
AIR NIUGINI SAVINGS & LOAN SOCIETY LIMITED

Annual Report

Year ended 31 December 2024

Annual Financial Report

for the financial year ended 31 December 2024

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Annual Report of the Directors

The Directors present their report on the accounts of the Air Niugini Savings and Loans Society for the year ended 31 December 2024.

Directors' remuneration

The following directors have overseen the operations of Air Niugini Savings and Loans Society during this reporting period and remuneration provided to them is as follows:

Director	Appointed or cessation date	2024	2023
		PGK	PGK
Mr. Steven Vai (Chairman)	Appointed - 2019	15,996	13,329
Mrs. Kathleen Mark	Appointed - 2019	15,996	13,329
Mr. Fredrick Tongogo	Appointed - 2019	15,996	13,329
Mr. Sinia Wamala	Appointed - 2019	15,996	13,329
Mr Peter Dokta	Appointed - 2024	11,997	-
Mr. Kamuta Gabi	Cessation - 2024	3,999	13,329
Mr. Cameron Kilalema	Cessation - 2024	-	13,329

Society secretary

The Society's secretary as at 31st December 2024 is Adrian Rathley.

Results

The results for the year ended 31 December 2024 show a net profit of K2,394,913 (2023: K213,160) before additional interest of K200,000 (2023: K250,000) was appropriated from retained earnings.

Principal activity

The principal activity of the Society during the year was providing savings and loans services to its members in accordance with the Society's rules and regulations.

Changes in accounting policies

There were no changes in accounting policies during the financial year.

Interest register

There are no entries in the interest register.

Air Niugini Savings & Loan Society Limited

Financial statements

The financial statements attached to this report form part of and should be read in conjunction with this report. The Directors consider there to be no unusual or other matters that warrant their comments (other than those disclosed in this report) and the Society's financial position and results from the operations are properly reflected in these statements.

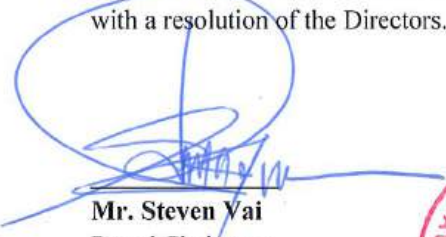
Independent audit report

The financial statements have been audited and should be read in conjunction with the independent audit report as attached.

Subsequent events

There have not been any events after the financial year end that have affected the carrying values of the assets and liabilities or the recorded income and expenses so as to render these financial statements as misleading in a material sense.

Signed on behalf of the Board Directors this 15th day of April, 2025 in accordance with a resolution of the Directors.


Mr. Steven Vai
Board Chairman




Mrs. Kathleen Mark
Deputy Board Chairlady

Directors' Statement

In the opinion of the directors of Air Niugini Savings and Loan Society Limited:

- (i) the Financial Statements of the Society have been prepared so as to give a true and fair view of the state of affairs of the Society as at 31 December 2024, the results of its Operations, Changes in Members Funds, and Cash Flows for the year then ended, and
- (ii) the Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) and comply with the Companies Act 1997, Savings and Loans Societies Act 2015 and other applicable laws and regulations in Papua New Guinea.

Signed for and on behalf of the Board of Directors in accordance with a resolution of the Board:



Mr. Steven Vai
Board Chairman



Mrs. Kathleen Mark
Deputy Board Chairlady



Dated this 15th day of April, 2025 at Port Moresby.

Independent Auditor's Report to Members of Air Niugini Savings & Loans Society Limited

Unqualified Opinion

We have audited the accompanying financial statements of Air Niugini Savings and Loans Society Limited (the "Society") which comprise the Statement of Financial Position as at 31 December 2024, the Statement of Comprehensive Income, Statement of Changes in Members Fund and Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies, and other explanatory notes.

In our opinion, the financial statements of Air Niugini Savings and Loans Society Limited;

- i. have been prepared in accordance with International Financial Reporting Standards and give a true and fair view of the financial position as at 31 December 2024 and of the results of its operations, changes in members funds and its cash flow for the year then ended, and;
- ii. comply with the Companies Act 1997, Savings and Loans Societies Act 2015 and other applicable laws and regulations in Papua New Guinea.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). 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 Statements section of our report.

