

**FOOTBALL FEDERATION OF  
ARMENIA NGO**

**AND ITS SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**

**31 December 2024**

**YEREVAN 2025**

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N 022525  
30.06.2025

APPROVED



**General Director**  
**Baker Tilly Armenia CJSC**

**V. Gevorgyan**

## INDEPENDENT AUDITOR'S REPORT

**To the Board of**  
**"Football Federation of Armenia" NGO**

### **Opinion**

We have audited the accompanying consolidated financial statements of the "Football Federation of Armenia" NGO ("the Organization") and its subsidiaries (together, "the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs).

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Armenia, and we have fulfilled our other ethical responsibilities in accordance with those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Matter**

The audit of the Group's consolidated financial statements for the year ended 31 December 2023 was performed by another auditor, who expressed an unmodified opinion on those statements in a report dated 29 June 2024.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the

preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the [consolidated] 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these [consolidated] 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

- 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.

Auditor

Sh. Tashchiyan



30.06.2025

STATEMENT OF PROFIT OR LOSS OR OTHER COMPREHENSIVE INCOME

In thousand drams	Note	Year ended 31 December 2024	Year ended 31 December 2023
Income from operations	4	10,963,899	5,344,219
Operating expenses	5	(6,133,915)	(5,461,653)
Administrative expenses	6	<u>(2,508,532)</u>	<u>(2,435,780)</u>
Profit/(Loss) from Operating Activities		<u><b>2,321,452</b></u>	<u><b>(2,553,214)</b></u>
Finance income		-	5,146
Finance costs		(153,633)	(46,858)
Loss on disposal of non-current assets		-	(343,969)
Gain/(loss) from foreign exchange rate differences, net		118,855	(58,388)
Profit/(loss) before income tax		<u><b>2,286,674</b></u>	<u><b>(2,997,283)</b></u>
Income tax expense	7	<u>(1,810)</u>	<u>(69,636)</u>
Profit/(loss) for the year		<u><b>2,284,864</b></u>	<u><b>(3,066,919)</b></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

In thousand drams	Note	As of 31 December 2024	As of 31 December 2023
<b>Assets</b>			
<i>Non-current assets</i>			
Property and equipment	8	12,621,438	11,091,734
Constructions in process	9	545,372	2,789,521
Intangible assets	10	111,644	120,726
Prepayments on non-current assets		265,197	25,055
Other non-current assets	11	358,115	891,429
Deferred tax asset	7	11,093	10,328
		<b>13,912,859</b>	<b>14,928,793</b>
<i>Current assets</i>			
Inventory	12	1,308,934	1,289,784
Trade and other receivables	13	492,284	254,621
Cash and cash equivalents	14	2,311,839	2,615,705
Given borrowings		23,000	25,300
		<b>4,136,057</b>	<b>4,185,410</b>
<b>Total assets</b>		<b>18,048,916</b>	<b>19,114,203</b>
<b>Liabilities and net assets</b>			
<i>Non-current liabilities</i>			
Grants related to assets	15	12,872,928	13,977,915
Loans and borrowings	16	631,113	909,237
		<b>13,504,041</b>	<b>14,887,152</b>
<i>Current liabilities</i>			
Loans and borrowings	16	876,728	736,938
Trade and other payables	17	1,729,765	4,131,435
Profit tax liability		-	107,620
Deferred income	18	3,067,861	2,665,401
		<b>5,674,354</b>	<b>7,641,394</b>
<b>Total liabilities</b>		<b>19,178,395</b>	<b>22,528,546</b>
<b>Net assets</b>		<b>(1,129,479)</b>	<b>(3,414,343)</b>

