



PAPUA NEW GUINEA

FINANCIAL REPORT 2024

BUILDING RESILIENT COMMUNITIES.
ADVANCING ECONOMIC PATHWAYS.



**SANTOS FOUNDATION LIMITED AS TRUSTEE FOR
THE SANTOS FOUNDATION TRUST
FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024**

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Index to the Financial Statements

for the year ended 31 December 2024

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Trustee's Report

for the year ended 31 December 2024

The directors of Santos Foundation Limited, as trustee of the Santos Foundation trust (Foundation), present their report with respect to the results for the financial year ended 31 December 2024 and the state of the Foundations affairs as at that date.

Directors

The names and particulars of the directors of the trustee during and at the end of the financial year were:

Kevin Gallagher

(Non-Executive Director & Chairperson)

Leon Buskens

(Non-Executive Director)

Jodie Hatherly

(Executive Director)

Michael Abbott

(Non-Executive Director)

Peter Hearl

(Non-Executive Director appointed on 23 May 2024)

Nicole Manison

(Non-Executive Director appointed on 15 October 2024)

Corporate Secretary

The company corporate secretary during and at the end of the financial year was:
Karlyne Vanessa Pukaikia-Cain

Purpose and mission

The Foundation continued investing in partnerships and local initiatives to help communities thrive.

We work with donors and local partners to make a positive and lasting impact in communities where Santos has a presence across Papua New Guinea, Australia, Timor-Leste and Alaska.

Our work addresses societal trends and local needs in the four key strategic pillars of health, youth opportunities, community development and family and sexual violence.

We respect the political, cultural, social and legislative frameworks where we work, partnering to empower communities, building capacity, capability and resilience.

Our mission is to invest in partnerships and local initiatives that help communities thrive.

Trustee's Report

for the year ended 31 December 2024

Grant funding was maintained from Santos Limited, our primary donor, for activities implemented in Hela, Gulf and Southern Highlands Provinces. External donor funding continued in 2024 from Department of Foreign Affairs & Trade (DFAT) and USAID for the PNG Electrification Project (PEP).

Cost of implementing program activities remained consistent with prior year with key expenditure in 2024 related to the following:

- * Maintaining support to Health programs for the Hela and Gulf Provincial Health Authorities;
- * Continued expenditure on technical and infrastructure activities related to addressing the youth opportunities in the Nipa-Kutubu District of Southern Highlands Province;
- * Continued with project management support as part of the Bel isi PNG initiative;
- * Continued with targetted immunisation activities in the Gulf and Southern Highlands Provinces;
- * Supported the rollout of PNG Power Amnesty Campaigns;
- * Completed and launched a solar mini grid solution with the support of USAID for the Pimaga Rural Hospital in Southern Highlands Province; and
- * Maintained support to three (3) literacy libraries.

The Foundation reported a net loss of USD\$ 786,126 (2023: USD \$263,568 net loss).

Change in accounting policies

No changes in accounting policies occurred during the financial year.

Entries in the interest register

There were no entries in the interest register during the financial year.

Directors' remuneration and payments to key management

There were no fees paid to directors during the financial year.

Trustee's Report

for the year ended 31 December 2024

Remuneration above USD \$45,000 per annum

There were no employees whose remuneration was above USD \$45,000 per annum.

Donations

No donations were made during the current financial year by the Foundation.

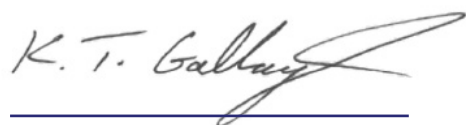
Independent audit report

The financial report has been audited by Ernst & Young and should be read in conjunction with the independent audit report. Audit fees are disclosed in Note 5 to the financial report.

Registered Office

Santos Foundation
Ground Floor, Harbourside East Building
Stanley Esplanade
Port Moresby
Papua New Guinea

Signed in accordance with a resolution of and on behalf of the directors.



