

# STATEMENT TO PARLIAMENT

31 October 2023

**Honourable Speaker**  
Legislative Assembly of Samoa  
**MULINUU**

Dear Sir,

In pursuant of Section 15 of the Samoa National Provident Fund's Act, I present to the Legislative Assembly for discussion, the Samoa National Provident Fund's Annual Report for the financial year ending 30 June 2023.

The main objective of the Samoa National Provident Fund is to improve coverage of the scheme to include all workers in the country, collect contributions promptly and invest these funds to generate returns for members. Interest is declared annually and is added to members' contribution funds.

Inspired to accomplish its **VISION**: A prosperous **TODAY** and a secure **TOMORROW**

And **MISSION**:

- ✓ To extend coverage to all workers
- ✓ To provide efficient and effective services through best practices
- ✓ To maximise returns to members'

Yours faithfully




Hon Lautimuia Afoa Uelese Vaai  
**MINISTER OF FINANCE**

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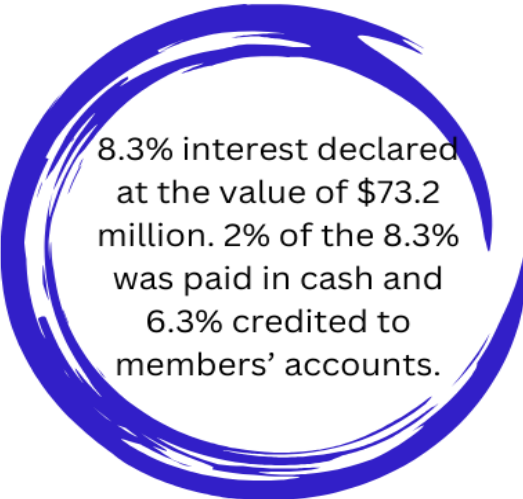
## HIGHLIGHTS FOR 2023




Number of online users recorded increased to 38,741 from 31,046 last year.



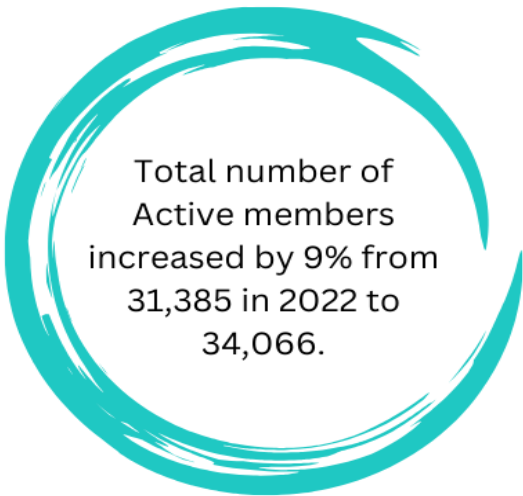
Members contributions collected increased by 7% from \$131.2 million in 2022 to \$140.4 million




8.3% interest declared at the value of \$73.2 million. 2% of the 8.3% was paid in cash and 6.3% credited to members' accounts.



Mobile Application (Mobile App) launched which enabled members to access online services



Total number of Active members increased by 9% from 31,385 in 2022 to 34,066.



Total Net Assets available for allocation is \$74.4 million

## BOARD OF DIRECTORS



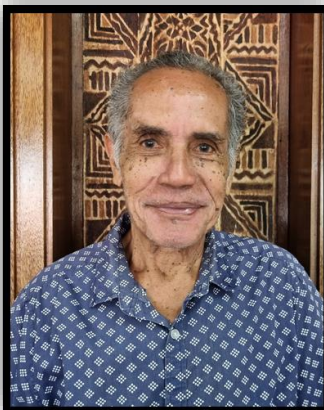
**Mr. Moala Tavita Moala**  
**CHAIRMAN**



**Mrs. Elena Ainuu Roberts**



**Mr. Leota Lalomanu Kosi Latu**



**Mr. Tupuola Fiu Peni Asi**



**Mr. Leapai Valovalo Tusani**



## CHAIRMAN'S REPORT

Samoa National Provident Fund (SNPF) as a key Government Financial Institution established under the NPF Act 1972, continues to commit in providing benefits and timely services to its members' as well as responding to the needs of beneficiaries and the community. Safeguarding and continuing to promote interests of members remains the key factor in the SNPF operations.

### ACTIVITIES AND PERFORMANCE OF THE FUND

#### *Members contributions*

Members contributions collected during the year was \$140.4 million, an increase of 7% when compared to \$131.2 million in the previous year. Despite financial challenges, employers were committed to payment of employees contributions. The number of active members and voluntary contributors have increased including those on recognized season employer scheme.

#### *New Mobile Application Launched*

The new mobile application was launched on 13 March 2023 with funding assistance from United Nations Development Programme. This enabled members to access accounts and requests on mobile app. The Fund continues to enhance services to members through modern technology.

#### *Return on members' funds*

In a tough and challenging economic environment, the Board was nevertheless able to declare interest of 8.3% for members, 2% of the 8.3% was paid in cash and 6.3% was credited to members' accounts. The total cost to the Fund was \$73.2 million tala.

#### *Net increase in assets available for allocation*

The total net increase in net assets available for allocation recorded was \$74.4 million. This is attributed primarily to growth in interest revenue from the lending portfolio, gains from offshore investments and stringent controls over spending.

#### *Other Developments*

The Fund continues to perform well in maintenance of its Asset Allocation Strategic Investment Framework (SIF), Human Resource development, Review of Funds policies and guidelines for effective and efficient services for best interest of members and stakeholders.

As Chairman, I wish to express my sincere appreciation to the Chief Executive Officer, Management and staff for accomplishing another successful year operations. I also thank the Government, the Employers and workers for support which contributed to the success of this financial year.

God bless.

  
Moala Tavita Moala  
**CHAIRMAN**

## EXECUTIVE MANAGEMENT



**Mrs. Lemalu Selesitina**  
**Pule'aga Meni Reti**  
**Chief Executive Officer**



**Mrs. Faalogo Luana Esera**  
**Chief Financial Officer**



**Mrs. Siligatusa Limasene Tupou**  
**Lending Operations Manager**



**Mrs. Ana Vaise Aiolutepa**  
**Manager Member Services**



**Mrs. Lautimuia Larina Lemisio**  
**Manager Corporate Services**



**Mrs. Ausialemanaia Vanita**  
**Semisi Fanolua**  
**Manager Properties & Equities**

### Vacant Positions

*Manager Information Technology, Manager Internal Audit,  
Manager Legal, Manager Senior Citizens Benefit Fund.*



## A. OVERVIEW OF OPERATING PERFORMANCE AND RESULTS

### MEMBER SERVICES

#### Active Members

The number of active members at year end was 34,066 an increase of 2681 or 9% when compared to the previous year of 31,385.

There was growth in the number of active members for the Fund throughout the year. We have seen an increase in Voluntary contributors who have registered with the Fund both for local as well as overseas members, including those on the Recognized Season Employer Scheme (RSE).

#### Contributions

Members' Contributions collected during the year was \$140.4 million, an increase of 7% when compared to \$131.2 million in the previous year. This increase in contributions collected can be attributed to better compliance measures by Management in working together with our employers.

#### Withdrawals

The total of withdrawals made during the year was \$92.4 million, an increase compared to \$64.8 million recorded for the previous year.

#### Employers

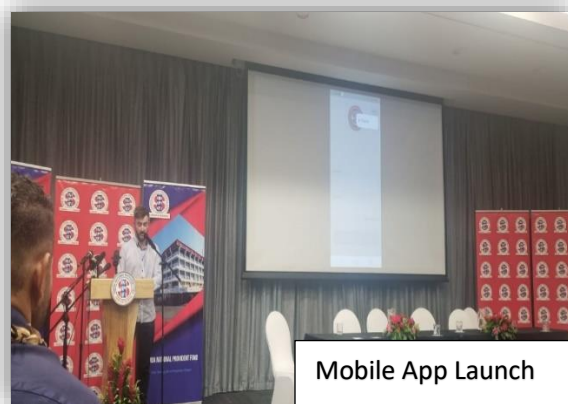
The total count of employers was 1998 at year's end compared to 1917 last year. A total of 174 new employers registered this year.

The Fund continues to place value in building relationships with employers to ensure there is a mutual effort from both sides in meeting their obligations. Despite the financial struggles throughout the last financial year, the Fund acknowledges the commitments and efforts shown by our employers for the benefit of our members.

#### Improvement to Processes

The total number of members who have now signed up for Online Access Services at the end of financial year was 38,741 compared to 31,046 at the end of the previous financial year. The Online Portal service enables members to check their NPF account balances anytime from any device, process small loans and enable payment of special dividends to member bank accounts. This service was especially beneficial to our members during the covid 19 lockdown restrictions when members were not able to visit the office.

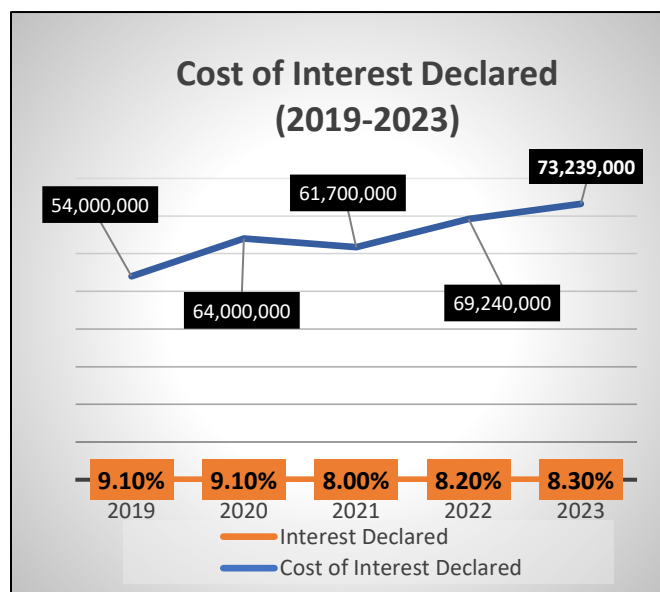
In March 2023, the Fund launched its Mobile Application (Mobile App), strengthening the availability and accessibility of our members to a range of services (namely – checking account balances online, request top ups for member loans, request appointments with the office in Upolu and Savaii, apply to withdraw contributions upon retirement.). We live in unprecedented times and as such, it is well to note that the Fund is well prepared to adapt to any situation to ensure our services to our members are uninterrupted.



Mobile App Launch

### Interest/Dividend

The Board approved and declared an interest of 8.3% for the financial year ending 30<sup>th</sup> June 2023 at a cost of \$73.2 million.



**Graph 1**

### Death Benefit

The Special Death Benefit is \$5,000. Total Death benefits paid out during the year was \$912,433 an increase of 2% when compared to the previous year at \$736,664.

### Pension Scheme

For the Retiree Pension Scheme, 157 retiree pensioners remained at year end, a decrease of 9% when compared to 173 in the previous year. A total of 96 pensioners and 61 beneficiaries remained at year end. No new pensioner for this FY 2022 – 2023.

The total cost of the retiree pension for the year was \$397,837 a decrease of 11% when compared to \$447,338 in the previous year. The pension pool was \$1.5 million at year end, a decrease of 21% from \$1.9 million in the previous year.





## CORPORATE SERVICES

The Fund maintains its outlook at reducing manpower to a minimal, whilst continuing to build and upgrade capabilities of existing staff through training and mentoring and employing new recruits with new skills and talent to contribute and develop the current talent pool. During the year the Board approved separation of the Investment department core functions and created two separate departments: Properties and Equities department and Lending Operations department. The growth of lending and properties portfolio with the objective to effectively maximise benefits from investments were the ultimate reasons for this restructure.

### Staff Development

We organised an annual training programme for staff and we covered the following areas:

- ✓ Induction training for new recruits
- ✓ Customer Services
- ✓ ICT systems refresher trainings
- ✓ Ongoing department internal refresher trainings
- ✓ External trainings provided by Public Service Commission and Chamber of Commerce

Employment performance appraisals were done whereby the performance of each individual staff members were evaluated and measured focusing on their key performance indicators.

### STAFF COUNT AND MOVEMENT

The Fund had a total of 149 staff members at end of June 2022. During the reported year, 23 new staff members were recruited and 24 ceased services from the Fund. Staff resigned

due to migration and promotion to other offices. This brings a total staff number at the end of June 2023 to 148.



STAFF CUSTOMER SERVICES  
TRAININGS

## LEGAL SERVICES

The Legal Department holds responsibility for overseeing all legal aspects concerning the Fund. This encompasses tasks such as recovering funds from loan accounts transferred from the Investment Division, retrieval of member contributions from employer accounts, providing counsel and guidance to both the Board and Management and standing as the Fund's legal advocate in any legal proceedings in which it becomes engaged in.

At the beginning of the financial year, the total value of the investment loan portfolio with the Legal department stood at \$23.5 million with an arrears of \$3.5 million. This outstanding amount consisted of 143 delinquent accounts.

At the end of this financial year, the total value of investment loans with the Legal department was \$15.5 million with \$3 million in arrears.

Out of the initial 143 accounts at the beginning of the financial year, the number decreased to

98 as the Legal team successfully settled 45 accounts by the end of the financial year.

The total receipts for this financial year were \$6.7 million compared to the previous year's collection of \$4.2 million.

With regards to employer accounts referred to Legal for recovery, contributions collected from the 17 active employer accounts with the Legal Department amounted to \$346,000 at the end of the financial year whereas surcharge payments amounted to \$4,500.