We are independent of the Society in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Responsibilities of the Directors for the financial statements

The Directors of ANSLS are responsible for:

- i. the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards (IFRS) and the Companies Act 1997.
- ii. establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, and;
- iii. assessing the Society'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 do so.

Auditor's responsibility for the audit of the Financial Statements

We conducted our audit in accordance with the International Standards on Auditing (ISAs). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Unqualified Audit Opinion.

Our objective is to obtain reasonable assurance as to whether or not the financial statements as a whole 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISAs, 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 controls.
- 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 Society'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 that may cast significant doubt on the Society'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 Society to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The auditor communicates 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.

The auditor also provides those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Audit Matters	How our audit addresses the key matter
Member Savings and Loans to Members As disclosed in the financial statements, the Society's core operations involve accepting member savings deposits and issuing loans to members. Given the significance of these balances to the financial statements and the inherent risk associated with their recognition and measurement, this was considered a key audit matter.	Our audit procedures included the following: • Verified samples of member deposits and withdrawals against supporting documentation, including bank statements and member statements. • Performed analytical review procedures to assess the reasonableness of interest paid on savings. • Performed focused analytical review procedures to assess the reasonableness of interest income earned on loans • Reviewed loan disbursement approvals and agreements to assess compliance with lending policies. • Evaluated the reasonableness of the allowance for expected credit losses in accordance with IFRS 9 by assessing the classification of loans into different impairment stages.

Other matters

We are independent of the Society in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.



SAM KIAK TUBANGLIU

Certified Practising Accountants



By: Arthur Sam

Registered under the Accountants Act 1996

Dated in Port Moresby on this 15th day of APRIL 2025

Statement of Comprehensive Income

for the year ended 31 December 2024

		2024	2023
	Notes	PGK	PGK
INCOME			
<u>Interest Income</u>			
Interest income on loan to members	3	466,133	428,513
Interest expenses on members' savings	4	(180,088)	(164,541)
Net interest income		286,044	263,972
<u>Investment and Other Income</u>			
Dividend income	5	1,005,587	1,132,103
Fair value gain on investments	12	3,344,188	786,973
Fees and other income	6	97,685	79,169
		4,447,460	1,998,245
Total Income		4,733,504	2,262,217
EXPENSES			
Operating expenses	7	1,742,131	1,557,786
Staff costs	8	553,760	491,271
Finance cost	18	42,701	-
Total Expenses		2,338,591	2,049,057
Profit before tax		2,394,913	213,160
Income tax expense	2.4	-	-
Total comprehensive income for the year		2,394,913	213,160

Notes to the financial statements are included on pages 12 to 27.

Statement of Financial Position

as at 31 December 2024

	Notes	2024 PGK	2023 PGK
Capital and Reserves			
Share capital	19	11,160	10,455
General reserves		1,658,098	1,658,098
Retained earnings		7,736,195	5,541,282
Total Capital and Reserves		9,405,453	7,209,835
Represented by:			
ASSETS			
Current Assets			
Cash and cash equivalents	9	249,310	1,071,876
Loans to members	10	4,629,890	3,981,574
Other receivables	11	66,320	142,414
Total Current Assets		4,945,520	5,195,864
Non-Current Assets			
Investments at fair value	12	13,176,200	9,832,012
Property, Plant and Equipment	13	879,032	818,918
Right of Use Asset	18(a)	357,068	-
Total Non-Current Assets		14,412,300	10,650,930
TOTAL ASSETS		19,357,820	15,846,794
LIABILITIES			
Current liabilities			
Members savings	14	9,342,594	8,398,172
Trade and other payables	16	144,080	162,267
Total current liabilities		9,486,674	8,560,439
Non-current liabilities			
Employee provisions	17	81,041	76,520
Lease Liability	18(b)	384,652	-
Total non-current liabilities		465,693	76,520
TOTAL LIABILITIES		9,952,367	8,636,959
NET ASSETS		9,405,453	7,209,835

Notes to the financial statements are included on pages 12 to 27.