Kevin Gallagher
Director

28th May 2025



Leon Buskens
Director

28th May 2025

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2024

	Notes	2024 USD \$	2023 USD \$
REVENUE			
Donations	4	13,057,573	13,557,822
Interest Income	4	2,506	3,624
Total Income		13,060,079	13,561,446
OPERATING EXPENSES			
Health Pillar			
Public Health Authority Support		3,935,811	4,968,818
COVID Response		571,784	1,743,816
Global Alliance on Vaccines and Immunisation		1,267,271	273,101
Youth Opportunities Pillar			
Youth		3,053,561	2,411,819
Community Development Pillar			
Leadership and Education		792,942	657,305
USAID PNG Electrification Partnership		1,684,151	1,339,829
Family & Sexual Violence Pillar			
Family & Sexual Violence		556,399	520,547
Bel isi PNG		1,030,216	648,813
Organisational Costs			
Business Development Unit		230,783	211,550
Accountability and Administration		515,395	434,403
Monitoring and Evaluation		308,811	326,593
Foreign currency (gain)/loss		(100,919)	288,420
Total expenses		13,846,205	13,825,014
Net (loss)/surplus for the year		(786,126)	(263,568)
Other Comprehensive Income		-	-
Total Comprehensive (loss)/surplus		(786,126)	(263,568)

The statement of profit or loss and other comprehensive income should be read in conjunction with the notes to and forming part of the financial statements set out on pages 11-19.

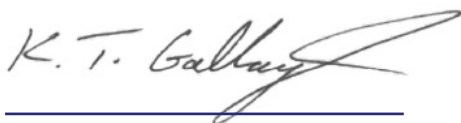
Statement of Financial Position

at 31 December 2024

	Notes	2024 USD \$	2023 USD \$
CURRENT ASSETS			
Cash	8	3,559,865	2,428,589
Grants and other receivables	7	6,407,473	10,550,471
TOTAL CURRENT ASSETS		<u>9,967,338</u>	<u>12,979,060</u>
NON-CURRENT ASSET			
Property, plant and equipment	9	553	15,839
TOTAL NON-CURRENT ASSET		<u>553</u>	<u>15,839</u>
TOTAL ASSETS		<u>9,967,891</u>	<u>12,994,899</u>
CURRENT LIABILITIES			
Trade and other payables	6	4,211,124	6,452,006
TOTAL CURRENT LIABILITIES		<u>4,211,124</u>	<u>6,452,006</u>
TOTAL LIABILITIES		<u>4,211,124</u>	<u>6,452,006</u>
NET ASSETS		<u>5,756,767</u>	<u>6,542,893</u>
EQUITY			
Retained earnings		5,756,767	6,542,893
TOTAL EQUITY		<u>5,756,767</u>	<u>6,542,893</u>

The statement of financial position should be read in conjunction with the notes to and forming part of the financial statements set out on pages 11-19.

For and on behalf of the Board



Kevin Gallagher
Director

28th May 2025



Leon Buskens
Director

28th May 2025

Statement of Changes in Equity

for the year ended 31 December 2024

	RETAINED EARNINGS USD \$	TOTAL USD \$
BALANCE AT 1 JANUARY 2023	6,806,461	6,806,461
Income for the financial year		
Total Comprehensive Income for the year ending 31 December 2023	(263,568)	(263,568)
BALANCE AT 1 JANUARY 2024	6,542,893	6,542,893
Total Comprehensive Income for the year ending 31 December 2024	(786,126)	(786,126)
BALANCE AT 31 DECEMBER 2024	5,756,767	5,756,767

The statement of changes in equity should be read in conjunction with the notes to and forming part of the financial statements set out on pages 11-19.

Statement of Cash Flows

for the year ended 31 December 2024

	2024 USD \$	2023 USD \$
Cash flows from operating activities		
Receipts from donations	17,200,571	10,268,072
Payments to suppliers and employees	(16,071,801)	(11,949,216)
Interest received	2,506	3,624
Net cash generated from (used in) operating activities	1,131,276	(1,677,520)
Cash flows from investing activities		
Proceeds from disposal property, plant, and equipment	-	-
Payments for property, plant and and equipment	-	-
Net cash generated by / (used) in investing activities	-	-
Cash flows from financing activities		
Repayment of borrowings	-	-
Net cash provided (used) by financing activities	-	-
Net increase (decrease) in cash on hand and in banks	1,131,276	(1,677,520)
Cash and cash equivalents at the start of the year	2,428,589	4,106,109
Cash and cash equivalents at the end of the year	3,559,865	2,428,589
Reconciliation of net surplus/(deficit) to net cash provided by operating activities		
	2024 USD \$	2023 USD \$
Net (loss)/surplus	(786,126)	(263,568)
<i>Adjustment for:</i>		
Depreciation	15,286	37,609
<i>Changes in assets and liabilities:</i>		
Accounts receivable	4,142,998	(3,289,748)
Accounts payable	(1,980,058)	1,268,575
Accrued expenses	(260,824)	569,612
Net cash generated from/(used in) operating activities	1,131,276	(1,677,520)

