

FINANCIAL & PRIVATE SECTOR STAFF SAVINGS & LOAN SOCIETY LIMITED



"Growing Our Future Better"

ANNUAL REPORT 2024

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VISION & MISSION STATEMENTS

Vision

Our vision is to empower our members to grow their future and be financially independent.

Mission

- To address financial needs of members by providing quality value added financial products and customer care and thereby positively influence their financial decisions.
- To satisfy our members' financial needs to enhance their lifestyles by creating a high-quality savings culture and educating them to make financial and responsible borrowing decisions through quality of our products and exceptional customer service.
- To provide lifelong savings and investment opportunities to all members
- To offer quality customer friendly environment with creative thinking and innovative values
- To create and advance public engagement with the local community, industry, SME's
- To value financial freedom and foster role as a critic and conscience of society.
- To be a model employer, showing respect to staff and promoting their welfare and development.
- To strive for the best possible governance practices to enhance transparency and accountability in policy formulation and implementation on business operations, finance, human resources, information technology services and facilities.

Core Values

1. Integrity

Financial and Private Sector Staff Savings & Loans Society (FPSSSLS) follows the basic principle of "Honesty" also involves being trustworthy, loyal, fair, and sincere to members and doing the right thing when no one is watching. Openness to all members about product and its features etc.,

2. Respect

FPSSSLS promotes mutual respect, positive feeling or action shown towards its members considered important, or held in high esteem. Also, the process of honoring stakeholders by exhibiting care, concern, or consideration for their expectations.

3. Transparency

FPSSSLS encourages transparency with its members, provides full information's required for collaboration, cooperation and collective decision making.

4. Good Corporate Governance

FPSSSLS promotes good governance practices to achieve its objectives and drive improvement, as well as maintain legal and ethical standing in the eyes of members, regulators, wider community and other key stakeholders.

5. Security

FPSSSLS provides highest security for member's deposits, good conducive environment for member's savings and investments.

6. Social Obligation

FPSSSLS performs socially responsible activities for the benefits of the society and various other stakeholders. Maintains a balance between the financial objectives and social commitments and ecosystems.

CHAIRMAN'S REPORT



It is indeed my pleasure as the Chairman of the Society to warmly welcome you all to this 46th Annual General Meeting of the Financial and Private Sector Staff Savings & Loan Society and to present to you on behalf of your Board of Directors the Audited Financial Statements for the year ended 31 December 2024.

It is my honor to acknowledge the attendance and presence of the representatives from Bank of Papua New Guinea and Federation of Savings & Loan Inc.

Financial Members, 2024 has also been a tough year in terms of finance and membership growth due to increased competition by the big S&L's such as NCSL, TISA and NSLS.

Despite the economic situation we are currently faced with, the Society has recorded an operating net profit of K890,417 an increase of K284,160 (47%) from 2023 declared profit of K606,257.

The total operating expenses increased in 2024 to K2.15 million from K1.96 million in year 2023, an increase by 10%. The total operating expense was K0.09 million higher than the budgeted operating costs of K2.06 million for year 2024.

This achievement is attributed to solid income growth mainly from investment income combined with our operational efficiency level that has improved over the year. Management and staff are to be complimented for these achievements which were made possible even though there's instability in our economy.

2024 financial and operational performance indicators & other milestones include the following;

- Total Assets increased to K14.4 million from K12.7 million in year 2023, an increase by 13%.
- Total Net Assets increased to K3.9 million from K3.5 million in year 2023, an increase by 11%.
- Total Gross Loans to Members increased to K8.4 million from K7.0 million in year 2023, an increase by 20%.
- Total Members Savings increased to K9.9 million from K9.1 million in year 2023, an increase by 9%.
- Operational efficiency level has improved leading to profitability growth.
- Consistently maintaining the positive financial status of the Society since 2018.
- Timely completion of Financial Statements Audit for the Year Ended 31 December 2024

CHAIRMAN'S REPORT (Continued)

Graph 1: Asset Growth



Graph 2: Net Profit Growth



Graph 3: Equity Growth



Performance Ratios

	2024	2023	
Cost to Income (CIR)	71%	76%	Decrease
Return on Equity (ROE)	23%	17%	Increase
Return on Asset (ROA)	6%	5%	Increase

CHAIRMAN'S REPORT (*Continued*)

I am pleased to say that the membership of the society is continuing to increase and this demonstrates the confidence and loyalty from potential members on the society's improved level of service delivery initiatives. However, we still have the challenge of members closing their accounts for various reasons. This doesn't hinder us from driving the following priorities in 2025 and beyond;

1. Continue to extend the Bond of membership to other finance, private and public sector organizations for membership growth
2. Enforce strong growth in profitability and asset values
3. Improve and implement the operational strategies tailored towards quality products and full satisfaction of member service.
4. Diversify investment portfolios

In the last AGM, I highlighted that the Society name change is still a work in progress with the Bank of PNG. In our prudential consultation meeting with BPNG in November 2023, when enquired about the update of the name change, BPNG responded that the proposed name in the previous AGM "Our toea Savings & Loan Society Ltd" is still too generic. Hence, we will have to come up with a suitable name that will correspond with our membership in Financial, Private & Public Sectors.

The Board has also been working very hard with the Supervisory Committee and Management to ensure that the Society meets the prudential requirements and regulations under applicable laws as well as industry benchmarking to guide and monitor the operating efficiency levels.

On behalf of the Board, Management and the Financial Members of the Society, I would like to extend our appreciation to the Supervisory team of Bank of Papua New Guinea for confirming the Fit and Proper assessment for our new Independent Director Ms. Geno Ila'ava. She brings diversity to the Board most especially with Legal & ICT experiences.

We are also very vigilant about member service quality and we are continuously setting appropriate actions and directions for the society to ensure service quality is maintained at very high standard. The 48 hours' turnaround times for withdrawals and loan funding has been maintained consistently throughout this year. This has helped members meet their financial needs within a short time.

As your Chairman, I can assure you that our Society is ready for more real challenges and to take the Society to another level in business and membership growth. Hence, we are more determined to drive the implementation of our Strategic Business Plan 2022 – 2025.

Ladies & gentlemen, today we also celebrate our 46th anniversary of the Society, and the 6th AGM under the new Savings & Loans Act 2015 which now sets a new record date in the S&L societies industry chapter as a registered and licensed Society.