At the beginning of the year, arrears relative to members' contributions was \$10,500 which subsequently decreased to \$6,600.

The Legal team strives to maintain a consistent and rigorous approach to recovery, particularly considering the continuous referral of investment loans for recovery.





## INFORMATION AND COMMUNICATIONS TECHNOLOGY

The ICT department aims to provide excellent customer experience through effective utilization of technology to increase member engagement and improve efficiency of services. The Fund has been on a digital transformation journey to ensure efficiency, accuracy, integrity and security of its information systems.

### Fund Management System (FMS)

1. The Fund through partnership with its FMS system developers, General Capital Technologies, extended the functionality of its FMS system to allow SNPF members' online access to their details including account balances and contribution history.
2. The Fund had launched its first ever Mobile App in March 2023 as an additional service to our members. Through this App, members can submit Small loans, Short-term loans and Withdrawal applications online.
3. Further down the line, updates were deployed for the Mobile App and Members Portal to allow members to view Small loan and Short-term loan transactions through the App and/or Members' Portal, and apply for a Retirement Lump Sum Withdrawal, whether partial or full, through the App.

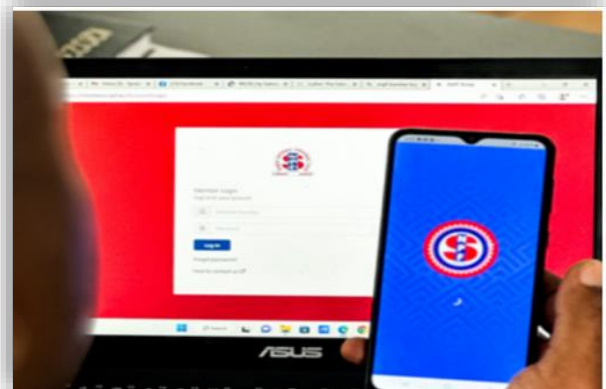


### Utilizing Data

The availability of quality data has been effectively utilized to inform management decisions and compilation of mandatory financial audit reporting.

Leveraging data has allowed the Fund to conduct insightful budget forecasts and meet its obligation in providing quality living to its members by ensuring maximum return on its investments.

Staff training was conducted to build awareness and capacity on proper input of data and its' importance. The trainings also provided an opportunity for staff to develop new skillsets in data management, to assist with account reconciliations using available data.



## INTERNAL AUDIT

The duties and responsibilities of the internal audit function is mandated by the Internal Audit Charter of the Samoa National Provident Fund. The Internal Audit team is ensuring we are exercising our roles as an independent, objective assurance and consulting activity designed to add value and improve the Fund's operations.

The Internal Audit's mission is to enhance and protect the Fund's value by providing risk-based and objective assurance, advice, and insight. A systematic, disciplined approach is used to evaluate risk management, internal controls, operational and governance processes. The primary objective of the internal audit function is to assist the Executive Board the CEO, and management in effectively discharging their responsibilities.

Fiscal year 2023 was a challenging year for the Internal Audit Team especially when both the Manager and Assistant Manager left before the financial year ended. During the year we were able to complete our work as dictated by our annual work plan.

Also, during this year we emphasized our work in both Finance and Investment area carrying out audits and reviews in all portfolios of financing offered by the Fund to our clientele. It is necessitated for us to check and work closely with the team of finance to ensure controls are in place and functioning well. We also continue monitoring the Funds Finance Management System (FMS) on a quarterly basis carrying random tests and review of processes and reports to ensure controls are effective.

Internal Audit also continues performing several Pre-Audits review functions mainly on payments with significant amounts and Large Investment loans compliance. Pre-audits are reviews of invoices, contracts, purchase orders, and other requests for funds to substantiate a transaction or series of transactions before they are executed and recorded. The pre-audit has been widely used to ensure that transactions are accurate in all respects and deficiencies are identified and rectified even before cash ever leaves the Fund's account. Basically, pre-audits are supportive to guard against things going wrong in the organization than waiting to do post-mortem correction as one core function of internal audit.

Internal Audit also carries out a few non-scheduled investigations for different purposes requested by the CEO. We also continue working with IA forum lead by MOF in carrying out cross function government audit during the year.

Internal Audit Team will continue to improve performance and seek to maintain high quality when carrying out our audit functions without compromising our independence and objectivity to ensure the management and the board remains confident in the internal audit services.

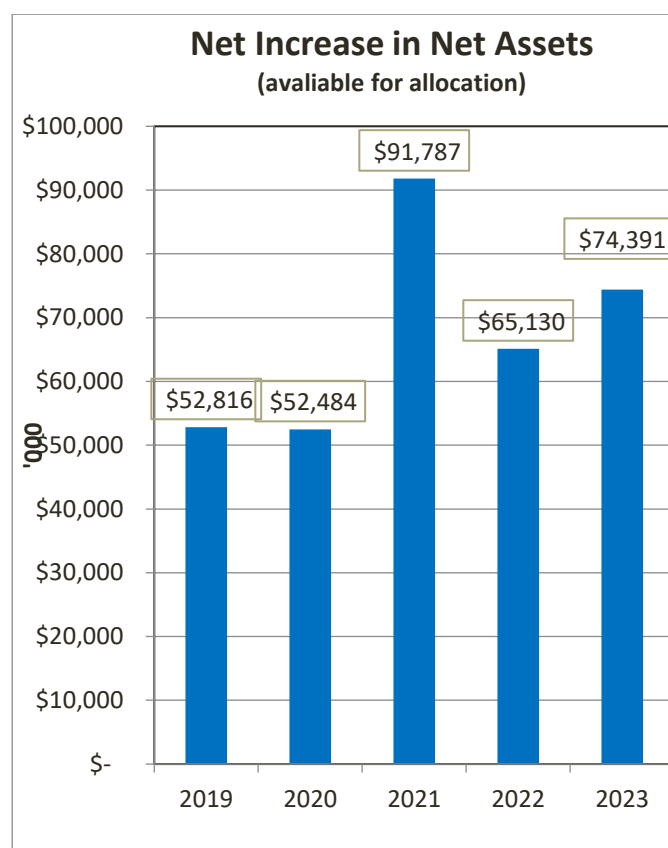


## B. OVERVIEW OF FINANCIAL PERFORMANCE AND RESULTS

### FINANCE DEPARTMENT

#### Financial Performance

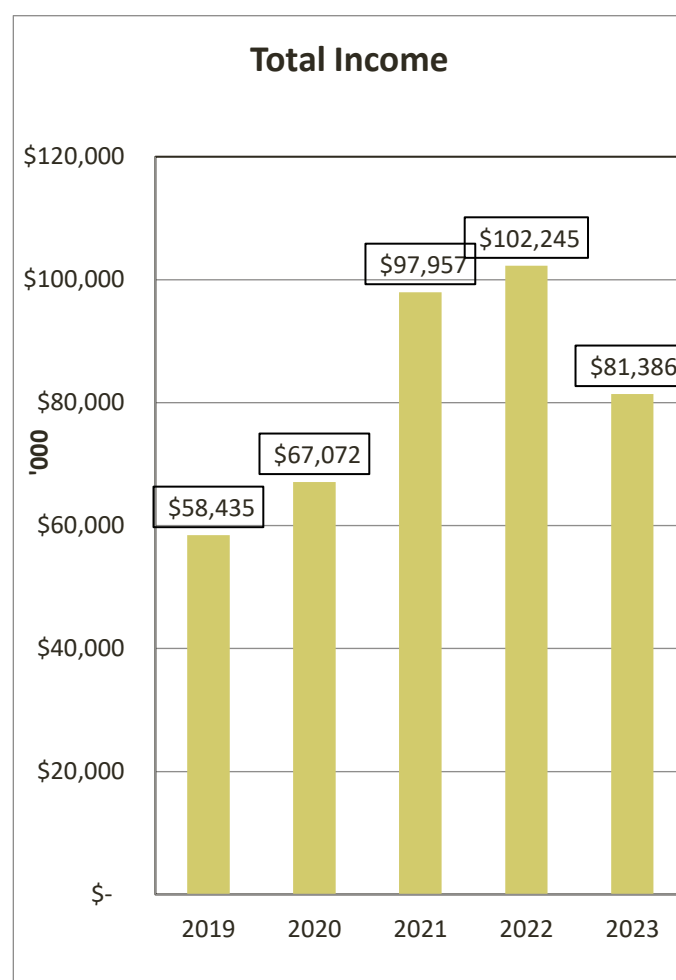
##### Net increase in net assets (available for allocation)



**Graph 2**

Net increase in net assets available for allocation of the Fund as at 30th June 2023 is \$74,391,861 (Graph 2), This is attributed primarily to growth in interest revenue from the lending portfolio, the exceptional performance of the offshore investment, gains from offshore investments and stringent controls over spending by maintaining actual total expenditure.

##### Income

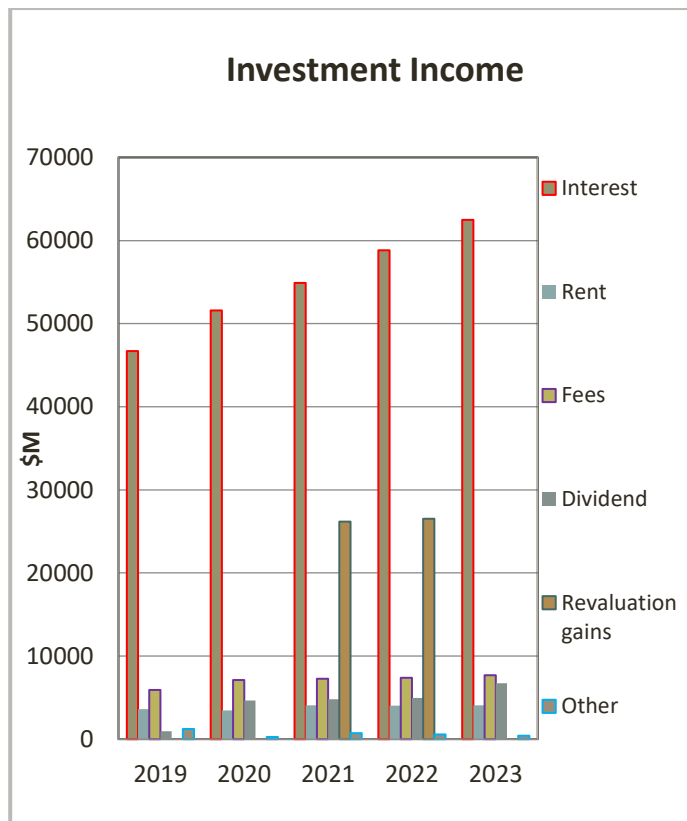


**Graph 3**

Total Income for the year is lower by 20% compared to previous year due to gains in revaluation of investments properties done in FY2022 and 9% higher compare to budget. (Graph 3)



## Investment Income



**Graph 4**

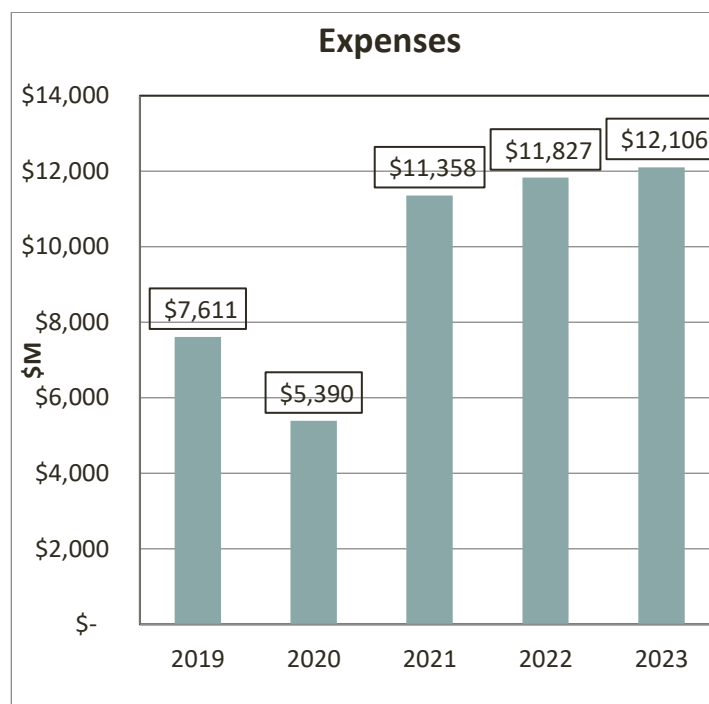
An overview of the past five years illustrates the Fund's heavy reliance on the interest revenue from its lending portfolio and its growth over the years as shown in the Graph 4 above.

The major income components where the Fund generates its' income from are primarily interest earned from loans portfolio, rental properties, services fees and dividend income. \$62.4 million was generated from loans portfolio July 2022 – June 2023.

Rental income from SNPF various properties earned \$4.0 million revenue, Dividend income earned \$6.7 million and Service fees earned \$7.7 million.

## Expenses

Total expenditure (exclusive of depreciation) for this year is 2% higher compared to 2022 total costs due to impairment of financial assets, and in terms of the 2023 budget, actual costs were lower budget by 13%. The actual operating costs for this year is decrease by 10% due to management tight control of spending.



**Graph 5**

## Financial position

As of 30 June 2023, the Fund's statement of financial position remains strong with healthy cash reserves and an overall \$1.0 billion net asset position.