Statement of Changes in Members Funds

for the year ended 31 December 2024

	General reserve fund PGK	Retained earnings PGK	Share capital PGK	Total PGK
Balance as at 1 January 2023	1,653,072	5,583,148	9,765	7,245,985
Profit for the year	-	213,160	-	213,159
Transfer to reserves	5,026	(5,026)		-
Interest credited to members	-	(250,000)	-	(250,000)
Additional shares	-	-	690	690
Balance as at 31 December 2023	1,658,098	5,541,282	10,455	7,209,835
Balance as at 1 January 2024	1,658,098	5,541,282	10,455	7,209,835
Profit for the year	-	2,394,913	-	2,394,913
Interest credited to members	-	(200,000)	-	(200,000)
Additional shares – Note 19	-	-	705	705
Balance as at 31 December 2024	1,658,098	7,736,195	11,160	9,405,453

Notes to the financial statements are included on pages 12 to 27.

Statement of Cash Flow

for the year ended 31 December 2024

		2024	2023
	Notes	PGK	PGK
Cash flows from operating activities			
Loans disbursed to members		(3,166,425)	(2,635,824)
Loan repayments received		2,797,730	2,284,825
Interest received on loans		466,133	428,513
Interest paid to members		(200,000)	(133,186)
Deposits received from members		1,108,994	1,292,692
Withdrawals of members savings		(344,661)	(485,482)
Receipts of other fees and interest on investments		97,685	79,169
Payments to employees and suppliers		(2,134,913)	(1,704,729)
Net cash generated from operating activities		(1,375,457)	(874,022)
Cash flows from investing activities			
Dividends from investments and shares		1,005,587	1,132,103
Payments for property and equipment		(453,402)	(659,458)
Net cash used in investing activities		552,185	472,645
Cash flows from financing activities			
Proceeds from members joining capital		705	690
Net cash flow from financing activities		705	690
Net increase/decrease) in cash held		(822,566)	(400,687)
Cash at beginning of the year	9	1,071,876	1,472,563
Cash at the end of the year		249,310	1,071,876

Notes to the financial statements are included on pages 12 to 27.

1. General Information

Air Niugini Savings and Loan Society is a registered Society under the Savings and Loans Society (Amendment) Act 1995. The Society is predominantly an industrial-based Savings and Loan Society which serves the short-term financial needs of its members in accordance with the Savings and Loan Society Act. The majority of the contributors are from the public sector and the employee of Air Niugini Limited.

The Society is governed by the Board of Directors pursuant to their responsibilities and duties to the Air Niugini Savings and Loan Society, and the Society Corporate Trustees.

A locally registered Society, registered at Level 3, Ori Lavi Building, Turumu St, Boroko 111, NCD.

2. Summary of Significant Accounting Policies

2.1 Basis of preparation

These Financial Statements are prepared in accordance with the Papua New Guinea Companies Act 1997, and in compliance with International Financial Reporting Standards (IFRS) and other generally accepted accounting practice adopted by Papua New Guinea Accounting Standards Board (ASB). The Papua New Guinea Accounting Standard Board (ASB) has approved all current IFRS and Interpretations as the applicable reporting framework.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.2 Adoption of new and revised IFRS

Adoption of new or revised standards and interpretations

(i) *Standards, amendment, and interpretations effective for the year ended 31 December 2024.*

The following standards, amendments and interpretations to existing standards became applicable for the Society as at year ended 31 December 2024.

- Amendments to IAS 1, Presentation of Financial Statements on classification of liabilities
- Amendments to IAS 8 – Definition of Accounting Estimates

The adoption of the new standards, amendments to standards and interpretations, did not have any significant impact in the Society's financial statements.

(ii) *Standards, amendments, and interpretations issued but not yet effective for the year ended 31 December 2024 or adopted early.*

The following other standards, amendments and interpretations to existing standards have been published and are mandatory for the entity's accounting periods beginning on or after 1 January 2023 or later periods, but the entity has not early adopted them:

- Amendments to IAS 1, Presentation of Financial Statements on classification of liabilities
- IFRS 9 and IFRS 7, Classification and Measurement of Financial Instruments
- IFRS 18, Presentation and Disclosure in Financial Statement'.

The Society does not consider that there are any measurement or recognition issues arising from the release of these new pronouncements that will have a significant impact on the reported financial position or financial performance of the Society.

