



**PNG Football (Soccer) Association Inc.**

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# **Annual Financial Report**

**For the year ended 31 December 2023**

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# Association Information

## PNG Football (Soccer) Association Inc. For the year ended 31 December 2023

The Papua New Guinea Football (Soccer) Association Inc (PNGFA) was established in 1962 with primary role to unite and coordinate provincial football associations and facilitate participation at international level. The PNGFA is a member of both Federation International de Football Association (FIFA) and Oceania Football Confederation (OFC), having FFA and OFC affiliation in 1966. Annual fundings are received from both FIA and OC based on the signed contract to carryout daily operational and investment plans.

### Office Address

Papua New Guinea Football (Soccer) Association Inc.  
Sir John Guise Sports Precinct  
P.O. Box 371 Vision City Waigani  
National Capital District

### President and Executive Members

Name	Designation
Mr. John Kapi NATTO	President
Siegfried BESCHEL	Vice President - Northern Region
Justin HELELE	Vice President - NGI Region
Morea VAVINE	Vice President - Southern Region
Diana URANG	Vice President - Highlands
Jackson VARCILLI	Executive Members
Joshua KAYENGKIM	Executive Members
Gordon MANUB	General Secretary

### Auditors

Pini Accountants and Advisors Allotment 1, Section 14  
Reke Street  
P. O. Box 6070, Boroko  
Port Moresby N.C.D.  
Papua New Guinea

### Bankers

BSP Financial Group Limited (Formerly known as Bank of South Pacific Limited)



# President and Executive Members Declaration

PNG Football (Soccer) Association Inc.  
For the year ended 31 December 2023

## General Secretary and Chief Financial Officer Declaration

The President and Executive Members of the Association have the pleasure in submitting this financial statements of Papua New Guinea Football (Soccer) Association Inc. ("the Association") for the year ended 31 December 2023.

### Activities

The principal activities of the Association is to promote and popularise football (Soccer) and develop football in Papua New Guinea through funding and grants received from the football governing body FIFA and the regional football body Oceania Football Confederation (OFC).

There were no significant changes in the nature of the activities of the Association during the year.

### Result


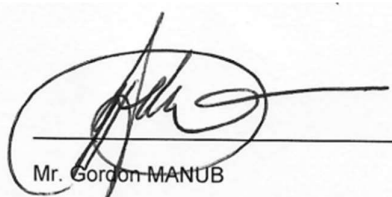
The results for the year ended 31 December 2023 was K1.524mil deficit (2022: K2.589mil deficit).

### Statement of the President and Executive Members

In our opinion, the financial statements and notes set out on pages 7 to 15 are drawn up so as to give a true and fair view of the financial position and the performance of Papua New Guinea football (Association) Inc. for the year ended 31 December 2023.

The financial statements have been drawn up in accordance with the requirements of the Companies Act 1997 (As Amended) and the requirements of Papua New Guinea Football Association's Board Policies.

For and on behalf of the President and the Executive Members of Papua New Guinea Football (Soccer) Association Inc.

  
Mr. John Kapi NATTO  
**PRESIDENT**  
09/08/2024  
Date  
Mr. Gordon MANUB  
**GENERAL SECRETARY**  
09/08/2024  
Date

**INDEPENDENT AUDITOR'S REPORT TO THE EXECUTIVE COMMITTEE  
OF  
PAPUA NEW GUINEA FOOTBALL (SOCCER) ASSOCIATION INC.  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**Opinion**

We have audited the accompanying financial statements of Papua New Guinea Football (Soccer) Association Inc. which comprise the statement of financial position as of 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Papua New Guinea Football (Soccer) Association Inc. as at 31 December 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with generally accepted accounting practice and statutory requirements in Papua New Guinea.

**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 Statements* section of our report. We are independent of Papua New Guinea Football (Soccer) Association Inc. in accordance with the ethical requirements that are relevant to our audit of the financial statements in Papua New Guinea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Papua New Guinea Football (Soccer) Association Inc.'s ability 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 intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Papua New Guinea Football (Soccer) Association Inc.'s financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements are 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 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 these financial statements.



