



Goodbye Conflict, Welcome Development
Fini le conflit, place au développement

The g7+ Secretariat
Annual Financial Statements
Year ended 31 December 2022

**The g7+ Secretariat
General Information
31 December 2022**

The g7+

Chair of the g7+

His Excellency Dr. Francis M. Kai Kai
(from 26 June 2019)

The g7+ Secretariat

**General Secretary of Secretariat
Deputy General Secretary
Headquarters**

Dr. Helder da Costa
Mr. Habib Ur Rehman Mayar
The g7+ Secretariat.
Kobe House
Rua Palacio do Governo,
Dili, Timor-Leste

The current g7+ Member countries

Afghanistan
Burundi
Central African Republic
Chad
Comoros
Cote D'Ivoire
Democratic Republic of Congo
Guinea
Guinea-Bissau
Haiti
Liberia
Papua New Guinea
Sao Tome and Principe
Sierra Leone
Solomon Islands
Somalia
South Sudan
Timor-Leste
Togo
Yemen

Banks

Bank Mandiri
ANZ

Independent Auditor

Deloitte Touche Tohmatsu

Website

<http://www.g7plus.org/>

**The g7+ Secretariat
Statement by the General
Secretary
For the year ended 31 December
2022**

BACKGROUND

The g7+ Secretariat (hereafter the "Secretariat/g7+") facilitates the development of the activities of the g7+. The Secretariat of g7+ is hosted by the Ministry of Finance of the Democratic Republic of Timor-Leste and undertakes its role pursuant to the g7+ Charter and Memorandums of Understanding (MoU) signed between the Government of the Democratic Republic of Timor-Leste and the Secretariat. Funding for the g7+ was approved as part of the State Budget Law 2022 approving an amount of \$1,000,000 (2020: \$1,000,000) as a grant to support the operational activities of the g7+.

The g7+ is a voluntary association of countries that are or have been affected by conflict and are now in transition to the next stage of development. The main objective of the g7+ is to share experience and learn from one another, and to advocate for reforms to the way the international community engages in conflict-affected states.

FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the accounting policies as detailed in Note 1.

RESULTS FOR THE YEAR

During the year 1 January 2022 to 31 December 2022, the Secretariat received no grant funding from Finland. However, the unearned grant from last year has been used during the year 2022.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

This was the eight period of operations of the Secretariat, and there were no significant changes in its state of affairs during 2022.

APPROVAL OF FINANCIAL STATEMENTS

The accompanying financial statements for the year ended 31 December 2022 have been approved on behalf of the Secretariat by:



**Helder Da Costa, PhD
General Secretary
The g7+ Secretariat**

5 December 2023

Independent Auditor's Report to the General Secretary of the g7+ Secretariat

Opinion

We have audited the accompanying financial statement of the g7+ Secretariat (the "Recipient") which comprises details of the grant monies received and expended, a summary of significant accounting policies and other explanatory information, and the Statement by the General Secretary as set out on pages 2 to 8 (the "financial statements") for the funding period from 1 January 2022 to 31 December 2022.

In our opinion, the accompanying financial statements present fairly, in all material respects, grant monies received and expended by the Recipient, in accordance with the basis of accounting described in Note 1 and the grant monies were expended in accordance with the Memorandum of Understanding (MoU) between the Government of Timor-Leste and the Recipient (the "Program") for the funding period from 1 January 2022 to 31 December 2022.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Recipient in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the financial statements. 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.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements have been prepared to assist the Recipient to meet the financial reporting requirements of the Program. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Secretary General and the Minister of Planning and Finance of Timor-Leste and should not be distributed to or used by any other parties other than the Secretary General and the Minister of Planning and Finance of Timor-Leste. Our opinion is not modified in respect of this matter.

Responsibilities of Management and for the Financial Report

Management of the Recipient is responsible for compliance with the Program and the preparation and fair presentation of the financial statements and has determined that the basis of accounting described in Note 1 to the financial statements is appropriate to meet the requirements of the Program and the needs of the Secretary General and the Minister of Planning and Finance of Timor-Leste. Management's responsibility also includes such internal control as they determine is necessary to enable the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of the Recipient to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Recipient or to cease operations or has no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial statement 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 ISAs 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 statement.