Armen Melikbekyan

President of Football Federation of Armenia

30.06.2025



Vahram Amiryan

Chief Accountant

**CONSOLIDATED STATEMENT OF CASH FLOWS**

In thousand drams	Year ended 31 December 2024	Year ended 31 December 2023
Cash flows from operating activities		
Profit/(loss) for the year	2,284,864	(3,066,919)
<i>Adjustments for:</i>		
Profit tax	1,810	69,636
Depreciation and amortization	1,083,689	1,035,152
Loss from equipment write-offs	775,469	690,959
Finance cost	153,633	41,712
Income from grants	(8,954,918)	(3,853,519)
Provision for impairment	-	22,806
Vacation reserve	160,772	30,035
Foreign exchange (gain)/loss	(118,855)	58,388
<i>Operating loss before working capital changes</i>	<b>(4,613,536)</b>	<b>(4,971,750)</b>
Changes in inventories	(19,150)	12,246
Changes in trade and other receivables	(237,663)	666,698
Changes in trade and other payables	345,316	1,098,099
Changes in grants related to income	4,657,764	2,881,057
<i>Cash generated from/(used in) operating activities</i>	<b>132,731</b>	<b>(313,650)</b>
Profit tax paid	(99,102)	(80,619)
Net cash from/(used in) operating activities	<b>33,629</b>	<b>(394,269)</b>
Cash flows from investing activities		
Outflow from acquisition of non-current assets	(223,186)	(718,846)
Increase of non-current assets	-	-
Given borrowings	2,300	(19,606)
Increase of construction in progress	(97,130)	160,609
<i>Net cash used in investing activities</i>	<b>(318,016)</b>	<b>(577,843)</b>
Cash from financing activities		
Loan received	(138,334)	1,046,701
<i>Net cash flow from financing activities</i>	<b>(138,334)</b>	<b>1,046,701</b>
Net increase/(decrease) in cash and cash equivalents	(422,721)	74,589
Foreign exchange effect on cash	118,855	(17,157)
Cash and cash equivalents at the beginning of the year	2,615,705	2,558,273
Cash and cash equivalents at the end of the year	<b>2,311,839</b>	<b>2,615,705</b>

## Notes to the financial statements

### 1 Nature of operations and general information

The consolidated financial statements for the year ended 31 December 2024 comprise the financial statements of the "Football Federation of Armenia" NGO ("FFA" or "the Organization") and its wholly owned subsidiaries: "Technical Center – Academy" CJSC and "Republican Stadium after Vazgen Sargsyan" CJSC (together, "the Group").

FFA is a non-profit, non-commercial organization, initially registered with the Central Registry of the Republic of Armenia Legal Persons State Register on 21 February 2003. On 2 October 2018, it was re-registered as the "Football Federation of Armenia" NGO following a reorganization.

The Organization was established for an indefinite period through the voluntary union of football clubs with NGO status and other non-commercial organizations contributing to the development of football in Armenia. Its primary purpose is to coordinate the activities of its member organizations and to represent and protect their shared interests.

FFA is a full member of both the Fédération Internationale de Football Association (FIFA) and the Union of European Football Associations (UEFA). It holds the exclusive right to represent and safeguard the interests of Armenian football clubs and national teams within these international bodies.

In the conduct of its activities, the FFA's governing bodies and officials adhere to the statutes, regulations, circulars, and decisions of FIFA, UEFA, and the FFA itself, including the FIFA Code of Ethics.

The Organization maintains strict neutrality in political and religious matters.

FFA operates throughout the entire territory of the Republic of Armenia and internationally. The working language of the Organization's governing bodies is Armenian.

#### Purpose of the Organization

- To promote and develop football in the Republic of Armenia, enhancing its role in the comprehensive and harmonious development of individuals. The Organization aims to elevate Armenian football to international standards and utilize all possible means to strengthen international cooperation in the field of football.
- To develop, support, oversee, and regulate football throughout the territory of Armenia, using all acceptable means and guided by the principles of fair play.
- To protect the rights and interests of its members.

#### Objectives of the Organization

- To foster and strengthen relationships with FIFA and UEFA.
- To enhance cooperation between the Football Federation and football clubs in Yerevan and the Marzes of Armenia.
- To develop and implement long-term football development programs within the Republic of Armenia.
- To organize football competitions and determine the structure, regulations, and schedules for the national championship, cup tournaments, and other competitions.
- To host national and international tournaments within Armenia and oversee all friendly matches.
- To improve the system for developing elite athletes and ensure the effective participation of national teams and clubs in international competitions.
- To implement measures aimed at raising the qualifications of football professionals and referees.
- To organize the selection and training of coaches and other specialists for national teams.
- To study and summarize both local and international football traditions and experiences, and to apply scientific and methodological advancements in practice.
- To proactively prevent violations of the statutes of the Football Federation of Armenia, FIFA, and UEFA, as well as misconduct and unethical behavior in football.

- To ensure the social protection of athletes, coaches, and other professionals, and to care for football veterans.
- To disseminate football-related news and events through official channels and to publish methodological guides.
- To engage in any other activities permitted by law and aligned with the Organization's statutory objectives.