2.3 Historical cost convention.

These Financial Statements have been prepared under the historical cost convention. Cost is based on fair value of the consideration given in exchange for assets. All amounts are presented in Papua New Guinea Kina (PGK), unless otherwise noted.

2.4 Income tax

The Society is exempted from income tax under Section 40A of the Papua New Guinea Income Tax Act 1959.

2.5 Foreign currency translation

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Such balances are translated at year end exchange rates.

2.6 General Reserves

The Savings and Loan Societies (amendment) Act 1995, requires a Society to transfer 20% of its profit earned in a financial year to a general reserves fund. The purpose of the general reserve fund is to absorb bad loans or lending losses and shall not be used for any other purposes except on winding up of the Society. The Society is not required to set aside twenty percent (20%) of each period's profit if the General Reserve at any time exceeds 10% of total liabilities.

2.7 Comparatives

Where necessary, comparative figures have been reclassified so as to be comparable with the figure presented for the current financial year.

2.8 Critical accounting estimates in applying accounting policies

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Refer to note 20.2 for significant accounting estimates relating to credit risk.

2.9 Property, plant, and equipment

2.9.1 Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property and equipment. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property 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.

2.9.1 Subsequent costs

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

2.9.2 Depreciation

Depreciation is charged on a straight- line basis so as to write off the cost of the property and equipment assets to their residual value over the expected useful lives. The estimated depreciation rates are as follows:

- Office furniture and fit outs 10%
- Office, plant and equipment 11.25%-15%
- Motor Vehicle 30%

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

2.10 Income recognition

2.10.1 Interest Income

Interest income is recognized in the statement of comprehensive income for all interest-bearing instruments on an accrual's basis. Under IFRS 9 interest income is calculated by applying the effective interest rate, however the Society apply fixed interest to the gross amount of financial assets, except for financial assets that have subsequently become credit-impaired (or "stage 3") for which interest revenue is calculated by applying the fixed interest rate to their amortized cost (i.e., net of the expected credit loss provision).

2.10.2 Dividend Income

Dividend income is recognised in profit or loss on the date the investee's shares are quoted ex-dividend, when the right to receive payment is established. If the dividend has not been received by the reporting date, the amount is recognised as a receivable in the statement of financial position.

2.10.3 Other Income

Includes loan processing fee, commission fees, and member ID fees is recognised when the related services are provided.

2.11 Financial Instruments

2.11.1 Loans to members

Loans to members are classified as non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These loans are held with the objective of collecting contractual cash flows that represent solely payments of principal and interest (SPPI) and are therefore measured at amortised cost.

Amortised cost refers to the amount at which the financial asset is initially recognised, minus principal repayments, plus or minus the cumulative amortisation of any difference between the initial recognition amount and the maturity amount and adjusted for any loss allowance.

Although IFRS 9 prescribes the effective interest method for interest recognition, the Society applies a fixed interest rate approach that reflects the contractual terms agreed with members. Loans to members carry an interest rate of 1% per month (equivalent to 12% per annum), which is calculated on the outstanding principal balance. Interest income is accrued monthly and capitalised into the loan balance.

To account for credit risk, the Society recognises an allowance for expected credit losses (ECLs) in accordance with IFRS 9. ECLs represent the present value of all cash shortfalls expected over the life of the loan and reflect potential losses from loans that may not be fully repaid.

The expected credit loss model applied by the Society incorporates:

- Historical default data, based on past experience with similar loan portfolios.
- Current financial conditions of borrowers; and
- Forward-looking information, including macroeconomic factors and trends that may impact members' repayment ability.

2.11.2 Investments in Fair Value

Investments in listed equities are measured at fair value through profit or loss (FVTPL). These financial assets are revalued to their fair market price at the end of each reporting period by reference to their quoted prices and the number of shares the Society holds at year end. Any changes in fair value, whether gains or losses—are recognised immediately in the profit or loss for that period.

Fair value represents the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

The fair value through profit or loss (FVTPL) classification is used for financial assets that are:

- Held for trading being acquired with the intention of selling in the short term for profit, or
- Designated at initial recognition to be measured at FVTPL to better reflect performance.

2.11.3 Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

2.11.4 Other receivables

Other receivables consist of prepayments and advances to staff.