## INVESTMENTS

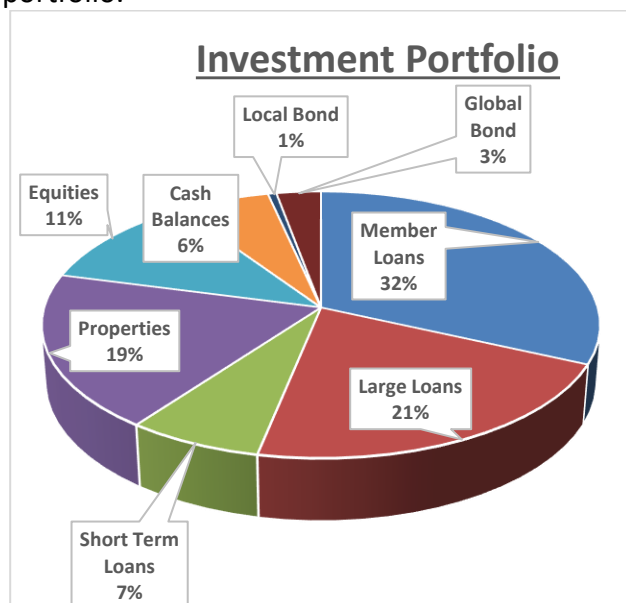
### INVESTMENT PORTFOLIO

After three years of pandemic driven recession, which impacted the economy of Samoa and worldwide resulting economic fallout, the reopening of borders in August 2022 has shown significant positive impact to the Fund not only in the digitalization but also in its overall investment portfolio.

The Investment Department was given the task of investing funds in accordance with its 'Strategic Investment Framework' to earn maximum returns for the Fund.

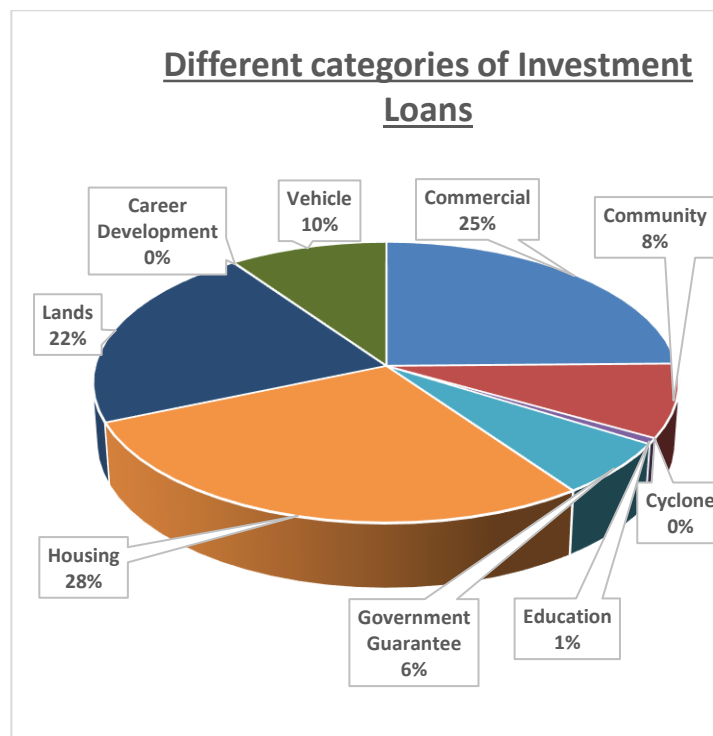
The Investment Portfolio as shown in **Graph 6** for the financial year ended adhered to the Strategic Investment Framework (SIF) targets to maximise returns for the Fund. The value of the Investment portfolio at year end was **\$1,083,896.529 billion**.

It is primarily made up of loans and advances which accounted for over 60% of the total portfolio, properties at 19%, offshore investment (global bond) of 3%, local bonds of 1%, equities at 11% and cash balances at 6% to achieve a well-diversified portfolio.

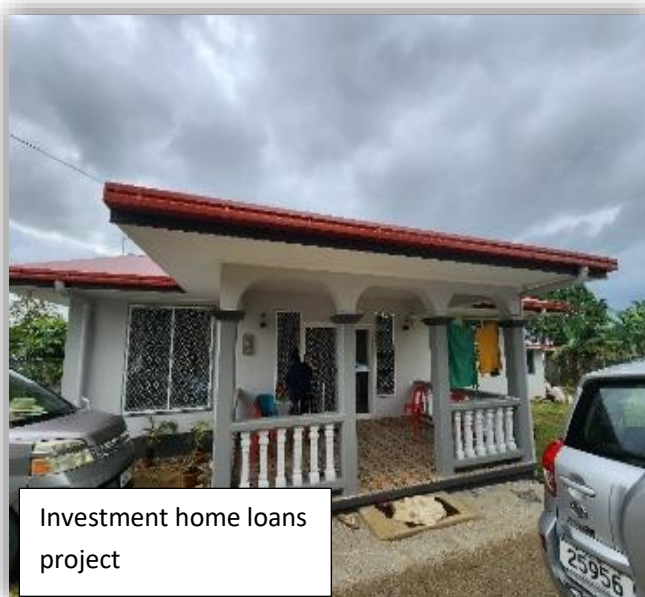


**Graph 6**

The different categories of the current investment loans portfolio are depicted in **Graph7**

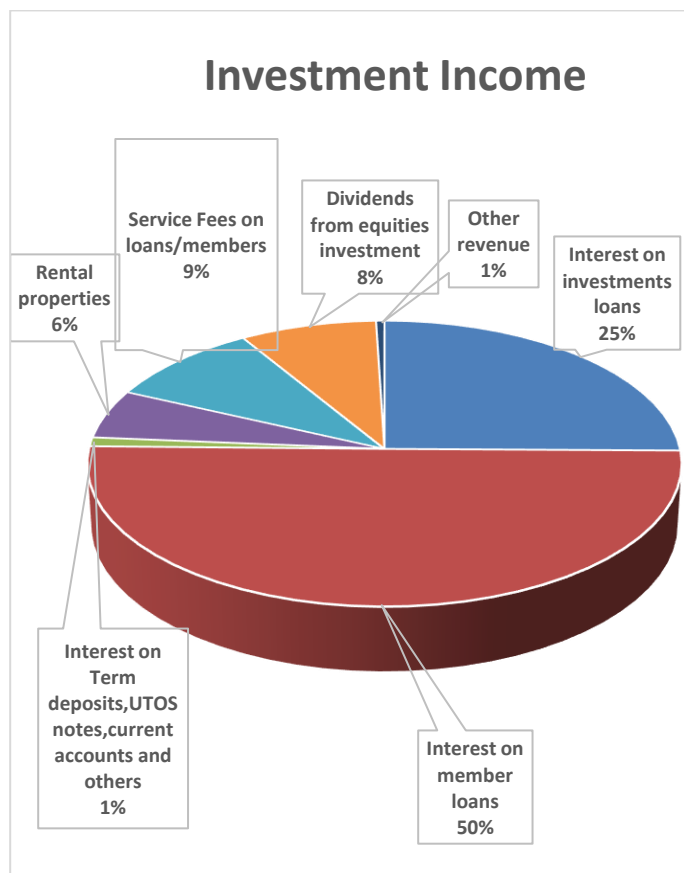


**Graph 7**



## INVESTMENT INCOME CATEGORIES

Income earned from Investment activities are interest, service fees, rental charges, and dividends continue to be the major source of revenue item for the Fund as depicted in **Graph 8**.



**Graph 8**

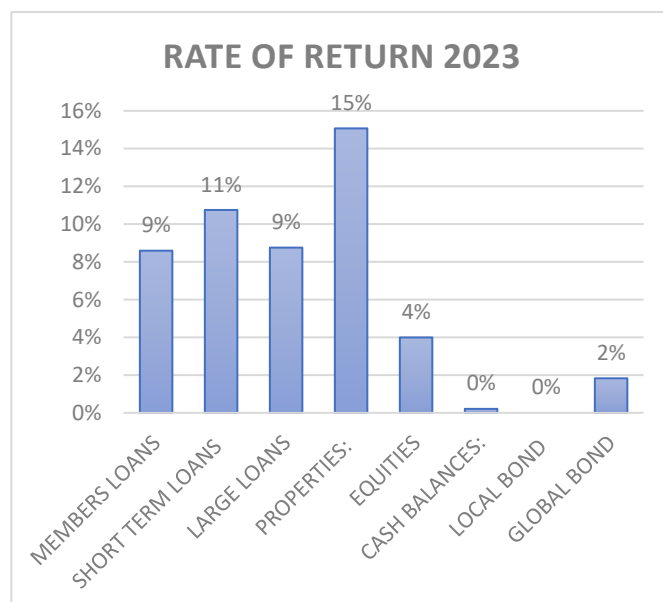
It is clear from the indicative graph above that majority of the Fund's income is generated from Interest on Investment mainly from its lending activities. Interest earned from member loans and investment loans making up 75% of total income whilst only 25% is from other sources including rental properties, service fees, dividend from equities and other revenues.

After the grand opening of the Savaii New Building, the Fund in the current financial year focused on renovation and refurbishment of its current

buildings including works for tenancy spaces at the Main Building.

The vacant spaces are currently on the market for potential tenants with the aim that rent income from this redevelopment shall contribute to the increase in overall revenue for the next financial year.

**Graph 9** below illustrates the respective Rates of Return (weighted average) on each asset class of investment. The Rates of Return (RoR) are derived by taking the income over an average of each asset class in the Investment Portfolio during the year.



**Graph 9**



Investment car loans product



## C. CAPITAL EXPENDITURE AND PROJECTS

Major capital expenditures/payments incurred during this financial year are as follows:

CAPITAL EXPENDITURE AND PROJECTS					
Category	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year to Date
Land & Building	-	120,246	34,911	-	155,157
Motor Vehicle	-	-	-	-	-
Computer System	7,931	-	-	-	7,931
Fixture & Fittings	-	-	21,959	-	21,959
Plant & Equipment	102,659	63,048	162,757	80,723	409,187
WIP*	791,297	149,696	530,461	370,133	1,841,587
Total	901,887	332,990	750,088	450,856	2,435,821

\*Work in progress - Savaii Building - New and other properties renovations)

**Table 1**

## D. FUTURE RISKS AND UNCERTAINTIES

### COVID-19 Pandemic & War in Ukraine

The global economic recovery is gradually taking steps from the covid 19 pandemic, the outbreak of the Russian-Ukrainian war is continuing to this financial year Annual report period thus bringing about unwanted uncertainty.

The resulting rise in oil-prices, hyperinflation, stock market uncertainty and a seemingly continuing economic contraction for the country remain stark indicators for the Fund Board and Management to take heed of as the Fund progresses forward.

## E. OUTLOOK FOR THE NEXT YEAR

2023 has been an overwhelming year, the Fund was able the record a dividend payout of 8.3%, net

profit achievement and the 1-billion contributions portfolio milestone.

For 2024, we are looking forward to the following amongst others.

- SNPF to continue looking for viable investments that will produce high returns for the members.
- The provision of loan statements on the APP as an improvement on the SNPF services
- The expansion of our voluntary contributions' product
- Have stakeholders' consultation meetings to well inform members and identify areas to improve services
- Preparation for the new SNPF Corporate plan for the period 2024-2027

## FINAL THOUGHTS

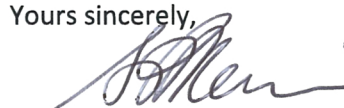
I would like to acknowledge the contribution by the former CEO Pauli Prince Suhren and the former Board of Directors.

I thank and acknowledge the great vision and support of the Chairperson and the new Board of Directors for the work of the Fund this year.

To the SNPF management team and staff, a big note of thanks and gratitude for all the hard work provided. I am honored and privileged to lead such a remarkable and dedicated group of people.

Let us continue to work together for a prosperous today and a secure tomorrow!

Yours sincerely,



Lemalu Selesitina Pule'aga Meni – Reti  
**CHIEF EXECUTIVE OFFICER**

Samoa National Provident Fund

# Financial Statements

## 30 June 2023



Samoa National Provident Fund  
Financial Statements  
For the Year Ended 30 June 2023

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**Samoa National Provident Fund  
Board Members' Report  
For the Year Ended 30 June 2023**

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The Board members present their report together with the financial statements of the Samoa National Provident Fund ("Fund") for the year ended 30 June 2023 as set out on the accompanying pages and the Auditors report thereon in accordance with a resolution of the Board of Directors and signed on behalf of the Board.

#### **Board Members**

The Board members of the Fund during the year and up to the date of the report were:

Mrs Saoleitiiti Maeva Betham Vaai (Chairperson) completed in 3<sup>rd</sup> March 2023  
Rev Sunita Afereti (Board member) resigned 29<sup>th</sup> July 2022  
Ms Seulupe Michelle McDonald (Board member) completed in 31<sup>st</sup> July 2022  
Mr Masoe Norman Wetzell (Board member) completed in 3<sup>rd</sup> March 2023  
Mr Lealiiee Rudi Ott (Board member) resigned in 3<sup>rd</sup> March 2023  
Mr Panoa Tavita Moala (Board member) appointed in 7<sup>th</sup> September 2022, completed in 23<sup>th</sup> November 2022  
Mr Panoa Tavita Moala (Chairperson) appointed in 24<sup>th</sup> November 2022  
Mr Leota Kosi Latu (Board member) appointed in 19<sup>th</sup> May 2023  
Mrs Elena Ainuu (Board member) appointed in 19<sup>th</sup> May 2023

#### **Operation of the Fund**

The Fund is a defined contribution fund, and the operation of the Fund has been carried out in accordance with the provisions of the Samoa National Provident Fund Amendment Act 2010.

