



ANNUAL REPORT 2024

TABLE OF CONTENTS

STATEMENT TO PARLIAMENT	3
ABOUT SHC.....	4
CHAIRPERSON'S REPORT	5
CHIEF EXECUTIVE OFFICER'S REPORT	8
BOARD OF DIRECTORS.....	17
MANAGEMENT.....	17
PROJECTS.....	18
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024	

OFFICE OF THE MINISTER
SAMOA HOUSING CORPORATION

The Honorable Speaker
Legislative Assembly of Samoa
MULINUU



In pursuant of Section 40 of the Housing Corporation Act 2010, I present to the Legislative Assembly the Annual Report for the Samoa Housing Corporation for the financial year ending 30th June 2024.

Ma le fa'aaloalo lava,

A handwritten signature in blue ink, appearing to read "Leatinuu Wayne Sooialo".

Afioga Hon. Leatinuu Wayne Sooialo
MINISTER FOR PUBLIC ENTERPRISES

SAMOA HOUSING CORPORATION

MANDATE

The Samoa Housing Corporation (SHC) commenced operation in May 1990, and has operated for over 30 years. The Corporation was constituted, to meet the needs of borrowers who were unable to secure loans from commercial financial institutions for housing and land purchase, due to their inability to meet collateral or repayment requirements. The Housing Corporation Act 1989 accordingly states that the principal function of the SHC is ‘lending money [secured by mortgages or other security] for the purposes of building, renovating, extending and completing residential homes or to assist the borrower to acquire land for residential purposes’.

The government rental housing portfolio was transferred to the SHC from the Ministry of Works, Transport and Infrastructure (MWTI) in 2013. Anticipating this change to the SHC functions, the Housing Corporation Act 1989 was amended in 2010 to allow the SHC to perform additional relevant functions such as managing the government rental housing portfolio, access related business activities and opportunities to meet the growing needs of the population and any other related functions approved by Cabinet. The SHC now provides residential rental accommodation for approximately 73 families. In 2022, five new rental units consisting of two and three bedrooms were constructed on a $\frac{1}{4}$ acre land at Moto’otua to maximise the use of such leased land, and to increase rental revenue and housing stock.

VISION

“All Samoans accessing competitive financing and affordable rental housing”.

MISSION

“Empowering Samoans to improve their living standards, so they can live and thrive in safe and resilient communities, by providing access to cheaper finance and better social housing options, while contributing to the sustainable growth and development of Samoa.”

OUR VALUES

Our core values are the foundation of our work in the Corporation. They guide our staff in everything we do and shape the way we operate as an organization.

- **Honesty and integrity** – we value honesty and integrity, and they encompass the core of our operations.
- **Transparency and accountability** – clear and open decision making while holding decision-makers to account, which leads to sound and good governance.
- **Respect** – Staff accepting each other’s different points of view and background to allow staff to interact freely and exchange opinions which develops harmony and unity within the workplace.
- **Impartiality** – Fair and objective decision making within all areas and equal treatment of everyone including staff and clients.
- **Team work** – Team work improves efficiency and productivity, fosters communication and builds strong work relationship.

CHAIRPERSON'S REPORT

On behalf of the Board of Directors, I am pleased to present the Samoa Housing Corporation's (SHC) annual report for the financial year ending 30th June 2024 (FY2024). SHC has made significant progress during this period of substantial change and growth, reflecting its commitment to deliver on its mandate.

1. HIGHLIGHTS AND ACHIEVEMENTS

1.1 Financial Performance

In FY2024, SHC recorded a total revenue of \$11.29 million, an increase of \$1.8 million (18.9%) from FY2023. Total expenses rose to \$9.7 million, an increase of \$1.5 million (18.8%) from FY2023. The Corporation achieved a net profit of \$1.59 million, an increase of \$259,630 (19.5%) from FY2023.

SHC's performance was driven by increased revenue from interest on loans, increase in rental income primarily from the lease of SHC's former office to the Public Trust Office (PTO), and disciplined cost control measures.

SHC's loan portfolio grew by 0.8% to \$75.10 million in FY2024. Loan approvals totaled \$20.32 million across 789 loan accounts. This shows continued strong demand for SHC's financial services.

SHC paid a dividend of \$1.0 million to the Government - an increase of \$300,000 from FY2023 - in line with public policy obligations.

1.2 Asset and Property Management

In August 2023, SHC secured a 5-year lease of its former office to the PTO, generating additional rental income of \$20,000 per month.

The rental housing properties were valued in March 2024 at \$9,278,399, recording a significant increase of over \$6.0 million from 2013 when they were first transferred from Public Works. The increase in property values is a result of targeted annual maintenance and upgrade programs over the years.

1.3 Governance and Policy Development

In March 2024 the Board approved a reduction in interest rates on loans to improve affordability and accessibility for Samoan citizens, consistent with Strategic Outcome 1 of the *Pathway for the Development of Samoa*. The interest on personal-guarantee loans was reduced by 3-4%, and the mortgage loans interest rate was decreased by 1%. This policy shift underscores SHC's ongoing commitment of offering affordable financial services to meet the evolving needs of its clients.

In June 2024, the Board endorsed progressive workplace policies to support and enhance employee well-being. These included the implementation of an after-school childcare service for staff with young school aged children, and a breastfeeding policy that enabled flexible

working hours for nursing mothers and allowed them to have their babies brought to the office for breastfeeding. These initiatives demonstrate that the Board understands the importance of employee well-being - that establishing a healthy and supportive workplace can positively impact the organisation by increasing employee retention rates, boosting employee motivation and productivity, better customer experience, improved employee satisfaction and engagement and better work-life balance.

1.4 Debt Management

In October 2023, SHC secured a \$16.0 million facility from the Accident Compensation Corporation (ACC) on favourable terms, enabling the re-financing of existing high-interest loans previously held with the Samoa National Provident Fund. The remaining funds were allocated to support operational requirements and proposed new rental housing projects, ensuring SHC's long-term financial sustainability. This initiative reflects SHC's continued efforts to access more cost-effective funding sources, enabling the Corporation to offer lower interest rates to its clients while enhancing financial resilience.

Despite the increased borrowing associated with the ACC loan, SHC decreased its Debt-to-Equity ratio from 0.85 in FY2023 to 0.64 in FY2024. This positive shift reflects a strengthened asset base, supported by a substantial increase in property values, and the implementation of prudent financial management strategies.

1.5 Strategic Investments

In May 2024, SHC launched a new website to enhance user access and stakeholder engagement.

In addition, the Board approved a new Loans Management System, to replace the existing outdated system which no longer met current technological standards. The new system, expected to be implemented in the new financial year, will significantly enhance operational efficiency, data management, and service delivery.

2. CHALLENGES

SHC continues to face challenges in balancing its mandate under the Housing Corporation Act (to improve housing affordability for low-income earners) vs maintaining financial viability as required under the Public Bodies (Performance and Accountability) Act (to be a profitable business). Striking a balance between these objectives remains a core challenge.

Key challenges faced by SHC include:

- i. Increased competition from commercial financial institutions, which offer a broader range of products and services;
- ii. Limited access to low-cost financing, which restricts SHC's ability to offer more affordable loan products; and
- iii. Management of an aging government housing portfolio, much of which requires significant renovation to meet basic safety and habitability standards, without the support of a dedicated government budget.

To address these issues, SHC's new Corporate Plan 2025-2027 will outline targeted strategies and introduce new initiatives aimed at enhancing operational efficiency, securing sustainable financing, and delivering on its social mandate without compromising financial accountability.

3. THE BOARD

In July 2023, Lauano Lauina Grace was appointed Chair for the SHC Board of Directors. Three new directors were also appointed in July 2023: Su'a Henry Fruean, Falesaopule Vaialia Iosua, and Leaupepe Satui Bentin.

During the year, the Board convened 12 times, with 6 additional meetings held by the Audit and Rental Sub-Committees.

4. OUR PEOPLE

The Board recognizes that Samoa Housing Corporation is only as successful as its people and acknowledges that investing in staff development and capacity building is essential for the continued growth and success of the Corporation. In line with this commitment, the Board supports ongoing professional development, including overseas training opportunities for all staff.

This year, three members of the management team were selected to attend specialized training programs in Fiji. These opportunities not only enhance their individual skills and expertise but also contribute to fostering a culture of continuous improvement across the Corporation.

5. ACKNOWLEDGEMENTS

On behalf of the Board, I acknowledge the contribution of the directors during a period of substantial change and growth. I express my thanks to Sili Elizabeth Chan Tung Peters who stepped down in May 2024.

I acknowledge our Minister, Hon. Leatinuu Wayne So'oialo, for his vision and unwavering support over the past year.

I also express my gratitude to the Samoa Housing Corporation CEO, management and staff, for their implementation of the Board's vision for improvement and growth.

I look forward to continuing to work together with all our stakeholders in "Empowering Samoans to improve their living standards..." and delivering on SHC's mandate.

Ma le faaaloalo lava,



Lauano Lauina Grace

CHAIR

CHIEF EXECUTIVE OFFICER'S REPORT

It is indeed my pleasure to present this report on the SHC's performance, highlighting achievements and challenges for Financial Year 2023/2024.