The average number of employees in the Group during 2024 was (2023: 265 employees).

### **Business environment**

The situation in the Republic of Armenia has become increasingly complex due to the ongoing conflict initiated by Azerbaijan. Although a ceasefire agreement is in place, the short- and long-term economic implications of the conflict for Armenia remain uncertain.

As of 2024, the political environment in Armenia continues to be relatively unstable. The aftermath of the 44-day Artsakh war continues to significantly affect the country's overall economic landscape. In September 2023, approximately 120,000 ethnic Armenians were forcibly displaced from Artsakh to Armenia, resulting in further economic and political disruptions.

Ongoing political instability, intermittent closures of international transportation routes, and periodic ceasefire violations make it challenging to accurately assess the potential economic impact of these developments on the Fund's operations. Armenia is still undergoing political and economic reforms, including the evolution of its legal, tax, and regulatory systems. The long-term stability and growth of the Armenian economy will depend largely on the success of these reforms.

The Armenian government has reaffirmed its commitment to advancing effective governance, including measures to combat corruption, and to promote transparency and accountability.

These evolving circumstances could materially affect the Group's future operations and financial position. However, the full extent of their impact remains uncertain at this time. Future political and economic developments may differ from current management expectations.

These consolidated financial statements do not incorporate any potential future impacts arising from the above-mentioned uncertainties.

## **2 Basis of preparation**

### **2.1 Statement of compliance**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB"). They have been prepared under the assumption that the Group operates on a going concern basis.

Currently, IFRSs do not contain specific guidance for non-profit organizations and non-governmental organizations concerning the accounting treatment and presentation of financial statements. Where IFRSs do not give guidance on how to treat transactions specific to not for profit sector, accounting policies have been based on the general principles of IFRSs, as detailed in the International Accounting Standards Board ("IASB") The Conceptual Framework for Financial Reporting.

### **2.2 Basis of measurement**

The consolidated financial statements have been prepared on an accruals basis and under the historical cost convention.

### **2.3 Functional and presentation currency**

The national currency of Armenia is the Armenian dram ("dram"), which is the Group's functional currency, since this currency best reflects the economic substance of the underlying events and transactions of the Group.

These consolidated financial statements are presented in Armenian drams, since management believes that this currency is more useful for the users of these consolidated financial statements. All financial information presented in Armenian drams has been rounded to the nearest thousand.

## 2.4 Use of estimates and judgment

The preparation of financial statements in conformity with IFRSs requires management to make critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 19 to the financial statements.

## 2.5 Adoption of new and revised standards

In the current year the Group has adopted all of the new and revised Standards and Interpretations issued by the IASB and International Financial Reporting Interpretations Committee (the "IFRIC") of the IASB that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2024.

The nature and the effect of these changes are disclosed below.

### New and revised standards and interpretations that are effective for annual periods beginning on or after 1 January 2024

Standard	Title of Standard or Interpretation
<i>Various</i>	<i>Amendments to IFRS 17, IAS 12, IAS 8, IAS 1, IFRS for SMEs</i>

### Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning on or after the effective date of the pronouncement.

Management does not anticipate a material impact on the Group's financial statements from these Standards and Amendments, they are presented below:

Standard	Title of Standard or Interpretation	Effective for reporting periods beginning on or after
<i>IAS 1</i>	<i>Classification of Liabilities as Current or Non-current (Amendments to IAS 1)</i>	<i>1 January 2024</i>
<i>IFRS 16</i>	<i>Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)</i>	<i>1 January 2024</i>
<i>IAS 1</i>	<i>Non-current Liabilities with Covenants (Amendments to IAS 1)</i>	<i>1 January 2024</i>
<i>IAS 7 and IFRS 7</i>	<i>Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)</i>	<i>1 January 2024</i>
<i>IAS 21</i>	<i>Lack of Exchangeability (Amendments to IAS 21)</i>	<i>1 January 2025</i>

## 2.6 Subsidiaries

Information about the subsidiaries is presented below:

Name	Location of the parent organization	Ownership 2024	Ownership 2023
“Technical Center – Academy” CJSC	Armenia	100%	100%
“Republican Stadium after Vazgen Sargsyan” CJSC	Armenia	100%	100%

## 3 Significant accounting policies

### 3.1 Basis of consolidation

The Group’s financial statements consolidate those of the parent company and all its subsidiaries as of 31 December 2024. All subsidiaries have a reporting date of 31 December.

