



PNG Football (Soccer) Association Inc.

Annual Financial Report

For the year ended 31 December 2024



Annual Financial Report

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PNG Football (Soccer) Association Inc.

Annual Financial Report

For the year ended 31 December 2024

Association Information

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 carry out daily operational and investment plans.

Registered Office

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 for the year 2024 were;

Name	Designation
Mr. John Kapi NATTO	President
Siegfried BESCHEL	Vice President - Northern Region
Maha WANAME	Vice President - NGI Region
Morea VAVINE	Vice President - Southern Region
Samuel KINI	Vice President - Highlands
Otto KUSUNAN	Executive Members
Tony OMAL	Executive Members
Baks SURE	Executive Members
Dan KAKARAYA	Legal Counsel
Joshua KAYENGKIM	Executive Members
Ahmjad Tekwie	General Secretary

Auditors

Pini Accountants and Advisors
Allotment 01, Section 14
Reke Street
P.O Box 6070, Boroko
Port Moresby N.C.D.
Papua New Guinea

Banker

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



PNG Football (Soccer) Association Inc.
For the year ended 31 December 2024

President and Executive Members Declaration

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 2024.

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 2024 was K1,059,111 surplus (2023: K1.524mil deficit).

Directors

The directors of the Company at the date of the report of the Company's financial statements are listed on the previous page (Company Information). No director of the Company had any material interest in any contract or arrangement with the Company or any related entity during the year ended 31 December 2024.

Statement of the President and Executive Members

In our opinion, the financial statements and notes set out on pages 7 to 16 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 2024.

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

Date 01/07/2025

Mr Ahmjad Tekwie
GENERAL SECRETARY

Date 01/07/2025

**INDEPENDENT AUDITOR'S REPORT TO THE EXECUTIVE MEMBERS
OF
PAPUA NEW GUINEA FOOTBALL (SOCCER) ASSOCIATION INC.
FOR THE YEAR ENDED 31 DECEMBER 2024**

Opinion

We have audited the accompanying financial statements of Papua New Guinea Football (Soccer) Association Inc. which comprise the statement of financial position as at 31 December 2024, 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 2024 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 based on 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 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 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.

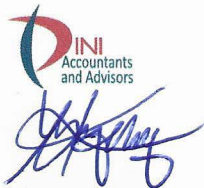
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 **01st** day of **July 2025**.



Andrew Pini
Principal
Registered under the Accountants Act 1996



Statement of Comprehensive Income

PNG Football (Soccer) Association Inc.

For the year ended 31 December 2024

	Note	2024 PGK	2023 PGK
REVENUE			
Competiton	5	1,320,813	1,709,000
FIFA Grant		9,306,262	7,052,000
OFC Grants		1,678,672	917,000
Sponsorship		35,000	818,000
Other Income		23,440	-
Total Revenue		12,364,186	10,496,000
EXPENSES			
Personnel expenses	8	2,724,067	2,567,000
Finance & Admin	6	757,789	2,360,000
Governance	7	1,836,196	969,000
Competition		420,349	2,304,000
National Teams		4,027,280	1,938,000
Media & Marketing		29,733	224,000
Projects	8	-	157,000
Repair & Maintenance		181,702	356,000
Technical		297,857	139,000
Just Play			40,000
Depreciation	4	1,030,101	967,000
Total Expenses		11,305,075	12,021,000
NET Surplus/ (Deficit)		1,059,111	(1,525,000)

The statement of comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 16.



Statement of Financial Position
PNG Football (Soccer) Association Inc.
As at 31 December 2024

	Note	2024 PGK	2023 PGK
ASSETS			
Current Assets			
Cash and Cash Equivalents	9	1,236,508	496,000
Account Receivable	10	529,383	97,000
GST Receivables	11	621,242	(16,000)
Total Current Assets		2,387,133	577,000
Non-Current Assets			
Property, Plant and Equipment	4	25,614,081	26,538,000
Work In Progress	12	2,535,910	1,534,000
Total Non-Current Assets		28,149,991	28,072,000
TOTAL ASSETS		30,537,124	28,649,000
LIABILITIES			
Current Liabilities			
Trade & Other Payables	13	2,455,913	1,576,000
Total Current Liabilities		2,455,913	1,576,000
TOTAL LIABILITIES		2,455,913	1,576,000
NET ASSETS		28,081,211	27,071,000
EQUITY			
Accumulated Surplus (Deficit)		28,081,211	27,071,000
TOTAL EQUITY		28,081,211	27,071,000

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

Mr John Kapi NATTO
PRESIDENT

Mr Ahmjad Tekwie
GENERAL SECRETARY

Dated: 01/07/2025

Dated: 01/07/25

The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 16.



Statement of Changes in Equity
PNG Football (Soccer) Association Inc.
For the year ended 31 December 2024

Equity	2024	2023
	K	K
Accumulated Surplus (Deficit)	1,573,499	3,146,000
Current Retained Surplus (Deficit)	1,059,111	(1,524,000)
Net Accumulated Surplus (Deficit)	2,632,610	1,622,000
FIFA Goal Project	3,167,000	3,167,000
Kimbe Land - WNB Govt	700,000	700,000
Revaluation Reserve	21,581,601	21,582,000
Balance at 31 December 2024	<u>28,081,211</u>	<u>27,071,000</u>

The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 16.