1. LOANS PORTFOLIO

1.1 Loans Portfolio

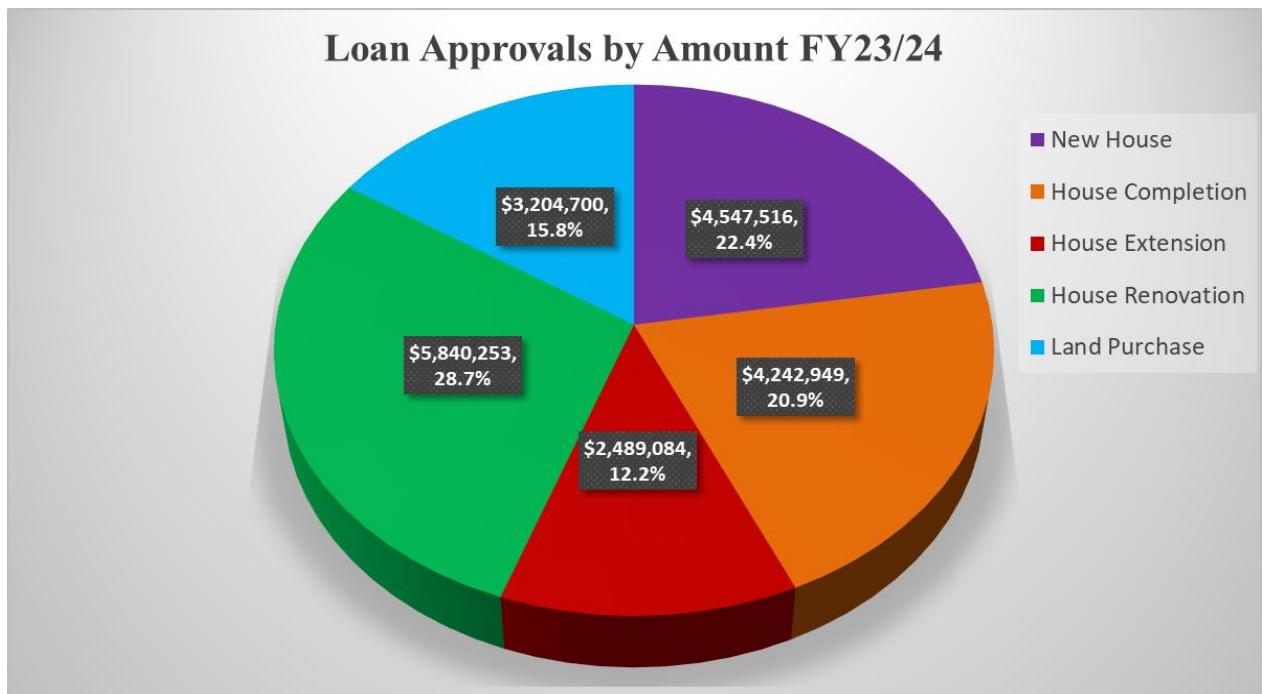
Details	Value (\$ M)		No. of Accounts	
	2024	2023	2024	2023
Personal Guarantees	30.48	38.33	2,400	2,621
Mortgaged Loans	44.61	36.13	516	504
Total Portfolio	\$75.09	\$74.46	2,916	3,125
Upolu	67.47	68.62	2,335	2,516
Savaii	7.63	5.84	581	609
Total Portfolio	\$75.10	\$74.46	2,916	3,125

The total loans portfolio value increased by \$640K (0.86%), reaching \$75.01M by 30 June 2024, compared to \$74.46M in Financial Year 2022/2023. This total represents, 2916 existing households assisted by SHC. Although this reflects a reduction of 209 accounts from the previous year, largely due to refinancing from Commercial Banks, the \$640K increase in portfolio value underscores SHC's steady financial performance despite the decrease in the number of accounts.

The composition of the portfolio reveals that mortgage loans contribute the largest share in value at 59.4% (\$44.61M), while personal guarantee loans account for 40.6% (\$30.48M). A notable trend is observed in the personal guarantees sector, which saw a decrease of \$7.85M and 221 accounts. This shift is attributed to borrowers refinancing through commercial banks that offer more competitive terms, particularly unsecured loans with no required collateral. Conversely, mortgage loans increased by \$8.48M and 12 accounts, indicating a growing demand for home construction on freehold lands, as more individuals choose to invest in land ownership to build their own homes.

Regionally, Upolu continues to dominate the portfolio, managing 2,335 accounts valued at \$67.47M. Meanwhile, Savaii recorded a 30.7% increase (\$1.79M) in portfolio value despite a reduction in account numbers, showcasing positive lending activity and growth potential in the region.

1.2 New Loan Approvals

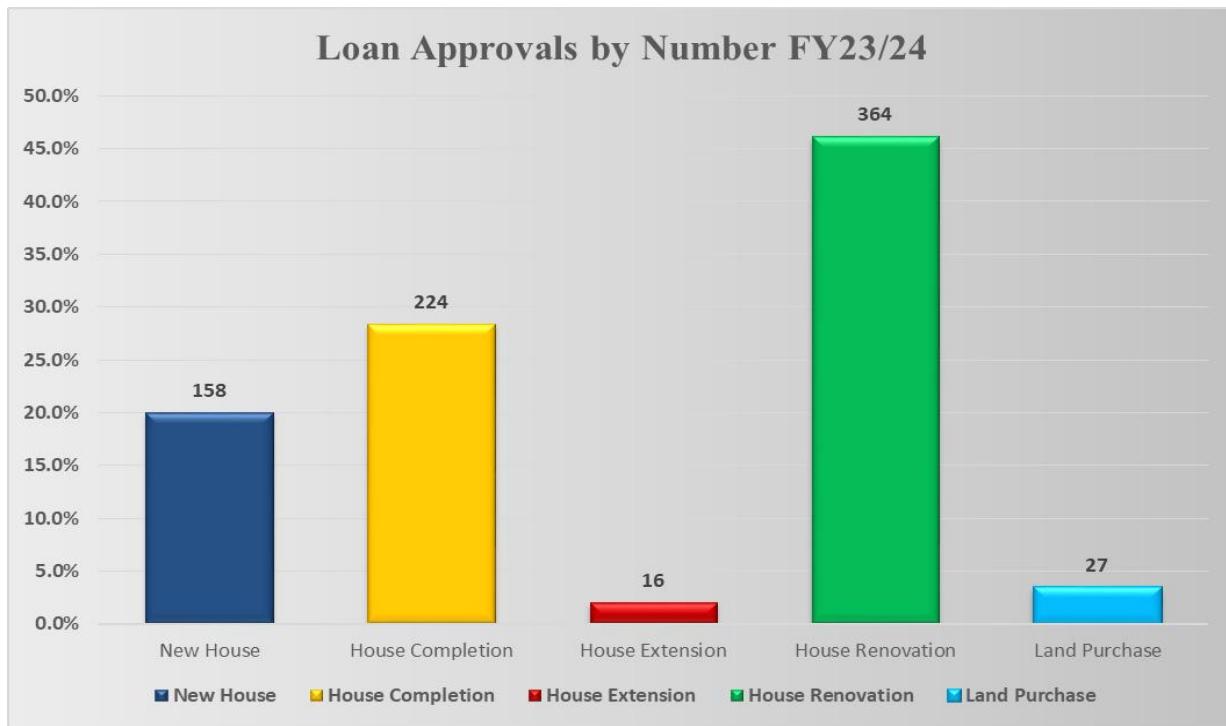


In FY 2023/2024, SHC approved 789 loans totaling \$20.32M. The disbursement of these funds was strategically allocated to support a range of housing needs:

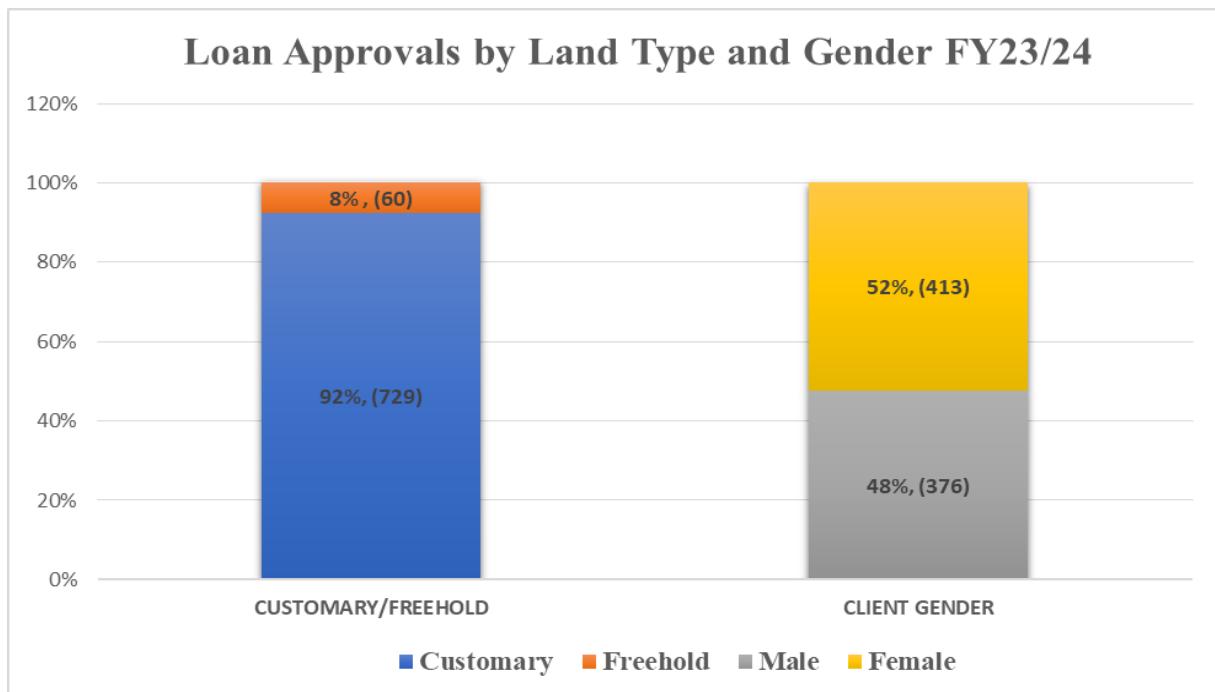
- i. \$4.55M was dedicated to the construction of new houses;
- ii. \$4.24M supported the completion of homes already under construction but delayed due to family budget constraints;
- iii. \$2.49M funded house extensions to accommodate growing household sizes;
- iv. \$5.84M was allocated for renovations of deteriorating homes;
- v. \$3.20M facilitated the procurement of land intended for future residential developments.

The SHC loan scheme continues to play a transformative role in improving the safety and wellbeing of Samoan families. These housing interventions have provided more accessible, secure, and climate-resilient living environments, benefiting all family members, including children and persons with disabilities.

The construction and upgrade of homes have also enabled children to study more effectively in supportive, stable settings. Enhanced safety features offer greater security and peace of mind for residents, further contributing to the resilience and social stability of communities across Samoa.