All transactions and balances between companies are eliminated on consolidation, including unrealized gains and losses on transactions between the Group companies. Where unrealized losses on intra-Group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

### 3.2 Foreign currencies

In preparing the consolidated financial statements, transactions in currencies other than the functional currency are recorded at the rates of exchange defined by the Central Bank of Armenia prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates defined by the Central Bank of Armenia prevailing on the reporting date, which is 396.56 drams for 1 US dollar and 413,89 drams for 1 euro as of 31 December 2024 (31 December 2023: 404.79 drams for 1 US dollar, 447,90 drams for 1 euro). Non-monetary items are not retranslated and are measured at historic cost (translated using the exchange rates at the transaction date), except for non-monetary items carried at fair value that are denominated in foreign currencies which are retranslated at the rates prevailing on the date when the fair value was determined.

### 3.3 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost comprises purchase price including import duties and non-refundable purchase taxes and other directly attributable costs. When an item of property and equipment comprises major components having different useful lives, they are accounted for as separate items of property and equipment.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes directly attributable expenditures, site preparation, installation and assembly costs, professional fees and for qualifying assets, borrowing costs capitalized in accordance with the Group’s accounting policy. Building received free of charge are also included in property and equipment. Such assets are depreciated over their expected useful lives (determined by reference to comparable owned assets) or over the term.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Expenditure to replace a component of an item of property and equipment that is accounted for separately is capitalized with the carrying amount of the component being written off. Other subsequent

expenditure is capitalized if future economic benefits will arise from the expenditure. All other expenditure, including repair and maintenance, is recognized in profit or loss as incurred.

Depreciation is charged to profit or loss or is added to the cost of other asset on a straight-line basis over the estimated useful lives of the individual assets. Depreciation commences when assets are available for use. The estimated useful lives are as follows:

<b>PPE</b>	<b>Annual interest rate</b>	<b>Calculation method</b>
Buildings, structures	5 %	straight line
Machinery and equipment	20 %	straight line
Vehicles	20 %	straight line
Production property	20 %	straight line
Other fixed assets	20 %	straight line

### 3.4 Financial instruments

#### *Recognition and derecognition*

Financial assets and financial liabilities are recognized when the Group becomes a part to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

Financial liabilities are derecognized when they are extinguished, discharged, cancelled or expire.

#### *Classification and initial measurement of financial assets*

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortized cost
- fair value through profit or loss (FVTPL)
- fair value through statement of activities (FVOCI).

The classification is determined by both:

- the Group's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognized in profit or loss represented within finance costs, finance income or other financial items. A summary of the Group's financial assets by category is given in note 17.

#### *Subsequent measurement of financial assets*

##### *Financial assets at amortized cost*

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

#### *Impairment of financial assets*

IFRS 9's impairment requirements use more forward-looking information to recognize expected credit losses – the “expected credit loss (ECL) model”. Instruments within the scope of IFRS 9 requirements included loans and other debt-type financial assets measured at amortized cost and FVOCI, trade receivables, contract assets recognized and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead, the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (“Stage 1”) and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (“Stage 2”).

“Stage 3” would cover financial assets that have objective evidence of impairment at the reporting date.

“12-month expected credit losses” are recognized for the first category while “lifetime expected credit losses” are recognized for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

#### *Trade and grant receivables*

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

#### *Classification and measurement of financial liabilities*

The Group's financial liabilities include accounts payable. A summary of the Group's financial liabilities by category is given in note 17.

### **3.5 Inventory**

Inventories are assets held for sale in the ordinary course of business or in the form of materials or supplies to be consumed in the production process or in the rendering of services. Items such as spare parts, stand-by equipment and servicing equipment are also recognized as inventories unless they meet the definition of property and equipment.

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

### **3.6 Grants**

Grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Grants with a primary condition to purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the statement of financial position and transferred to the result on a systematic and rational basis over the useful lives of the related assets.

Grants received unconditionally from the donors as a financial support or as a compensation for expenses and losses already incurred, are recognized in the result of the year, when they become receivable.

Cash collected by the Group is not recognized as income, when the project or grant is not realized or controlled by the Group. These amounts are not included in the financial statements of the Group.

Grants received from donors, which as of a reporting date have not been used, are recognized in the statement of financial position of the Group as deferred income (current liability) and are systematically transferred to the result of the year, along with the grants usage.