STATEMENT OF CASH FLOW
PNG Football (Soccer) Association Inc.
For the Year Ended 31 December 2024

	Note	2024 Kina	2023 Kina
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers & Donnor		11,910,771	10,193,000
Payments to Suppliers & Employee		(11,270,586)	(9,754,000)
Cash receipts from other operating activities		7250	-
Cash payments from other operating activities		(50,039)	-
Net Cash Generated From Operating Activities		<u>597,396</u>	<u>439,000</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Investment in Property, Plant and Equipment		(75,400)	(1,077,000)
Net Cashflow from Investing Activities		<u>(75,400)</u>	<u>(1,077,000)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Other cash items from financing activities		218,512	-
Net Cashflow from Investing Activities		<u>218,512</u>	<u>-</u>
NET INCREASE/ (DECREASE) IN CASH HELD		740,508	(638,000)
Cash & Cash Equivalent at Beginning of The Year		496,000	1,134,000
CASH AND CASH EQUIVALENT AT END OF THE YEAR	9	<u><u>1,236,508</u></u>	<u><u>496,000</u></u>

The statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 16.



Notes to the Financial Statements

For the year ended 31 December 2024

1 Association Purpose

(a) Statement of Compliance

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.

(b) Functional Currency

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

2 Summary of significant accounting policies

The principal accounting policies adopted by PNGFA for the year ended 31 December 2024 are described below. These accounting policies are consistent with those adopted in the previous year except where stated.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting are recognised in the period in which the estimates are revised and in future periods if affected.

(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.



For the year ended 31 December 2024

Notes to and forming part of the Financial Statements

(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 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.

(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.



For the year ended 31 December 2024

Notes to and forming part of the Financial Statements

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.

The cost of replacing a part of an item of furniture and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of furniture and equipment are recognised in profit or loss as incurred.

(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.



For the year ended 31 December 2024

Notes to and forming part of the Financial Statements

4 Motor Vehicle, Plant and Equipment

	Land & Building	Motor Vehicle	Office Furniture & Equipment	Total
	PGK	PGK		PGK
Cost:				
At 1 January 2024	27,821,000	485,000	161,000	28,467,000
Additions	-	-	107,182	107,182
Disposals	-	-	-	-
Transfer	-	-	-	-
At 31 December 2024	<u>27,821,000</u>	<u>485,000</u>	<u>268,182</u>	<u>28,574,182</u>
Accumulated Depreciation:				
At 1 January 2024	(1,634,000)	(194,000)	(102,000)	(1,930,000)
Charge for the year	(849,150)	(96,987)	(83,964)	(1,030,101)
Disposals	-	-	-	-
At 31 December 2024	<u>(2,483,150)</u>	<u>(290,987)</u>	<u>(185,964)</u>	<u>(2,960,101)</u>
At 31 December 2024	<u>25,337,850</u>	<u>194,013</u>	<u>82,218</u>	<u>25,614,081</u>
Carrying amounts				
At 31 December 2024	<u>25,337,850</u>	<u>194,013</u>	<u>82,218</u>	<u>25,614,081</u>
At 31 December 2023	<u>26,188,000</u>	<u>291,000</u>	<u>59,000</u>	<u>26,538,000</u>

5 Revenue

	2024 K	2023 K
Competiton	1,320,813	1,709,000
FIFA Grant	9,306,262	7,052,000
OFC Grants	1,678,672	917,000
Sponcorship	35,000	818,000
Other Income	23,440	-
Total Revenue	<u>12,364,186</u>	<u>10,496,000</u>



For the year ended 31 December 2024

Notes to and forming part of the Financial Statements

6 Finance & Admin expenses included but not limited to:

	2024	2023
	K	K
Audit Fees	-	46,000
Legal Fees	85,091	71,000
Total Finance & Admin Expenses	85,091	117,000

7 Governance expenses include but not limited to;

	2024	2023
	K	K
Exco & Congress Allowances	80,630	211,000
Total Governance Expenses	80,630	211,000

8 Other Expenses

	2024	2023
Personnel expenses	2,724,067	2,567,000
Finance & Admin	672,698	2,360,000
Governance	1,755,566	969,000
Competition	420,349	2,304,000
National Teams	4,027,280	1,938,000
Media & Marketing	29,733	224,000
Projects	-	157,000
Repair & Maintenance	181,702	356,000
Technical	297,857	139,000
JustPlay	-	40,000
Depreciation	1,030,101	967,000
TOTAL EXPENSES	11,139,354	12,021,000



For the year ended 31 December 2024

Notes to and forming part of the Financial Statements

9 CASH AND CASH EQUIVALENTS	2024	2023
	K	K
Cast at Bank - BSP Account	1,236,508	496,000
Total Bank Balance	1,236,508	496,000
10 Trade Debtors and Other Receivables	2024	2023
	K	K
Accounts Receivable	765,796	333,000
Doubtful Debts	(236,413)	(236,000)
	529,383	97,000
11 GST Receivable	2024	2023
	K	K
Sales Tax	1,621,242	984,000
Provision for Sales Tax	(1,000,000)	(1,000,000)
	621,242	(16,000)
12 Work In Progress	2024	2023
	K	K
WIP PFS Head Quarter	1,673,383	1,304,000
WIP Kimbe Football Academy	172,327	172,000
WIP Lae Football Academy	690,200	58,000
	2,535,910	1,534,000
13 Trade Creditors and other payables	2024	2023
	K	K
Accounts Payable	1,421,599	572,000
Staff Leave Pay	240,023	240,000
Other General Accruals	793,881	764,000
Other Payable	410	-
	2,455,913	1,576,000
14 SUBSEQUENT EVENT		
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.		