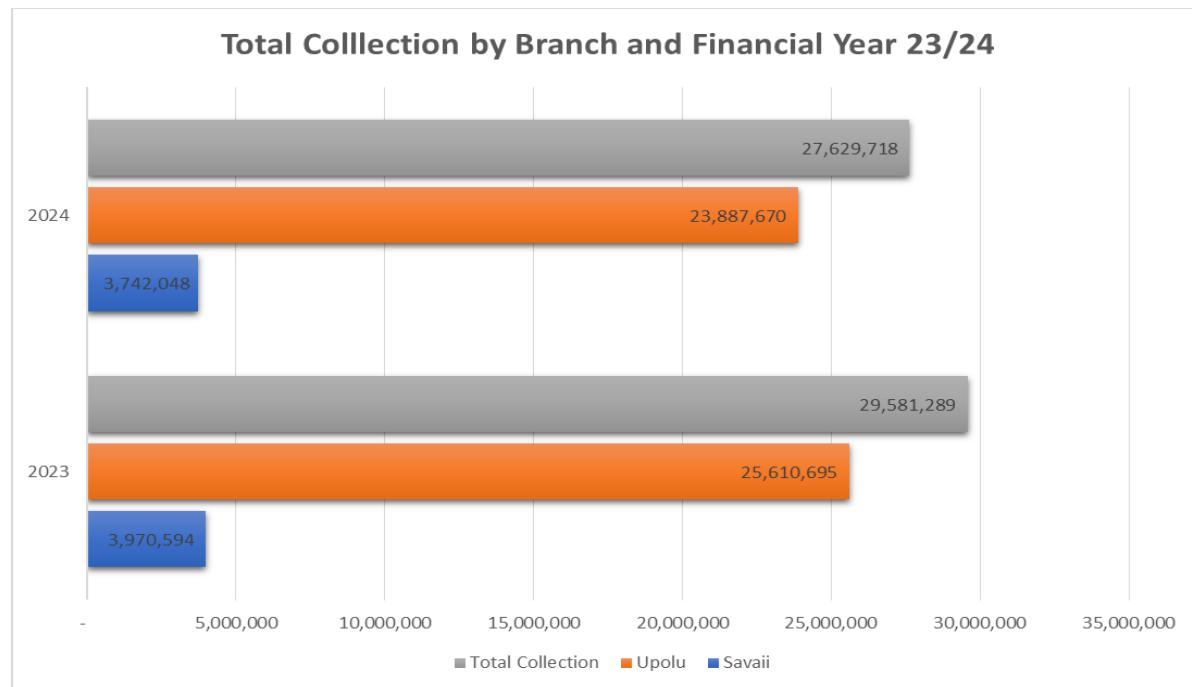
The above graph represents the number of households assisted over the FY23/24 period and the purposes for which loans were used. 158 families built new houses, 224 families completed house construction, 16 families sought financial assistance for home extensions, 364 families needed funds for home renovations, and 27 families bought freehold lands.



729 (92%) projects were implemented on customary lands, while 60 (or 8%) were on freehold properties. Of the 789 applicants, 376 (or 48%) were male, and 413 (or 52%) females. Five or 0.6%, of new applications were rejected as they did not meet the

minimum repayment and security requirements, to guarantee the recoverability of Corporation funds.

1.3 Loans Collection



In FY23/24, the total loan collection amounted to \$27.63M reflecting a 6.6% decrease (-\$1.95M) compared to the \$29.51M collected in FY2022/2023. The key factors for the decrease in collection resulted from the slight growth in the loan portfolio which impacted repayment inflows.

2. RENTAL PROPERTIES PORTFOLIO

Rental Properties	2024	2023
Number of Properties	73	73
Commercial Building	1	0
Collections	929,734	669,943

The rental portfolio demonstrated significant growth, with total collection reaching \$929,734 in 2024, compared to \$669,943 in 2023, reflecting a 39% increase.

This growth was primarily driven by:

- Public Trust Office tenancy renting SHC's old office building at Matafele for \$20K per month, starting in August 2023.
- Effective management of enhancements in property management and collection efforts, aligned with SHC's strategic goals to diversify income sources beyond traditional lending.

- iii. The development of five new rental units at Moto'otua on previously underutilized land that originally had only one unit, significantly increasing rental income and contribute to more efficient use of SHC's land assets.

SHC is still in discussion with the Ministry of Justice, Courts and Administration (MJCA) to recover over \$215,000 spent on renovations for Unit 49, following the Cabinet's directive in October 2022 to transfer the unit to the MJCA.

An updated valuation conducted in 2024 by a qualified valuer placed the total value of SHC's rental properties at \$9.2 million, reaffirming the Corporation's dedication to upgrading properties for comfortable living since inheriting them in 2013.

3. OVERVIEW OF FINANCIAL RESULTS

Extract of Financial Performance	2024 (\$)	2023 (\$)
Interest on loans	8,817,199	7,402,516
Rental income	934,290	690,040
Other income	1,540,935	1,404,031
Total income	11,292,424	9,496,587
Interest on borrowings	1,759,107	1,515,739
Personnel costs	2,686,184	2,901,868
Depreciation	837,961	539,038
Doubtful debts	3,052,948	1,762,508
Other expenses	1,364,748	1,445,588
Total expenses	9,700,948	8,164,741
Net Profit	1,591,476	1,331,846

The gross revenue increased by \$1.8M (18.9%) from 2023 as a result of increased interest from loans, interest from investments and rental income. Total expenditure also increased by \$1.5M (18.9%) from last year due mainly to increased interest on borrowings from the loan at the Accident Compensation Corporation (ACC) facility to refinance high interest loans and assist operations and doubtful debts.

4. STAFF

As of 30 June 2024, SHC employed 53 staff members, with gender distribution of 53% (28) female and 47% (25) male. Although slightly higher for female, the gender distribution remains proportionate, reflecting a balanced representation of both genders.

The workforce grew by five positions compared to the previous year, driven by organizational expansion and structural changes. Notable additions included two positions of a Filing and Records Officers for the new Filing Room, created to address an audit issue made possible by the move to the larger headquarters. An additional Office Assistant and driver were also hired to support the maintenance of the new building and operational needs.

The team is a blend of experience levels, 35% (18) of employees have served for more than 10 years, many progressing to higher levels such as seniors and managers. 21% (11) have served for 5–10 years and 44% (23) have served for less than 5 years.

To support professional growth and improve service delivery, the Corporation provided in-house refresher training in customer service, loan appraisals, arrears and portfolio management. Some of the staff participated in external local training to enhance skills in auditing, finance, IT and procurement.

A milestone this year was the celebration of 30 years of service by two senior management staff, exemplifying dedication and deep institutional knowledge.

5. SHC NEW HEADQUARTERS

SHC commenced the financial year with great excitement, marked by moving into its new headquarters in July 2023. This milestone came after meeting all work health and safety occupancy standards, ensuring the building was fully furnished and equipped with necessary resources to support productivity and deliver exceptional service.

In May 2024, SHC received the prestigious Top Stewardship Award for Occupational Safety and Health (OSH) Compliance in the State-Owned Enterprises (SOEs) category. This award, presented during the World Occupational Safety and Health Day by the Ministry of Commerce, Industry and Labour (MCIL) in collaboration with the National OSH Task Force, and the International Labour Organisation (ILO).

This recognition underscores the Hon. Minister's and Board's firm commitment to upholding the highest standards of safety and health in the workplace. As we continue to prioritize the well-being of our employees, clients and stakeholders, we are delighted to contribute to this global initiative.

6. NEW WEBSITE

On May 10, 2024, SHC launched its new and improved website to better serve customers in today's digital world. The updated site is designed to help not only local clients but also Samoans living overseas, making it easier to stay connected and access important services. The website now features user-friendly navigation, works well on mobile devices, and provides quick access to loan details, eligibility requirements, checklists, and other helpful information.

7. INTEREST RATE REDUCTIONS FOR PERSONAL GUARANTEE LOANS BY 3-4% AND MORTGAGE LOANS BY 1%.

Effective March 1, 2024, SHC reduced interest rates on its loan products to ease financial challenges for Samoan citizens. The initiative led by the SHC Board of Directors and

Management saw the application of this interest reduction to both existing and new accounts, ensuring immediate relief for existing and new clients.

- i. Personal Guarantees Loans - The interest rates were lowered by 3-4%.
- ii. Mortgages Loans – The interest rates were reduced by 1%.

These adjustments highlight SHC's mission to provide affordable housing financing, empowering low to middle-income families to improve their living conditions, by creating more opportunities for safe, reliable housing to contribute to Samoa's sustainable growth and development.

8. INCREASE IN PERSONAL GUARANTEE LOANS CEILING FROM \$20,000 TO \$30,000

In response to rising costs of living, building materials, and inflation, SHC raised the maximum limit for personal guarantee loans from \$20,000 to \$30,000, effective 1 March 2024 to coincide with the interest rate reduction. This increase provides families with greater financial flexibility to manage essential housing upgrades, repairs, or renovations that were previously constrained by the lower loan ceiling.

These changes were initiated to meet our vision of remaining competitive as a financing institution while adhering to our mandate of supporting low-income earners' housing needs and our mission of "empowering Samoans to improve their living standards" By offering more affordable financing options, the Corporation seeks to alleviate the challenges posed by the increasing cost of living and soften the impact of high costs of the building and construction industry. This initiative is a small attempt at mitigating the impact on our clients in the low to medium income level bracket, the majority of who live in the most basic standard of accommodation, with no basic amenities and prone to impacts of climate change and natural disasters.

Overall, these changes underscore the SHC's unwavering commitment to its clients and are a testament of the Board of Directors and management commitment to addressing the pressing social and economic challenges of Samoa's low income families.

Moreover, these measures align with the strategic objectives outlined in the Pathway for the Development of Samoa PDS), underpinning the PDS' theme of "empowering communities, building resilience and inspiring growth". The SHC is proud to contribute to meeting the national agenda by directly contributing to the improvement of living conditions across Samoa.