All grant income is recognized in the statement of financial position as deferred income, when it becomes receivable. Deferred income is transferred to the consolidated statement of profit or loss and other comprehensive income in line with the realization of the grant commitments. However, if the amount of deferred income turns out to be more than is required by the Group to meet its commitments, the surplus amount is deducted from the balance of the deferred income and the respective receivables from donors. The amount of this adjustment is not reflected in the statement of activities.

Grants that are receivable as compensation for expenses or losses already incurred are recognized as income in the period in which they become receivable.

### **3.7 Income tax**

Income tax on current year profit or loss consists of current tax and deferred tax.

Current tax is the amount of income taxes payable/(refundable) in respect of the taxable profit/(loss) for a period. Current tax is recognized in the net profit or loss of the period.

Deferred taxes (deferred tax liabilities and deferred tax assets) of the Organization are conditioned by carry-forward of temporary differences (taxable and deductible temporary differences), and carry-forward of unused tax losses.

Deferred taxes arising as a result of temporary differences are calculated using balance sheet liability method, based on the temporary differences between the carrying amounts of assets and liabilities used for preparation of financial statements, and amounts used for taxation purposes (tax base).

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

### **3.8 Employee benefits**

Short-term employee benefits are benefits expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services and include:

- (a) wages, salaries and bonuses;
- (b) paid annual leaves and paid disability leaves;

#### *Paid absences*

The expected cost of short-term employee benefits in the form of paid absences is recognized as follows:

- (c) in the case of accumulating paid absences, when the employees render service that increases their entitlement to future paid absences.
- (a) in the case of non-accumulating paid absences, when the absences occur.

#### *Bonuses*

The expected cost of bonus payments is recognized when and only when the Group has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

A present obligation exists when, and only when, the entity has no realistic alternative but to make the payments.

### **3.9 Income**

Income arises mainly from the rendering of services and income from grants.

To determine whether to recognize revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer

2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognizing revenue when/as performance obligation(s) are satisfied.

Income is recognized either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

*Rendering of services*

The Group generates service-related revenue primarily from organizing national and international football competitions, providing training and licensing programs for coaches and referees, and offering technical and logistical support to affiliated football clubs and regional federations.

*Income from grants*

Income recognition policy is presented in note 3.6.

**4 Income from operations**

In thousand drams	Year ended 31 December 2024	Year ended 31 December 2023
Grants related to income	6,634,326	1,886,910
Grants related to assets	2,320,592	1,966,609
Provision of services	1,508,791	1,032,492
Realization of goods	239,524	276,248
Other income	260,666	181,960
	<b>10,963,899</b>	<b>5,344,219</b>

**5 Operating expenses**

In thousand drams	Year ended 31 December 2024	Year ended 31 December 2023
Employee benefits	1,463,145	1,410,000
Cost of sales*	906,665	716,550
Expenses related to assets granted free of charge	1,307,115	508,694
Accommodation and catering	361,711	379,840
Airfare and train tickets	420,841	350,221
Awards and prizes	146,522	341,073
Loss from impairment of non-current assets	-	280,252
Taxes, duties, and penalties	101,014	269,514
Visa and insurance expenses	22,008	214,099
Sports equipment	301,789	193,178
Organization of training camps and official matches	23,243	41,783
Security services	68,755	86,096
Transportation expenses	180,063	74,206
Depreciation of property and equipment	4,448	73,706
Administrative expenses	185,199	60,182
Repair and maintenance expenses	32,152	37,881
Representation expenses	39,162	33,619
Staff training and development	82,579	32,809
Medical check-ups and examinations	67,134	54,959
Per diem allowances	17,090	26,042
Match analysis	31,758	23,411
Stadium or sports hall rental	28,542	21,534
Foreign exchange loss	54,933	27,267
Other operating expenses	288,047	204,738
	<b>6,133,915</b>	<b>5,461,653</b>

The analysis of cost of sales is summarized in the table below:

**(\*) Cost of sales consists the following expenses:**

In thousand drams	Year ended 31 December 2024	Year ended 31 December 2023
Employee benefits	437,872	396,681
Food and beverages	125,793	104,027
Acquisition of services	119,163	15,714
Goods and materials	208,040	184,708
Depreciation expenses	13,823	14,138
Other expenses	1,974	1,282
	<b>906,665</b>	<b>716,550</b>