The Statement of Cash Flows should be read in conjunction with the notes to and forming part of the financial statements set out on pages 11-19.

Notes to the Financial Statements

for the year ended 31 December 2024

1. General information

The Santos Foundation, was established in Papua New Guinea.

The addresses of its registered office and principal place of business are disclosed in the Directors' Report. The principal activities of the Foundation are disclosed in the Directors Report.

The financial statements were authorised for issue by the Directors on Monday 28th April 2025.

2. Significant accounting policies

Basis of preparation

The financial report has been prepared in accordance with the Papua New Guinea Companies Act 1997, and comply with International Financial Reporting Standards and the Trust Deed . All amounts in this financial report are expressed in US dollars, as this is the functional and presentational currency of the Foundation.

Changes in Accounting Policies and Disclosures

(a) Changes in accounting policies and disclosures

The Foundation applied the following amendment to accounting standards applicable for the first time for the financial year beginning 1 January 2024:

- Amendments to *IAS 1 – Classification of Liabilities as Current or Non-current*

This amendment did not have a significant or immediate impact on the Foundation’s annual financial statements.

(b) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual reporting periods beginning on or after 1 January 2024 and have not been applied in preparing these financial statements. The Foundation’s assessment of the impact of these new standards, amendments to standards and interpretations is set out below.

II) Amendments to IFR.5 7 and IFRS 9 - <i>Classification and Measurement of Financial Instruments</i>	
Description	The amendments clarify the following: • That a financial liability is derecognized on the ‘settlement date’, being when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. • How to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance linked features. • The treatment of non-recourse assets and contractually linked instruments. • Requirements for additional disclosures for financial assets and liabilities with contractual terms that reference a contingent event.
Impact on Company financial report	Management has not yet assessed the impact of this amendment of the Company’s results or disclosures
Application of standard	1 January 2026

Several other amendments to standards and interpretations will apply on or after 1 January 2024, and have not yet been applied, however they are not expected to impact the Foundation’s financial statements.

Notes to the Financial Statements

for the year ended 31 December 2024

Summary of material accounting policies

Revenue recognition

The Foundation generates revenue from donations, gifts in kind or contributions. Where there is no separate performance obligations, the Foundation recognised these revenue at fair value at a point in time when received or receivable.

Interest Income continues to be accrued using an effective interest rate.

Foreign currencies

In preparing the financial statements, transactions in currencies other than the Foundation's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Below is the supplementary disclosure as required for reporting purposes with the PNG Registrar of Companies:

	2024 PGK	2023 PGK
Total Assets*	40,241,788	48,434,212
Total Liabilities*	(17,000,904)	(24,047,730)
Net Assets	23,240,884	24,386,482
Net Income (Loss) **	(1,314,592)	(954,266)

*Translated using reporting date exchange rate: 0.2477 in 2024 (0.2683 in 2023)

**Translated using average exchange rate: 0.2598 in 2024 (0.2762 in 2023)

Government grants

Government grants are not recognised until there is reasonable assurance that the entity will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the entity should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in profit or loss in the period in which they become receivable.

Notes to the Financial Statements

for the year ended 31 December 2024

Taxation

The Foundation is exempted from income tax under Section 25A of the PNG Income Tax Act 1959, as a charitable institution.

Plant and equipment

Plant and equipment are carried at cost less accumulated depreciation and impairment. The cost of purchased fixed assets is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Foundation and the cost of the item can be measured reliably. The carrying amount is derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred. Where the carrying amount of an individual non-current asset is greater than its recoverable amount, the asset is written down to its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identified cash flows (cash generating units).