9. CHALLENGES AND REMEDIAL ACTIONS

9.1 Loans and Rental Arrears

Loan arrears remain a significant challenge for SHC, a common issue in lending institutions. Many clients prioritize other financial or personal obligations over loan repayments, leading to defaults. Additional factors include borrower and guarantor

migration overseas, particularly through programs like the Samoan Quota and Seasonal Workers schemes, which complicate loan recovery efforts. Economic instability and rising living costs, driven by global conflicts, have further reduced clients' ability to sustain repayment obligations.

To address these challenges, SHC has implemented stricter risk assessments for loan applications to minimize default risks. Enhanced recovery processes, including improved borrower tracking and tailored repayment solutions have also been introduced. These measures aim to reduce arrears and ensure the sustainability of SHC's lending operations.

9.2 IFRS 9 Accounting Standard

SHC is demonstrating a strong commitment to improving audit compliance and aligning with International Financial Reporting Standards (IFRS), particularly in light of recent challenges reflected in two consecutive financial year qualified audit opinions. The Corporation's proactive approach to addressing these issues includes prioritizing staff training specifically focused on IFRS 9, which is crucial for guiding loan provisioning assessments.

To enhance its capabilities, SHC's Manager for Audit and Assurance participated in a specialized overseas training on IFRS 9. This initiative equipped the manager with the necessary expertise to lead the organization in effectively implementing the standard. Furthermore, a two-day training session is scheduled for August 2024, facilitated by an international recognized expert, targeting the Loans Division and the Securities & Recoveries Division. This session aims to deepen understanding and application of IFRS 9 across these critical areas.

These strategic training initiatives not only reflect SHC's commitment to adhering to global financial reporting standards but also illustrate its investment in the professional development of its staff. By fostering enhanced competencies within the Corporation, SHC aims to improve financial reporting accuracy and compliance, positioning itself for greater success in the future.

9.3 Rental Properties

The Corporation is currently facing significant challenges in managing its rental properties, primarily stemming from the lack of land ownership. The land on which the Corporation's developments are situated is owned by the Government, creating vulnerabilities that can lead to substantial financial risks. In instances where the Government reallocates land—often after the Corporation has made considerable investments in property development—this can result in unforeseen costs and limited options for recovery of funds used for developments and upgrading of rental units.

Under existing government policies, transferring land ownership to the Corporation is not permissible, further complicating the situation. The uncertainty associated with land tenure

affects the Corporation's ability to make long-term strategic decisions regarding property development.

To address these challenges, the Corporation proposes to advocate for the Government to extend lease agreements. SHC will seek to negotiate an extension of the current 20-year lease agreements to a more favorable 90-year lease term. A longer lease would provide the Corporation with the necessary security and stability to plan and invest in property developments more effectively. This extension is vital for reducing the risks of financial losses associated with potential land reallocations by the Government.

ACKNOWLEDGEMENT

I would like to extend my heartfelt gratitude to the Hon. Minister Leatinu'u Wayne So'oialo for your unwavering support and invaluable contributions throughout this financial year. Your dedication has been instrumental in guiding the Corporation's efforts in achieving its goals.

I also take this opportunity to sincerely thank the Chair and the Board of Directors for their exceptional leadership, guidance, and commitment. Your contributions have been pivotal in shaping the success of the Corporation during this period. To the management and staff, I am deeply grateful for your hard work, dedication, and passion for excellence. Your collective efforts have been instrumental in achieving the Corporation's goals and driving progress.

Last but not the least, I would like to express my appreciation to our clients and partners for their continued trust and collaboration, which remain at the core of our success.

I look forward to another year of shared growth, resilience, and achievements.

Soifua ma ia manuia



Sautiamaiava Titimaea Tiotio
CHIEF EXECUTIVE OFFICER

SAMOA HOUSING CORPORATION BOARD OF DIRECTORS



(L-R)* Falesaopule Seimaleula Vaialia Iosua, Su'afaiga Henry Joseph Fruean, Lauano Lauina Grace (Chairperson), Leaupepe Satui Bentin, Sili Elizabeth Chan Tung-Peters.

SHC MANAGEMENT



Front, Sitting (L-R) * Seulu Alekisio Afoa, Sautiamaivasa Titimaea Tiotio(Chief Executive Officer), Leitufiaoatua Fa'amati Luamanuvae, Fa'aifoaso Alosio Leota.

Backrow, Standing (L-R) * Muagututagata Anesi Fa'alaifi, Tagaloa Akenese Fepuleai, Tauiliili Tamatoa Mariner.

Absent: Magele Liligi Fa'anunu, Siaki Lelevaga.

PROJECTS – PERSONAL GUARANTEE LOANS



Luatuanu'u
(House Renovation)



Saanapu
(House Renovation)



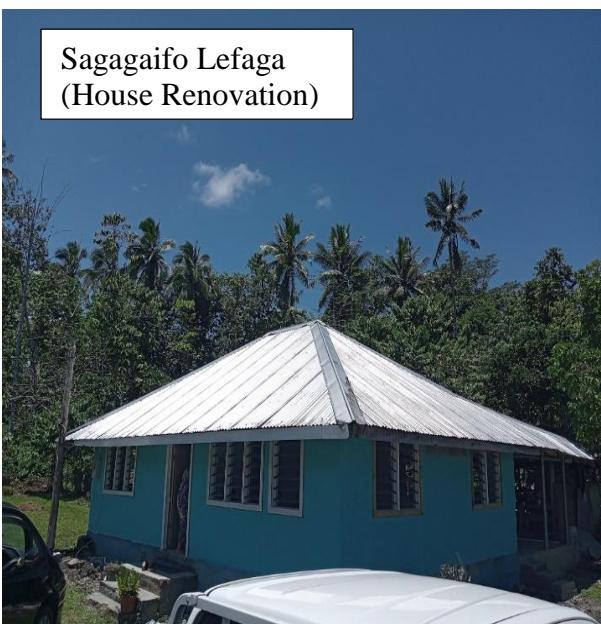
Afega
(House Extension)



Letogo
(House Renovation)



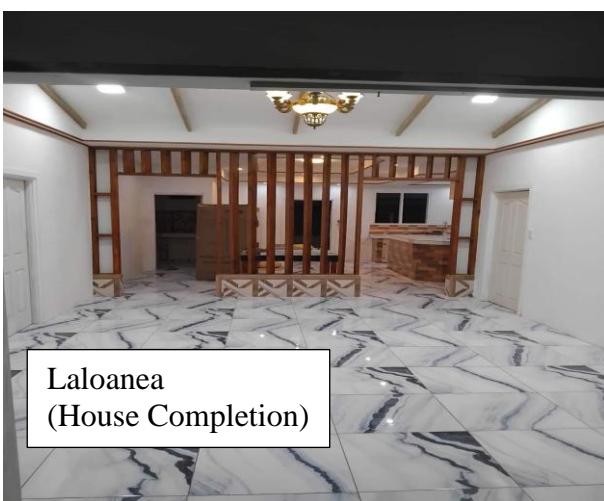
Magiagi
(House Renovation)



Sagagaifo Lefaga
(House Renovation)



PROJECTS – MORTGAGES



SAMOA HOUSING CORPORATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

**SAMOA HOUSING CORPORATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

CONTENTS	Page
Auditor's Report	3 - 5
Certification by Directors	6
Statement of Financial Position	7
Statement of Financial Performance	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to Financial Statements	11 - 24

Please address all correspondences
to the Controller and Auditor General



AUDIT OFFICE

REPORT OF THE AUDIT OFFICE

TO THE GOVERNING BODY IN CHARGE OF GOVERNANCE – SAMOA HOUSING CORPORATION

Audit Opinion

We have audited the accompanying Financial Statements of the Samoa Housing Corporation (the Corporation) which comprises the Statement of Financial Position as at 30 June 2024, and Statements of Financial Performance, Statement of Changes in Equity and Cash Flows for the year ended 30 June 2024, a Summary of Significant Accounting Policies and Other Explanatory Notes. The Chartered Accountant Firm of BDO Samoa assisted in the audit. The Engagement Partner on the audit resulting in this Independent Auditor's Report is Hanalei Betham.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Samoa Housing Corporation as at 30 June 2024, and of its financial performance, changes in equity and cash flows for the year ended, in accordance with International Financial Reporting Standards (IFRS).

Basis for Qualified Opinion

As disclosed in Note 27 to the financial statements, the Corporation has made significant progress in adopting a new Expected Credit Loss (ECL) model in accordance with IFRS 9 – Financial Instruments and is on track to achieve full compliance by 30 June 2025. As at 30 June 2024, the Corporation completed the initial assessment of doubtful debts under the new ECL impairment model. However, due to delays in finalizing the implementation, and the subsequent expiry of our audit mandate before completion of the ECL model and its supporting documentation, we were unable to perform the necessary audit procedures to evaluate the reasonableness of the ECL estimates. As a result, we were unable to obtain sufficient appropriate audit evidence regarding the valuation of loans receivable and the adequacy of the related impairment allowances as at 30 June 2024. Accordingly, there remains uncertainty regarding the completeness and accuracy of the Corporation's application of the ECL requirements at the reporting date.

Furthermore, as described in Note 28, the Corporation experienced a significant system failure in its loan management system (LMS), which is the loans information system application. In response, the Corporation reverted to an earlier version of the LMS information system that lacks certain functionalities and has limitations. This has adversely affected the accuracy and completeness of the loans receivable and related interest income data.

Due to the above matters, we were unable to obtain sufficient appropriate audit evidence regarding the valuation and completeness of loans receivable as at 30 June 2024, and the accuracy of related interest income for the year then ended. As a result, we were unable to determine whether any adjustments might have been necessary to the loans receivable balance, or the related interest income and impairment provisions reported in the financial statements.

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 Financial Statements section of our report.

We are independent of Samoa Housing Corporation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Samoa, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Please address all correspondences
to the Controller and Auditor General*



AUDIT OFFICE

Other matter

Completion of the audit is dated as of the signing of the financial statements. This date surpasses the deadline stipulated in Section 23(1) and Schedule 6.2 of the Public Bodies (Performance and Accountability) Act 2001, which requires the audit report to be issued within four months after the financial year end. The delay was due to challenges with their Loans Management System. Our opinion remains unmodified in this regard.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the director's report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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 statements 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 Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.