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

- 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.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 may cast significant doubt on Papua New Guinea Football (Soccer) Association Inc.'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 Papua New Guinea Football (Soccer) Association Inc. to cease to continue as a going concern.

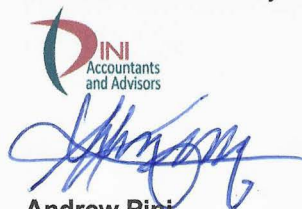
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

The Papua New Guinea Companies Act 1997 (as amended) requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- a) in our opinion proper accounting records have been kept by Papua New Guinea Football (Soccer) Association Inc.'s management as far as it appears from our examination of those records;
- b) we have obtained all the information and explanations we have required; and
- c) in conducting our audit we followed applicable independence requirements of Certified Practising Accountants Papua New Guinea.

Dated at Port Moresby this 09<sup>th</sup> day of August 2024.



**Andrew Pini**  
Principal  
Registered under the Accountants Act 1996



# Statement of Profit/Loss and other Comprehensive Income

PNG Football (Soccer) Association Inc.  
For the year ended 31 December 2023

PGK'000	Notes	2023	2022
<b>Revenue</b>			
Competition		1,709	700
FIFA Grants		7,052	7,012
OFC Grants		917	567
Sponsorship		818	1,470
<b>Total Revenue</b>		<b>10,497</b>	<b>9,748</b>
<b>Expenses</b>			
Personnel expenses		(2,567)	(3,038)
Finance & Admin	4	(2,360)	(2,376)
Governance	5	(969)	(424)
Competition		(2,304)	(2,031)
National Teams		(1,938)	(2,686)
Media & Marketing		(224)	(174)
Projects		(157)	(62)
Repairs & Maintenance		(356)	(480)
Technical		(139)	(77)
JustPlay		(40)	(26)
Depreciation	6	(967)	(963)
<b>Total Expenses</b>		<b>(12,021)</b>	<b>(12,337)</b>
<b>NET Surplus/ (Deficit)</b>		<b>(1,524)</b>	<b>(2,589)</b>

*The above statement of profit/(loss) and other comprehensive income should be read in conjunction with the accompanying notes.*



# Statement of Financial Position

PNG Football (Soccer) Association Inc.  
As at 31 December 2023

PGK'000	Notes	2023	2022
<b>ASSETS</b>			
<b>Current Assets</b>			
Bank	7	496	1,134
Accounts Receivable	8	97	15
GST Receivable	9	(16)	(11)
<b>Total Current Assets</b>		<b>1,601</b>	<b>1,594</b>
<b>Non-current Assets</b>			
Property, Plant & Equipment	6	26,538	26,792
Work In Progress	10	1,534	456
<b>Total Non-current Assets</b>		<b>28,072</b>	<b>27,248</b>
<b>TOTAL ASSETS</b>		<b>28,139</b>	<b>28,386</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	11	1,576	461
<b>Total Current Liabilities</b>		<b>1,576</b>	<b>461</b>
<b>TOTAL LIABILITIES</b>		<b>1,576</b>	<b>461</b>
<b>NET ASSETS</b>		<b>27,071</b>	<b>27,925</b>
<b>EQUITY</b>			
Accumulated Surplus (Deficit)	12	27,071	27,925
<b>Net Accumulated Surplus (Deficit)</b>		<b>27,071</b>	<b>27,925</b>

The above statement of financial position should be read in conjunction with the accompanying notes.





# Statement of Changes in Equity

PNG Football (Soccer) Association Inc.  
For the year ended 31 December 2023

PGK'000	Notes	2023	2022
<b>EQUITY</b>	12		
Accumulated Surplus (Deficit)		3,146	5,777
Current Retained Surplus (Deficit)		(1,524)	(2,589)
<b>Net Accumulated Surplus (Deficit)</b>		<b>1,622</b>	<b>3,188</b>
FIFA Goal Project		3,167	3,167
Kimbe Land - WNB Govt		700	700
Revaluation Reserve		21,582	20,869
<b>TOTAL EQUITY</b>		<b>27,071</b>	<b>27,925</b>