The Board is happy to announce that the Society has moved its office to a new location under the approval of Bank of PNG. The move was to save costs in terms of rental expenses within the Society's budget. The current location is at Wards Strip Road, Section 148, Allotment 12, Times Square Building, Level 2, Unit 2E.

In addition, the Board and management are determined to shift the Society in the right direction for further success as we move forward. Therefore, I encourage all the members to remain loyal with the Society and enjoy the benefits of being a member and continue to grow your future and be financially independent.

CHAIRMAN'S REPORT (*Continued*)

Acknowledgement

On behalf of the Board of Directors, Society Management and Staff, Board Audit Committee and financial members, it is my pleasure to thank the Bank of PNG and Federation of Savings & Loan Society for the continuous support and guidance in compliance and system integration to improve our reporting systems.

I am sure Society Members will join me in thanking my fellow Board members and the Board Audit Committee for their commitment in sharing their expertise, experience and wisdom throughout the year.

Thank you also to the Society management, staff and all our service providers, who have worked with dedication and diligence despite the challenges they were confronted in meeting the needs and expectations of you members.

I also wish to extend our appreciation to the management and staff of BSP, MVIL, Pacific MMI, Complete Pest Control, Moore Printing, Pacific Adventist University, Pacific Legal Group Lawyers, Post PNG Limited, PNG Defense Force, Department of Labour and Employment, Department of Education, PNG Customs, Department of Finance, IRC, Niusky Pacific Ltd, Cascade, CASA, Ombudsman Commission, Kalang Advertising Ltd, Dept of Foreign Affairs, PNG Royal Constabulary, P&O, Media Partners, Central Provincial Traffic Authority, National Justice & Judiciary Services, Dept of National Planning, Kina Bank, Office of Governor General, FINCORP, Government and the National Parliament Haus - Member for South Bougainville, Hon Timothy Masiu since 2018 and SME's and individuals.

May God Bless You all,



Mr. Douna Vaname
Board Chairman

BOARD OF DIRECTORS



Mr. Douna Vaname, BA, CPAPNG, MPNGID

An Accountant by profession, holds a Bachelor's Degree in Accounting and Registered member of CPA-PNG. He is professional member of PNG Institute of Directors and brings more than 30 years of experience from Banking & Finance and other Industries.



Ms. Rose Kerua, DIP Acct, CPAPNG, MPNGID

An Accountant by profession, holds a Diploma Certificate in Accounting and Registered member of CPA-PNG. She is an associate member of PNG Institute of Directors and brings more than 20 years of experience from Banking & Finance Industry and Board experience from other Industries.



Mrs. Mary Laimo, BA, FELLOW CPA-PNG, MPNGID

An Accountant by profession, holds a Bachelor's Degree in Accounting and Registered Fellow member of CPA-PNG. She is a professional member of PNG Institute of Directors and brings over 40 years of experience from Banking & Finance Industry and Board experience from other Industries.



Mr. Taunao Vai, MBM, BEC, MPNGID

A business management professional, holds a Master's Degree in Business Management and Bachelor's Degree in Economics. He is a professional member of PNG Institute of Directors and brings over 30 years of experience from various Industries and Board experience from other Industries.



Ms. Geno Ila'ava, LLB, DB, MPNGID

A Commercial Lawyer and an ICT Professional, holds a Bachelor's Degree in Law and Diploma in Business. She is a member of PNG Institute of Directors and brings over 30 years of experience from Banking & Finance and other Industries.

GENERAL MANAGER'S REPORT



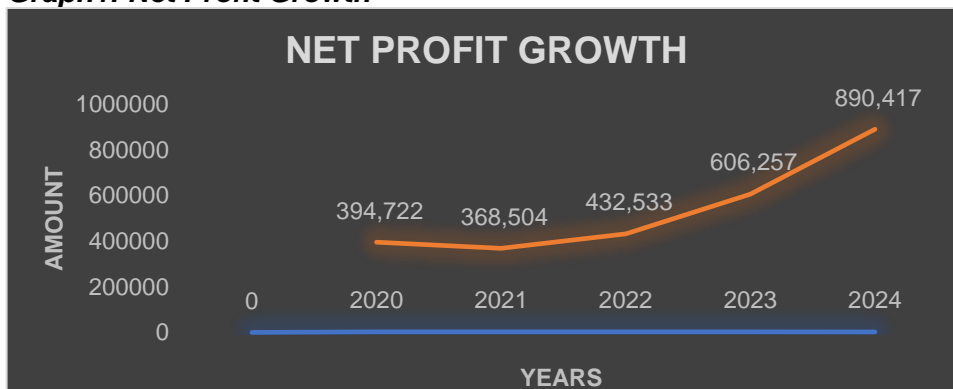
Ms. Julie Opu
General Manager

"We continue to see growth in both Financial and Operational Performances"

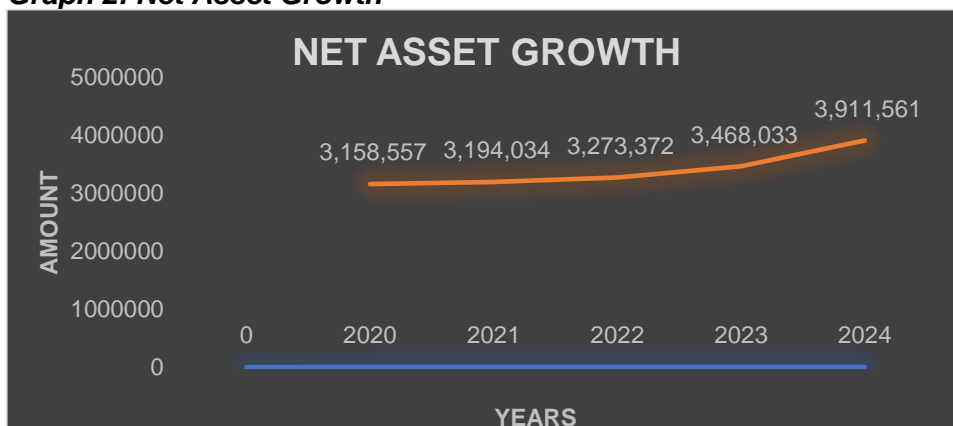
The Society continues to reach new heights as the net operating profit has increased by 47% from K606,257 in 2023 to K890,417 in 2024. This is due to the management's stringent control in expenditure in line with the budget projections. This improved financial performance demonstrates commitment and dedication by Board, Committees, Management and Staff of the Society.