#### **Principal activities**

The Fund is a compulsory savings scheme covering all employees in Samoa and overseas for the purposes of retirement and pension benefits. Furthermore, the Fund collect contributions promptly and invest these funds to generate returns for members.

#### **Going concern and impact of COVID-19**

The financial statements of the Fund have been prepared on a going concern basis. We consider the application of the going concern principle to be appropriate in the preparation of these financial statements as we believe that the Fund has adequate funds to meet its liabilities when they fall due over the next 12 months, from the date of the Board members report.

The continued impact of the COVID-19 pandemic has resulted in the Fund's operations experiencing challenging and uncertain times with the second wave of the COVID-19 creating further uncertainty. Whilst the situation is evolving, the Fund remains confident that it will be able to continue as a going concern which assumes the Fund will be able to continue operating and realize assets and discharge liabilities in the ordinary course of business for the foreseeable future.

#### **Operating results**

Total net surplus attributable for allocation for the year ended 30 June 2023 was \$74,390,861 (2022: \$65,130,071).



**Samoa National Provident Fund  
Board Members Report (continued)  
For the Year Ended 30 June 2023**

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## **Reserves**

The Board approved the allocation of net surplus to members' accounts from the Fund's income statement as annual interest at a rate of 8.3% (2022:8.2%)

## **Bad and doubtful debts**

At the date of this report, the Board members are not aware of any circumstances which would render the amount written off for bad debts, or amount of the provision for doubtful debts, inadequate to any substantial report.

## **Significant events during the year**

- (i) **Dividend 2% was paid to members in January 2023.**  
On the 19th of December 2022, the Board approved a special interim dividend of 2%, to the value of \$18.2 million to be paid out in 100% cash to members in 23rd January 2023. The total amount paid out was \$13.6 million and remaining was credited back to members accounts.
- (ii) **SNPF New Mobile App launched in March 2023**  
SNPF Mobile App was launched on 13 March 2023 and is currently available to members on Google and Apple App stores. This Mobile App was fully funded by the UNDP of the total amount of NZD \$156,000.00 and was paid by the Ministry of Finance to the supplier General Capital Technologies Limited from New Zealand. The App enables the SNPF members, especially the beneficiaries of Social Protection benefits, to access information pertaining to their SNPF account, contributions and social protection accounts. Furthermore, the App also allows members to register online for existing and new social protection benefits.
- (iii) **Interest declared for members in financial year ending 30 June 2023**  
The Board approved to declare interest an 8.3% rate of interest year ending June 2023, total amount of \$73million, 2% of 8.3% was paid in January 2023 and the 6.3% to be credited to members' accounts in June 2023.
- (iv) **Computer Service Limited Mobile (CSLM) share acquisition in June 2023**  
As at June 2023, the Fund purchased 5% of the available shares in Computer Service Ltd Mobile (CSLM) from Computer Service Limited (CSL) to the total value of \$2,187,500.00. Total SNPF shares in CSLM is 67% holding at the end of June 2023.
- (v) **Total Member Contribution as at 30 June 2023**  
As at June 2023, the total member contribution reached to \$1.0 billion tala from significant increase in contributions collected and interest credited to members' accounts this financial year.

**Samoa National Provident Fund  
Board Members Report (continued)  
For the Year Ended 30 June 2023**

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**Events subsequent to balance date**

The impact of the COVID-19 on the Fund's financial instruments has been well assessed by the management. The financial statements, however, reflect the best estimates of the Fund's Board and management based on the information available at the time of preparation.

No matters or circumstances have arisen since the end of the financial year which would require adjustment to or disclosure in the financial statements.

**Basis of preparation**

The financial statements of the Fund have been drawn up in accordance with International Financial Reporting Standards and the requirements of the Samoa National Provident Fund Act 1972.

The financial statements have been prepared under the historical cost convention, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. The financial statements are prepared in Samoan tala (SAT).

**Related party transaction**

All related party transactions have been adequately recorded in the financial statements as disclosed in the notes to the financial statements.

**Other circumstances**

At the date of this report, the Board members are not aware of any circumstances not otherwise dealt with in this report or financial statements which render any amounts stated in the financial statements misleading.

**Unusual transactions**

The result of the Fund's operations during the financial year and up to the date of this report, has not in the opinion the directors, been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

Dated at Apia this 25<sup>th</sup> October 2023

  
Chairperson

  
Director



Samoa National Provident Fund  
Statement by Board Members  
For the Year Ended 30 June 2023

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In the opinion of the Board members:

- (a) The accompanying income statement is drawn up so as to give a true and fair view of the results of the Fund for the year ended 30 June 2023;
- (b) The accompanying statement of net assets available for benefits is drawn up so as to give a true and fair view state of the affairs of the Fund as at 30 June 2023;
- (c) The accompanying statement of changes in member benefits is drawn up so as to give a true and fair view of movement in member benefits of the Fund for the year as at 30 June 2023;
- (d) The accompanying statement of changes in reserves is drawn up so as to give a true and fair view of movement in reserves of the Fund as at 30 June 2023;
- (e) The accompanying statement of cash flows is drawn up so as to give a true and fair view of movement in cash flows of the Fund for the year ended 30 June 2023;
- (f) At the date of this statement there are reasonable grounds to believe that the Fund will be able to pay their debts as and when they fall due;
- (g) All related party transactions have been recorded and adequately disclosed in the attached financial statement in accordance with IAS 24; and
- (h) The financial statements and notes are in accordance with the Samoa National Provident Fund Act 1972.

Dated at Apia this 25<sup>th</sup> October 2023

Signed in accordance with a resolution of the Board:

  
Chairperson

  
Director

**Samoa National Provident Fund  
Income Statement  
For the Year Ended 30 June 2023**

	Notes	<u>2023</u>	<u>2022</u>
		<u>‘\$000</u>	<u>‘\$000</u>
<b>Income</b>			
Interest	5(a)	62,487	58,814
Dividend	5(b)	6,713	4,944
Property rental	6	4,064	4,046
Service fees		7,704	7,391
Change in fair value of investment properties	21,22	-	26,508
Other income	7	418	541
<b>Total income</b>		<b>81,386</b>	<b>102,245</b>
<b>Expenses</b>			
Audit fee		(87)	(95)
Directors’ expenses		(33)	(22)
Building maintenance		(324)	(226)
Directors’ fees	30(b)(i)	(57)	(72)
Doubtful debts		133	(492)
Impairment of financial assets		(1,318)	(839)
Depreciation	21,22	(982)	(827)
Personnel costs	8	(4,819)	(4,716)
Rent expenses	9	(9)	(54)
Gain/(Loss) on foreign exchange	11(d)	(810)	(537)
Other operating costs	10	(2,818)	(3,120)
<b>Total expenses</b>		<b>(11,124)</b>	<b>(11,000)</b>
<b>Net increase in net assets available for allocation</b>		<b>70,262</b>	<b>91,280</b>
<b>Other comprehensive Income</b>			
Change in fair value offshore/local investment	11(a)	7,071	(1,616)
Change in fair value of other equity investment	11(b)	(738)	(17,886)
Change in fair value of convertible loans	11(c)	(2,204)	(6,613)
<b>Total other comprehensive income</b>		<b>4,129</b>	<b>(26,115)</b>
<b>Net increase in net assets available for allocation</b>		<b>\$74,391</b>	<b>\$65,130</b>
Net increase in net assets allocated to:			
Members’ accounts (interest to members)		\$73,240	\$69,239
Funds		1,151	(4,109)
<b>Total</b>		<b>\$74,391</b>	<b>\$65,130</b>

The income statement is to be read in conjunction with the notes to and forming part of the financial statement.



Samoa National Provident Fund  
Statement of Net Assets Available for Benefits  
As at 30 June 2023

	Notes	2023	2022
		‘\$000	‘\$000
<b>Assets</b>			
<b>Cash</b>			
Cash balances	13	47,982	38,036
<b>Receivables</b>			
Accrued income and prepayments	19	7,404	6,295
Accounts receivable	18	844	1,399
<b>Investments</b>			
Term deposits	12	14,044	7,050
Equity investments	15	155,612	147,910
UTOS note		6,000	-
Loans and advances	16	633,297	605,784
Investment properties	22	189,718	188,370
<b>Other Assets</b>			
Property, plant and equipment	21	13,406	13,298
Right use of assets	23(a)	32	33
Inventories	14	1,650	1,650
Term receivables from land sales	17	133	119
<b>Total assets</b>		<b>1,070,122</b>	<b>1,009,944</b>
<b>Liabilities</b>			
Other payables and accruals	20	(1,190)	(1,302)
Lease liability	23(b)	(32)	(33)
Employer subsidiary accounts	24	(3,488)	(4,178)
Employees entitlements and other liabilities	25	(471)	(552)
<b>Total liabilities (exclude net assets available to pay benefits)</b>		<b>(5,181)</b>	<b>(6,065)</b>
<b>Net assets available for member benefits and reserves</b>		<b>\$1,064,940</b>	<b>\$1,003,879</b>
<b>Comprising:</b>			
<b>Member benefits</b>			
Allocated to members		1,036,556	971,749
Unallocated to members	26	2,057	1,836
<b>Total member benefits</b>		<b>1,038,613</b>	<b>973,585</b>
<b>Reserves</b>			
General reserve		21,899	25,469
Pension reserve	27	1,493	1,890
Asset revaluation reserve	28	2,935	2,935
<b>Total reserves</b>		<b>26,327</b>	<b>30,294</b>
<b>Total Funds</b>		<b>\$1,064,940</b>	<b>\$1,003,879</b>

The accompanying notes form part of these financial statements.

For and on behalf of the Board:

Chairperson

Director

**Samoa National Provident Fund**  
**Statement of Changes in Members Benefits**  
**As at 30 June 2023**

	<u>Judiciary Retirement Fund</u>	<u>Education Fund</u>	<u>National Provident Fund</u>	<u>Total Contributions</u>	
	JRF	EDF	NPF	<u>2023</u>	<u>2022</u>
	‘\$000	‘\$000	‘\$000	‘\$000	‘\$000
Balance at 1 July	1,836	409	969,503	971,748	889,673
<b>Plus:</b>					
Contribution	779	174	139,413	140,367	131,220
Special Benefits to members	17	-	2,335	2,352	1,881
Interest on members accounts*	117	31	73,092	73,239	67,880
Interest on members accounts**	13	1	2,299	2,313	1,360
	<b>2,762</b>	<b>615</b>	<b>1,186,642</b>	<b>1,190,019</b>	<b>1,092,015</b>
<b>Less:</b>					
Withdrawals to members	898	35	91,508	92,441	64,830
Withdrawals fees	3	1	286	290	237
Annual administration fees	2	1	2,900	2,903	2,869
Loans offset against contribution	-	-	11,654	11,654	9,571
Special dividend payout***	70	5	46,100	46,175	42,757
	<b>973</b>	<b>42</b>	<b>152,448</b>	<b>153,463</b>	<b>120,265</b>
<b>Due to members at year end</b>	<b>1,789</b>	<b>573</b>	<b>1,034,194</b>	<b>1,036,556</b>	<b>971,750</b>
<b>Net increase in members’ benefits</b>				<b>64,806</b>	<b>82,076</b>

\*Interest credited to members account 30 June 2023 of 8.3%

\*\* Interest credited to members accounts on withdrawals during the year

\*\*\*Special cash payout in Jul 2022 (3.2%), Dec 2022 (2%) relates to FY2022, Jan 2023 (2%) relates to FY2023

The statement of changes in member benefits is to be read in conjunction with the notes to and forming part of the financial statements.



Samoa National Provident Fund  
Statement of Changes in General Reserves  
As at 30 June 2023

	<u>2023</u>	<u>2022</u>
	‘\$000	‘\$000
Balance as at 1 July	25,469	31,460
<b>Add:</b>		
Net surplus for the current period	74,391	65,130
Transfer from STL loan (adjustment)	1	-
	<b>99,861</b>	<b>96,591</b>
<b>Less:</b>		
Death benefit paid	912	738
Interest credited to members accounts on withdrawals	2,313	1,359
Interest credited to members end of financial year	73,239	67,880
Bonus 4% on withdrawal and/or death	1,442	1,145
AS400/FMS adjustment migration	56	(1)
	<b>77,962</b>	<b>71,122</b>
<b>Balance at 30 June</b>	<b>\$21,899</b>	<b>\$25,469</b>

The statement of changes in reserves is to be read in conjunction with the notes to and forming part of the financial statement.

**Samoa National Provident Fund  
Statement of Cash Flows  
For the Year Ended 30 June 2023**

	Note	<u>2023</u>	<u>2022</u>
		‘\$000	‘\$000
<b>Cash flows from operating activities</b>			
Interest received (excluding loans and advances)		(614)	(55)
Dividends received		6,712	4,944
Property rentals received		4,525	3,217
Payment to suppliers and employees		(9,090)	(8,448)
<b>Net cash generated from operating activities</b>		<b>1,533</b>	<b>(342)</b>
<b>Cash flows from investing activities</b>			
Loans and advances provided/(repaid)		22,657	12,692
Equity investments (acquired)/disposed		(2,178)	(42,079)
Proceeds/(losses) from sale of fixed assets		3	-
UTOS note (acquired)		(6,000)	-
Other income from investing activities		2,482	(447)
Amount spent to acquire/develop investment properties		(2,437)	(2,639)
<b>Net cash from/(used in) investing activities</b>		<b>14,527</b>	<b>(32,473)</b>
<b>Cash flows from financing activities</b>			
Contributions received from employers & members		142,028	132,725
Contributions received from unallocated members		219	(52)
Withdrawal payments to members		(92,441)	(64,831)
Pensions paid to members		(398)	(447)
Death benefits paid		(912)	(736)
Bonus 4% on withdraw & death benefit		(1,442)	(1,145)
Dividend paid		(46,174)	(42,757)
<b>Net cash (used in)/from financing activities</b>		<b>880</b>	<b>22,757</b>
<b>Net increase/(decrease) in cash balances</b>		<b>16,940</b>	<b>(10,058)</b>
<b>Cash balances at beginning of the financial year</b>		<b>45,086</b>	<b>55,144</b>
<b>Cash balances at end of the financial year</b>	<b>12,13</b>	<b>\$62,026</b>	<b>\$45,086</b>

The statement of cash flow is to be read in conjunction with the notes to and forming part of the financial statement.