*The above statement of change in equity should be read in conjunction with the accompanying notes.*



# Statement of Cash Flows - Direct Method

PNG Football (Soccer) Association Inc.  
For the year ended 31 December 2023

PGK'000	NOTES	2023	2022
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>			
Receipt from Customers & Donors		10,193	9,288
Payments to Suppliers & Employees		(9,754)	(10,831)
<b>Net Cashflow from Operating Activities</b>		<b>438</b>	<b>(1,543)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Investment in property, plant & equipment		(1,077)	(33)
<b>Net Cashflow from Investing Activities</b>		<b>(1,077)</b>	<b>(33)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(638)</b>	<b>(1,577)</b>
Cash at Beginning of Period		1,134	2,710
<b>CASH AT END OF PERIOD</b>		<b>496</b>	<b>1,134</b>

*The above statement of cash flows should be read in conjunction with the accompanying notes.*



# Notes to the Financial Statements

For the year ended 31 December 2023

## 1. Association Purpose

The Papua New Guinea Football (Soccer) Association Inc (PNGFA) was established in 1962 with the primary role to unite and coordinate provincial football associations and facilitate participation at a national and international level. The PNGFA is a member of both Federation International de Football Association (FIFA) and Oceania Football Confederation (OFC), having FIFA and OFC affiliation in 1966. Annual fundings are received from both FIFA and OFC based on the signed contract to carry out their daily operational and investment plans.

## 2. Summary of significant accounting policies

The principal accounting policies adopted by PNGFA for the year ended 31 December 2023 are described below. These accounting policies are consistent with those adopted in the previous year except where stated.

### (a) Basis of preparation

The financial statements of Papua New Guinea Football (Soccer) Association Inc. (PNGFA) have been prepared in accordance with the Papua New Guinea Companies Act 1997 and comply with International Financial Reporting Standards (IFRS), including International Financial Reporting Interpretations Committee (IFRIC) interpretations, and other generally accepted accounting practices in Papua New Guinea.

The fundamental accounting assumptions recognized as appropriate for the measurement and reporting of results, cash flows and the financial position have been followed in the preparation of these financial statements. The financial statements have been prepared under the historical cost convention.

### (b) Revenue Recognition

The Association recognizes revenue on a Cash basis for the FAFA and OFC grants. For the affiliation fees the Association recognizes revenue on an accrual basis, when the amount of revenue can be reliably measured, it is possible that future economic benefits will flow into the Association.

### (c) Taxation

As a recognized charitable body by the Internal Revenue Commission (IRC), the Association is exempt from income tax on its income under Section 25A of the Income Tax Act. This exemption also entitles the Association not to be liable for deduction of interest withholding tax while the exemption remains in place.

### (d) Foreign Currency Transactions

Transactions in foreign currency are translated to the functional currency of the Association at exchange rate at the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction.

The Association did not use any other currencies other than the functional currency which is Kina.

### (e) Functional Currency

The financial statements are presented in the currency of Papua New Guinea, the Kina, which is the Association's functional currency.

### (f) Estimation Uncertainty

#### *Contingent liabilities*

At the end of every financial year, management make the best possible judgement of contingent liabilities. If it is probable that a contingent liability will crystallise, a full provision is made. If there is remote possibility that the contingent liability will crystallise, full disclosure is made of the facts.



## Notes to the Financial Statements

### **(g) Changes in accounting policies**

The accounting policies are consistent with those of the previous financial period. The new and amended IFRS and International Financial Reporting Interpretation Committee (IFRIC) interpretations that came into effect, did not have any impact on the financial performance or financial position of the Association.

### **(h) Accounts payable and other liabilities**

Accounts payable and other liabilities are recognized in the period in which the related money, goods, or services are received or when a legally enforceable claim against the Association is established. These are carried at original invoice amount or nominal amount.

### **(i) Property, plant and equipment**

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

### **(i) Recognition and measurement**

Items of furniture and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost include expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of material and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the cost of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchase of furniture and equipment.