The Society is moving in a positive direction as reflected in the Financial Reports; hence we continue to see growth in both Financial and operational performances.

Graph1: Net Profit Growth



Graph 2: Net Asset Growth



GENERAL MANAGER'S REPORT (Continued)

Management and Staff

The Society has two cost centers – Finance & Administration and Member Services with twelve staff reporting to the General Manager. The Society embraces on having staff who develop a personalized service culture to serve our members better.

Staff Training

The Society's focus is on high quality customer service delivery to our members through skilled staff who have developed their career paths with the Society through quality training programs.

One of our officers studied Microfinance from Institute of Banking and Business Management Centre.

This program was fully sponsored by the Federation of Savings & Loan Society. The other officer attended training on Debts & Recoveries at IBBM as well. Other staff will be sent for further training based on their training needs.

The Society believes in cultivating brilliant and energetic workforce that will drive the implementation of the Society's strategic goals and objectives.

Member Services Operations

- Our normal operating hours is 8am – 5pm from Mondays to Fridays. We do work late or on some weekends if there's any internet, Savings & Loan Smart System or banking system issues.
- Funding days are Wednesdays and Fridays and is within 48hours based on assessments and meeting the full requirements. However, we do allow funding on other days due to certain emergency reasons.
- Total Membership in 2024 1,794 (2023: 1,733)
- Total Member Savings as at 31 December 2024 is K9,898,581 (2023: K9,107,735)
- Total Interests paid to members in 2024 is K451,409 (2023: K302218)
- Total gross loan as at 31 December 2024 is K8,377,005 (2023: K7,038,985)

BPNG Quarterly Returns

The Society has been submitting quarterly returns on timely manner (21st day of the new QTR) as required under the Savings & Loan Act.

Challenges

The Society not only experienced positive growth but also faced few challenges during the year.

- Exit of membership due to retirement, mortgage loans with banks and financial burdens due to the current economic issues.
- Members opt to withdraw huge savings to meet financial obligations
- Frequent withdrawals by few members due to financial burdens.
- To establish agencies in other centers to improve membership drive

GENERAL MANAGER'S REPORT (*Continued*)

Future Prospects

We are now focusing on some of the key areas below:

- Recruitment of new members from all Financial, Private and Public Sector organizations in PNG.
- Continue to review and improve on the processes and develop products for quality customer service delivery.
- Continue to review and improve on our policy settings for financial security, corporate governance and operational efficiency level to increase profitability and asset values.

Having focused on these strategies, we are promising again to deliver an improved and much better service to our members in 2025 and beyond.

To conclude, I would like to emphasize that the purpose of the savings & loan society movement is to add value to our members by empowering them to build their wealth. Hence, I would like to encourage our financial members to keep growing your savings and borrow responsibly.

Thank you and may God bless you all.



Ms. Julie Opu
General Manager

CORPORATE GOVERNANCE

The Board of the Society is responsible for the corporate governance. Good corporate governance is essential for the good image of this Society in the community and creation of a culture of carrying out its fundamental role of member service with due diligence. Enhancing the lifestyles and living standards for the financial members through improved corporate governance and financial security is the main focus of the Board and Management of Financial and Private Sector Staff Savings & Loan Society Limited.

Board of Directors

In accordance with the powers and functions set out in Sections 28 and 28A of the Savings and Loan Societies (Amendment) Act 2015, the Board of Directors:

- Continue to educate members to make financial responsible and value-adding decisions on savings.
- Principally serve the financial members' interests to the optimum level by making decisions within the framework of applicable laws and regulations governing the Savings & Loan Societies, and by adhering to the Society's Code of Ethics principles and operational policies.
- Develop policy settings and procedural guidelines of the Society to meet the prudential compliance standards and to operate within industry standard through benchmarking.
- Chart direction and guidance for the Society to improve members service quality by monitoring management's performance.
- Approve budgets, business plans and new products initiated by the management of the Society.
- Undertake reviews on the performance of the management and the overall operation of the Society and make relevant decisions to improve the level of service to the members and to achieve its plan goals and objectives.
- Ensure the Society complies and operates within the laws and regulations and upholds highest standard of financial and ethical behavior.

Directors' Term of Office

Directors' term of office is three years and they are retired after this term. They can stand for re-election for a new term of three years during an AGM.

There were five directors on the Board in year 2024. The new Director Ms. Geno Ila'ava was appointed in 2024.

The directors exit plan has been drawn up and will be actioned accordingly.

Committee Structure

There are three main committees of the Society in compliance to the Savings & Loan Societies (Amendment) Act 2015.

- **Audit Committee** – is responsible for the general supervision of the operations of the Society with the view of protecting the members' interest and thereby conducts an examination of the Society's affairs and provides an annual audit report on the audit to AGM.

Corporate Governance (Continued)

- **Loans Committee** – deals with all applications from members for loans. All unsecured loans that are out of the management's delegated level of authority are referred to this committee for further assessment and appropriate decisions.
- **Remuneration (HR) Committee** – is responsible for ensuring the right candidates are hired for the vacant positions and also perform review for the performance of senior management. This committee is also responsible for conducting investigation on misconducts of the senior management and terminating employment contracts base on the seriousness of the allegations.

Risk Management

The Board Audit Committee is appointed by the Board to oversee the Risk Management Framework of the Society and report to the Board the reports and recommendation. The Board and management have ensured that all-internal controls in regards to the overall operation and financial controls are effectively reviewed and monitored to avoid or minimize risks. The most specific risks involved are credit risk, liquidity risk, interest rate risk, operational risk, market risk and compliance risk.

Roles of Members

Members are responsible to vote on the election of new directors at the AGM. The AGM also provides the members to express their views and vote on agendas or items concerning the operations of the Society or on any other item of business for resolution by members.

Communication with Members

The Board and management communicate information to the members during the Society's AGM and through notices sent out through emails to their workplaces, social media and over the counter.