2.11.5 Member Deposits (Savings)

Member savings represent financial liabilities of the Society and are measured at amortised cost in accordance with applicable financial reporting standards. These deposits are initially recognised at the amount received from members and are subsequently adjusted for any withdrawals, transfers, and interest accruals. Interest is paid on these deposits in accordance with the Society's prevailing policies.

Under the amortised cost method, the Society initially records member deposits at the amount received and subsequently remeasures the liability over time by adjusting for:

- Withdrawals of savings made by members,
- Interest expenses accrued using the fixed interest rate method; and

The fixed interest rate method is a systematic approach to recognising interest expense over the expected life of the financial liability. It applies a constant interest rate to the carrying amount of the deposit, thereby allocating interest expense evenly over the term of the liability. This interest rate is predetermined by the Society and disclosed in its policies from time to time, forming the basis of the contractual obligation to members.

2.11.6 Accounts payable and accruals

Payables and accrued liabilities are recognised for the amounts to be paid in future for goods and services received, whether billed by supplier or not.

2.11 Financial Instruments (continued)

2.11.7 Employee benefits

Liabilities for short-term employee benefits, including wages and salaries, annual leave, and other entitlements expected to be settled wholly within 12 months after the end of the reporting period, are recognised in respect of employees' services up to the reporting date. These are measured at the undiscounted amounts expected to be paid when the liabilities are settled, in accordance with IAS 19 – Employee Benefits.

Long-term employee benefits, such as long service leave or other post-employment obligations, are recognised and measured at the present value of the expected future payments to be made using the projected unit credit method, discounted using market yields on high-quality corporate bonds at the reporting date. This method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The obligation is determined by:

- Estimating the future cash outflows expected to be required to settle the benefit (e.g., salary, leave payouts, pensions),
- Discounting those expected future payments to their present value using market yields on high-quality corporate bonds (or government bonds where no deep corporate bond market exists)
- Considering demographic assumptions (e.g., employee turnover, retirement age, mortality) and financial assumptions (e.g., future salary increases).

2.11.8 Leases

As a lessee, the Society previously classified leases as operating based on its assessment under International Accounting Standard IAS 17. Under IFRS 16 introduce a single lease accounting model and, requires the Society to recognize lease liabilities and corresponding right-of-use assets.

- i. A lease is a contract that conveys the right to use an asset for a period of time in exchange for consideration. The Society assesses whether the contract meets the following criteria;
- ii. The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified at the time the asset is made available to the Society,
- iii. the Society has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract, and; the Society has the right to direct the use of the identified asset throughout the period of use.

Lease Liability

At the commencement date of the lease, the Society recognizes the lease liabilities at the present value of minimum lease payments required (under contract) to be made over the lease term. The present value of the minimum lease payments is determined using the incremental borrowing rate at the lease inception date. After the initial recognition, the amount of lease liabilities are adjusted to reflect the interest charges and reduced by the payments attributable to the lease principle. Lease interests are charged to the income statement as finance costs.

2.11 Financial Instruments (continued)***Right-of-use assets***

At the initial date of the lease contract, the Society recognises a right-of-use asset and equal to the amount of the lease liability at inception date. The asset is subsequently amortised on a straight-line basis over the useful life or term of the lease. The amount of amortisation is charged to the income statement.

3 Interest Income on loan to members

	2024	2023
	PGK	PGK
Interest - Personal Loans	466,133	428,513
	466,133	428,513

4 Interest expenses on members' savings

	2024	2023
	PGK	PGK
Personal savings	142,639	133,186
On-call savings	6,330	5,943
School fees saver	6,035	5,725
Housing savings	4,923	3,021
Christmas savings	2,578	2,192
Pikinini savings	908	701
Travel savings	945	623
	164,357	151,391
6 Months term deposit	8,714	7,430
3 Months term deposit	7,018	5,720
	180,088	164,541

5 Dividend income

	2024	2023
	PGK	PGK
Dividend received – Bank South Pacific Ltd	777,620	911,515
Dividend received – Credit Corp Ltd	200,547	186,165
Dividend received – Santos Ltd	24,770	31,843
Dividend received – Kina Securities Ltd	2,650	2,580
	1,005,587	1,132,103