Please address all correspondences
to the Controller and Auditor General



AUDIT OFFICE

- 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 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 Corporation's ability to continue as a going concern. If we conclude that 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 Corporation 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.

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

Report on Other Legal and Regulatory Requirements

In our opinion the financial statements have been prepared in accordance with and comply with the requirements of:

- i. Public Finance Management Act 2001
 - a. We have been given all information, explanations and assistance necessary for the conduct of the audit; and
 - b. The Corporation has kept financial records sufficient to enable the financial statements to be prepared and audited.

Our audit was completed on the 24th of April 2025 and our opinion is expressed as at that date.

Apia, Samoa
20th May 2025


Togagae Norris Mitchell
ASSISTANT CONTROLLER AND AUDITOR GENERAL

SAMOA HOUSING CORPORATION
CERTIFICATION BY DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2024

We certify that the attached financial statements for Samoa Housing Corporation comprising of the statement of financial position, statement of financial performance, statement of changes in equity, statement of cash flows and note to financial statements for the year ended 30 June 2024:

- a) give a true and fair view of the matters to which they relate; and
- b) have been prepared in accordance with International Financial Reporting Standards; and
- c) comply with the Public Finance Management Act 2001 and Companies Act 2001 in relation to the form or content of financial statements made under the Public Bodies (Performance and Accountability) Act 2001 (amendments 2015).

We are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

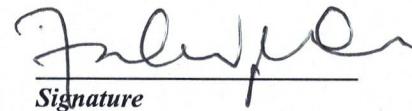
We authorize the attached financial statements for issue on / / on behalf of the directors of the Samoa Housing Corporation.



Lauano Lauina Grace
Signature

Lauano Lauina Grace
CHAIRMAN
Samoa Housing Corporation
Apia, Samoa

24/04/25



Falesaopule Vaialia Iosua
Signature

Falesaopule Vaialia Iosua
DIRECTOR
Samoa Housing Corporation
Apia, Samoa

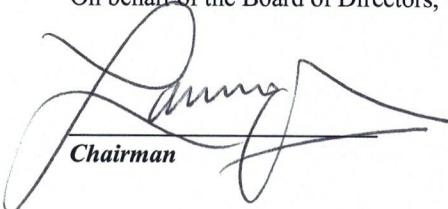
24/04/25

**SAMOA HOUSING CORPORATION
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

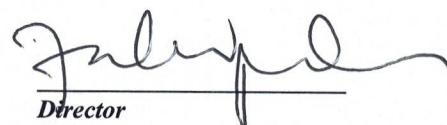
		2024	2023
	Notes	\$	\$
ASSETS			
Cash and cash equivalents	5	946,375	281,309
Other debtors and prepayments	6	246,930	145,940
Equity investment at fair value through profit and loss	7	4,230,980	2,328,346
Loans portfolio	9	54,922,285	57,330,467
Rentals portfolio	8	6,872	7,137
Property, plant and equipment	17	13,250,165	7,007,874
Investment properties	17	9,278,399	6,079,630
TOTAL ASSETS		<u>82,882,006</u>	<u>73,180,703</u>
LIABILITIES			
Overdraft facility	11(b)	-	1,737,001
Other creditors and accruals	14	1,344,679	3,628,869
Deferred income	15	-	302,416
Land loan deposit		94,750	242,589
Dividend payable	16	1,797,054	2,240,037
Borrowings and overdraft facility	11(a)	29,208,544	25,573,109
TOTAL LIABILITIES		<u>32,445,027</u>	<u>33,724,021</u>
NET ASSETS		<u>50,436,979</u>	<u>39,456,682</u>
CAPITAL AND RESERVES			
Paid up capital	4	20,838,000	20,838,000
General reserve fund	12	18,846,584	17,812,125
Asset revaluation reserve	13	10,752,395	806,557
TOTAL CAPITAL AND RESERVES		<u>50,436,979</u>	<u>39,456,682</u>

This statement is to be read in conjunction with the accompanying notes to the financial statements on pages 11 to 24.

On behalf of the Board of Directors;


Chairman

Date: 24/04/25


Director

Date: 24/04/25

**SAMOA HOUSING CORPORATION
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2024**

		2024	2023
	Notes	\$	\$
INCOME			
Interest on loans		8,817,199	7,402,516
Loan fees	18 (i)	1,188,295	1,204,117
Rental income	8	934,290	690,040
Other income	18 (ii)	352,640	199,914
TOTAL INCOME		<u>11,292,424</u>	<u>9,496,587</u>
EXPENSES			
Audit fees		36,978	47,481
Depreciation	17	837,961	539,038
Directors fees and expenses	24 (i)	102,165	97,372
Personnel costs	19	2,686,184	2,901,868
Occupancy costs	20	148,415	153,107
Administration expenses	21	1,077,190	1,147,628
Doubtful debts	10	3,052,948	1,762,508
Interest on borrowings	22	1,759,107	1,515,739
TOTAL EXPENSES		<u>9,700,948</u>	<u>8,164,741</u>
NET PROFIT		<u>1,591,476</u>	<u>1,331,846</u>
TRANSFER TO GENERAL RESERVE	12	<u>(1,591,476)</u>	<u>(1,331,846)</u>
		<u>\$Nil</u>	<u>\$Nil</u>

This statement is to be read in conjunction with the accompanying notes to the financial statements on pages 11 to 24.

**SAMOA HOUSING CORPORATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	Capital \$	General Reserve Fund \$	Asset Revaluation Reserve \$	Total \$
Balance at 30 June 2022		20,838,000	16,946,425	806,557	38,590,982
Profit for the period		-	1,331,846	-	1,331,846
Less: Dividend declared	16	-	(466,146)	-	(466,146)
Balance at 30 June 2023		<u>20,838,000</u>	<u>17,812,125</u>	<u>806,557</u>	<u>39,456,682</u>
Profit for the period		-	1,591,476	-	1,591,476
Revaluation addition		-	-	9,945,838	9,945,838
Less: Dividend declared	16	-	(557,017)	-	(557,017)
Balance at 30 June 2024		<u>20,838,000</u>	<u>18,846,584</u>	<u>10,752,395</u>	<u>50,436,979</u>

This statement is to be read in conjunction with the accompanying notes to the financial statements on pages 11 to 24.

**SAMOA HOUSING CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	2024	2023
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers		30,031,878	31,292,328
Cash paid to customers		(20,750,956)	(28,293,865)
Cash paid for salaries and wages		(2,531,458)	(2,755,365)
Cash paid for other expenses		(3,045,540)	(1,750,560)
NET CASH INFLOW FROM OPERATING ACTIVITIES		<u>3,703,924</u>	<u>(1,507,462)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest from investments		104,935	122,209
Equity investment		(1,800,000)	-
Purchases of properties, plant & equipment		(780,735)	(2,754,057)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		<u>(2,475,800)</u>	<u>(2,631,848)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from ACC loan		16,000,000	-
Proceeds from NPF loan		1,970,000	1,000,000
Proceeds from UTOS loan		-	5,000,000
Net repayments of loans		(15,778,666)	(2,650,714)
Interest on overdraft facility		(17,391)	(223,451)
Dividends paid	16	(1,000,000)	(700,000)
NET CASH INFLOW FROM FINANCING ACTIVITIES		<u>1,173,943</u>	<u>2,425,835</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		<u>2,402,067</u>	<u>(1,713,475)</u>
Cash and cash equivalents at beginning of year		<u>(1,455,692)</u>	<u>257,783</u>
CASH AND CASH EQUIVALENTS AT YEAR END		<u>946,375</u>	<u>(1,455,692)</u>
<i>Represented by :</i>			
Cash and cash equivalents	5,11(b)	946,375	(1,455,692)
CASH AND CASH EQUIVALENTS AT YEAR END		<u>946,375</u>	<u>(1,455,692)</u>

This statement is to be read in conjunction with the accompanying notes to the financial statements on pages 11 to 24.

**SAMOA HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

1. General Information

Samoa Housing Corporation was established on May 1990 by an act of the legislature (Housing Corporation of Samoa Act 1989). The new legislation, Public Bodies (Performance and Accountability) Act 2001 overrules the initial Act. However, review of the Housing Corporation Act 1989 was approved by Parliament in 2010 as Housing Corporation's Act 2010 and is now enacted. The main purpose of the Corporation is to improve housing and living conditions of lower moderate income persons and families by lending monies on mortgage or other securities to assist to build, extend, renovate or purchase land for the purpose of building a home thereon.

The Cabinet at its meeting in May 2013 approved the transfer of Government Rental Portfolio under the Ministry of Work, Transport & Infrastructure to the Samoa Housing Corporation to operate as commercial rental properties.

The Corporation's operations are directed by a 5 - member board of directors. The Board are all appointed members from the private sector.

2. Statement of Significant Accounting Policies

Set out below is a summary of significant accounting policies adopted by the Corporation in the preparation of its financial statements.

a) Statement of compliance

These financial statements have been prepared in accordance with the requirements of the Public Finance Management Act 2001 which requires the adoption of International Financial Reporting Standards issued by the 'International Accounting Standards Board (IASB). These financial statements comply with International Financial Reporting Standards, including the new IFRS 9 - Financial Instruments; and IFRS 15 - Revenue from Contracts with Customers, which came into effect for reporting periods beginning on or after 1 January 2018, and IFRS 16 - Leases, which came into effect for all reporting periods beginning on or after 1 January 2019. In accordance with section 91 of the Public Finance Management Act 2001, Samoa Housing Corporation is designated as a Public Body, therefore it must also satisfy the reporting requirements under the Public Bodies (Performance & Accountability) Act 2001.

b) Basis of preparation

The financial statements are prepared on the basis of historical costs except for land and building which have been revalued. Reporting financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period and future periods.

c) Comparative information

Comparative information has been restated where necessary to achieve consistency in disclosure with current financial year amounts.

d) Functional and presentation currency

The financial statements are presented in Samoan Tala (SAT\$), which is the Corporation's functional currency and all values presented in Samoan Tala have been rounded to the nearest Tala.

e) Foreign currency

Transactions in foreign currency are translated to Samoan tala at the foreign exchange rate ruling at the date of the transaction. Amounts receivable and payable denominated in foreign currencies are translated at the rates of exchange ruling at balance sheet date. Foreign exchange differences arising on translation are recognized in the statement of financial performance.

f) Bad debts and provision for doubtful loans

Specific provision

The Corporation conducts a yearly review of individual loans accounts to recognize impairment on those loans with reasonable doubt that not all the principal and interest can be recovered in accordance with terms and conditions of the loan agreement. The general mode used is consistent with that in IFRS 9. Bad debts are written off against the provision for doubtful debts in the period in which they are identified as unrecoverable.

