KONTIKI FINANCE LIMITED and its Subsidiaries

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Contents

DIRECTORS REPORT

In accordance with a resolution of the Board, the Directors present their report on the entities consisting of Kontiki Finance Limited ("the Company") and its Subsidiaries (collectively "the Group") as at 30 June 2024.

The historical financial information included in this Directors Report has been extracted from the audited Financial Statements accompanying this Directors Report.

Information in this Directors Report is provided to enable shareholders to make an informed assessment of the operations, financial position, performance and other aspects of the Company and the Group, and whether the Company and the Group are trading as a going concern.

Principal Activities

The principal activities of the Company during the year were that of receiving deposits and extending of credit and related services. There was no significant change in the nature of these activities during the financial year.

The Company has three subsidiaries as follows:

Platinum Insurance Limited, a company incorporated in Vanuatu. The principal activity of this Subsidiary is to act as a captive insurer underwriting loan protection insurance for the Company, Kontiki Finance Limited, based in the Republic of Fiji.

Insurance Holdings (Pacific) Pte Limited, a company incorporated in Fiji. The principal activity of this subsidiary in the course of the financial year was insurance broking.

Veritas Pte Limited, a company incorporated in Fiji. The principal business activity of this subsidiary in the course of the financial year were consultancy and claim management services. The operations relating to Veritas Pte Limited was discontinued during the year.

The Company was listed on the South Pacific Stock Exchange on 4 July 2018.

Review and Results of Operations

The operating Group net profit for the year was $8,486,981 (2023: $13,933,598) after allowing for group income tax expense of $656,352 (2023: $719,671). The operating net profit of the Company for the year was $4,959,339 (2023: $11,955,984) after taking into account an income tax expense of $553,860 (2023: $600,087).

Our Purpose

Enabling people to achieve their goals and aspirations.

Our Vision 2030

To stand out as the leading financial services group providing diverse finance, investment, and insurance solutions.

Our Impact

- Improved accessibility to financial services
- Maximising investor returns, fostering prosperity through strategic growth
- Cultivating an environment where our team can thrive, innovating from within
- Enabling the availability of health outreach to disadvantaged communities

How We Do It

- Good governance
- Innovative spirit
- Maintaining efficient frontier market position(s)
- Diversity of Income

Key Statistics

Key statistics as at 30 June 2024	Group	Company
Total number of employees	206	186
Total assets	$299,665,357	$267,171,612
Total operating revenue	$52,827,471	$46,078,314
Net profit after tax	$8,589,633	$5,048,773
Total comprehensive income for the year, net of tax	$8,486,981	$4,959,339
Earnings per share	$0.09	

Bad and Doubtful Debts

Prior to the completion of the Group's and the Company's financial statements, the Directors took reasonable steps to ascertain that action had been taken in relation to writing off of bad debts and the making of provision for expected credit losses. In the opinion of Directors, adequate provision has been made for expected credit losses.

As at the date of this report, the Group and the Company are not aware of any circumstances which would render the amount written off for bad debts or the provision for expected credit losses in the Group and the Company, inadequate to any substantial extent.

Non-Current Assets

Prior to the completion of the financial statements of the Group and the Company, the Directors took reasonable steps to ascertain whether any non-current assets were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and the Company. Where necessary these assets have been written down or adequate provision has been made to bring the values of such assets to an amount that they might be expected to realise.

As at the date of this report, the Directors are not aware of any circumstances which would render the values attributed to non-current assets in the Group's and the Company's financial statements misleading.

Significant event - Discontinued Operations Veritas Pte Limited (Veritas)

Veritas Pte Limited ("Veritas"), a wholly-owned subsidiary of Kontiki Finance specializing in insurance claims processing, was classified as a discontinued operation as of 30 June 2024. This followed the decision of the Accident Compensation Commission, Fiji (ACCF) not to renew Veritas's contract for claim management services after May 2024, effectively ending Veritas's operations in June 2024.

IFRS 17 Insurance Contracts replaced IFRS 4 Insurance Contracts on accounting for insurance contracts at the start of the current accounting period on 1 July 2023. The Group has adopted IFRS 17 as at 1 July 2023.

Other Circumstances

As at the date of this report:

(i) no charge on the assets of the Group and the Company has been given since the end of the financial year to secure the liabilities of any other person;

(ii) no contingent liabilities have arisen since the end of the financial year for which the Group and the Company could become liable; and

(iii) no contingent liabilities or other liabilities of the Group and the Company has become or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and the Company to meet its obligations as and when they fall due.

As at the date of this report, the Directors are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the Group and the Company's financial statements, which would make adherence to the existing method of valuation of assets or liabilities misleading or inappropriate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by Directors shown in the financial statements) by reason of a contract made by the Group and the Company with the Director or with a firm of which he or she is a Director, or with a company in which he or she has a substantial financial interest.