INDEPENDENT AUDITOR'S REPORT



UMA & CO LIMITED

ACCOUNTANTS, AUDITORS, TAX AGENTS & BUSINESS ADVISORS

POSTAL ADDRESS:

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: umaco12014@gmail.com or gertrude.uma@umacopng.com
Website: www.umacopng.com

REGISTERED OFFICE:

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Malolo Estate
Port Moresby,
National Capital District
Papua New Guinea

Independent Auditor's Report to the Members of FINANCIAL AND PRIVATE SECTOR STAFF SAVINGS & LOANS SOCIETY LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial statements of Financial and Private Sector Staff Savings & Loans Society Limited (the "Society"), which comprises the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In our opinion the accompanying financial statements give a true and fair view of the Society's financial position as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, the Savings and Loan Societies Act 1995 (amended 2015) and the Companies Act 1997 (amended 2014).

Basis for Opinion

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

Other Information

The directors are responsible for the other information. The other information comprises the declaration by directors for the year ended 31 December 2024, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (Continued)

Directors' Responsibilities for the Financial Report.

The directors of the Society are responsible for the preparation of the financial statements that give a true and fair view in accordance with, the International Financial Reporting Standards, the Savings and Loan Societies Act 1995 (Amended 2015), and the Companies Act 1997 (amended 2014) and for such internal control as directors determine is necessary to enable the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society's to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT (*Continued*)

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

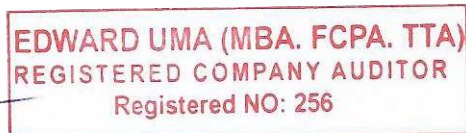
We communicate with management and the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with section 200 of the Companies Act 1997(amended 2014), in our opinion:

- (i) We obtained all information and explanations that were required; and
- (ii) Proper accounting records have been kept by the Society for the year ended 31 December 2024.

Uma & Co Limited



Edward UMA (MBA, FCPA)

Registered under the Accountants Act 1996

Port Moresby, Dated 31st day of March 2025

BOARD AUDIT COMMITTEE'S REPORT

Financial & Private Sector Staff Savings & Loans Society Audit Committee 2024 Annual Report

Date: 4th May 2025

To: Financial Members and the Chairman and Board of Directors of the Board of F&PSSS&LS

From: The Audit Committee of the Financial & Private Sector Staff Savings & Loan Society Ltd.

Subject: The 2024 AGM- Audit Committee Report.

Preamble

The Audit Committee (AC) is grateful to the honorable members of the Society for the privilege that you have accorded us to serve as your watchdog in the year 2024. We wish to commend you for the continued commitment to the mission of the Society in the past years.

The AC also commends the Chairman, Mr. Douna Vaname, and his Board members for their continued commitment in directing the business of the Society during the year 2024. On that same note, AC would like to acknowledge a new Director Ms. Geno Ila'ava. Furthermore, AC also acknowledges the efforts of the General Manager Ms. Julie Opu and her management team for their tireless efforts, hard work and commitment to moving the Society forward.

Objective

The primary objective of the AC is to determine that members' assets are adequately safeguarded. This objective is carried out through reviews and evaluations of the Society's operation, financial reporting, and internal control systems.

Scope

The AC conducts quarterly audits in a year. The audits are conducted over the weekends. So, in 2024, AC conducted 4 quarterly audits including Bad Debt & Recovery audit, Lending, the Anti-Money Laundering and Counter-Terrorist Financing (AML/CTF) functions and Procurement Audit

Audit Approach

In each engagement, an entrance meeting is held to discuss the scope of the review followed by fieldwork whereby the controls of the functions/processes are being tested to determine the effectiveness of the controls. If controls are tested to be effective, AC commends the Society and emphasis that it should maintain consistency. If controls are noted to be ineffective, recommendations are made to improve and tighten the controls. Exit meetings are held after the fieldwork to discuss issues identified. Management comments are also considered when finalising the audit report. Once the audit report is released, a follow-up is made with the management to ensure that all issues raised have been addressed.

Each engagement provides AC with the opportunity to evaluate the effectiveness of controls designed in the policies and procedures to ensure that the members' assets are safeguarded. A summary of the audit findings are presented to the Board of Directors.

Quarterly Compliance Checks for 2024 (Audits)

The AC met on the following dates to execute the quarterly reviews with results of the audits:

BOARD AUDIT COMMITTEE'S REPORT (Continued)

Quarter	Date	Audit Scope	Status of Audit
1	April-2024	Bad Debt & Recovery Audit	Partially Effective
2	June-2024	Lending	Satisfactory
3	Oct-2024	Anti-Money Laundering/ Counter Terrorist Finance Audit	Partially Effective
4	Jan-2025	Procurement	Partially Effective

Society's Internal Controls – Summary of findings in 2024 audits

During AC's 2024 quarterly reviews, AC noted continuous improvement in the Lending Operations in which the Society continuous to tighten the Lending Policy but also allows flexibility to meet members' financial needs. AC is pleased to announce better performance in this area.

In terms of the Bad Debt and Recovery, controls were noted to be partially effective. Root cause around the deficiencies noted were due to changes in management and business office relocations. Recommendations have been made to tighten controls around business continuity in the event of disruptions and backup and recovery systems. This is work in progress and should see improvements this year (2025).

For AML/CTF – controls reviewed around the AML/CTF policy required improvement. Again, controls are partially effective. Root cause of the deficiencies noted were due to limited knowledge around the Act and the procedures. However, AC is pleased to note that management is now prioritizing on staff training both internally and externally. This should see the staff equipped with adequate AML/CTF knowledge to execute their roles and responsibilities. This should reduce the risk of non-compliance to regulatory requirements, to avoid penalties imposed on the Society. AML/CTF being a regulatory requirement, will be audited annually to ensure compliance to laws and regulations.

Finally, with the Procurement audit, controls are partially effective, hence more process improvement to update their policies to reflect the current processes.

For past audits with outstanding action items, AC would like to thank the GM and her management for their tremendous efforts to ensure all action items raise by the AC and BPNG in the past years are gradually being addressed.

Overall Conclusion

In conclusion, through the periodic audits conducted within the Society, AC is pleased to know and advise the members that the Society's policies and procedures are generally effective.

AC would like to thank you for making Financial and Private Sector Staff Savings and Loans Society your trusted financial institution. We take that trust seriously and always keep the Society's financial strength and security as our primary goal so you can know that your funds are safe and protected. On behalf of the AC Chairlady, I am happy to report that the Society remains safe, sound and with good standing records.