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on the disposal of assets is determined as the difference between the carrying value of the asset at the time of disposal and the proceeds from disposal, and is included in the results in the year of disposal.

Depreciation

Depreciation on corporate plant and equipment is calculated on a straight line-basis so as to generally write off the cost of each fixed asset over its estimated useful life on the following basis:

Motor Vehicles	20%
Office Furniture	20%
Computer Equipment	33%
Medical Equipment	20%
Other Plant	14%

Title of goods

Title of goods purchased by sub-recipients with grant funds allocated to them remains with the sub recipient unless otherwise directed by the Foundation.

Notes to the Financial Statements

for the year ended 31 December 2024

Impairment of non-financial assets

Assets that have a definite useful life are subject to amortization and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Related Party relationships and transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic For assets and liabilities that are recognized in the financial statements on a recurring basis, the Foundation determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Foundation has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets or liability and the level of the fair value hierarchy. The management has assessed that the fair values of current assets and current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVPL).

Notes to the Financial Statements

for the year ended 31 December 2024

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Classification

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Foundation's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Foundation has applied the practical expedient, the Foundation initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Foundation has applied the practical expedient are measured at the transaction price determined under IFRS 15.

The Foundation classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- FVOCI
- FVPL

Financial assets at amortised costs (debt instruments)

This category is the most relevant to the Foundation. The Foundation measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

The Foundation's financial assets at amortised cost include cash on hand and in banks, and trade and other receivables.

Impairment of financial assets

The Foundation applies a simplified approach in calculating ECLs for financial assets. Therefore, the Foundation does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Foundation are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Foundation's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Foundation's own equity instruments.

Notes to the Financial Statements

for the year ended 31 December 2024

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as either financial liabilities 'at FVTPL' or other financial liabilities at amortised cost. Subsequently, all financial liabilities are classified as either FVTPL or other financial liabilities at amortised cost.

The Foundation's financial liabilities are trade and other payables.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Foundation's accounting policies, directors of the trustee are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Changes in Accounting Policies and Disclosures

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Useful lives of plant and equipment

As described above, the foundation reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

4. Donation

	2024 USD\$	2023 USD\$
Santos Limited	10,855,89	10,605,423
Australian Government - Global Alliance for Vaccines and Immunisation (GAVI)	649,451	370,415
Australian Government - COVID	(58,575)	1,086,847
Bel isi PNG Subscriptions	382,097	384,958
USAID PNG Electrification Partnership	1,183,740	859,136
Other	44,966	251,043
	<u>13,057,573</u>	<u>13,557,822</u>
Interest Income	2,506	3,624
Total revenue	<u>13,060,079</u>	<u>13,561,446</u>

Notes to the Financial Statements

for the year ended 31 December 2024

5. Net surplus for the year

Surplus for the year from continuing operations has been arrived at after charging:

	2024 USD\$	2023 USD\$
Auditor's remuneration	5,702	7,493
Salaries and wages related expenses	2,448,239	1,795,128
Depreciation of property, plant and equipment	15,286	37,609

6. Trade and other payables

	2024 USD\$	2023 USD\$
Santos Related Entities	1,235,296	3,031,784
External Suppliers	42,567	226,137
Accruals	2,933,262	3,194,085
	4,211,125	6,452,006

7. Grants and other receivables

	2024 USD\$	2023 USD\$
Santos Related Entities	4,891,396	8,866,614
External Receivables	1,319,426	803,019
Prepayments	39,164	629,207
Other Payables	157,487	251,631
	6,407,473	10,550,471