6 Fees and other income

	2024	2023
	PGK	PGK
Loan processing fees	85,251	72,924
Member's ID card fees	1,155	3,155
Marketing merchandise, commissions & fees	2,766	3,090
Profit from Sale of Fixed Assets	8,514	-
	97,685	79,169

7 Operating Expenses

	2024	2023
	PGK	PGK
Depreciation	386,802	278,256
Legal fees	310,342	56,000
Office expense and amenities	48,927	51,995
Repairs & Maintenance	159,503	136,178
Amortisation	129,795	-
Advertising and entertainment fees	113,974	22,708
Goods & Services Tax - GST	92,226	95,446
Accounting & Consultancy	71,926	78,975
Loans Committee & Board meeting allowances	66,673	78,520
Annual & Special General Meetings	58,960	27,317
Internet and Email	52,260	46,766
Rental	50,916	168,845
Motor vehicle expenses	36,128	87,696
Electricity	33,456	30,491
Auditors' fees	28,400	28,219
Travel & accomodation expense	26,399	27,961
Projects	21,014	56,376
Telephone and fax expenses	18,975	18,560
Insurance	17,979	16,373
ANGSL 50th Anniversary	10,272	146,902
Training and licenses fees	5,660	22,243
BOD XMas Bonus	5,000	5,000
Bank Charges	3,550	4,293
Other expenses	1,484	4,759
Bad and doubtful debts/ (write back) – <i>Note 10 & 11</i>	(8,490)	67,907
	1,742,131	1,557,786

8 Staff Costs**Remuneration**

	2024	2023
	PGK	PGK
Salaries and wages	232,741	219,355
Housing allowances	137,100	135,700
Overtime & higher duty allowances	80,194	59,771
Staff meal allowances	58,132	24,127
Superannuation contribution	19,182	18,336
Manager's entertainment allowances	6,813	8,160
Staff annual bonus	6,750	6,900
Staff education subsidies	4,000	-
Entertainment allowance	2,918	9,141

	547,830	481,489
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Other Staff Costs

Staff amenities and training	5,064	7,401
Staff uniform	866	2,380

	5,929	9,781
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Total Staff Costs

	553,760	491,271
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9 Cash & Cash Equivalent

	2024	2023
	PGK	PGK
Term deposit	238,750	1,018,029
Cash at bank	2,205	42,384
RSA account	4,373	5,769
Visa corporate card	3,982	5,694
	249,310	1,071,876

10 Loans to members

	2024	2023
	PGK	PGK
Balance brought forward	8,646,987	8,724,501
Loans disbursed during the year	3,166,425	2,635,824
Interest charges	466,133	428,513
Repayments received during the year	(3,263,863)	(3,141,851)
	9,015,682	8,646,987
Provision for doubtful loans	(4,385,792)	(4,665,413)
	4,629,890	3,981,574

11 Other Receivables

	2024	2023
	PGK	PGK
Staff debtors	107,912	100,714
Gratuity	21,964	21,964
Prepayments & other debtors	48,651	19,736
	178,526	142,414
Provision for doubtful debts	(112,206)	-
	66,320	142,414

12 Investments at Fair Value

			2024				2023
a) Carrying amount	No. of shares	Share price	Value	No. of shares	Share price	Value	
			PGK				PGK
BSP Limited	514,980	19.90	10,248,102	514,980	13.70	7,055,226	
Credit Corporation	798,993	2.70	2,157,281	798,993	2.00	1,597,986	
Santos Limited ⁽ⁱ⁾	37,650	19.61	738,317	60,000	19.20	1,153,800	
Kina Securities Limited	10,000	3.25	32,500	10,000	2.50	25,000	
			13,176,200			9,832,012	

⁽ⁱ⁾ In December 2021, Santos Limited completed its merger with Oil Search Limited, resulting in Oil Search shareholders receiving 0.6275 new Santos shares for each Oil Search share held. Accordingly, to the Society's 60,000 shares in Oil Search Limited were converted to 37,650 Santos Limited shares.

b) Fair value gain/(loss)

	2024	2023
	PGK	PGK
Movement in share price	3,773,308	786,973
Loss from Oil Search/Santos share conversion	(429,120)	-
	3,344,188	786,973