We know that it is important to you to have a safe place to conduct your financial business and we remain committed to keeping the Society strong and financially healthy. The AC is honored to serve you.

Respectively Submitted,

Kessie Mormor

.....
for **Kessie Mormor**
Chairlady – Audit Committee

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDING 31 DECEMBER 2024

	Notes	2024 PGK	2023 PGK
REVENUE			
Interests Income		1,432,435	1,491,172
Fees & Charges		552,291	645,270
Dividends Income		209,790	240,781
Change in fair value of Investments		833,678	173,824
Other Income		9,117	14,936
TOTAL INCOME	2	3,037,311	2,565,983
EXPENSES			
Administrative expenses	3	421,591	412,365
Property Lease & other expenses	4	252,452	220,751
Finance expenses	5	215,475	202,925
Depreciation	16	69,260	44,598
Staff expenses	6	807,798	743,237
Management benefits	7	41,445	31,559
Board & Audit Committee expenses	8	212,992	183,666
Investment expenses	9	55,881	60,625
Impairment losses on loans to members	14	70,000	60,000
TOTAL EXPENSES		2,146,894	1,959,726
PROFIT BEFORE INCOME TAX EXPENSE		890,417	606,257
Income tax expense		-	-
NET AFTER INCOME TAX EXPENSE		890,417	606,257
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		890,417	606,257

“The attached notes form an integral part of these financial statements”

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDING 31 DECEMBER 2024

	Notes	2024 PGK	2023 PGK
ASSETS			
Cash & Cash Equivalents	12	522,100	2,000,589
Government Debt Securities	15	2,274,135	2,312,455
Receivables	13	98,244	79,576
Net Member Loans	14	8,176,653	6,371,567
Investment at fair value through profit and loss	18	2,713,828	1,880,150
Right- to -Use Asset	17	396,800	9,240
Property, Plant & Equipment	16	205,470	95,771
TOTAL ASSETS		14,387,230	12,749,348
LIABILITIES			
Members Savings	21	9,898,581	9,107,735
Creditors & Accruals	19	79,286	73,987
Employee Provisions	20	101,002	90,353
Lease Liability	17	396,800	9,240
TOTAL LIABILITIES		10,475,669	9,281,315
NET ASSETS		3,911,561	3,468,033
EQUITY			
Members Capital	10	52,744	48,224
General Reserves	11	1,238,054	1,059,971
Retained Earnings		2,620,763	2,359,838
NET EQUITY		3,911,561	3,468,033

“The attached notes form an integral part of these financial statements”

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDING 31 DECEMBER 2024

Notes	Members Capital PGK	General Reserve PGK	Retained Earnings PGK	Total PGK
BALANCE AS AT 01 JANUARY 2023	43,144	938,720	2,291,508	3,273,372
Additional Interest Credited to members	-	-	(302,218)	(302,218)
Total Profit for the year	-	-	606,257	606,257
Additional Reserves taken up	-	121,251	(121,251)	-
Members Fees	5,080	-	-	5,080
Prior years adjustments	-	-	(114,458)	(114,458)
BALANCE AS AT 31 DECEMBER 2023	48,224	1,059,971	2,359,838	3,468,033
Additional Interest Credited to Members	-	-	(451,409)	(451,409)
Total Profit for the year	-	-	890,417	890,417
Additional Reserves taken up	-	178,083	(178,083)	-
Members Fees	4,520	-	-	4,520
BALANCE AS AT 31 DECEMBER 2024	52,744	1,238,054	2,620,763	3,911,561

“The attached notes form an integral part of these financial statements”

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDING 31 DECEMBER 2024

	Notes	2024 PGK	2023 PGK
Cash flows from operating activities			
Interest received on loans		1,172,535	1,491,172
Fees and charged received		552,291	645,270
Interest received on investments		259,900	383,804
Dividends received on investments		209,790	240,781
Net loan repaid		(856,598)	(292,752)
Payments to suppliers and employees		(1,969,314)	(1,614,233)
Rental and other income received		9,117	14,936
Net cash generated from operating activities		(622,280)	868,978
Cash flows from investing activities			
Purchase of property and equipment		(200,122)	(21,163)
Net cash flows generated from (used in) investing activities		(200,122)	(21,163)
Cash flows from financing activities			
Net Contributions withdrawn by members		(656,087)	396,790
Net cash used in financing activities		(656,087)	396,790
Net increase/(decrease) in cash and cash equivalents		(1,478,489)	1,244,605
Cash and cash equivalents in the beginning		2,000,589	755,984
Cash and cash equivalents at the end of the year		522,100	2,000,589

“The attached notes form an integral part of these financial statements”

NOTES TO THE FINANCIAL STATEMENTS

	2024 PGK	2023 PGK
2 Income		
Interests	1,432,435	1,491,172
Fees & Fines	552,291	645,270
Dividends Received	209,790	240,781
Investment Income	833,678	173,824
Other Income	9,117	14,936
Total Income	3,037,311	2,565,983

Interest on loan to members earn an interest rate of 12% per annum (2023:12%). Debt securities, being government bonds and BSP quoted shares, earns an average of 11.5% per annum (2023:11.5%) ranging from 6 to 12%.

3 Administrative and operational costs		
Audit & Accounting Fees	16,500	20,959
Facts Keeping Fees	59,656	58,370
Advertisement & Promotion	77,577	55,525
Other Administration expenses	267,858	277,511
Total Administrative and Operational costs	421,591	412,365

Major component of administrative expenses is made up of; marketing & promotion costs, IT services costs, repairs & maintenance for fixed assets, stationery and office supplies and other small administrative expenses incurred during the year.

4 Property Expenses - Admin		
Lease	240,994	194,964
Water/Sewerage & Other Expenses	11,458	25,787
Total Property Expenses	252,452	220,751

Property Expenses are for rental for office spaces and property recharges for water/sewerage, parking space & gardens, security lights and other small recharges during the year.

5 Finance Expenses		
Interest to Members Savings	206,559	197,012
Bad Debts Recovery Costs	8,916	5,913
Total Finance Expenses	215,475	202,925

Interest charge on member accounts at 2% per annum (2023:2%). Inactive savings account does not earn an interest charge.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2024 PGK	2023 PGK
6 Employee Costs		
Salary & Wages	466,147	440,069
Staff Bonus	50,000	50,000
Superannuation	33,596	31,045
Other Employee costs	258,055	222,123
Total Employee costs	807,798	743,237

Salary and wages costs includes the housing allowances provided. Superannuation expense relates to the 8.4% employer component paid to the superannuation funds. Other employee costs comprise of staff Christmas party, annual leave expense, education and trainings costs and other small employee related costs during the year.