8. Cash

	2024 USD\$	2023 USD\$
Cash in banks	3,559,865	2,428,589
	3,559,865	2,428,589

Notes to the Financial Statements

for the year ended 31 December 2024

9. Property, plant and equipment

	Furniture USD \$	Computer Equipment USD \$	Medical Equipment USD \$	Motor Vehicles USD \$	Total USD \$
2024					
Cost					
Balance at 31 December 2023	13,047	122,568	36,297	420,200	592,112
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance at 31 December 2024	13,047	122,568	36,297	420,200	592,112
Accumulated depreciation and impairment					
Balance at 31 December 2023	12,494	122,568	36,297	404,914	576,273
Charge for the year	-	-	-	15,286	15,286
Depreciation on disposals	-	-	-	-	-
Balance at 31 December 2024	12,494	122,568	36,297	420,200	591,559
Carrying amount at 31 December 2024	553	-	-	-	553
2023					
Cost					
Balance at 31 December 2022	13,047	122,568	36,297	420,200	592,112
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance at 31 December 2023	13,047	122,568	36,297	420,200	592,112
Accumulated depreciation and impairment					
Balance at 31 December 2022	12,494	122,568	36,297	367,305	538,664
Charge for the year	-	-	-	37,609	37,609
Depreciation on disposals	-	-	-	-	-
Balance at 31 December 2023	12,494	122,568	36,297	404,914	576,273
Carrying amount at 31 December 2023	553	-	-	15,286	15,839

Notes to the Financial Statements

for the year ended 31 December 2024

10. Financial instruments

Capital management

The Foundation manages its capital to ensure that it will continue to be able to fulfil its' charitable purposes in Papua New Guinea.

The Foundation is not subject to any externally imposed capital requirements.

Categories of financial instruments

Financial assets

	2024 USD \$	2023 USD \$
Cash on hand and in banks	3,559,865	2,428,589
Grants and other receivables	6,407,473	10,550,471

Financial liabilities

Trade and other payables	4,211,124	6,452,006
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Financial risk management objectives

Title of goods purchased by sub recipients with grant funds allocated to them remains with the sub recipient unless otherwise directed by the Foundation.

The carrying amounts of the foundation's foreign currency denominated monetary assets and monetary liabilities are as follows.

	2024 USD \$	2023 USD \$
Assets denominated in Kina	3,073,990	2,279,714

The effect of a 10% increase or decrease in Kina against the Dollar is immaterial.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Foundation. The Foundation has adopted a policy of only dealing with credit worthy counterparties and operates within Santos Limited Financial Risk Management Procedure.

Exposure to credit Risk

	2024 USD \$	2023 USD \$
Cash at Bank - Australia and New Zealand Banking Group	3,508,980	2,361,262
Cash at Bank - Bank of South Pacific	48,415	64,856

Liquidity risk management

The Foundation manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows.

Fair value of the Foundation's financial assets and financial liabilities

The directors of the trustee consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

11. Subsequent and significant events

There were no subsequent events to report.



Ernst & Young
Credit House, Level 4
Cuthbertson St, Port Moresby
PO Box 1380, Port Moresby 121
National Capital District Papua New Guinea

Tel: 675 305 4100
Fax: 675 305 4199
ey.com/pg

Independent auditor's report to the Members of Santos Foundation Limited as Trustee for the Santos Foundation Trust

Opinion

We have audited the financial report of Santos Foundation Limited (the "Foundation"), which comprises the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Foundation is in accordance with the *Companies Act 1997*, including:

- a) giving a true and fair view of the Foundation's financial position as at 31 December 2024 and of its financial performance for the year ended on that date; and
- b) complying with International Financial Reporting Standards.

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 the Foundation 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 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 opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial statements does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the Directors for the Financial Statements

The directors of the Foundation are responsible for the preparation of the financial statements that gives a true and fair view in accordance with International Financial Reporting Standards and the *Companies Act 1997* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate Foundation or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the 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 this financial statements.

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgment and maintain professional scepticism 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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 Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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We communicate with the directors 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* 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 the Foundation, so far as appears from our examination of those records; and
- b) we have obtained all the information and explanations we have required.

Ernst & Young

A handwritten signature in black ink, appearing to read 'M Savage', written over a light blue horizontal line.

Matthew Savage
Partner

Registered under the Accountants Act 1996
Port Moresby this 28th day of May 2025

Corporate directory

Ground Floor Harbourside East Building
Stanley Esplanade
Port Moresby Papua New Guinea
PO Box 842
Port Moresby NCD 121 Papua New Guinea
(PNG) Santos Foundation Limited (Company Registration No.1-69300)

Ground Floor Santos Centre
60 Flinders Street
Adelaide SA 5000 Australia

GPO Box 2455
Adelaide SA 5001 Australia
(AUS) Santos Foundation Pty Ltd (ACN 670 123 789)

Darwin Office:
41 The Mall Darwin,
Northern Territory 0800

santosfoundation.org