**Samoa National Provident Fund**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2023**

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**1. General information**

The Samoa National Provident Fund (the "Fund") is a defined contribution superannuation fund domiciled in Samoa. The address of the Fund's registered offices as listed:

- SNPF Main Office - Apia
- SNPF Vaitele Agency - Vaitele industrial area
- SNPF Savaii Agency - Salelologa Savaii

The Samoa National Provident Fund (the "Fund") was incorporated under the National Provident Fund Act 1972 (the 'Act'), with amendments under the Samoa National Provident Amendment Act 2010 which was effective 1 July 2010. SNPF is a compulsory savings scheme covering all employees in Samoa for the purposes of retirement.

The financial statements were authorized for the issue by the Board of Members on 31<sup>st</sup> October 2023

**2. Summary of significant accounting policies**

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

**2.1 Statement of compliance**

The financial statements of the Fund are general purpose financial statements and have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and the requirements of the Samoa National Provident Fund Act 1972. The financial statements have been prepared under the historical cost convention, as modified by the fair valuing of the investment properties and equity investments.

The Financial statements of the Fund represented all the Fund's investment and operation activities and accounts for all equity interests at fair value. As per IAS 27, the Fund has prepared a separate financial statement to provide a more comprehensive and precise financial statement for its members in relation to the Fund's activities and operations.

IFRS form the basis of International Accounting Standards adopted by the IASB. The preparation of financial statements in accordance with IFRS requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

**Going concern and impact of COVID-19**

With the COVID-19 just around the corner for all Pacific islands including Samoa, drastic measures have been taken to assist significantly on the negative impact it has brought onto the Fund affecting mostly the tourism business contributing largely on our island's well-being both physically and financially.

This however has placed uncertainty on the Fund's operating results for the financial year. Whilst the situation is developing, the Fund remains confident that it will be able to continue as a going concern which guarantees the Fund will be able to continue operating and realize assets and discharge liabilities in the ordinary course of business for the foreseeable future.

**2.2 Changes in accounting policies and disclosures**

**(a) Standards issued but not yet effective**

A number of new standards, amendments to standards and/or interpretations which have been issued that are effective in future accounting periods that the Fund has decided not to adopt early:

- Amendments to IFRS 16 COVID-19 Related Rent Concessions.

However, this did not have a material impact on the Fund.

**(b) Standard issued and adopted**

No new standards, amendments and interpretations are expected to have a significant effect on the financial statement.

**(c) Changes in accounting policies**

Except for the changes below, the Fund has consistently applied the accounting policies to all periods presented in these financial statements.



**Samoa National Provident Fund**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2023**

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**2. Summary of significant accounting policies (continued)**

**(c) Changes in accounting policies (continued)**

The Fund has adopted IFRS 9 Financial Instruments issued in July 2014 with a date of initial application of 1 July 2018. The requirements of IFRS 9 represent a significant change from IAS 39 Financial Instruments: Recognition and Measurement.

The nature and effects of the key changes to the Fund's accounting policies resulting from this adoption of IFRS 9 are summarized below:

Full valuation every three years by a qualified valuer (local/overseas) commencing FY2023 to FY2025.

**2.3 Foreign currency translation**

**(a) Functional and presentation currency**

The Fund operates principally in Samoa and hence the financial statements are presented in Samoa dollars, which is both the functional and presentation currency. Amounts have been rounded to the nearest thousand dollars except where otherwise noted.

**(b) Foreign currency transactions**

Transactions in foreign currencies are translated into the functional currency of the Fund at the exchange rates at the dates of the transactions.

Foreign exchange gains and losses that are related to borrowings and cash equivalents are presented in profit or loss together with all other foreign exchange gains and losses and are presented in profit or loss at a net amount.

**2.4 Property, plant and equipment**

Items of property, plant and equipment are initially recognized at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions. Property, plant and equipment are stated at cost less accumulated depreciation, except for land and buildings which are stated at valuation.

Depreciation on assets under construction or capital works in progress does not commence until they are complete and available for use. Capital works in progress are stated at historical costs and is not depreciated.

Depreciation is provided on the following items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Buildings	2.5%	Straight line
Motor vehicles	25%	Straight line
Plant and Equipment	25%	Straight line
Fixture and Fittings	20%	Straight line
Computer Systems and Software	10%	Straight line

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**2.5 Intangible assets**

*Computer software*

The acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (ten years). Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Fund, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful lives.

**Samoa National Provident Fund**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2023**

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**2. Summary of significant accounting policies (continued)**

**2.6 Investment properties**

Investment properties, principally comprising freehold and leasehold land and buildings, are held for long-term rental yields and are not occupied by the Fund. Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value, determined by external independent valuers who have appropriate recognised professional qualification and recent experience in the location and category of property being valued. Changes in fair values are recorded in the income statement.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Fund and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the profit or loss during the financial period in which they are incurred. Property that is being constructed for future use as investment property is accounted for as investment property until construction or development is complete, at which time it is re-measured to fair value. Any gain or loss arising on re-measurement is recognised in the income statement.

All leases that meet the definition of investment property are classified as investment property and measured at fair value.

When the use of a property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified accordingly. Any gain or loss arising on this remeasurement is recognized in the income statement.

Subsequent expenditure is charged in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Fund and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the profit or loss during the financial period in which they are incurred. Property that is being constructed for future use as investment property is accounted for as investment property until construction or development is complete, at which time it is remeasured to fair value. Any gain or loss arising on re-measurement is recognized in the profit or loss.

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and re-classified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property with any remaining gain recognised in OCI and presented in the revaluation reserve. Any loss is recognised in profit or loss.

**2.7 Impairment of non-financial assets**

The carrying amounts of the Fund's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For impairing testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

Impairment losses are recognised in profit and loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**2.8 Financial instruments**

**Financial Assets**

**(a) Recognition and derecognition**

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provision of the financial instrument.

**Samoa National Provident Fund**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2023**

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**2. Summary of significant accounting policies (continued)**

**2.8 Financial instruments**

**(b) Decognition**

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is recognised when it is extinguished, discharged, cancelled or expires.

**(c) Classification and initial measurement**

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 9, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are not reclassified subsequent to their initial recognition unless the Fund changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets of the Fund are classified into the amortised cost category only and consist of cash and cash equivalents, bank term deposits, trade receivables and loans and advances. The classification is determined by both:

- the entity'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 recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

**(d) Subsequent measurement and gains and losses**

i. Financial assets at Fair Value to Profit Loss (FVTPL)

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

ii. Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

iii. Equity investments at Fair Value to Other Comprehensive Income (FVOCI)

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss. Other net gains and losses are recognized in OCI.

**(e) Impairment**

The Fund recognises loss allowances for expected credit loss (ECLs) on financial assets measured at amortised cost and loan commitments issued.

The Fund measures loss allowance at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition. These include cash at bank and other deposits or accounts in respect of banking operation loss allowances for trade receivables are always measured at an amount equal to lifetime ECL.



**Samoa National Provident Fund**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2023**

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**2. Summary of significant accounting policies (continued)**

**2.8 Financial instruments (continued)**

**(e) Impairment (continued)**

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward looking information.

The Fund assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Fund considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Fund in full, without recourse by the Fund to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Fund is exposed to credit risk.

**Measurement of ECLs**

ECLs are a probability weighted estimate of credit losses.

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows; and
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are operation becomes a party to the irrecoverable loan commitment that is to be the date of initial recognition for the purposes of applying the impairment requirements.

ECLs are discounted at the effective interest rate of the financial asset.

**Credit-impaired financial assets**

At each reporting date, the Fund assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Fund on terms that the Fund would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for security because of financial difficulties.

**Presentation of allowances for ECL in the statement of net assets available for benefits**

Loss allowance for ECL are presented in the statement of net assets available for benefits as follows:

- Financial assets measured at amortised cost, as a deduction from the gross carrying amount of the assets;
- Loan commitments: generally as a provision.

**Samoa National Provident Fund**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2023**

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**2. Summary of significant accounting policies (continued)**

**2.8 Financial instruments (continued)**

**(f) Derecognition**

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

**Financial Liabilities**

**(a) Classification and measurement of financial liabilities**

The Fund's financial liabilities include trade and other payables and are classified into the amortised cost category. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Fund designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

**(b) Derecognition**

The Fund derecognises a financial liability when the contractual obligations are discharged or cancelled or expired.

**2.9 Receivables**

Receivables are carried at amortised cost less provision for impairment on the basis set in note 2.8. Receivables are categorised as being at amortised cost under financial assets.

Where a receivable is considered to be irrecoverable, the receivable is written off in the accounts, subject to Board approval. When the recoverability of a receivable is in doubt, an appropriate amount is charged against income as provision for doubtful debts.

**2.10 Cash balances**

Cash balances include cash at bank and on hand, term deposits and other highly liquid investments with original maturities of 12 months or less. Cash and cash equivalents are categorised as amortised cost under financial assets.

**2.11 Leases**

At inception of a contract, the Fund assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Fund allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. The Fund has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 disclosed separately if they are different from those under IFRS 16 and the impact of changes is also disclosed.

**(i) As a lessee**

The Fund recognizes a right-of-use asset and a lessee liability at the lease commencement date. The right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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**3. Summary of significant accounting policies (continued)**

**2.11 Leases (continued)**

**(i) As a lessee (continued)**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Fund's incremental borrowing rate. Generally, the Fund uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date; and
- The exercise price under a purchase option that the Fund is reasonably certain to exercise, lease payments in an optional renewal period if the Fund is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Fund is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future estimate of the amount expected to be payable under a residual value guarantee, or if the Fund changes its assessment of whether it will exercise a purchase, extension, or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in income statement if the carrying amount of the amount of the right-of-use asset has been reduced to zero.

*Short-term leases and leases of low-value assets*

The Fund has elected not to recognize right-of-use assets and lease liabilities for short-term leases of space that have a lease term of 12 months or less and leases of low-value assets. The Fund recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**(ii) As a lessor**

When the Fund acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Fund makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If any arrangement contains lease and non-lease components, the Fund applies IFRS 15 to allocate the consideration in the contract.

**2.12 Employee entitlements**

**(a) Wages and salaries, annual leave and sick leave**

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

**(b) Superannuation contributions**

The Fund also contributes towards a defined contribution plan (SNPF) for its employees 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 recognised immediately in the income statement.

**(c) Bonus incentive**

The Fund pays bonuses to employees based on performance of the Fund and achievement of individual objectives by the employees.



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**2. Summary of significant accounting policies (continued)**

**2.13 Other payables and accruals**

Other payables and accruals are measured at amortised cost.

**2.14 Income Tax and Vagst (Value Added Goods and Services Tax)**

The income of the Fund is exempted from income tax under section 54 of the Act, and all income and expenditure relating to the rental operations are disclosed exclusive of Value-Added Goods and Services Taxes.

**2.15 Provisions**

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

**2.16 Liability for accrued benefits**

The liability for accrued benefits is the Fund's present obligation to pay benefits to members and beneficiaries. It has been calculated as each fund's net assets as stated on the statement of net assets available for benefits.

**2.17 Contributions**

Contributions from employers and members are recorded when control of the asset is ascertained which is upon receipt of the contribution schedule forms from the employers and the registration of the forms by the Fund. The contribution shall be paid as a 10% deduction from the total wages of the employee and a 10% contribution by the employer. The contribution shown in the statements of changes in member benefits represents total contributions received/receivable from employers and members. Contributions from employers and members are recorded when control of the asset is ascertained which is upon receipt of the contribution schedule forms from the employers and the registration of the forms by the Fund.

The Fund does not accrue for contributions for which no contribution schedule forms are received or received but not registered as it is not able to reliably estimate the contributions balance. Under the SNPF Act, the amount of contributions for an employee for a month is the amount equal to 10% of the total wages payable to the employee by the employer for the month. The contribution shall be paid as an 10% deduction from the total wages of the employee and a 10% contribution by the employer. The legislation allows for additional contributions to be made.

The contributions shown in the statements of changes in member benefits represents total contributions received/receivable from employers and member.

**2.18 Income recognition**

Income is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Fund recognises income when it transfers control over a product or provides a service to a third party.

Income is recognised as follows:

Income	Nature, timing of satisfaction of performance obligations and significant payment terms
Dividend income	Dividend income from investments is recognised when the right to receive payment is established. Settlement terms are within one year.
Interest income	Interest income is earned from investments such as loans and advances, term deposits, land debtors and bank accounts. Interest income from loans is recognised using the effective interest rate method.
Property rentals	Property rental income from operating leases is recognised on a straight-line basis over the term of the lease.
Services fees	Fees comprise small loans, short term loans, investment application, maintenance fees, housing application, withdraws fees. Income from fees is recognised when related services have been provided.