**SAMOA HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

2. Statement of Significant Accounting Policies (cont'd)

f) Bad debts and provision for doubtful loans (cont'd)

General provision

The Corporation also take into account the fact that a portion of receivable balances may not be recovered due to unforeseen circumstances. Therefore, it may be prudent to create a general allowance for doubtful debts in addition to the specific allowance. The general allowance is calculated on the basis of past experience concerning recoverability of debts.

g) Revenue recognition

Interest income

Interest income on loans and investments are recognized on accruals basis. Interest on impaired loans in the recoveries portfolio (in litigation) are recognized only when income is received.

Loan fees

Loan fees are recorded when they are earned. Fees on impaired loans in litigation are recognized only when income is received.

Rental income

Rental income from investment properties is recognized on a straight-line basis over the term of the relevant operating lease.

h) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand and short term deposits with maturities less than one year.

i) Loans and other receivables

Loans and other receivables are recorded at fair value after providing for bad and doubtful debts or credit losses. At the end of each reporting period, the carrying amounts of loans and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in the statement of financial performance.

j) Fair value estimation

Fair value is determined as follows:

- Cash assets are carried at fair value;
- Receivables are carried at book value, which is the best estimate of fair value as they are settled within a short period;
- Loans are net of provisions for impairment.

k) Financial assets

The Corporation classifies its financial assets in the following categories; loans & receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not categorized in any of the other categories.

l) Provisions

A provision is recognized in the statement of financial position when the Corporation has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

**SAMOA HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

2. Statement of Significant Accounting Policies (cont'd)

m) Accounts and other payables

Accounts payable and other payables are recognized at cost and represent liabilities for goods and services provided to the corporation before the end of the financial year that are unpaid and arise when the corporation becomes obliged to make future payments in respect of the purchase of these goods and services.

n) Property, plant and equipment

Items of property, plant and equipment are measured at cost and/or valuation less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to allocate the values of assets less their residual values over their estimated useful lives, using the straight-line method. All direct costs attributable to acquisition of assets have been capitalized. The following rates are used for the depreciation of property, plant and equipment.

Building	2.5%
Motor vehicles	20%
Office furniture	20%
Office equipment	10% & 33%
Computer software	33%
SHC Logo	5%
Rental units	3% & 5%
Rental others	33%

o) Dividends

Dividends are recognized as a liability in the period in which they are due and payable pursuant to the Public Bodies (Performance & Accountability) Regulations 2002. However, pursuant to Cabinet approval FK (16) 39 dated 25 October 2016, the dividend relating to 2013 through to 2019 were retained and transferred to a reserve for the repairing of rental units of the Corporation.

p) Borrowing costs

All borrowing costs are recognized in the statement of financial performance in the period in which they are incurred.

q) Employee benefits

The Corporation contributes towards the Samoa National Provident Fund, a defined contribution plan in accordance with local legislation and to which it has no commitment beyond the payment of contribution. Obligations for contributions to the defined contribution plan are recognized immediately in the statement of financial performance.

Liabilities for employees' entitlements to salaries and wages, annual leave and other current employee entitlements (that are expected to be paid within twelve months) are accrued at undiscounted amounts, and calculated at amounts expected to be paid as at reporting date.

r) Taxation

The Corporation is exempt from tax under section 51 of the Housing Corporation Act 2010.

s) Leases

Lessor leases are treated as finance leases where the term of the lease represent a substantial part of the life of the asset and there is an option to buy, at the end of the lease and ownership passes. For all Lessee leases the Right of use asset, and the related lease liability are taken up at initial recognition at present value of the lease liability over the lease term, and then the liability payments are allocated between interest and liability reduction while the asset is depreciated over the term of the lease. The exceptions are, when the lease term is 12 months or less or the values involved are small, and where rentals are recognized on the straight line basis.

t) Investment Properties

Investment properties are properties held to earn rentals or for capital appreciation. Rental Units of the Corporation are accounted for as investment properties and depreciated in accordance with the useful lives of the properties. They are initially recognized at cost and valued using the cost model.

**SAMOA HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

3. Critical Accounting Judgements, Estimates and Assumption

The preparation of the financial statements requires management to make judgements, estimates and assumption that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, 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.

Recognition of Government Housing as an asset of the Corporation

The F.K. dated 10th July 2013, transferred the management of the houses to the Corporation. The Corporation has taken the view that the Corporation has its responsibilities to maintain and operate the rental houses as well as receiving rental income. Therefore, the Corporation have recognised the government housing as an asset to their financial statements as it effectively controls the property. The value of the government housing was initially recognised in the books of the Corporation at the market valuation amount and is subject to an annual impairment assessment.

Lease of Government Properties

As part of assuming control and management of Government's housing assets, the Corporation has also signed long term land lease arrangement with the Ministry of Natural Resources and Environment for the land on which Government houses are located.

The lease rates for rental properties are considered immaterial and have adopted the low value exemption allowed under IFRS 16 'Leases' and therefore, has elected not to recognise a right of use asset.

4. Authorized and Paid up Capital

	2024	2023
	\$	\$
Authorized and paid up capital (10,000,000 shares of \$1 each)	10,000,000	10,000,000
Additional paid up capital (7,500,000 shares of \$1 each)	7,500,000	7,500,000
Additional capital - Government housing	3,088,000	3,088,000
Additional capital - Government assistance	250,000	250,000
Total capital (Government of Samoa)	20,838,000	20,838,000

The authorized capital of the Corporation can only be subscribed to by the Government of Samoa as per section 22 of the Housing Corporation Act 2010. Government housing is the total value of 73 Government rental houses transferred to Samoa Housing Corporation as per Cabinet approval under section 32 of the Housing Corporation Act 2010. Additional capital injected is the Government support fund for covid-19 pandemic to assist the Corporation operations during this unexpected situation.

5. Cash and cash equivalents

Term deposit

	2024	2023
	\$	\$
ANZ Bank (Samoa) Ltd - Term Deposit (a)	57,230	56,940
	57,230	56,940

Cash at bank and on hand:

ANZ Bank (Samoa) Ltd	75,737	37,245
ANZ Bank (Samoa) Ltd - ADRA	-	1,733
National Bank of Samoa	101,904	10,965
Samoa Commercial Bank	288,386	-
Samoa Commercial Bank - Rental Properties	159,167	29,985
Bank South Pacific	202,354	133,154
Bank South Pacific - Rental Properties	58,997	8,687
Petty Cash Fund	2,600	2,600
Total cash and cash equivalents	946,375	281,309

**SAMOA HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

5. Cash and cash equivalents (cont'd)

Term deposit details:

(a) ANZ Bank (Samoa) Ltd

Term	: 1 Month
Interest rate	: 0.5%
Maturity date	: 01 July 2024

Term deposit at ANZ Bank is used to secure master card.

6. Other debtors and prepayments

	2024	2023
	\$	\$
Savaii Office Bond	600	600
Back up Storage Bond	220	220
Prepayments	45,648	39,789
Accrued revenue	173,402	104,645
Other debtor	27,060	686
Total other debtors and prepayments	246,930	145,940

7. Equity investment at fair value through profit and loss

	2024	2023
	\$	\$
Unit Trust of Samoa (No. of units 2,312,011, withdraw unit price \$1.83)	<u>4,230,980</u>	<u>2,328,346</u>

The Unit Trust uses the exit price at the end of the reporting period.

8. Rentals Portfolio

	2024	2023
	\$	\$
Opening balance	41,983	19,704
Add: Total rent charged for the year	934,290	690,040
	<u>976,273</u>	<u>709,744</u>
Less: Rental payments	(873,534)	(613,207)
Rental payments receive in advance	(62,313)	(54,554)
	<u>40,426</u>	<u>41,983</u>
Less: Provision for doubtful rental	(33,554)	(34,846)
Net rental portfolio	<u>6,872</u>	<u>7,137</u>

Provision for Doubtful Debts Rental

Balance at the beginning of the year	34,846	16,354
Add: Additional (Recovery) doubtful debts for year	(1,292)	18,492
Balance at year end	<u>33,554</u>	<u>34,846</u>

9. Loans Portfolio

	2024	2023
	\$	\$
Total loans portfolio as at year end	75,098,115	74,455,152
Less: Provision for doubtful loans (<i>refer to note 10</i>)	(20,175,830)	(17,124,685)
Net loans portfolio	<u>54,922,285</u>	<u>57,330,467</u>

Loans are recognized at their recoverable values, after assessing provisions for impairment. Loans are restructured when the borrower is granted concession due to continuing difficulties in meeting the original terms and conditions.