Air Niugini Savings & Loan Society Limited

Notes to the financial statements: For the year ended 31st December 2024

13 Property, Plant & Equipment	Motor Vehicles PGK	Machine & Equipment PGK	Furniture & Fittings PGK	Computer PGK	IT Software PGK	Total PGK
Cost						
Balance 1 January 2024	302,830	132,247	13,096	683,435	406,224	1,537,833
Additions	-	-	-	146,678	306,724	453,402
Disposal	(48,000)	-	-	-	-	(48,000)
Balance 31 December 2024	254,830	132,247	13,096	830,113	712,948	1,943,235
Accumulated Depreciation						
Balance 1 January 2024	(155,790)	(86,911)	(7,960)	(387,008)	(81,245)	(718,914)
Charge for the year	(51,610)	(17,892)	(2,338)	(205,053)	(109,908)	(386,801)
Disposal	41,513	-	-	-	-	41,513
Balance 31 December 2024	(165,887)	(104,803)	(10,298)	(592,061)	(191,153)	(1,064,202)
WDV as at 31 December 2024	88,943	27,444	2,798	238,052	521,795	879,032
Cost						
Balance 1 January 2023	148,000	148,517	10,859	502,833	108,237	918,446
Opening balance adjustments	-	(40,071)	-	-	-	(40,071.00)
Additions	154,830	7,338	2,237	197,066	297,987	659,458
Transfer	-	16,462	-	(16,462)	-	-
Balance 31 December 2023	302,830	132,247	13,096	683,435	406,224	1,537,832
Depreciation						
Balance 1 January 2023	(102,222)	(69,527)	(7,175)	(259,258)	-	(438,183)
Opening balance adjustments	-	-	8	(2,483)	-	(2,475)
Charge for the year	(53,568)	(17,384)	(793)	(125,266)	(81,245)	(278,256)
Balance 31 December 2023	(155,790)	(86,911)	(7,960)	(387,008)	(81,245)	(718,914)
WDV as at 31 December 2023	147,040	45,336	5,136	296,427	324,979	818,918

Notes to the financial statements: For the year ended 31st December 2024

14 Members Savings

	2024	2023
	PGK	PGK
(a) Personal savings		
Balance brought forward	6,963,272	6,603,817
Savings received during the year	829,049	711,751
Monthly interest paid on members savings	142,639	133,186
Withdrawals of savings during the year	(344,661)	(485,482)
	7,590,300	6,963,272
(b) Other savings & term deposits -note 15		
Members other savings	1,305,423	1,048,631
Member term deposits	314,831	261,415
	1,620,254	1,310,046
(c) Unallocated receipts	132,039	124,854
Total member savings	9,342,594	8,398,172

15 Other savings & term deposits

	2024	2023
	PGK	PGK
On call savings	525,527	429,670
Christmas savings	150,372	113,016
School fees saver	240,037	237,486
Life / Medicare Saver	71,663	64,653
Pikinini Savings	68,892	61,721
Housing Savings	183,111	93,171
Travel Savings	65,821	48,914
	1,305,423	1,048,631
Term deposits (6) months	190,523	176,821
Term deposits (3) months	124,308	84,594
	314,831	261,415
Total other savings & term deposits	1,620,254	1,310,046

16 Trade & other payables

	2024	2023
	PGK	PGK
Kanda International	87,203	105,259
Group Tax Payable	33,763	33,906
Superannuation and Other accruals	23,114	23,102
	144,080	162,267

Notes to the financial statements: For the year ended 31st December 2024

17 Employee provisions

	2024	2023
	PGK	PGK
Provision for Long Service Leave	58,892	54,371
Provision for Staff Gratuity	22,149	22,149
	81,041	76,520

18 Lease liability

The Society has entered into 3 years lease agreements for office space in Port Moresby and Lae and data recovery center in Port Moresby.