**6 Administrative expenses**

In thousand drams	Year ended 31 December 2024	Year ended 31 December 2023
Employee benefits	875,459	847,567
Office and utility expenses	20,476	24,398
Depreciation and amortization	1,130,672	1,090,280
Non-recoverable taxes and duties	52,931	22,072
Postage and telecommunications expenses	30,873	35,607
Travel and representation expenses	24,894	33,171
Audit and consultancy expenses	17,843	7,200
Bank service charges	9,203	8,406
Reverse charge VAT on non-resident services	40,608	13,617
Other administrative expenses	305,573	353,462
Employee benefits	<b>2,508,532</b>	<b>2,435,780</b>

**7 Income tax**

*Amounts recognized in profit or loss*

The income tax rate for the reporting year is set by the Republic of Armenia Tax Code at 18% (2023: 18%).

In thousand drams	Year ended 31 December 2024	Year ended 31 December 2023
Current tax expense	2,575	70,468
Deferred tax income	(765)	(832)
	<b>1,810</b>	<b>69,636</b>

**8 Property and equipment**

	Buildings	Structures	Equipment	Vehicles	Fixture and fittings	Other	Lands	Total
<i>Cost</i>								
As of 1 January 2023	10,333,427	5,438,164	820,656	268,705	774,419	350,149	1,993,745	19,979,265
Additions	-	10,270	889,795	10,163	22,135	90,199	75,511	1,098,073
Disposals and write-offs	(330,266)	(715,664)	(37,272)	(6,156)	(29,044)	(2,365)	(34,729)	(1,155,496)
Reclass	-	476,844	1,211	(2,574)	(158,495)	(1,628)	-	315,358
As of 31 December 2023	<b>10,003,161</b>	<b>5,209,614</b>	<b>1,674,390</b>	<b>270,138</b>	<b>609,015</b>	<b>436,355</b>	<b>2,034,527</b>	<b>20,237,200</b>
Additions	22,028	2,542	48,394	224	21,209	98,769	-	193,166
Disposals and write-offs	-	(511,230)	(181,028)	-	(4,864)	(86,769)	-	(783,891)
Reclass	1,981,752	947,812	37,117	-	2,092	218,572	-	3,187,345
As of 31 December 2024	<b>12,006,941</b>	<b>5,648,738</b>	<b>1,578,873</b>	<b>270,362</b>	<b>627,452</b>	<b>666,927</b>	<b>2,034,527</b>	<b>22,833,820</b>
<i>Accumulated depreciation</i>								
As of 1 January 2023								
Charge for the year	569,706	288,782	64,139	15,008	37,334	122,565	-	1,097,534
Eliminated on disposal and write-offs	(77,872)	(168,514)	(35,053)	(4,628)	(21,916)	(1,916)	-	(309,899)
Reclass	-	60	74,982	(2,573)	(133,097)	(75,042)	-	(135,670)
As of 31 December 2023	<b>5,454,779</b>	<b>1,914,394</b>	<b>761,217</b>	<b>220,568</b>	<b>525,161</b>	<b>269,347</b>	-	<b>9,145,466</b>
Charge for the year	582,745	243,958	144,196	11,596	30,481	39,505	-	1,052,481
Eliminated on disposal and write-offs	-	(11)	(2,934)	-	(4,864)	(613)	-	(8,422)
Reclass	3	1,289	13,511	-	2,136	5,918	-	22,857
As of 31 December 2024	<b>6,037,527</b>	<b>2,159,630</b>	<b>915,990</b>	<b>232,164</b>	<b>552,914</b>	<b>314,157</b>	-	<b>10,212,382</b>
<i>Carrying amount</i>								
As of 31 December 2023	<b>4,548,382</b>	<b>3,295,220</b>	<b>913,173</b>	<b>49,570</b>	<b>83,854</b>	<b>167,008</b>	<b>2,034,527</b>	<b>11,091,734</b>
As of 31 December 2024	<b>5,969,414</b>	<b>3,489,108</b>	<b>662,883</b>	<b>38,198</b>	<b>74,538</b>	<b>352,770</b>	<b>2,034,527</b>	<b>12,621,438</b>

**9 Construction in progress**

	As of 31 December 2024	As of 31 December 2023
Balance at the beginning of year	2,789,521	2,950,130
Additions	97,130	373,237
Reclassification to property and equipment	(2,341,279)	(533,846)
Balance at the end of year	<b>545,372</b>	<b>2,789,521</b>

The movement analysis of construction in progress is summarized in tables below.

