

Critical accounting judgements and key sources of estimation uncertainty

In the application of KTF's accounting policies, management is required to make judgments, estimates and assumptions about carrying values 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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

No judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements were noted during the year. Additionally, no assumptions and estimation uncertainties at 31 December 2024 have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year were noted.

Climate change

Impacts related to climate change may include physical impacts resulting from increased severity of extreme weather events, and those related to chronic risks resulting from longer-term changes in climate patterns.

KTF continues to develop its assessment of the potential impacts of climate change and the transition to a lower carbon economy. KTF actively seeks partnership opportunities and engages with entities in clean and renewable energy sectors to deliver innovative and sustainable programs. KTF incorporates climate change mitigation strategies as a cross-cutting issue across all of its programming activities and is guided by its Climate Change Adaption and Disaster Risk Reduction Policy.

Material accounting policies

The following material accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Foreign currency

For the purpose of the financial statements, the results and financial position are expressed in Australian dollars, which is the functional currency of The Kokoda Track Foundation Limited and the presentation currency for the financial statements.

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

(b) Revenue

Cash donations

Donations and collections are recognised when control passes which is normally on receipt.

Donations of goods

Notes to the Consolidated Financial Statements for the financial year ended 31 December 2024

Donations of goods are recognised as revenue when the following conditions are met:

- (i) Control over goods is passed (normally on receipt of goods);
- (ii) KTF is able to benefit from those goods in the pursuit of the entity's objects and to deny or regulate access of others to those benefits;
- (iii) The fair value of goods can be reliably determined;
- (iv) It is probable that the economic benefits comprising the contribution will flow to KTF.

No amounts are included in the financial report for services donated by volunteers.

Other revenue

Other revenue is recognised when the right to receive the revenue has been established. Other revenue includes ticket sales and silent auction sales from the fundraising events.

Interest

Interest income, including income arising from financial instruments, is recognised when it is received.

Government and non-government grants

Revenue is recognised over time as performance obligations are met. Funding is usually received in advance with a deferred income liability recorded for unspent funds.

Estimates and judgements relating to revenue

For the government grants received, the determination of whether the contract includes sufficiently specific performance obligations was a judgement involving review of the proposal documents prepared during the grant application phase and consideration of the terms and conditions.

Grants received by KTF have been accounted for under both AASB 15 and AASB 1058 depending on the terms and conditions and decisions made. If this determination was changed then the revenue recognition pattern would be different from that recognised in this financial report.

(c) Income tax

KTF is a registered charity and is exempt from income tax pursuant to Section 50-5 of the Income Tax Assessment Act 1997.

(d) Cash at bank

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, in hand, and short-term, highly liquid investments that have short maturities of three months or less from the date of acquisition.

Short-term bank deposits

Short-term bank deposits comprise term deposits in financial institutions with maturities over three months but less than one year from the date of acquisition, held as at the end of the financial year as a financial reserve for future projects.

Interest

Notes to the Consolidated Financial Statements for the financial year ended 31 December 2024

Interest income, including income arising from short-term bank deposits, is recognised upon receipt.

(e) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less loss allowance for expected credit losses. The recognition of lifetime expected credit losses is estimated based on assumptions and information regarding expected future conditions affecting historical default rates. Bad debts are written off when identified.

(f) Trade payables and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost. Amortised cost is the initial amount payable less any repayments.

(g) Leases

At inception of a contract, KTF assesses whether a contract contains a Lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, KTF uses the definition of a lease in AASB 16.

At commencement or on modification of a contract that contains a lease component, KTF allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property KTF has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

KTF recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to KTF by the end of the lease term or the cost of the right-of-use asset reflects that KTF will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. KTF uses its incremental borrowing rate as the discount rate.

Notes to the Consolidated Financial Statements for the financial year ended 31 December 2024

KTF determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that KTF is reasonably certain to exercise, lease payments in an optional renewal period if KTF is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless KTF is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in KTF's estimate of the amount expected to be payable under a residual value guarantee, if KTF changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised insubstance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

KTF has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. KTF recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(h) **Property, plant and equipment**

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses. If significant part of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit and loss.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the organization.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using straight-line method over their estimated useful lives. The following estimated useful lives are used in the calculation of depreciation:

The Kokoda Track Foundation Limited

Notes to the Consolidated Financial Statements for the financial year ended 31 December 2024

- (i) Office equipment 1 - 15 years;
- (ii) Motor vehicles 5 - 10 years;
- (iii) Transport assets 5 - 10 years;

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(i) Program Support Costs

Program Support Costs include all Australian salary wages expenses on the basis that such costs are incurred and paid for in Australia.

3. Key management personnel compensation

	2024	2023
	\$	\$
Employee Benefits	626,576	539,086

In FY2024 KTF has identified the Key Management Personnel to be the Chief Executive Officer, the Chief Operating Officer, and the Chief Financial Officer.