SAMOA HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

10. Provision for Doubtful Debts Lending	2024	2023
	\$	\$
Balance at the beginning of the year	17,124,685	15,380,669
Add: Additional provision	<u>3,054,240</u>	<u>1,744,016</u>
	<u>20,178,925</u>	<u>17,124,685</u>
Less: Write offs charged against provision	<u>(3,095)</u>	<u>-</u>
Balance at year end	<u>20,175,830</u>	<u>17,124,685</u>

Doubtful debts

Rentals doubtful debts for year (<i>refer note 8</i>)	(1,292)	18,492
Loans doubtful debts for the year	<u>3,054,240</u>	<u>1,744,016</u>
Total doubtful debts for rental and loans	<u>3,052,948</u>	<u>1,762,508</u>

11. Borrowings and Overdraft Facility	2024	2023
	\$	\$
(a) Loans:		
<i>Central Bank of Samoa</i>		
(iv) Loan 4	<u>1,693,113</u>	<u>2,033,435</u>
Total	<u>1,693,113</u>	<u>2,033,435</u>
<i>Unit Trust of Samoa</i>		
(i) Loan 1	<u>6,893,701</u>	<u>7,045,376</u>
(ii) Loan 2	<u>4,832,118</u>	<u>4,949,038</u>
Total	<u>11,725,819</u>	<u>11,994,414</u>
<i>Samoa National Provident Fund</i>		
(i) Loan 1	<u>-</u>	<u>10,515,260</u>
(ii) Loan 2	<u>-</u>	<u>1,030,000</u>
Total	<u>-</u>	<u>11,545,260</u>
<i>Accident Compensation Corporation</i>		
(i) Loan 1	<u>15,789,612</u>	<u>-</u>
Total borrowings	<u>29,208,544</u>	<u>25,573,109</u>

(b) Overdraft Facility:

Samoa Commercial Bank Ltd	<u>-</u>	<u>1,737,001</u>
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(a) Loan details:	CBS	SNPF		UTOS		ACC
	Loan 4	Loan 1	Loan 2	Loan 1	Loan 2	Loan 1
Term	15 years	20 years	15 years	25 years	20 years	20 years
Interest Rate	1.0%	6.0%	8.0%	6.0%	7.5%	6.0%
Monthly Repayment	29,925	85,975	28,670	47,470	40,280	114,628
Security	Government support	1st mortgage over property at Matafele. Lot 945, Plan 6399 plus leasehold properties at Fagalii, Vaiala and Motootua.	1st mortgage over property at Matafele. Lot 945, Plan 6399 plus leasehold properties at Fagalii, Vaiala and Motootua.	Government guarantee and units held with UTOS.	1st mortgage over property at Matafele. Lot 500, Plan 2533.	1st mortgage over property at Matafele. Lot 945, Plan 6399 plus leasehold properties at Fagalii, Vaiala and Motootua.

**SAMOA HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

12. General Reserve Fund	2024	2023
	\$	\$
Opening reserve fund balance	17,812,125	16,946,425
Transfer from statement of financial performance	1,591,476	1,331,846
Less: Dividend provided	(557,017)	(466,146)
Total general reserve fund	<u>18,846,584</u>	<u>17,812,125</u>

Section 29 of the Housing Corporation Act 2010 requires the Corporation to establish and maintain a general reserve fund.

13. Assets Revaluation Reserve

Description	Original	Acc dep	Net	Revalued	2024	2023
	cost			amount		
Land - PTO	412,000	-	412,000	637,000	225,000	225,000
Building - PTO	1,687,000	(925,986)	761,014	3,471,000	2,709,986	581,557
Land - SHC	1,734,266	-	1,734,266	2,219,000	484,734	-
Building - SHC	2,498,610	-	2,498,610	6,304,000	3,805,390	-
Rental units	9,173,643	(3,301,630)	5,872,013	9,399,298	3,527,285	-
	15,505,519	(4,227,616)	11,277,903	22,030,298	10,752,395	806,557

The revaluation of SHC properties was conducted by Apia Property Services, an independent licensed valuer. The old property was revalued in July 2023, the new property was assessed in September 2023, and all rental units were revalued in February 2024.

The fair values of these properties were determined using the market value approach, which includes the sales comparison, income, and depreciated replacement cost methods. The cost approach is applied for asset revaluation, where the original asset cost, adjusted for accumulated depreciation, is used to assess any increase or decrease in revalued amounts compared to their carrying values. Any resulting surplus is recorded in the Asset Revaluation Reserve under Capital and Reserves.

14. Other creditors and accruals

	2024	2023
	\$	\$
Accruals	148,152	85,190
Provision for audit fees	39,732	40,800
Other creditors	390,774	358,075
Provision for long service	48,499	40,339
Loan debtors credit balance	29,394	205,320
Rental bonds	141,467	112,620
Rental debtors credit balance	62,313	54,553
Unearned interest on loans	484,348	2,731,972
Total other creditors and accruals	<u>1,344,679</u>	<u>3,628,869</u>

Other creditors:

Other creditors includes leave entitlement benefits accruing to employees measured at their present values using the relevant remuneration rates, stamp duty payable to Ministry of Finance and unidentified and unclaimed payments held by the Corporation.

SAMOA HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

14. Other creditors and accruals (cont'd)

Master card:

Master card limit is NZ\$20,000 at ANZ Bank (Samoa) Ltd and is secured by \$56,940 term deposit. The Master Card liability at 30 June 2024: \$Nil

Provision for long service benefit:

Provision for long service benefit account for the Corporation's obligation to its long serving employees as specified in the Human Resource Manual

The provision to be recognized at the year end is determined on the basis of present value calculation taking into account the number of years in service.

Rental bonds:

These are bonds for rental units held by the Corporation.

15. Deferred Income

			2024	2023
			\$	\$
	Deferred income balance		<u><u>-</u></u>	<u><u>302,416</u></u>
Description	Original Balance	Amount Amortised	Remaining Months	Balance
(i) Cost of renovation unit #9	350,000	69,992	1,458	231,822
(ii) Cost of renovation unit #64	70,000	8,400	175	55,897
	420,000	78,392	1,633	287,719
				<u><u>302,416</u></u>

(i) The total cost of \$350,000 above relates to renovation of unit # 9 now called Ulalei Lodge carried out by Kereti Ah Liki. The term of this agreement is 20 years with a monthly commercial rate of \$1,000 and will remain until March 2025 after which will increase to \$2,000 per month.

(ii) The above cost of \$70,000 relates to renovation of unit # 64 now called Mama Janes carried out by Kokobanana Bar & Grill. The term of this agreement is 10 years with a monthly commercial rate of \$2,000.

16. Dividend Payable

The Public Bodies (Performance and Accountability) Regulations 2001 Schedule 6 paragraph 6.2.1(d) specifies that the annual report shall include "the dividend payable by the Public Body to the State for the financial year to which the report relates". Furthermore, Schedule 7 (paragraph 25.2) requires "a company to pay dividend in accordance with the Government's dividend policy as advised by the Financial Secretary from time to time". In May 2005, the Chief Executive Officer, Ministry of Finance advised that Public Trading Bodies would be accountable for a dividend of 50% of Net profit after tax. A new Cabinet decision FK(18) 25 in August 2018 directed that this rate is now to be 35% of Net Profit after tax. In October 2016, Cabinet approved the Corporation's proposal to retain all dividends from FY:2013-2014 to FY:2018-2019 as a reserve to cover all renovation costs incurred for the remaining units plus building of new rental units.

Therefore, dividends for FY2013-2014 to FY2018-2019 have been transferred to Reserve as per Note 12.

		Net Profit	2024	2023
		\$	\$	\$
Opening balance			2,240,037	2,473,891
Financial Years:	30 June 2023	35%	1,331,846	466,146
	30 June 2024	35%	1,591,476	<u>557,017</u>
			<u>2,797,054</u>	<u>2,940,037</u>
Less: Dividend payments			<u>(1,000,000)</u>	<u>(700,000)</u>
Total dividend payable to Government			<u>1,797,054</u>	<u>2,240,037</u>

SAMOA HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

17. Property, Plant and Equipment & Investment Properties

	Land \$	Building \$	Motor Vehicles \$	Computer Software \$	Office Equipment \$	Office Furniture \$	SHC Logo \$	Rental Units ** \$	Rental Others \$	Total \$
Cost and Valuation										
Balance as at 30 June 2023	2,588,559	4,170,388	1,000,943	221,220	612,397	169,425	21,398	8,664,103	28,520	17,476,953
Additions	-	15,222	135,546	-	54,524	59,177	2,910	509,540	3,816	780,735
Revaluation	484,734	5,933,819	-	-	(62,927)	(18,288)	-	3,239,566	-	9,658,119
Disposals	-	(344,429)	(171,500)	-	-	-	-	(3,013,911)	(1,130)	(3,612,185)
Balance as at 30 June 2024	3,073,293	9,775,000	964,989	221,220	603,994	210,314	24,308	9,399,298	31,206	24,303,622
Accumulated Depreciation										
Balance as at 30 June 2022	-	291,705	660,313	215,220	421,455	94,262	7,322	2,245,884	20,974	3,957,135
Depreciation	-	42,175	76,075	5,466	63,332	6,206	488	338,589	6,707	539,038
Disposals	-	-	-	-	(105,664)	(1,060)	-	-	-	(106,724)
Balance as at 30 June 2023	-	333,880	736,388	220,686	379,123	99,408	7,810	2,584,473	27,681	4,389,449
Balance as at 30 June 2023	-	333,880	736,388	220,686	379,123	99,408	7,810	2,584,473	27,681	4,389,449
Depreciation	-	220,092	96,569	534	102,868	25,355	1,094	390,504	945	837,961
Disposals	-	(344,429)	(171,500)	-	(62,927)	(18,288)	-	(2,854,078)	(1,130)	(3,452,352)
Balance as at 30 June 2024	-	209,543	661,457	221,220	419,064	106,475	8,904	120,899	27,496	1,775,058
Written Down Value										
Balance as at 30 June 2023	2,588,559	3,836,508	264,555	534	233,274	70,017	13,588	6,079,630	839	13,087,504
Balance as at 30 June 2024	3,073,293	9,565,457	303,532	-	184,930	103,839	15,404	9,278,399	3,710	22,528,564

	2024	2023
	\$	\$
Investment properties comprise - Rental Units:	9,278,399	6,079,630
Properties, Plant and Equipments:	13,250,165	7,007,874
Total Written Down Value:	22,528,564	13,087,504

**** Government Housing**

Rental units are government housing that has been transferred to the Corporation by FK (13) 23. The Corporation are responsible for operating and maintaining housing as well as receiving rental income. Therefore, the Corporation have taken its view to recognise the value of the rental units as an assets.