7 Management Benefits		
Telephone Allowance	1,200	960
Motor Vehicle Allowance	35,000	28,943
Fuel Allowance	4,295	1,656
Membership Allowance	950	-
Total Management Benefits	41,445	31,559

Management Benefits for the manager.

8 Board & Audit Committee Expenses		
Board Fees	103,603	114,226
Audit Committee Allowances	38,899	15,400
Board Meeting Allowance	51,753	40,950
Strategic & Training Costs	18,737	13,090
Total Board & Audit committee Expenses	212,992	183,666

Board fees are fees paid to the Board of Directors and Audit Committees. Others comprise of Board and the Audit Committees' meeting expenses such as venue hires, food and refreshments and training costs.

9 Investment Expenses		
Investment management Fees - BSP	17,561	16,736
Premium Amortization	38,320	43,889
Total Investment Expenses	55,881	60,625

Investment management fees are paid to BSP Capital for managing the BSP shares, Credit Corp shares and Government bond portfolio.

10 Members Capital		
Opening Balance	48,224	43,144
Increase in Membership	4,520	5,080
Closing Balance	52,744	48,224

The Society has 1,853 (2023: 1,733) members. Membership fee of K20 is collected for each member. The Society approved the disclosing of the Member Capital from 2024.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2024 PGK	2023 PGK
11 General Reserve		
Opening Balances	1,059,971	938,720
Transfer from accumulated funds from retain earnings	178,083	121,251
Closing Balance	1,238,054	1,059,971

There is no requirement under the Act to make transfer to the general reserves. The General Reserves represents a statutory minimum of twenty percent (20%) of each year's net earnings before declaring interest on deposits and dividends. Money standing to the credit of the fund shall be invested in the same manner as other monies of the Society. However, application of the fund shall be for the purpose of bad loans or losses and shall not be used for any other purpose except on the winding up of the Society.

12 Cash and Cash Equivalents		
Members Account - BSP POM	(91,069)	75,167
Operations Account - BSP POM	2,138	30,281
Reserved Account	403,076	1,685,373
Debit Card	240	805
Interest Bearing Deposit	207,715	207,715
Cash on Hand (Petty Cash)	-	1,248
Total cash and cash equivalents	522,100	2,000,589

Cash assets are held in commercial bank accounts. Any term deposits with initial maturities of less than 3 months are classified as cash and cash equivalents.

13 Receivables		
Rental Bonds	45,180	29,500
Telephone Bond Fee	800	800
Router for Wireless	1,200	1,200
Accrued Income -INT income inscribed stock (BPNG)	33,026	33,026
Other Receivables - Prepayments	18,038	15,050
Total Receivables	98,244	79,576

Management have not identified any indicators of impairment associated with the receivables. Interest receivables on members loans are capitalised in members accounts as part of their Loan book balance.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2024 PGK	2023 PGK
14 Members Loans		
Gross	8,377,005	7,038,985
Provision for Doubtful Debts	(200,352)	(667,418)
Net Members Loans	8,176,653	6,371,567

Members are charged 12% per annum (2023:12%) on their outstanding loan balances. Interest receivables on members loans are capitalised into the member loan balance.

Reconciliation of Provision for doubtful debts

Opening Balance	(667,418)	(758,698)
Allowance for bad loans recorded in profit & loss	(70,000)	(60,000)
(Write backs & recoveries) / write offs	537,066	151,280
Closing provisions balance	(200,352)	(667,418)

The Society writes-off non-performing loans which are fully provided for in addition to the impairment on the remainder of the performing Loan Book. The Society may write-off financial assets when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The Society still seeks to recover amounts it is legally owned in full.

The assessment of the provision level is mainly driven by the value of the security, namely the member deposits and the days in arrears for contributions and loan repayments.

15 Government Debt Security and Term Deposit

Inscribed Stock - BPNG	2,260,000	2,260,000
Premium Amortisation	14,135	52,455
Closing GIS balance	2,274,135	2,312,455

The average coupon earned on Government bonds is 12% per annum (2023: 12%), ranging from 6 to 12%. Coupons are paid on a 6 monthly basis. Government bonds have initial terms of maturities exceeding year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16 Property & Equipment and Investment Property

	Leasehold Building Improvement PGK	Motor Vehicle PGK	Office Equipment PGK	Office Furniture & Fittings PGK	Total PGK
2023					
Cost					
Historical Cost	13,106	108,000	93,309	20,230	234,646
Additions/Improvements	-	-	19,163	2,000	21,163.19
Adjustments & Disposal	-	-	-	-	-
	13,106	108,000	112,473	22,230	255,809
Opening WDV	7,449	58,726	45,911	7,119	140,367
Additions	-	-	-	-	-
Accum. Depreciation					
Opening Accumulated Dep	5,658	49,273	47,398	13,111	115,440
Rates %					
Depreciation	2,621	21,600	18,594	1,783	44,598
Total Accum. Depreciation	8,279	70,873	65,992	14,894	160,038
Net Book Value	4,827	37,127	46,481	7,336	95,771
	Leasehold Building Improvement PGK	Motor Vehicle PGK	Plant & Office Equipment PGK	Office Furniture & Fittings PGK	Total PGK
2024					
Cost					
Historical Cost	13,106	108,000	93,309	20,230	234,645
Additions/Improvements	93,543		94,838	11,741	200,122
Adjustments & Disposal	-	-	-	-	-
	106,649	108,000	188,147	31,971	434,767
Opening WDV	98,371	37,127	141,318	19,077	295,893
Additions	-	-	-	-	-
Accum Depreciation					
Opening Accum Dep	8,279	70,873	65,992	14,894	160,038
Rates %					
Depreciation	11,663	22,408	13,534	21,655	69,260
Total Accum. Depreciation	19,942	92,528	97,805	19,023	229,298
Net Book Value	86,708	15,472	90,343	12,948	205,470