**Samoa National Provident Fund**  
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**2. Summary of significant accounting policies (continued)**

**2.19 Comparative figures**

Where necessary, comparative figures have been adjusted to conform with presentations adopted in the current year.

**2.20 Interest on members' contributions**

In accordance with Section 36 of the Act, interest on members' accounts in the National Provident Fund and Judiciary Reserve Fund, is calculated on the amounts standing to their credit with the Fund at the commencement of each financial year. An interest rate of 8.3% was declared for the ended 30 June 2023. (June 2022: 8.2%)

**2.21 Expense recognition**

All expenditures are recognised in the income statement on an accrual basis.

**2.22 Loans and advances**

Loans and advances are carried at their recoverable amount represented by the gross value of the outstanding balance (principal plus interest) adjusted for provision for doubtful loans. Non-performing accounts identified by Management as per the Fund's policy are subject to Board approval. At the time a loan is considered non-performing and approved by Board, interest is ceased until settlement.

**2.23 Equity investments**

Investments in unlisted company shares are value at fair value at balance date based on market information and/or the best estimates of fair value as determined generally by independent and knowledgeable valuers in every three years. The investment team and management to carry out an annual internal desktop valuation. Units held at the Unit Trust of Samoa, Unit Trust of Fiji, IFC BSP, Blackrock and ATH Fiji, ATH VI are stated at the value based on monthly unit price.

**2.24 Inventory**

Land held for sale are stated at cost. Building stock are recorded at cost less any provision for stock obsolescence and comprises of items purchased in bulk to maintain the Fund's many buildings.

**2.25 Actuarial report**

The review is performed every three years, and the most recent actuarial was carried out by Melville Jessup Weaver in February 2021 for period ended 30 June 2020. The recent revaluation indicated that the Pension Reserve Account has a deficit \$432,000 as at 30 June 2020. The deficit is more than 10% of the total liability of the Pension Reserve Account. In accordance with the funding policy agreed with management, a transfer of \$432,000 to the Account was should be made in order to bring the Account into balance as at the valuation date.

**3. Financial Risk Management**

**3.1 Financial risk factors**

This section outlines the Fund's exposure to financial risks and describes the methods used by management to control these risks. The primary risks are those of credit risk, liquidity risk and market risk (interest rate, foreign exchange).

**a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

**Samoa National Provident Fund**  
**Notes to and forming part of the Financial Statements**  
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**3. Financial Risk Management (continued)**

**3.1 Financial risk factors (continued)**

**a) Market risk (continued)**

**1. Foreign Currencies Exchange risk**

The Fund has investments in foreign currencies and acquires certain services from abroad and is exposed to foreign exchange risk arising from various exposures, primarily with respect to the USD, Australian, PGK, Euro, Fijian and NZ dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The significant settlements, the Fund is required to seek quotations from recognised banks and use the most favorable exchange rate for purposes of the settlement.

**2. Price risk**

The Fund is significantly exposed to equity securities price risk because of investments held by the Fund classified in the Statement of financial position at fair value through profit or loss. The Fund is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio.

**b) Credit risk**

Credit risk refers to the risk that a customer will default on its contractual obligations resulting in financial loss to the Fund. The Fund's primary exposure to credit risk arises from its lending and investing activities. The Fund has strict policy guidelines in dealing with credit worthy customers and obtaining sufficient collateral to mitigate the risk of financial loss. Credit risk is also closely monitored by the Internal Auditor through regular and independent reviews designed to test quality of credit exposures and to ensure compliance with Fund policies. These reviews are administered by the Audit Committee.

Impairment losses (reversals) on financial assets at amortised cost recognised in income statement were as follows:

	<u>2023</u>	<u>2022</u>
	<u>\$000</u>	<u>\$000</u>
Cash and cash equivalent	(25)	-
Accounts receivables	5	327
Accrued income	(347)	-
Equity investment	(738)	(17,886)
Loans and advances	(951)	512
Convertible notes	<u>(2,204)</u>	<u>(6,612)</u>
	<u>4,260</u>	<u>23,659</u>

**Measurement of ECL**

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (PD);
- Loss given default (LGD);
- Exposure at default (EAD).

PD estimates are estimates at a certain date, which are calculated based on internally compiled data comprising both quantitative and qualitative factors. Probability of default for loan and advances range from 5% to 35%.

LGD is the magnitude of the likely loss if there is a default. The Fund estimates LGD parameters based on the parameters determined for different types and natures of financial assets and using guidance material developed by independent parties. LGD for loans and advances range from 1% to 5%.

The LGD rates reflect the structure, collateral, seniority of the claim and recovery costs of any collateral that is integral to recovery or settlement of the financial assets as well as the finance cost of settlement delays.

EAD represents the expected exposure in the event of a default. The Fund derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortization. The EAD is generally the gross carrying amount of the financial asset.



**Samoa National Provident Fund**  
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**3. Financial Risk Management (continued)**

**3.1 Financial risk factors (continued)**

**(c) Collateral management**

Collateral is used to mitigate credit risk, as the secondary source of repayment in case the counterparty cannot meet its contractual repayment obligations.

**(d) Liquidity risk**

Liquidity risk arises in the general funding of the Fund's activities. It includes both the risk of being unable to fund assets at appropriate maturities and rates, and the risk of being unable to fund settlements on contribution accounts in an appropriate time and frame.

**(e) Interest rate risk**

Interest rate risk arises from the change in interest rate causing fluctuations in the fair value of financial instruments and their liability funding. These mismatches may be due to timing differences in the repricing of the asset and liability. The Fund's risk management strategy aims to actively monitor these mismatches to minimise the effects on interest rate risk.

**4. Critical accounting estimates and judgements**

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.

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results.

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

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.

**(a) Impairment of financial assets**

Impairment of financial assets carried at amortised cost are assessed using the expected credit loss model. For details of impairment on financial assets, refer to note 2.8 (d) and note 3.1 b).

**(b) Impairment of property, plant and equipment**

The Fund assesses whether there are indicators of impairment of all property, plant and equipment at each reporting date. Where there are indicators of impairment an impairment test is performed. If the carrying amount exceeds recoverable amount an impairment provision is recognised.

**(c) Fair value determination for financial assets and investment properties carried at fair value**

The Fund carries a number of its financial assets, being equity investments at fair value. Refer to Note 14 for details. In addition, it carries its investment properties at fair value, as detailed in note 21. Refer also to the comments above regarding COVID-19 impacts.

**COVID-19 Pandemic**

Due to the COVID-19 pandemic, there is heightened estimation uncertainty at balance date that increases the risk of a material adjustment to the carrying amounts of assets within the next financial year relates to expected credit losses, valuation of investment properties and equity investments. The impact of the COVID-19 pandemic on each of these accounting estimates is discussed further below.

**Samoa National Provident Fund**  
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**4. Critical accounting estimates and judgements (continued)**

**(c) Fair value determination for financial assets and investment properties carried at fair value (continued)**

**Equity investments**

Equity investments are carried at fair value at balance date based on market information and/or the best estimates of fair value as determined generally by independent and knowledgeable valuers, but markets are subject to considerable volatility (though it is noted that global markets have generally returned to their pre-COVID-19 levels at the time of release of the financial statements). The valuations bring with them an increased level of uncertainty, which increases the risk of values in future period or on realisation being materially different to the values at which they are recorded. Similarly future market movements may lead to similar impacts on the recorded values of those equities that are readily tradeable. This increases the risk of a material adjustment to the carrying amount of equity investments within the next financial year. The assumptions underlying the value in use calculations used to measure the fair value of equity investments were adjusted to through the discount rate and cash flow projections to reflect reasonable estimates of the impact of COVID-19 and the increased risk of associated with the estimated cash flows.

Further considerations in relation to the COVID-19 pandemic impact on equity valuations at balance date and in future periods are included in notes 15.

**Investment properties**

Investment properties are also carried at fair value at balance date based on the best estimates of fair value determined generally by independent and knowledgeable valuers. The property valuations also bring with them an increased level of uncertainty, which increases the risk of values in future periods or on realisation being materially different to the values at which they are recorded. The increased risk and the uncertainty associated with COVID-19 were adjusted through the discount and capitalisation rates for the properties. This increases the risk of a material adjustment to the carrying amount of investment properties within the next financial year.

Further consideration in relation to the COVID-19 pandemic impact on investment properties valuations at balance date and in future periods are included in notes 22.

**Expected credit losses**

The Fund's holding in financial assets carried at amortised cost, including loans and advances, receivables and government securities and fixed interest securities, are subject to consideration of expected credit losses that may result from delays in settlement or non-collection of the asset. The expected credit losses have been determined based on best estimates of probability of default and loss given default, taking into consideration the possible impact of COVID-19 on the counterparties. However, there is an increased level of uncertainty because of greater estimation around future events impacting the counterparties, which increases the risk of material adjustments being made to the level of expected credit losses as further information around the counterparties in future.

This increases the risk of a material adjustment to the carrying amount of above-mentioned financial asset within the next financial year. The Fund has used its judgments based on the specific facts and circumstances including the recovery forecasts of different industries, the various government stimulus packages and the organisation's own responses to determine the various possible future scenarios which forms the basis of their assumptions in their estimation of ECL. Further consideration in relation to the COVID-19 pandemic impact on expected credit losses at balance date and in future periods are included in notes 3.1(b) and 11,15 and 16.

**Fair Value estimation**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

The Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Fund uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

**Samoa National Provident Fund**  
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**4. Critical accounting estimates and judgements (continued)**

**(c) Fair value determination for financial assets and investment properties carried at fair value (continued)**

**Fair Value estimation (continued)**

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e., the fair value of the consideration given or received. If the Fund determines that the fair value on the initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be significant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in the income statement on an appropriate basis over the life of the instrument but not later than when the valuation is wholly supported by observable market data, or the transaction is closed out.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 fair value measurement are those instruments valued based on the quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those instruments valued based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3 fair value measurements are those instruments valued based on inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following tables shows the carrying amounts and fair values of financial assets and financial liabilities and investment properties, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount			Fair value			
	Fair value ‘\$000	Amortised Cost ‘\$000	Total ‘\$000	Level 1 ‘\$000	Level 2 ‘\$000	Level 3 ‘\$000	Total ‘\$000
<b>Balance as at 30 June 2023</b>							
Equity investments	155,358	-	155,358	58,682	-	96,676	155,358
Investment properties	189,717	-	189,717	-	-	189,717	189,717
<b>Balance as at 30 June 2022</b>							
Equity investments	147,910	-	147,910	59,178	-	88,731	147,910
Investment properties	188,370	-	188,370	-	-	188,370	188,370



**Samoa National Provident Fund**  
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**4. Critical accounting estimates and judgements (continued)**

**Fair Value estimation (continued)**

	<u>2023</u> ‘\$000	<u>2022</u> ‘\$000
<b>Equity investment</b>		
Balance at 1 July	27,554	48,642
Unrealised gains (losses) included in income statement	(990)	(17,886)
Acquisition	2,186	-
Written against provision	-	(3,202)
<b>Balance at 30 June (refer note 15(b))</b>	<b>\$28,750</b>	<b>\$27,554</b>
<b>Investment properties</b>		
Balance at 1 July	188,370	162,586
Unrealised gains (losses) included in income statement	-	24,304
Net Acquisition	1,347	1,480
<b>Balance as at 30 June (refer note 22)</b>	<b>\$189,717</b>	<b>\$188,370</b>

**5. Interest**

	<u>2023</u> ‘\$000	<u>2022</u> ‘\$000
<b>(a) Interest income</b>		
Term deposits	251	137
UTOS note	213	-
Loans and advances	61,654	58,314
Land debtors	15	15
Bank accounts	354	349
<b>Total interest income</b>	<b>\$62,487</b>	<b>\$58,814</b>
<b>(b) Dividend</b>		
Dividend - from related parties	229	789
Dividend - other equities	6,484	4,155
<b>Total dividend</b>	<b>\$6,713</b>	<b>\$4,944</b>

**6. Property rental**

	<u>2023</u> ‘\$000	<u>2022</u> ‘\$000
NPF Building - other tenants	348	455
NPF Building - carpark	32	35
NPF Building - Savaii office	123	-
Samoa house & new chancery office building	244	238
Yazaki building	678	619
SNPF plaza	2,162	2,225
Digicel	3	3
Samoa tourism authority - Fale	55	55
Vaitele agency	72	73
Fong complex	25	35
ACE Saleufi complex	164	150
Industrial Vaitele land lease	158	158
<b>Total property rental</b>	<b>\$4,064</b>	<b>\$4,046</b>