### **(ii) Depreciation**

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of furniture and equipment, since this most closely reflects the expected pattern consumption of the future economic benefits embodied in the asset.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated based on a straight-line basis so as to write-off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives and depreciation method is reviewed at the end of each annual reporting period.

The current depreciation rates for the current and comparative periods are as follows:

Building	4.5%
Office Furniture and Equipment	15%
Motor Vehicle	30%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

## **3. Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. No estimates or assumptions have been identified where there is a significant risk of a material adjustment to the carrying amounts of assets and liabilities within the next financial year.



## Notes to the Financial Statements

### 4. Finance & Admin expenses include but not limited to;

PGK'000	2023	2022
Audit Fees	(46)	(114)
Legal Fees	(71)	(89)
<b>Total Finance &amp; Admin Expenses</b>	<b>(117)</b>	<b>(204)</b>

### 5. Governance expenses include but not limited to;

PGK'000	2023	2022
Exco & Congress Allowances	(211)	(140)
<b>Total Governance Expenses</b>	<b>(211)</b>	<b>(140)</b>

### 6. Property, Plant and Equipment and Depreciation can be broken down as follows;

PGK'000	Land & Buildings	Motor Vehicles	Furniture & Equipment	Total
<b>2023 Cost &amp; Revaluations</b>				
At 1st January	27,108	485	161	<b>27,754</b>
*Additions	713	-	-	<b>713</b>
* Disposals	-	-	-	-
<b>At 31st Dec</b>	<b>27,822</b>	<b>485</b>	<b>161</b>	<b>28,468</b>
<b>2023 Depreciation</b>				
At 1st January	(817)	(97)	(49)	<b>(963)</b>
Charge for the Year	(817)	(97)	(53)	<b>(967)</b>
Disposals	-	-	-	-
<b>At 31st Dec</b>	<b>(1,634)</b>	<b>(194)</b>	<b>(102)</b>	<b>(1,930)</b>
<b>Net Book Value 2023</b>	<b>26,188</b>	<b>291</b>	<b>59</b>	<b>26,538</b>

### 7. Cash at bank

PGK'000	2023	2022
Cash at Bank - BSP accounts	496	1,134
<b>Total Bank Balance</b>	<b>496</b>	<b>1,134</b>



## Notes to the Financial Statements

### 8. Trade Debtors and Other Receivables

PGK'000	2023	2022
<b>Trade Debtors</b>		
Accounts Receivable	333	15
Doubtful Debts	(236)	-
<b>Total Trade Debtors &amp; Other Receivables</b>	<b>97</b>	<b>15</b>

### 9. GST Receivable

PGK'000	2023	2022
Sales Tax	984	514
Provision for Sales Tax	(1,000)	(525)
<b>Total Tax Provisions</b>	<b>(16)</b>	<b>(11)</b>

### 10. Work in Progress

PGK'000	2023	2022
WIP PFS Head Quarter	1,304	226
WIP Kimbe Football Academy	172	172
WIP Lae Football Academy	58	58
<b>Total Work In Progress</b>	<b>1,534</b>	<b>456</b>

### 11. Trade Creditors and other payables

PGK'000	2023	2022
Accounts Payable	572	171
Staff Leave Pay	240	153
Other General Accruals	764	125
Other Payable	0.4	12
<b>Total Trade &amp; Other Creditors</b>	<b>1,576</b>	<b>461</b>





## Notes to the Financial Statements

### 12. Change in Ownership Equity

PGK'000	2023	2022
Accumulated Surplus (Deficit)	3,146	5,777
Current Retained Surplus (Deficit)	(1,524)	(2,589)
<b>Net Accumulated Surplus (Deficit)</b>	<b>1,622</b>	<b>3,188</b>
FIFA Goal Project	3,167	3,167
Kimbe Land - WNB Govt	700	700
Revaluation Reserve	21,582	20,869
<b>TOTAL EQUITY</b>	<b>27,071</b>	<b>27,925</b>

### 13. Subsequent Events

There has not been any matter or circumstances, other than that refer to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect the operations of Papua New Guinea Football (Soccer) Association Inc, the results of those operations, or the state of affairs in the future financial years.