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2024 PGK	2023 PGK
17 Leases		
Right of use asset and lease liability Outstanding Lease Term in Months Rate	28.34	0.66
Right of use asset and lease liability	14,000	14,000
Closing Balance	396,800	9,240
The old office space rate is K14,000 per month for three years. Twelve months' lease expired as at 31 October 2024. New office space rate is K12,800 per month for three years.		
18 Investments at Fair Value Through Profit & Loss		
Share - BSP	1,479,250	1,479,250
Share - Credit Corp	129,927	129,927
Gain - Revaluation - BSP	1,008,250	233,250
Gain Share Revaluation - CCP	96,401	37,723
Closing Balance	2,713,828	1,880,150
19 Payables		
Salaries & Wages Tax	41,517	22,677
NASFUND Superannuation	-	(798)
Accrued Expenses	11,930	12,126
Provision for external Audit Fee	16,500	16,500
Suspense Account - General	-	931
Payroll Clearing Account	9,339	22,551
Total Payables	79,286	73,987
20 Employee Provisions		
(a) Current		
Opening Balance	20,862	15,560
Movement	(1,142)	5,302
Closing Balance	19,720	20,862
(b) Non-Current		
Opening Balance	69,491	59,705
Movement	11,791	9,786
Closing Balance	81,282	69,491
Total Employees Provisions	101,002	90,353
21 Members Savings Deposits		
General Savings Control	9,689,542	8,877,239
Inactive Savings Account	209,039	230,496
Closing Balance	9,898,581	9,107,735

Inactive savings accounts do not receive interest during the financial year. The Society has a lien on all members' savings and has a right to offset in respect of any debt due from a member.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22 Financial Instrument & Risk Management

Maximum credit risk and concentration of credit risk.

Current management policy requires that all loans to be secured by restricting loans to the maximum of members' savings. In cases where loans are taken out on a 1:2 ratio, additional security maybe deemed necessary in accordance with Rules of the Society. The 3 in 1 product that was launched in 2018 requires all necessary documents to be provided and carefully reviewed before approving the loan due to the fact that loans are given out to members who do not have savings. The purpose of this product was to attract more members to join the Society.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Notes	2024 PGK	2023 PGK
(a) Asset Bearing Credit Risk			
Cash and Cash Equivalents		314,385	1,792,874
Government Debt Securities		2,274,135	2,512,455
Receivables		98,244	79,576
Member Loans		8,176,653	6,371,567
Investment in Fair value through profit & losses		2,713,828	1,880,150
Net cash generated from operating activities		13,577,245	12,636,622

(b) Liquidity risk

Loan to members is approved with adherence to specified payment terms and rate facility within the loan contract and are generally over 2 to 60 months repayment term depending on the nature of the loan. The Society maintains a mix of investments on call and with a spread of maturity terms from two months to six months. This ensures the Society maintains liquid capability and limits its exposure to interest rate risks due to market fluctuations.

The table below summaries the maturity profile of the Society's financial assets and liabilities as at 31 December 2024 based on contractual repayment obligations.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22 Financial instruments and risk management (continued)

Liquidity risk 2024	Total PGK	At Call PGK	0–3-month PGK	3 mnths - 1 yr PGK	1- 5 Yrs PGK
Cash and Cash Equivalents	314,385	314,385	-		-
Government Debts Securities	2,274,135	-	-		2,274,135
Receivables	98,244	-	98,244		-
Members Loans	8,176,653	-	-		8,176,653
Investment at fair value through Profit & Loss	2,713,828	-	-	2,713,828	-
Total Undiscounted Cash Inflows	13,577,245	314,385	98,244	2,713,828	10,450,788
Members Savings	9,898,581	9,898,581	-	-	-
Creditors and Accruals	79,286	-	79,286	-	-
Employee Provisions	101,001	-	-	101,001	-
Total Undiscounted Cash Outflows	10,078,869	9,898,581	79,286	101,001	-
Net Exposure 2024	3,498,376	(9,584,197)	18,958	2,612,827	10,450,788
2023					
Cash and Cash Equivalents	1,792,874	1,792,874	-		-
Government Debts Securities	2,512,455	-	-		2,512,455
Receivables	79,576	-	79,576		-
Members Loans	6,371,567	-	-		6,371,567
Investment at fair value through Profit & Loss	1,880,150	-	-	1,880,150	-
Total Undiscounted Cash Inflows	12,636,622	1,792,874	79,576	1,880,150	8,884,022
Members Savings	8,998,583	8,998,583	-	-	-
Creditors and Accruals	145,355	-	145,355	-	-
Employee Provisions	59,705	-	-	59,705	-
Total Undiscounted Cash Outflows	9,203,643	8,998,583	145,355	59,705	-
Net Exposure 2023	3,432,979	(7,205,709)	65,779	1,820,445	8,884,022

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22 Financial instruments and risk management (continued)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At reporting date, the interest rate profile of the Society's interest-bearing financial instruments was:

(c) Interest Rate Risk

		2024 PGK	2023 PGK
Asset Bearing Interest Rate Risk	Notes		
Government Debt Securities		2,274,135	2,512,455
Members Loans		8,176,653	6,371,567
Total Asset Bearing Interest Rate Risk		<u>10,450,788</u>	<u>8,884,022</u>
Liabilities Bearing Interest Rates Risk			
Members Savings		9,898,581	8,998,583
Total Liabilities Bearing Interest Rates Risk		<u>9,898,581</u>	<u>8,998,583</u>

Other market price risk

Other market price risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market price (other than the interest rate risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instruments traded in the market.

As the Society's financial instruments are carried at fair value with changes recognized in the statement of profit or loss and other comprehensive income, changes in market conditions affecting fair value will be recognized.

(d) Sensitivity Analysis

With all other variables held constant, the Society's exposure to share price risk is measured by sensitivity analysis. The table below demonstrate the effect on profit 5% change in fair value on financial instruments measured at fair value

	2024 PGK	2023 PGK
plus 5% share in fair value	135,691	94,008
less 5% share in fair value	(135,691)	(94,008)
	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22 Financial instruments and risk management (continued)

(e) Fair Value

The Society uses the following hierarchy for determining and disclosing the fair value of financial instruments and investment assets by valuation techniques:

- Level 1: derived from quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: derived from inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: derived from valuation techniques that include inputs for the assets or liability that are not based on observable market data. (Unobservable inputs).