2024

Name/description	As of 1 January 2024	Movement		As of 31 December 2024
		Addition	Reclassification	
Vanadzor Stadium	1,143,201	1,608	(1,144,046)	763
Abovyan Stadium	1,042,555	4,805	(1,047,360)	-
Football school after K. Hovhannisyan	544,339	270	-	544,609
Solar photovoltaic system	59,426	90,447	(149,873)	-
<b>Total</b>	<b>2,789,521</b>	<b>97,130</b>	<b>(2,341,279)</b>	<b>545,372</b>

2023

Name/description	As of 1 January 2023	Movement		As of 31 December 2023
		Addition	Reclassification	
Armavir Jubilee Stadium	476,243	-	(476,243)	-
Vanadzor Stadium	1,121,077	22,124	-	1,143,201
Abovyan Stadium	1,072,958	27,200	(57,603)	1,042,555
Football school after K. Hovhannisyan	279,852	264,487	-	544,339
Solar photovoltaic system	-	59,426	-	59,426
<b>Total</b>	<b>2,950,130</b>	<b>373,237</b>	<b>(533,846)</b>	<b>2,789,521</b>

## 10 Intangible assets

In thousand drams	Computer software	Other intangible assets	Total
<b>Initial cost</b>			
<b>As at 1 January 2023</b>	44,135	98,594	142,729
Addition	25,577	6,403	31,980
Reclass	66,330	(66,330)	-
Reclass to property and equipment	160,888	-	160,888
<b>As at 31 December 2023</b>	<b>296,930</b>	<b>38,667</b>	<b>335,597</b>
Addition	30,020	-	30,020
Reclass	(12,176)	12,176	-
Reclass to property and equipment	-	(9,752)	(9,752)
<b>As at 31 December 2024</b>	<b>296,930</b>	<b>38,667</b>	<b>335,597</b>
<b>Amortization</b>			
<b>As at 1 January 2023</b>	<b>24,438</b>	<b>16,576</b>	<b>41,014</b>
Annual depreciation	23,590	14,596	38,186
Reclass to property and equipment	135,670	-	135,670
<b>As at 31 December 2023</b>	<b>183,698</b>	<b>31,172</b>	<b>214,870</b>
Annual depreciation	22,475	8,733	31,208
Reclass to property and equipment	-	(3,260)	(3,260)
<b>As at 31 December 2024</b>	<b>206,173</b>	<b>36,645</b>	<b>242,818</b>
<b>Carrying Amount</b>			
<b>As at 31 December 2023</b>	<b>113,232</b>	<b>7,495</b>	<b>120,727</b>
<b>As at 31 December 2024</b>	<b>108,601</b>	<b>4,446</b>	<b>113,047</b>

## 11 Other non-current assets

In thousand drams	As of 31 December 2024	As of 31 December 2024
	179,085	491,351
Fields, stadiums and pitches with natural grass		
Pitches with artificial grass	179,030	400,079
	<b>358,115</b>	<b>891,430</b>

### 11.1 Field, stadium and gym with natural grass

Location of unfinished buildings	As of 1 January 2024	Turnover		As of 31 December 2024
		Addition	Decrease	
City of Sevan	299,206	-	(299,206)	-
Nerqin Karmir Aghbyur	158,731	-	-	158,731
Ararat region	20,217	-	(13,060)	7,157
Shirak region	13,197	-	-	13,197
	<b>491,351</b>	<b>-</b>	<b>(312,266)</b>	<b>179,085</b>

## 11.2 Field with artificial grass

Stadiums according to RA regions	As of 1 January 2024	Turnover		As of 31 December 2024
		Addition	Decrease	
Kotayk region	178,713	292,221	(339,731)	131,203
Gegharkunik region	165,252	13,360	(161,243)	17,369
Armavir region	36,073	-	(36,073)	-
Yerevan region	16,033	101,883	(117,916)	-
Ararat region	4,008	25,262	(17,370)	11,900
Syunik region	-	129,992	(129,992)	-
Tavush region	-	18,060	(17,370)	690
Vayots Dzor region	-	17,868	-	17,868
Aragatsotn region	-	17,406	(17,406)	-
	<b>400,079</b>	<b>616,052</b>	<b>(837,101)</b>	<b>179,030</b>