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<b>7. Other income</b>	<u>2023</u> <u>‘\$000</u>	<u>2022</u> <u>‘\$000</u>
Loss on sale of fixed assets	3	-
Other revenue	415	541
<b>Total other income</b>	<b>\$418</b>	<b>\$541</b>
<b>8. Personnel costs</b>	<u>2023</u> <u>‘\$000</u>	<u>2022</u> <u>‘\$000</u>
Salary & allowance	4,256	4,180
Overtime	124	131
Performance bonus	242	244
Long/sick/accrued leave	23	21
Management end of contract benefit	97	71
Staff retirement benefit	77	69
<b>Total personnel costs</b>	<b>\$4,819</b>	<b>\$4,716</b>
<b>9. Rent expenses</b>	<u>2023</u> <u>‘\$000</u>	<u>2022</u> <u>‘\$000</u>
Rent paid - Savaii office (old building)	9	54
<b>Total rent expenses</b>	<b>\$9</b>	<b>\$54</b>
<b>10. Other operating costs</b>	<u>2023</u> <u>‘\$000</u>	<u>2022</u> <u>‘\$000</u>
Computer services costs/software license	297	334
Utilities, telephone & internet	416	344
Local travel	122	91
Legal fees	50	112
Insurance	209	209
Overseas travel	291	-
Printing and stationery	141	135
Repair and maintenance	252	295
Office expenses	824	1,393
Other expenses	216	208
<b>Total other operating costs</b>	<b>\$2,818</b>	<b>\$3,120</b>
<b>11. Change in fair value</b>	<u>2023</u> <u>‘\$000</u>	<u>2022</u> <u>‘\$000</u>
(a) Change in Fair Value of Offshore & Local investment		
Unrealised gains on offshore investment	7,071	(1,616)
<b>Net fair value gains</b>	<b>\$7,071</b>	<b>\$(1,616)</b>

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<b>11. Change in fair value (continued)</b>	<u>2023</u> <u>‘\$000</u>	<u>2022</u> <u>‘\$000</u>
(b) Change in fair value of other equity investment		
Unrealised gains/losses on equity investment	(738)	(17,886)
Net fair value gains	\$(738)	\$(17,886)
(c) Change in fair value of convertible loans		
Unrealised gains/losses on convertible loans	(2,204)	(6,613)
Realised gains/losses on convertible loans	-	-
Net fair value gains	\$(2,204)	\$(6,613)
(d) Net foreign exchange gain/loss		
Unrealised gain/loss	810	537
Realised gain	-	-
Net fair value gains	\$810	\$537
<b>12. Term deposits</b>	<u>2023</u> <u>‘\$000</u>	<u>2022</u> <u>‘\$000</u>
Local banks and financial institutions - local currency	14,050	7,050
Less: Impairment provision	(6)	-
<b>Balance as at 30 June 2023</b>	<b>\$14,044</b>	<b>\$7,050</b>
<b>Maturity represented as: 3mths to 12mths</b>	<b>\$14,044</b>	<b>\$7,050</b>
<b>13. Cash balances</b>	<u>2023</u> <u>‘\$000</u>	<u>2022</u> <u>‘\$000</u>
Cash at bank & cash on hand*	48,001	38,036
Less: Impairment provision	(19)	-
<b>Balance as at 30 June 2023</b>	<b>\$47,982</b>	<b>\$38,036</b>
*Cash on hand includes \$500.00 as petty cash for payments less than \$50.00.		
<b>14. Inventories</b>	<u>2023</u> <u>‘\$000</u>	<u>2022</u> <u>‘\$000</u>
Land held for sale	1,644	1,644
Building consumable	6	6
<b>Balance as at 30 June 2023</b>	<b>\$1,650</b>	<b>\$1,650</b>



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**15. Equity investments**

		<u>2023</u> ‘\$000	<u>2022</u> ‘\$000
Traded equities	15(a)	126,609	120,356
Other equity investments	15(b)	29,003	27,554
		<u>\$155,612</u>	<u>\$147,910</u>
<b>15 (a) Traded equities</b>			
~ Level 1 - Local listed equities		6,312	6,205
~ Level 1 - Foreign equities		109,798	104,023
* Local Unit Trust		10,499	10,127
		<u>\$126,608</u>	<u>\$120,356</u>

~ Level 1 equity investments are classified at fair value through income statement and the Fund uses the closing market price as at the reporting date. Level 1 includes:  
 IFC BSP (Papua), Blackrock (Australia), ATH shares (Fiji), ATH IV shares (Papua), Unit Trust of Samoa, Unit Trust of Fiji.

\* For Unit Trusts, the Fund uses exit prices at the reporting date.

**Valuation Process**

SNPF engages reputable and adequately qualified international firm to carry out valuations of its investment in equities. The firm selected to carry out the valuations work with the Fund management team and the investee's management team to prepare a business valuation required under IFRS 13.

John Vila and Associates was engaged to carry out the valuation of the Fund's equities investments in MBRS, CSL, CSLM and SSCC in 2022 and the management assessed this year 2023 as per Board approval. The objective of the valuation service is to assess perceived fair value for statutory financial reporting purposes as required under the international Financial Reporting Standards (IFRS).

The Valuation reports are based on information available on 30 June 2023 and the impact of COVID-19 global pandemic has been considered. The Adjusted Net Asset Value, Market Capitalisation and Dividend Yield methodologies were used to ascertain the values at year end.

**15 (b) Other equity investments**

<u>Names</u> <u>Investments</u>	<u>Valuer</u>	<u>Ownership</u>	<u>2023</u> ‘\$000	<u>2022</u> ‘\$000
Mulifanua Beach Resort Samoa	Management	54%	7,613	8,073
Computer Services Ltd	Management	67%	2,148	2,565
CSL Mobile Ltd	Management	50%	13,961	11,435
Samoa Submarine Cable Company	Management	20%	5,281	5,481
			<u>\$29,003</u>	<u>\$27,554</u>

The above investments have measured at fair value noted 2.8(c)(i)

**Valuation technique and significant unobservable inputs**

<u>Other equity investments</u>	<u>Valuation techniques</u>	<u>Movement FV</u>
Mulifanua Beach Resort Samoa	Market Capitalisation	Decrease
Computer Services Ltd	Adjusted Net Asset Value	Decrease
CSL Mobile Ltd	Adjusted Net Asset Value	Increase
Samoa Submarine Cable Company	Dividend Yield	Decrease

**Samoa National Provident Fund**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2023**

**16. Loans and advances**

		<u>2023</u> ‘\$000	<u>2022</u> ‘\$000
Loans and advance (member loans)	(a)	419,742	389,684
Loans to related parties (convertible loans)	(b)	27,476	26,643
Customer term loans (investment loans)	(c)	205,065	205,530
Lease loans		-	123
<b>Gross loans and advances</b>		<b>\$652,283</b>	<b>\$621,981</b>
Deduct: provision for suspend interest & fees		(800)	(982)
Deduct: impairment on convertible loans (Taumeasina & MBRS)		(19,092)	(16,888)
Deduct: impairment of equity portion convertible loans (TIR & MBRS)		3,570	3,570
Deduct: provision and impairment loans and advances		(2,665)	(1,897)
<b>Total Impairment provision</b>		<b>(18,986)</b>	<b>(16,197)</b>
<b>Net loans and advances</b>		<b>\$633,297</b>	<b>\$605,784</b>
Current		132,077	122,296
Non-Current		520,206	499,686
<b>Gross loans and advances</b>		<b>\$652,283</b>	<b>\$621,981</b>
<b>Movement in the impairment provision for loans and advances:</b>			
Opening balance		(1,897)	(1,262)
Movement in provision during the year		(767)	(635)
Loans written off against provision		-	-
<b>Ending balance</b>		<b>(2,665)</b>	<b>(1,897)</b>

- a) Member loans - Member loans includes small loan and short-term loans. For Small loans member can borrow 50% of their SNPF contributions. These small loans are charged with interest at 9.5% per annum. Included are members' loans to key management Personnel circa \$1,455,385.01. There are no member loans to directors for this year. Short-term loans allow active members to borrow 15% of their contributions apart from their usual small loan entitlement at 12% for a term of 3 years.
- b) Loans to related parties - Taumeasina Notes - \$20 million convertible loan plus interest, issued at 5.5% flat rate interest. The rate was approved with a term of 5 years in July 2016 to July 2021. In August 2021, the Board approved the extension of the loan term to 12 months and the expiry date will be in July 2022. Further, the Board approved the extension of the loan term to 12 months and the expiry date will be in July 2023. AGBR note - total note of \$6.5m at 4% for 3 years from March 2018 to March 2021. In May 2021, the Board approved the extension of the note/loan term to another 3 years. \*Both convertible loans were impaired due to impact on COVID-19 and the tourism industry.
- c) Customer term loans - Interest on large loans is charged at an average rate of 9% per annum. Included in investment loans to key management personnel circa \$3,704,916.96, there are no investment loans to directors. There are no staff loans schemes as all staff loans are treated as public loans.

**17. Term receivables from land sales**

	<u>2023</u> ‘\$000	<u>2022</u> ‘\$000
Land debtors	137	122
<b>Less: Impairment provision</b>	<b>(4)</b>	<b>(3)</b>
<b>Balance as at June 2023</b>	<b>\$133</b>	<b>\$119</b>

Term Receivables are charged interest at 10% per annum for a repayment period of ten years. Legal transfer to title is not made until the full price of the land plus outstanding interest have been paid.

Samoa National Provident Fund  
Notes to and forming part of the Financial Statements  
For the Year Ended 30 June 2023

18. Accounts receivable

	<u>2023</u> ‘\$000	<u>2022</u> ‘\$000
Trade receivables	2,038	2,619
Impairment provision	(1,410)	(1,366)
	<u>628</u>	<u>1,253</u>
BMR account*	216	146
<b>Balance as at 30 June 2023</b>	<b>\$844</b>	<b>\$1,399</b>

\*The BMR account refers to operating costs relating to the Plaza and the SNPF buildings which are recharged to tenants. For the SNPF Building, the Fund pays for the operating costs inclusive of building maintenance and common area costs incurred during the year. To recover the funds used, a rate based on these total payments is used to invoice tenants in the next financial year.

Movement per provision for doubtful debts

Opening balance	(1,366)	(817)
Additional provision during period	(45)	(549)
Provision written back	-	-
<b>Balance as at 30 June 2023</b>	<b>(1,411)</b>	<b>(1,366)</b>

19. Accrued income and prepayments

	<u>2023</u> ‘\$000	<u>2022</u> ‘\$000
Accrued income - term deposits	88	29
Accrued income - MBRS & Taumeasina convertible loans	7,132	5,742
Less: Impairment provision for convertible loans	(347)	-
	<u>6,873</u>	<u>5,771</u>
Accrued dividend	284	284
Prepayments	247	240
<b>Balance as at June 2023</b>	<b>\$7,404</b>	<b>\$6,295</b>

Movements in the impairment provision are as follows:

	Term Deposits	Convertible loans
<b>Balance as at 1 July 2022</b>		
New and increased provisioning	5	347
Balance as at 30 June 2023	5	347
Provisions reversed	-	-
<b>Balance as at 30 June 2023</b>	<b>\$5</b>	<b>\$347</b>

20. Other payables and accruals

	<u>2023</u> ‘\$000	<u>2022</u> ‘\$000
Rent received in advance	181	220
Sundry creditors and accruals	898	1,207
VAGST payable	110	(125)
<b>Balance as at 30 June 2023</b>	<b>\$1,190</b>	<b>\$1,302</b>



Samoa National Provident Fund  
Notes to and forming part of the Financial Statements  
For the Year Ended 30 June 2023

21. Property, plant and equipment

	Land	Building	Vehicle	Computer Systems	Fixtures & Fitting	Plant & Equipment	WIP	Total
	'\$000	'\$000	'\$000	'\$000	'\$000	'\$000	'\$000	'\$000
Balance at the beginning of year	3,411	6,653	1,040	3,775	2,515	4,656	74	22,123
Additions	-	51	-	8	22	428	580	1,089
Disposals	-	-	-	-	-	(358)	-	(358)
Change in fair value (revaluation)	-	-	-	-	-	-	-	-
Transfer to investment property	-	-	-	-	-	-	-	-
<b>Balance at the end of the year</b>	<b>3,411</b>	<b>6,704</b>	<b>1,040</b>	<b>3,783</b>	<b>2,537</b>	<b>4,726</b>	<b>654</b>	<b>22,855</b>
<b>Accumulated Depreciation</b>								
Balance at the beginning of year	-	14	935	1,801	2,393	3,681	-	8,825
Depreciation charge for the year*	-	170	82	263	67	400	-	982
Depreciation reversed	-	-	-	-	-	(357)	-	(357)
Disposals	-	-	-	-	-	-	-	-
<b>Balance at the end of year</b>	<b>-</b>	<b>184</b>	<b>1,017</b>	<b>2,064</b>	<b>2,460</b>	<b>3,724</b>	<b>-</b>	<b>9,449</b>
<b>Carrying amount at the beginning of year</b>	<b>\$3,411</b>	<b>\$6,639</b>	<b>\$105</b>	<b>\$1,974</b>	<b>\$121</b>	<b>\$975</b>	<b>\$74</b>	<b>\$13,298</b>
<b>At the end of year</b>	<b>\$3,411</b>	<b>\$6,520</b>	<b>\$23</b>	<b>\$1,719</b>	<b>\$77</b>	<b>\$1,002</b>	<b>\$654</b>	<b>\$13,406</b>

Samoa National Provident Fund  
Notes to and forming part of the Financial Statements  
For the Year Ended 30 June 2023

22. Investment properties

	2023 \$'000	2022 \$'000
<b>Properties at fair value</b>		
Balance at the beginning of the year	188,370	162,586
Transfer from property, plant and equipment	-	(248)
Change in fair value (revaluation)	-	24,304
Disposal	-	-
Depreciation*	-	-
Acquisition	-	1,663
Work in progress	1,348	65
<b>Balance as at 30 June 2023</b>	<b>\$189,718</b>	<b>\$188,370</b>

The recent revaluation of local investment properties (land and buildings) was carried out in May 2021 by Elon Betham Licensed Public Valuers an independent valuer in Samoa. The valuation for two overseas properties was carried out in FY2022. This exercise was undertaken to establish fair value for the purpose of financial reporting in accordance with IFRS. The fair value measurement for all of the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

\*Total Depreciation (note 21) for IP and PPE \$981,903. (Refer page 7, PL Depreciation)

<b><u>Total Properties, Plant and Equipment (PPE) &amp; Investment Properties (IP)</u></b>	<b>2023 \$'000</b>	<b>2023 \$'000</b>
<b><u>Investment Properties (IP)</u></b>		
Land	118,983	118,976
Building	61,686	61,676
WIP - Building	9,048	7,717
<b>Total investment properties</b>	<b>\$189,717</b>	<b>\$188,370</b>
<b><u>Property, Plant and Equipment (PPE)</u></b>		
Land	3,411	3,411
Building	6,522	6,639
Motor vehicle	23	105
Computer Systems/Software	1,719	1,974
Plant and Equipment	1,002	975
Fixture and fittings	77	121
WIP - PE, CSS	653	73
<b>Total PPE</b>	<b>13,404</b>	<b>13,298</b>
<b>Balance as at 30 June 2023</b>	<b>\$203,124</b>	<b>\$201,668</b>

23. Leases

<b>(a) <u>Right use of assets</u></b>	<b>2023 \$'000</b>	<b>2022 \$'000</b>
Balance at 1 July	33	33
Additions	-	-
Depreciation charged for the year	(1)	(1)
<b>Balance as at June 2023</b>	<b>\$32</b>	<b>\$32</b>

The incremental borrowing rate is 4% in 2023, (2022 - 4%). Annual depreciation total to \$854.00.