The table below demonstrates the Society's fair value hierarchy for financial instruments and investments assets measured at fair value.

Fair Value	2024			2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	2,713,828			1,880,150		

23 IFRS 9 impact

Impairment

The Society's loan to members is secured, meaning loans are given out to members based on their savings. If a person defaults, there is savings which the Society can claim. However, there are two loans which are given out with credit loss associated with it. They are 3 in 1 loan and school fee loan.

3 in 1 Loans

The 3 in 1 loan are loans given especially to new members when they join. Since they are new, no savings is used as security. The maximum amount given is K5,000, but K3,750 is credited to the customer's account and the other K1,250 is used as initial savings for that new member. Therefore, the balance that has credit risk is the K3,750 that are credited to the new members' accounts.

School Fee Loans

School fee loans are given at the ratio 1:2, meaning that the 50% of the loan is unsecured. The 50% unsecured portion was used to calculate the future expected credit loss as required by the new IFRS 9.
 $ECL = EAD \times LGD \times PD$

Where;

ECL = Expected Credit Loss LGD = Loss Given Default

PD = Probability of Default

EAD = Variable EAD is the amount of money that is invested in certain financial instrument that is exposed to credit risk.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23 IFRS 9 Impact (continued)

	2024 PGK	2023 PGK
Loan Receivables	8,377,005	7,038,985
Interest is 12% per annum	1,005,241	844,678
Total	9,382,246	7,883,663

LGD = Variable LGD is the share of a financial asset that we shall lose if a borrower defaults.

	2024 PGK	2023 PGK
Total 3 in 1 loan given out	644,905	123,000
School Fee loan	400,542	415,957
Total loans subject to credit risk	1,045,447	538,957
Balance exposure to credit risk	1,045,447	538,957
Total Loan	9,382,246	7,883,663
LGD	11%	7%

PD= Variable PD stands for likelihood of a default of a counterparty over an observed period

The Society has a low credit risk; hence 12 months is the likelihood of default. Based on historical data and the rate in which a loan is defaulted for the Society is less than 5% (2023:5%), hence we will use 5% being higher as school fee loans are also considered. This is normally based on estimate using historical data.

	2024 PGK	2023 PGK
ECL = EAD X LGD X PD		
EAD	9,382,246	7,883,663
LGD	11%	7%
PD	5%	5%
Therefore, the ECL is	52,272	26,948

Interpretation outline Result

The Society has made K70,000 (2023: K60,000) additional provision during the year. This is K52,272 (2023: K26,948) higher than the estimated credited loss calculated. This is good for the Society as it has taken a more prudent approach.

Other Financial Instruments

Loans to Members

Loans to members are measured at amortized cost. Management has identified non-performing loan of K371,234 (2023: K686,610).

Equity Shares

IFRS 9 requires all equity investments to be measured at fair value through profit and loss. The default approach is for all changes in fair value to be recognized in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23 IFRS 9 Impact (continued)

Shares	2024 PGK	2023 PGK
BSP	775,000	161,250
Credit Corp	58,678	12,574
Total	833,678	173,824

The PGK833,678 (2023: K173,824) has been correctly recognized in the statement of comprehensive income.

Government inscribed stock

Investments in Government securities are classified as loans and receivables and are accounted for at amortized cost.

	2024 PGK	2023 PGK
Government inscribed stock	2,260,000	2,260,000
Total	2,260,000	2,260,000

Interpretation of the Result

The movement was taken up in the statement of financial position.

24 Employees

The number of staff employed by the Society as at 31 December 2024 was 12 (2023:13).

25 Retirement benefits

The Society participates in the National Superannuation Fund of Papua New Guinea in respect of its national employees. Contributions during the year amounted to K33,596 (2023: K31,045).

26 Related Party Transactions and Balances

	2024 PGK	2023 PGK
Total deposits held	411,879	426,350
Total loans issued	(599,335)	(859,102)
Net worth	(187,456)	(432,752)

Member loans made to staff, directors and supervisory committee members in the ordinary course of business are in accordance with the Society's rules. The interest rate, security and repayment terms on these loans are consistent with the normal terms and extended to members who are not either directors or staff.

27 Key Management Personnel Remuneration

There was one (1) key management personnel whose salary is in the range of K50,000-K120,000 per annum (2023:2).

28 Contingencies and Capital Commitments

The Society has no contingent liabilities nor any capital commitments during the year (2023: nil).

29 Subsequent Events

There was no subsequent event identified during the year (2023: nil)

COMPANY INFORMATION

Financial and Private Sector Staff Savings & Loans Society Limited is a Registered Savings and Loans Society under the Papua New Guinea Savings and Loans Societies Act 2015 and Papua New Guinea Companies Act 1997 and is incorporated and domiciled in Papua New Guinea.

Registered office	Section 148, Allotment 12 Times Square Building, Level 2, Unit 2E Gordons, Port Moresby, NCD Papua New Guinea Telephone: (675) 323 3432, (675) 323 3478 Email: info@fpsssls.org / customerservice@fpsssls.org.pg	
Directors	Mr. Douna Vaname Chairman Ms. Rose Kerua Deputy Chairlady Mrs. Mary Laimo Director/Treasurer Mr. Taunao Vai Independent Director Ms. Geno Ila'ava Independent Director	
Board Audit Committee	Ms. Agnes Arua Mrs. Kessie Mormor	
Loans Committee	Ms. Geno Ila'ava Ms. Rose Kerua	
Remuneration (HR) Committee	Mr. Taunao Vai Mrs. Mary Laimo	
Society Management & Staff	Ms. Julie Opu General Manager Ms. Agatha Mautu Team Leader – Member Services Ms. Joan Kiapen HR & Administration Coordinator Mr. Herman Malebai IT & Compliance Officer Mr. David Geno Electronic Data Processing Officer Mr. Lionel Yokar Debt Recovery Officer Ms. Shirley Kundi Accountant Mr. Sebastian Alewa Marketing Officer Ms. Victoria Newman Member Services Officer Mr. Dickson Varina Member Services Officer Mr. Barry Peters Handyman Mr. Tony Haro Driver	
Auditor	Uma & Co Limited Allotment 049, Section 145, Malolo Estate, 8 Mile Port Moresby, North East Electorate, NCD Papua New Guinea	
Bankers	BSP Financial Group Limited	
Total Membership	1,794	