**SAMOA HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

	2024	2023
18. Income		
<i>(i) Loan fees</i>	\$	\$
Application fees	52,400	41,682
Documentation fees	82,632	80,170
Establishment fees	103,844	114,743
Service fees	217,246	230,986
Arrears fees	473,461	471,610
Maintenance fee	258,712	264,926
	<u>1,188,295</u>	<u>1,204,117</u>
<i>(ii) Other income</i>		
Interest - term deposit	173,691	104,924
Deferred income	14,697	19,596
Gain on sale of fixed asset	55,600	-
Other income	6,018	47,668
Unrealised gain on UTOS investment	102,634	27,726
	<u>352,640</u>	<u>199,914</u>
19. Personnel Costs	2024	2023
<i>Details of personnel costs are specified as follows:</i>	\$	\$
Salaries & wages	2,274,961	2,019,188
NPF contribution 10%	227,398	201,919
ACC contribution 1%	22,739	20,192
	<u>2,525,098</u>	<u>2,241,299</u>
Other staff costs	161,086	660,569
Total personnel costs	<u>2,686,184</u>	<u>2,901,868</u>
The number of staff employed by the Corporation as at year end were 50 (2023: 46). Other staff costs includes staff benefits payments such as long services leave, higher duty allowance, staff bonus and reimbursements of staff tuition fees.		
20. Occupancy Costs	2024	2023
<i>Details of occupancy costs are specified as follows:</i>	\$	\$
Electricity	64,097	37,534
Water	1,664	2,340
Rent	41,725	64,720
Telephone	40,929	48,513
Total occupancy costs	<u>148,415</u>	<u>153,107</u>
21. Administration Expenses	2024	2023
<i>Details of administration expenses are specified as follows:</i>	\$	\$
Advertising & promotion	4,609	43,373
Allowances	70,523	40,610
Office expenses	271,666	433,368
Stationeries	28,558	24,845
Insurance	46,460	25,765
Repairs and maintenance	350,425	440,348
Motor vehicle running expenses	75,212	75,123
Staff training & meetings	70,090	60,205
Loss on disposal	159,647	3,991
Total administration expenses	<u>1,077,190</u>	<u>1,147,628</u>
22. Interest on Borrowings	2024	2023
<i>Details of interest on borrowings are specified as follows:</i>	\$	\$
Interest on overdraft	17,391	223,451
Interest on CBS loans	18,777	27,036
Interest on UTOS loan	784,407	617,639
Interest on NPF loan	461,147	647,613
Interest on ACC loan	477,385	-
Total interest on borrowings	<u>1,759,107</u>	<u>1,515,739</u>

**SAMOA HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

22. Interest on Borrowings (cont'd)

Details of interest on borrowings are specified as follows:

Interest on overdraft is now included under interest on borrowings to be consistent with the presentation of the Bank Overdraft as borrowing; in nature.

23. Segment Reporting

For management purposes, the Corporation is organized into two reporting segments based on its products and services as follows:

i) Lending

The lending segment, lends out money on mortgage and other securities to assist improve housing and living conditions of lower and moderate income earners and families.

ii) Rental

The rental segment provides best quality with affordable rental units rates at Vaiala & Taumeasina, Fagali'i-uta, Lelata and Moto'otua areas, to the public.

The following table provide information on income, expenses, profit or loss, assets and liabilities in the two segments of the Corporation:

	Lending	Rental	Consolidated
	\$	\$	\$
Revenue	10,358,134	934,290	11,292,424
Expenses			
Audit fees	31,431	5,547	36,978
Depreciation	492,665	345,296	837,961
Directors fees and expenses	86,840	15,325	102,165
Personnel costs	2,566,353	119,831	2,686,184
Occupancy costs	126,153	22,262	148,415
Administration expenses	915,612	161,579	1,077,190
Doubtful debts	3,054,240	(1,292)	3,052,948
Interest on borrowings	1,672,159	86,948	1,759,107
Total expenses	8,945,453	755,495	9,700,948
Profit/ loss	1,412,681	178,795	1,591,476
Capital expenditures	267,379	513,356	780,735
Property, plant and equipment	13,250,165		13,250,165
Investment Properties		9,278,399	9,278,399
Assets	73,212,041	9,669,965	82,882,006
Liabilities	30,482,374	1,962,653	32,445,027
Net assets	42,729,667	7,707,312	50,436,979
Capital and reserves			
Capital	17,750,000	3,088,000	20,838,000
Reserves	26,771,991	2,826,988	29,598,979
Total capital and reserves	44,521,991	5,914,988	50,436,979

24. Related Party Transactions

i) Directors compensation

Directors costs of \$102,165 (2023: \$97,372) were paid during the year including directors fees, sitting allowance, catering for board meeting and other board expenses.

Directors' fees allowances are as follows:

Chairman	- Annual fee \$22,500	(2023 : \$22,500)
Member	- Annual fee \$18,000	(2023 : \$18,000)

SAMOA HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

24. Related Party Transactions (cont'd)	2024	2023
<i>Directors and executive management compensation</i>	\$	\$
Directors fees	87,067	65,923
Other board expenses	15,098	31,449
Total directors compensation	102,165	97,372

ii) Key management personnel costs

The remuneration of key management personnel during the year were as follows:

Salaries and short term employment benefits	854,871	809,898
Employers contribution to:		
National Provident Fund	85,487	80,990
Accident Compensation Commission	8,549	8,099
Total key management personnel costs	948,907	898,987

iii) Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms.

25. Financial Instruments

This section outlines the Corporation's exposure to financial risks and describes the methods used by management to control and monitor these risks. The major risks are credit risk, fair values, market risk, liquidity risk and operational risk.

a) Credit risk

Credit risk refers to the risk that a customer will default on its contractual obligations resulting in financial loss to the Corporation.

The Corporation has adopted a policy of dealing with credit worthy customers except when otherwise required by government for public beneficial reasons, and obtaining sufficient collateral where appropriate, as a means of mitigating the risks of financial loss from defaults. The Corporation exposure and the credit ratings of its customers are continuously monitored and the aggregate value of transactions concluded is spread amongst approved customers. Credit risk is closely monitored by the Lending Division and Securities and Recoveries Division through regular independent reviews designed to test the quality of credit exposures and to ensure compliance with Corporation policies.

b) Fair values

All financial instruments are carried at fair values.

c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Corporation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

d) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors.

The Corporation manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and cash flows and matching the maturity profiles of financial assets and liabilities.

e) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Corporation's involvement with financial instruments, including processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

**SAMOA HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

25. Financial Instruments (cont'd)

f) Operational risk (cont'd)

The Corporation's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Corporation's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit.

26. Commitments

a) Lease commitments

	2024	2023
	\$	\$
(i) Meilin & Bill Choi		
Not later than one year	-	27,600
Due after one year but not later than five years	-	110,400
	<hr/>	<hr/>
(ii) Samoa Land Corporation - Office space at Salelologa Market		
Not later than one year	8,280	8,280
Due after one year but not later than five years	33,120	33,120
	<hr/>	<hr/>
(iii) Ministry of Natural Resource and Environment		
Not later than one year	3,400	3,400
Due after one year but not later than five years	13,600	13,600
	<hr/>	<hr/>
(iv) Samoa Land Corporation - Land at Salelologa		
Not later than one year	575	575
Due after one year but not later than five years	2,300	2,300
	<hr/>	<hr/>
(v) National Providend Fund - Car Park		
Not later than one year (non-renewable)	2,875	2,875
Lease commitments	<u>25,300</u>	<u>15,180</u>
	<u>86,575</u>	<u>214,455</u>

All lease commitments totaling \$86,575 are due within 5 years. The Meilin & Bill Choi lease is regarded as a 12 month term lease on a lease to lease basis, as it does not have a formal lease with terms. The Office space lease at Salelologa has expired but continuing on mutual agreement. The NPF lease is non renewable. Most leases are of small values. Therefore exemption provided under IFRS 16 is used and lease rental incomes are recognized on a straight line basis.

(i) Meilin & Bill Choi

In May 2016, the Corporation started leasing Meilins Mall second floor to extend its operation due to limited space at its main office. The lease is \$2,300 (vagst inclusive) per month.

(ii) Samoa Land Corporation - Office space at Salelologa

Savaii branch has been relocated to Salelologa Market starting from June 2016. The lease is \$690 per month and has expired but not formally renewed.

(iii) Ministry of Natural Resource and Environment

The Corporation is now paying \$2,500 per annum to Ministry of Natural Resources for the lease of various lands on which the 73 Rental Units situate.

(iv) Samoa Land Corporation - Land lease at Salelologa

In 2019, the Corporation started leasing a 1 acre land at Salelologa from Samoa Land Corporation. The lease is \$575 per annum.

(v) National Providend Fund - Car park lease

This lease which is \$1,265 inclusive Vagst has expired and is non-renewable.

**SAMOA HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

26. Commitments (cont'd)

b) Capital and other commitments

The Corporation's new lending system is currently in the tender phase, with a deadline set for 29 July 2024.

Apart from the aforementioned, the directors are not aware of any other capital or commitments that were not disclosed in the financial statements for the fiscal year that concluded on the 30 June 2024. (2023: SAT\$nil).

27. IFRS 9 implementation

The Corporation has made significant progress over the past four years towards full compliance with IFRS 9, particularly in relation to the Expected Credit Loss (ECL) provisioning. The Corporation has completed its assessment and expects to fully comply with the standard by 30 June 2025. As of 30 June 2024, the ECL provisioning does not fully meet the requirements of IFRS 9. Management is committed to addressing the remaining gaps and has a detailed plan in place to achieve full compliance by 30 June 2025.

28. Loans Management System (LMS)

During the year, the Corporation's loans management system, which manages the loans receivables, experienced a breakdown. As a result, the Corporation had to revert to an outdated version of the system that has certain limitations. This has impacted the accuracy and completeness of the loans receivables information. Management is actively working on resolving these issues and is in the process of upgrading the system to ensure it meets current standards and requirements and comply by 30 June 2025.

29. Contingent Liabilities

The directors are not aware of any contingent liabilities at year end. (2023: SAT\$nil).