The total minimum lease payments amount to K144,912 per annum has been discounted at 13.6% being the incremental borrowing rate.

a) Right of Use Asset

	2024	2023
	PGK	PGK
Cost		
Right of Use Asset at inception 1 January 2024	486,863	-
Closing balance 31 December 2024	486,863	-
Accumulated Amortization		
Opening balance 1 January 2024	-	-
Amortization charged	(129,795)	-
Closing balance 31 December 2024	(129,795)	-
Net Book Value	357,068	-

b) Lease Liability

	2024	2023
	PGK	PGK
Minimum lease payment (MLP)	567,095	-
Less: Future finance cost	(80,231)	-
Net present value of the MLP	486,863	-
Add: Interest charge	42,701	-
Less: Payment made	(144,912)	-
Closing Lease Liability	384,652	-

19 Share Capital

	2024			2023		
	No. of	Joining	PGK	No. of	Joining	PGK
	Members	Fees		Members	Fees	
Balance at 1 January	1,091	5	10,455	1,053	5	9,765
Additional shares - new members	141	5	705	138	5	690
Closing balance as at 31 December			11,160			10,455

20 Financial risk management

The Society's activities expose it to a variety of financial risks including market risk (including currency, and cash flow interest rate risk), credit risk, liquidity risk, capital risk and fair value risk. The Society's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Society. Risk management is carried out under policies approved by the Board of Directors.

20.1 Market risk

20.1.1 Price risk

The Society is exposed to equity securities price risk because the Society holds equity security as of balance sheet date. The Society is not exposed to commodity price risk.

20.1.2 Interest rate

Interest rate risk in the Balance Sheet arises from the potential for a change in interest rate to have an adverse effect on the income earnings in the current reporting period and future years. As interest rates and yield curves change over time, the Society may be exposed to a loss in earnings due to the effects of interest rates on the structure of the balance sheet. Sensitivity to interest rate arises from mismatches in the re-pricing dates, cash flows and other characteristics of the assets and their corresponding liability funding.

Interest rate charged on member loans and member savings is fixed and thus not impacted by changes in market interest rates and yield curves.

Based on the sensitivity analysis performed as of 31 December 2024, as well as average exposures during 2024, and reasonable shifts in interest rates based on interest rate movements during 2024, management assessed that Society's profit for the year ended 31 December 2024 is not materially affected by changes in interest rates.

20.2 Credit risk

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the balance sheet. Lending to members is not restricted to a ratio of 1:1 against their savings balance.

The Society monitors its loans to its members and takes up provision for doubtful debts equal to the value of loans that have exceeded the members savings.

The society has adopted the expected credit loss model required by IFRS 9 for determining provisions for impairment of financial instruments.

20.3 Capital management

The Society's objectives when managing capital are to safeguard the Society's ability to continue as a going concern in order to provide returns to its members and to maintain an optimal capital structure to reduce the cost of capital.

The Society's gearing ratio, calculated as net debt divided by total capital, is as follows. Total capital is calculated as "equity" as shown in the statement of financial position plus net debt.

	2024	2023
	PGK	PGK
Members' savings	9,342,594	8,398,172
Less: cash & cash equivalents	(249,310)	(1,071,876)
Net debt	9,093,284	7,326,296
Total equity	9,405,453	7,209,835
Total capital	18,498,737	14,536,131
Gearing ratio	49%	46.32%

20.4 Fair value estimation

IFRS 7 "Financial Instruments: Disclosures" requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Society financial assets at fair value comprise its investments in listed equities. The carrying value of cash and cash equivalents, short-term deposits, other receivables and trade and other payables are assumed to approximate their fair value due to their short-term nature.

The carrying value of loans to members and members' savings approximate their fair value, as there were no changes in interest rates since their origination.

20.5 Liquidity Risk

The liquidity risk is the risk that the Society will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Society maintains a investments listed equities. This ensures that the Society maintains liquid capability and limits its exposure to interest rate risk due to market fluctuations.

Members' savings deposits are repayable on demand, except when they represent collateral for loans issued to members. Maturity of deposit used as collateral corresponds to the maturity of related loans, which may range from 2 months to 36 months. Trade and other payables are repayable within one year.

21 Contingent liabilities and commitments

There were no contingent liabilities and commitments requiring a disclosure or disclosures at the balance date and to the date of this report which require a disclosure or adjusting in the financial statements.

22 Subsequent events

At balance date and up to and including the date of this report, there has not been any event of material significance that management is required to disclose in this report.

23 Employee Remuneration

The number of employees (not including directors) whose remuneration, including benefits, was within the specified bands is as follows:

	2024	2023
Below K100,000	9	9
K130,001 – K140,000	1	1
Total	10	10