4. Trade and other receivables

Sundry Debtors	24,206	23,197
Prepayment	65,956	-
Rental Bond	28,805	13,729
	118,967	36,926

5. Property, plant & equipment

Office Equipment

Office Equipment at Cost	425,393	271,567
Less: Accumulated Depreciation	(296,750)	(169,142)
	128,643	102,425
Opening Balance as at 1 January	102,425	65,336
Additions During the Year	153,826	101,652
Depreciation During the Year	(127,608)	(64,563)
Closing Balance as at 31 December	128,643	102,425

The Kokoda Track Foundation Limited

Notes to the Consolidated Financial Statements for the financial year ended 31 December 2024

5. Property, plant & equipment (continued)

	2024 \$	2023 \$
Motor Vehicles		
Motor Vehicles (PNG) at Cost	344,449	219,173
Less: Accumulated Depreciation	(123,440)	(47,317)
	<u>221,009</u>	<u>171,856</u>
Opening Balance as at 1 January	171,856	25,030
Additions During the Year	125,276	174,566
Depreciation During the Year	(76,123)	(27,740)
	<u>221,009</u>	<u>171,856</u>
Closing Balance as at 31 December	<u>221,009</u>	<u>171,856</u>
Transport Assets		
Transport Assets at Cost	66,675	38,773
Less: Accumulated Depreciation	(45,717)	(28,369)
	<u>20,958</u>	<u>10,404</u>
Opening Balance as at 1 January	10,404	20,809
Additions During the Year	27,902	-
Depreciation During the Year	(17,348)	(10,405)
	<u>20,958</u>	<u>10,404</u>
Closing Balance as at 31 December	<u>20,958</u>	<u>10,404</u>
Total Property, plant & equipment as at 31 December	<u>370,610</u>	<u>284,685</u>

6. Leases

Right-of-use assets

Opening Balance as at 1 January	440,521	-
Additions During the Year	-	472,339
Depreciation During the Year	(44,052)	(31,818)
	<u>396,469</u>	<u>440,521</u>
Closing Balance as at 31 December	<u>396,469</u>	<u>440,521</u>

The Kokoda Track Foundation Limited

Notes to the Consolidated Financial Statements for the financial year ended 31 December 2024

6. Leases (continued)

	2024 \$	2023 \$
Amounts recognised in profit and loss		
Expenses relating to short-term leases and leases of low-value assets that are not recognised as right-of-use assets	156,867	76,594
Lease liabilities		
Current	35,003	35,003
Non-Current	370,516	405,518
	405,519	440,521
Future lease payments		
Future lease payment in relation to lease liabilities		
Less than one year	63,636	63,636
One to five years	318,182	318,182
More than five years	159,091	222,727
	540,909	604,545

7. Provisions

Current

Provision for Annual Leave	145,459	102,846
Provision for Long Service Leave	88,954	74,438
	234,413	177,284

Non-current

Provision for Long Service Leave	50,045	40,015
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8. Members' guarantee

KTF is limited by guarantee. If KTF is wound up, the Constitution states that each member is required to contribute a maximum of \$10 towards any outstanding obligations of KTF.

9. Controlled Entities

Name of Entity	Country of Incorporation	Interest of immediate parent entity (ordinary shares)	
		2024	2023
KTF PNG Limited	Papua New Guinea	100%	100%

The Kokoda Track Foundation Limited

Notes to the Consolidated Financial Statements for the financial year ended 31 December 2024

10. Related Parties

KTF occupied the office located at Level 1, 274 Darling Street, Balmain, a property owned by James Management Services, which is a related party of William Manfred James. KTF continues the long-term lease agreement with James Management Services, for the lease of the office at Level 1, 274 Darling Street, Balmain (Refer to Note 6).

11. Deferred Income

In 2024, KTF received funding from Australian NGO Cooperation Program (ANCP) of \$881,690, where \$440,845 of this funding will be used to fund programs in year 2025.

KTF received funding from Newcrest Mining Ltd of \$1,642,000 in 2024 and \$1,500,000 in 2023 as part of the Newcrest Sustainability Fund Community Agreement, where \$1,907,806 of this funding will be used to fund programs in year 2025.

In 2024, KTF received funding through DT Global, which was contracted by Department of Foreign Affairs and Trade (DFAT) Ltd, amounting to \$403,709 as part of the Pawarim Komuniti Program. Of this funding, \$229,821 will be used to fund programs in 2025. Additionally, KTF received \$414,929 to support its programs in 2024, which was fully utilized during the year.

12. Auditor's remuneration

Fees in relation to audit services in FY2024 were \$37,440 (FY2023: \$36,000). No non-audit services were provided in FY2024 (FY2023: nil).

13. Subsequent events

Subsequent to 31 December 2024, KTF renewed a \$12.4 million funding agreement for 2025, within a long-term partnership with PNG Sustainable Development Program for the expansion of our joint educational initiatives in Western Province.

There has not arisen in the interval between 31 December 2024 and the date of this Financial Statements any other event that would have a material effect on the Financial Statements as at 31 December 2024.

14. Approval of financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 27 March 2025.