Samoa National Provident Fund  
Notes to and forming part of the Financial Statements  
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23. Leases (continued)

(b) Lease liabilities

	<u>2023</u> <u>'\$000</u>	<u>2022</u> <u>'\$000</u>
<b>Maturity analysis -contractual undiscounted cashflows</b>		
Less than one year	2	2
One to five years	8	8
More than five years	59	53
Total undiscounted lease liabilities at 30 June 2023	69	64
<b><u>Lease liabilities at 30 June</u></b>		
<b>Investment properties</b>		
Current	1	1
Non-current	32	33
	<u>\$33</u>	<u>\$34</u>
<b>Amount recognized in income statement</b>		
Interest on lease liabilities	1	2
Depreciation on right of use assets	1	1
Variable lease payments not included in the measurement of lease liabilities	-	-
<b>Balance as at June 2023</b>	<u>\$2</u>	<u>\$3</u>

The Fund lease asset relates to the leasing of land (2 acre) at Salelologa from Samoa Land Corporation for the construction of new SNPF building. The lease period is 40 years with the rate to be reviewed every 40 years, the lease commenced in October 2019 and lease agreement contains an extension for another 40 years. The movement in the right of use asset as presented in the statement of financial position.

24. Employer subsidiary accounts

	<u>2023</u> <u>'\$000</u>	<u>2022</u> <u>'\$000</u>
Employer subsidiary	3,236	3,926
Provision for doubtful employer balances	252	252
<b>Balance as at June 2023</b>	<u>\$3,488</u>	<u>\$4,178</u>

Employer subsidiary accounts are used for posting paid schedules and receipting remittances on schedules. Contribution is released to members' accounts (employees) upon full payment. Any advance payments on schedules are left as it is under the Employer subsidiary accounts for future schedules. Surcharges are charged on employers' accounts for outstanding contributions not submitted to the Fund.

25. Employees' entitlement and other liabilities

			2023 ‘\$000	2022 ‘\$000
Accruals for audit fees			113	105
Provision for employee benefits			358	447
<b>Balance as at 30 June 2023</b>			<b>\$471</b>	<b>\$552</b>

Opening balance	Audit Fees ‘\$000	Employee Benefits ‘\$000	2023 ‘\$000	2022 ‘\$000
Additional provision	105	447	552	558
Payments	105	255	360	340
Reverse provision	(98)	(209)	(307)	(346)
<b>Balance as at 30 June 2023</b>	-	(134)	(134)	-
	<b>\$112</b>	<b>\$359</b>	<b>\$471</b>	<b>\$552</b>



**Samoa National Provident Fund**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2023**

**26. Unallocated to members**

	<u>2023</u> ‘\$000	<u>2022</u> ‘\$000
Opening balance	1,836	1,888
Portion identified during the period	(1,602)	(1,347)
Unclaimed deposits during the period	1,823	1,295
<b>Balance as at 30 June 2023</b>	<b>\$2,057</b>	<b>\$1,836</b>
<b>Net decrease in unallocated members</b>	<b>221</b>	<b>(51)</b>

**Unallocated members (continued)**

Unclaimed deposits represent: (i) unidentified contributions after reasonable work has been carried out, (ii) unwithdrawn contributions belonging to members over 65, and (iii) members with remaining credits (iv) UDA transferred to General Reserve as approved by Board. The Unclaimed Deposits Account is established under section 32(4), (6) & (7) of the National Provident Fund Act 1972.

**27. Pension reserve**

	<u>2023</u> ‘\$000	<u>2022</u> ‘\$000
Opening balance	1,890	2,337
New pension accounts	-	-
Transfer from general reserve	-	-
Pension paid to pensioners	(397)	(447)
<b>Balance as at 30 June 2023</b>	<b>\$1,493</b>	<b>\$1,890</b>

Represents contribution from members who have reached 55 years of age and over, and who have become pensioners. These members' balances are transferred out of their contribution accounts and into the pension pool. In addition, when the pool requires additional funding, the Fund does transfers from the General Reserve subject to Board approval.

**28. Asset revaluation reserve**

	<u>2023</u> ‘\$000	<u>2022</u> ‘\$000
Opening balance	2,935	2,935
<b>Balance as at 30 June 2023</b>	<b>\$2,935</b>	<b>\$2,935</b>

Revaluation surplus balance relates to revaluation of land and buildings (Properties) in 2015.

**Samoa National Provident Fund**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2023**

**29. Notes to the statements of cash flows**

**(a) Reconciliation of cash and cash equivalents**

For the purposes of the statements of cash flows, cash and cash equivalents includes cash on hand and at call deposits with other financial institutions. Cash and cash equivalents at the end of the reporting period as shown in the statements of cash flows is reconciled to the related items in the statements of net assets as follows:

	Notes	<u>2023</u> ‘\$000	<u>2022</u> ‘\$000
Cash and cash equivalents	12, 13	62,026	45,086
<b>Cash and cash equivalents at end of financial year</b>		<b><u>62,026</u></b>	<b><u>45,086</u></b>

**(b) Cash flows presented on a net basis**

Cash flows arising from the following activities are presented on a net basis in the statements of cash flows:

- i. Interest and dividends received, rentals properties
- ii. Contributions received from employers and employees
- iii. Investment and maturity of term deposits and cash balances

**30. Related parties**

**(a) Board members:**

The Board members of the Fund during the year were:

Mrs Saoleititi Maeva Betham Vaai (Chairperson, Completed)  
 Mr Rev Sunita Afereti (Resigned)  
 Ms. Seulupe Michelle McDonald (Resigned)  
 Mr Panoa Tavita Moala (Appointed)  
 Mr. Masoe Norman Wetzell (Resigned)  
 Mr. Lealiiee Rudi Ott (Resigned)  
 Mr. Panoa Tavita Moala (Chairperson)  
 Mr. Leota Kosimiki Latu (Appointed in May 2023)  
 Ms. Elena Ainuu (Appointed in May 2023)

**(b) Transactions and balances with related parties**

	<u>2023</u> ‘\$000	<u>2022</u> ‘\$000
<b>(i) Directors*</b>		
Directors’ remuneration - fees and allowances	57	72
	<u>57</u>	<u>72</u>

Any director who is a member of the Fund contributes and receives benefits on the same terms and conditions as those available to other members.

\* Directors remuneration includes amounts paid to the directors of the Fund.

**Samoa National Provident Fund**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2023**

**(ii) Key management personnel**

In addition to the directors, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly (whether executive or otherwise) of that entity. During the reporting period of the following persons were the executives identified as key management personnel, with the greatest authority and responsibility for the planning, directing and controlling of activities:

- Mr Pauli Prince Suhren - Chief Executive Officer (contract ended 6<sup>th</sup> April 2023)
- Ms Siligatusa Limasene Tupou - Chief Investment Officer (resigned 12<sup>th</sup> Aug 2023, Manager SCBF 14<sup>th</sup> Aug 2023)
- Ms Faalogo Luana Esera - Chief Financial Officer
- Ms Galuvaa Sheena Lesa - Chief Information and Technology Officer (resigned 26<sup>th</sup> June 2023)
- Ms Aualiitia Sine Lafaialii Koria - Manager Legal (resigned 4<sup>th</sup> August 2023)
- Ms Ana Vaise Aiolutepa - Manager Member Services
- Ms Lautimuia Larina Lemisio - Manager Corporate Services
- Mr Matai'a Fatuatia Samalu - Manager Internal Audit (resigned 11<sup>th</sup> July 2023)
- Ms Pselika Lauofo - Manager Loans (appointed 13 March 2023 and resigned 30<sup>th</sup> June 2023)
- Ms Vanita Fanolua - Manager Property and Equities (appointed 13th March 2023)

The aggregate compensation of the key management personnel for the Fund comprises of short-term benefits and is set out below:

	<u>2023</u> \$000	<u>2022</u> \$000
<b><u>Key management (Senior) personnel disclosures</u></b>		
Compensation of key management personnel remuneration	91	27
Remuneration	846	833

Management personnel who are members of the Fund contribute and receive benefits on the same terms and conditions as those available to other members (except in some instances the Fund contributes over and above the minimum statutory levels in line with the individual's employment contract).

**31. Commitments and contingencies**

**(a) Commitments**

The Fund was committed to lend \$39.5 million Investment Loans during the year, of which \$10.6 million remains undrawn at year end.

**(b) Contingencies**

The Directors are not aware of any significant contingent liabilities at 30 June 2023 (2022: Theresa McCarthy's case was dismissed in May 2022 by the Supreme Court)

**32. Subsequent events during the year**

**a) COVID-19 Pandemic**

The unprecedented uncertainty in the economic environment continues past year and it is difficult to predict what are eventual impact it may have on the Fund. Actual economic events and conditions in future may be materially different from those estimated by the Fund at the reporting date. In the event, the COVID-19 pandemic impacts are more severe or prolonged than anticipated, this may have further adverse impacts to the fair value of the Fund's investment portfolio of properties and equities and of future prices achieved if the assets are to be realized. It may also adversely impact the level of expected credit losses attaching to loans and advances, receivables and government securities and fixed interest securities and their final realized positions, as the counterparties will all experience their own impacts of COVID-19 on their business activities and cash flows.



**Samoa National Provident Fund**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2023**

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**32. Subsequent events during the year (continued)**

a) COVID-19 Pandemic (continued)

At the date of the release of the financial statements an estimate of the future effects of the COVID-19 pandemic of the Fund's portfolio cannot be made, as the impact will depend on the magnitude and duration of the economic downturn with the full range of possible effects unknown. The financial statements, however, reflect the best estimates of the Fund's Board and management based on the information available at the time of preparation. Future changes in valuations, realized values and expected or actual credit losses are non-adjusting events at 30 June 2023 and will impact on the value of net assets available for benefits and on the income statement in future periods.

The Fund will continue to assess the impact of COVID-19 and take relevant measures to respond to the evolving environment. Further considerations in relation to the COVID-19 pandemic impact on equity valuations, investments properties valuations and expected credit losses at balance and in future periods are included in the respective notes in the financial statements.

**33. Auditors**

The Fund is a compulsory superannuation scheme legislated by the National Provident Act 1972 ('Act'). The Act requires every employer and employee to make contributions to the Fund. Team members of BDO, the Fund's external auditors contribute to and receive benefits on the same terms and conditions as those available to other members. The BDO audit signing partner is not a member of the Fund and has no interest in the Fund.

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 NATIONAL PROVIDENT FUND

##### Audit Opinion

We have audited the Financial Statements of the Samoa National Provident Fund, which comprises of the Statement of Financial Position as at 30 June 2023, the Statements of Net Assets, Changes in Members Benefits, Statement of Changes in General Reserves, Statement of Cash Flows, Statement of Financial Performance for the year ended 30 June 2023, and a Summary of Significant Accounting Policies and Other Explanatory Notes. The Accounting Firm of BDO Chartered Accountants assisted in the audit. The Engagement Partner on the audit resulting in this Independent Auditor's Report is Taimalie Ernest Betham.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Samoa National Provident Fund as at 30 June 2023, and of its financial performance and its 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 Financial Statements* section of our report. We are independent of the Samoa National Provident Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of 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 reasonable basis for our opinion.

##### Other Information

The directors are responsible for the other information. The other information comprises the information included in the directors report but does not include the financial statements and our auditors 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

Directors and Management are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as directors and 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, directors are responsible for assessing the Fund'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 the directors and management either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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



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



## AUDIT OFFICE

### 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors and management.
- Conclude on the appropriateness of the directors and 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 Fund'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 Fund 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 the Directors and Management regarding, among other matters, the 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 Bodies (Performance and Accountability) Act 2001; and the
- ii. Public Finance Management Act 2001 (and amendments)

We also confirm that:

- a. we have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b. the Fund has kept financial records sufficient to enable the financial statements to be prepared and audited.

Our audit was completed on the 19<sup>th</sup> October 2023 and our opinion is expressed as of that date.

Apia, Samoa  
27 October 2023

Vaofusi Terence Su'a

ASSISTANT CONTROLLER AND AUDITOR GENERAL