## 12 Inventory

	As of 31 December 2024	As of 31 December 2023
Materials	33,073	26,477
Fuel	1,371	2,345
Spares	1,729	1,727
Other materials	1,061,895	1,049,005
Goods in the warehouse	216,451	215,815
	<u>1,314,519</u>	<u>1,295,370</u>
Provision for impairment	(5,585)	(5,586)
	<b><u>1,308,934</u></b>	<b><u>1,289,784</u></b>

## 13 Trade and other receivables

	As of 31 December 2024	As of 31 December 2023
<b>Financial assets</b>		
Trade receivables	189,723	58,384
Other receivables	49,648	31,882
	<b><u>239,371</u></b>	<b><u>90,266</u></b>
<b>Non financial assets</b>		
Prepayment	52,699	286,929
Receivables from state budget	329,858	6,066
Other	8,745	9,749
	<b><u>391,302</u></b>	<b><u>302,744</u></b>
Reserve	(138,389)	(138,389)
	<b><u>492,284</u></b>	<b><u>254,621</u></b>

## 14 Cash and cash equivalents

In thousand drams	As of 31 December 2024	As of 31 December 2023
Cash on bank accounts	2,308,435	2,584,264
Cash in hand	3,404	31,441
	<b><u>2,311,839</u></b>	<b><u>2,615,705</u></b>

## 15 Loans

The Football Federation of Armenia (FFA) receives loans from local and international partners to finance infrastructure projects, development programs, and operational activities. These loans are recognized initially at fair value, net of transaction costs, and subsequently measured at amortized cost in accordance with IFRS 9 — Financial Instruments. Interest, if applicable, is accrued over the term of the loan using the effective interest rate method. The Federation regularly assesses its ability to meet loan obligations and ensures compliance with the terms of each agreement.

## 16 Grants related to assets

	<b>As of 31 December 2024</b>	<b>As of 31 December 2023</b>
<b>Balance as of January 1</b>	13,977,915	14,665,525
Grants received during the year	722	85,466
Reclassification to grant related to income	1,214,883	1,193,533
Account adjustment	(2,320,592)	(1,966,609)
Recognition of grant as income	12,872,928	13,977,915
<b>Balance as of December 31</b>	<b>13,977,915</b>	<b>14,665,525</b>

## 17 Trade and other payables

	<b>As of 31 December 2024</b>	<b>As of 31 December 2023</b>
Taxes and liabilities payable	88,831	94,341
Advances received	1,057,158	3,512,515
Unused leave provision	160,772	148,940
Payables on supplies	412,602	357,191
Payables on property and equipment	-	9,898
Payables to employees	8,647	2,132
Other	1,755	6,418
	<b>1,729,765</b>	<b>4,131,435</b>

## 18 Grants related to income

	<b>As of 31 December 2024</b>	<b>As of 31 December 2023</b>
<b>Balance as of January 1</b>	2,665,401	2,950,253
Received during the year	5,504,683	2,795,591
Reclass from prepayments received	2,746,986	-
Income recognised	(6,634,326)	(1,886,910)
Reclassification from grants related to assets	(1,214,883)	(1,193,533)
<b>Balance as of December 31</b>	<b>3,067,861</b>	<b>2,665,401</b>

## 19 Critical accounting estimates and judgments

Estimates and judgments 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.

### 19.1 Critical accounting estimates

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates may be different from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### *Useful lives of property and equipment*

Management has estimated useful lives of the property and equipment. Management believes that estimated useful lives of the property and equipment are not materially different from economical lives of those assets. If actual useful lives of property and equipment are different from estimations, financial statements may be materially different.

#### *Grants recognition*

As disclosed in note 3.4, grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. For each grant agreement management estimates the probability that it will satisfy the conditions attached to the grant, and that the grant will be received. In doing so, management relies on the previous experience with the donor, as well as the capabilities of the Group to completely implement the grant. If management estimates that the Group will be able to satisfy the conditions attached to the grant, and that the donor is ready to completely transfer the grant amounts, such grants are immediately recognized in the financial statements (as grants receivable and deferred income). However, if the management is mistaken in its estimates, the financial statements may be adjusted, and those adjustments may be significant to the financial statements for the Group.

## 20 Transactions with management

The Group's related parties include the Eurasia Group (the Founder), Group Board of Trustees and Executive Director.

In thousand drams

	Year ended 31 December 2024	Year ended 31 December 2023
Salaries and bonuses	<u>71,353</u>	<u>72,019</u>