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

- (a) Identify and assess the risks of material misstatement of the financial statements, 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.
- (b) 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 Recipient's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's 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 Recipient'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 statements 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 Recipient to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Malvin Prasad
Partner
Chartered Accountants

Darwin, Australia, 5 December 2023

**The g7+ Secretariat
Statement of Income & Expense
For the year ended 31 December
2022**

Income	Notes	2022 US\$	2021 US\$
Government Grants		1,000,000	---
Voluntary Contributions		41,455	---
Interest Earned		6,456	8,918
Revenue from Finland		266,028	63,646
Other Income		3	65
Total Income	2	1,313,942	72,629
EXPENSES			
Salary & Benefit Costs		499,245	380,963
Administrative Costs		308,460	128,569
Conference & Event Cost	3	1,331,926	315,815
Other Expenses		1095	794
Total Expenditures		2,140,725	826,141
Net Gain / (Deficit) for the Year		-826,784	-753,512
Total Non-Cash Movements		-99,593	10,447
(Decrease)/Increase in cash and cash equivalents		-926,377	-743,065
Unearned Revenue from Finland		-266,024	227,719
Payments for Lisbon Hub		-245,000	---
Cash and cash equivalents at beginning of year		2,088,666	2,604,012
Cash and cash equivalents at end of year	4	651,265	2,088,666

**The g7+ Secretariat
Notes to the Financial
Statements For the year ended
31 December 2022**

**Notes to the Financial
Statements**

1. Accounting policies

General

The g7+ is an intergovernmental organization which is supported by the g7+ Secretariat. The primary role of the Secretariat is to provide policy advice, coordination and assistance in implementing the decisions of the g7+ Ministerial Forum and to coordinate with the focal Ministries of each Member state of the g7+. The financial statements have been prepared for the purpose of fulfilling management's financial reporting responsibilities under the Memorandum of Understanding (MoU) between the Government of Timor-Leste and the g7+ Secretariat.

Financial regulations

The General Secretary approved financial regulations on 1 July 2014 and subsequent amendment / upgradation was also approved in 2019. Almost all financial regulations have been implemented till date.

Basis of preparation

The basis of preparation for the year ended 31 December 2022 is on accrual basis. On this basis revenue is recognized when earned rather than deposited into the Secretariat's bank account and expenses are recognized when incurred rather than when paid.

The accounting policies have been applied consistently throughout the year and the financial statements have been prepared on the going concern basis, which contemplates continuity of normal activities and realisation of assets and settlement of liabilities in the normal course of business.

As is generally the case for similar intergovernmental organisations, the ability of the Secretariat to continue its activities as a going concern, including meeting its obligations as and when they fall due and payable, is dependent upon accessing recurrent funding. The previous MoU with the Government of Timor-Leste expired in January 2021 and the current MoU has been signed on 21 March 2022. According to Article 1 of the renewed MoU, USD \$1,000,000 grant will be provided annually to the g7+ Secretariat by Timor-Leste Government from 2022 to 2027.

The financial statements have been prepared on the going concern basis, taking into account the renewal of the MoU with the Government of Timor-Leste in the first quarter of 2022, and the additional grant received from Finland and expected voluntary contributions from g7+ Member States.

**The g7+ Secretariat
Notes to the Financial
Statements For the year ended
31 December 2022**

Reporting entity

The reporting entity is the g7+ Secretariat Headquarter at Dili, Timor Leste.

Reporting currency

The reporting currency is United States Dollars (US\$).

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the open market rate or the actual amount of currency paid to settle the transaction. Differences due to foreign currency conversion are booked under Foreign Exchange Gain / Loss.

Authorisation Date

The financial statements were authorised for publication on 5 December 2023 by Dr Helder Da Costa, General Secretary of the g7+ Secretariat.