Basis of Accounting

The Directors believe that the basis of the preparation of the financial statements is appropriate and the Group and the Company will be able to continue its operation for at least twelve months from the date of this report. Accordingly the Directors believe the classification and carrying amounts of assets and liabilities as stated in these financial statements are appropriate.

All related party transactions have been adequately recorded in the books of the Group and the Company.

Dividends

A final dividend of 2.5 cents per share, totaling to $2,328,756 was declared from profits for the 2023 financial year and paid in the 2024 financial year. In addition, interim dividends of 3.0 cents per share, totaling to $2,803,170 was declared and paid during the 2024 financial year.

Significant changes in the state of affairs

Except for discontinuing operations of Veritas Pte Limited, there were no significant changes in the state of affairs of the Group and the Company during the year ended 30 June 2024.

Events occurring after the end of the financial year

No matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group and the Company, the results of those operations, or the state of affairs of the Group and the Company in future financial years.

Details of Directors and Executives

The Directors of the Company during the financial period and up to the date of this report were:

Barry Trevor Whiteside (Chairman)
Chirk Hoy Yam
Glen Wilfred Craig
Griffon Ian Emose
Peter Andrew Dixon (appointed on 30 October 2023)
Desmond Eric Kearse (appointed on 30 October 2023)

Details of Directors and Executives *continued*

Details of Directors' direct and indirect shareholdings in the Company as at 30 June 2024 are shown in the table below:

Name	Position	Group	Company
Barry Trevor Whiteside	Chairman	291,783	291,783
Glen Wilfred Craig	Director	4,541,730	4,541,730
Griffon Ian Emose	Director	1,735,027	1,735,027
Desmond Eric Kearse (appointed on 30 October 2023)	Director	1,790,188	1,790,188

Board and Committee meeting attendance

Details of the number of meetings held by the Board and its Audit Committee and its Remuneration and Nominations Committee during the period ended 30 June 2024, and attendance by Board members, are set out below:

Director	Position	Board		Audit Committee		Remuneration and Nominations Committee	
		A	B	A	B	A	B
Barry Trevor Whiteside	Chairman	7	7	-	-	3	3
Chirk Hoy Yam	Member	7	6	5	5	-	-
Glen Wilfred Craig	Member	7	6	5	5	-	-
Griffon Ian Emose	Member	7	7	-	-	3	3
Peter Andrew Dixon (appointed on 30 October 2023)	Member	4	4	2	2	-	-
Desmond Eric Kearse (appointed on 30 October 2023)	Member	4	4	-	-	2	2

Column A: number of meetings held while a member
Column B: number of meetings attended

Auditor Independence

The Directors have obtained an independence declaration from the Group's auditor, Ernst & Young. A copy of the auditor's independence declaration is set out in the *Auditor's Independence Declaration to the Directors of Kontiki Finance Limited* on page 8.

Signed for and on behalf of the Board of Directors and in accordance with a resolution of the Directors.

Dated this 3 day of September 2024.

Barry Whiteside
……………………………………………
Name:

……………………………………………
Chairman

DIRECTORS DECLARATION

This Directors Declaration is required by the Companies Act 2015.

The Directors of Kontiki Finance Limited ("the Company") and its Subsidiaries (collectively "the Group") have made a resolution that declared:

a) in the Directors opinion, the financial statements and notes of the Company and the Group for the financial year ended 30 June 2024:

   i) give a true and fair view of the financial position of the Company and the Group as at 30 June 2024 and the performance of the Company and the Group for the year ended 30 June 2024;

   ii) have been made out in accordance with the Companies Act 2015;

b) they have received declarations as required by Section 395 of the Companies Act 2015; and

c) at the date of this declaration, in the Directors opinion, there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they become due and payable.

Signed for and on behalf of the Board of Directors and in accordance with a resolution of the Directors.

Dated this 3 day of September 2024.

Barry Whiteside
....
Name:

....
Chairman

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Auditor's Independence Declaration to the Directors of Kontiki Finance Limited

As lead auditor for the audit of Kontiki Finance Limited ("the Holding Company") and its subsidiaries (collectively "the Group") for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Companies Act 2015 in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Kontiki Finance Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young
Chartered Accountants

Minay Prasad
Partner

3 September 2024

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Independent Audit Report

To the members of Kontiki Finance Limited

Report on the Financial Statements

Opinion

We have audited the financial statements of Kontiki Finance Limited ("the Company") and its subsidiaries (collectively "the Group"), which comprise the statement of financial position of the Company and the Group as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and the Group as at 30 June 2024 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Other than the provision of assurance services in our capacity as auditor, we have no relationship with, or interest in, the Company or the Group. Partners and employees of our firm deal with the Company or the Group on normal terms within the ordinary course of trading activities of the business of the Company or the Group.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matters below, our description on how our audit addressed the matters is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to the key audit matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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Independent Audit Report *continued*

Key Audit Matters *continued*

Provision for credit loss (Key Audit Matter for the Company and Group)

Why significant	How our audit addressed the key audit matter
As described in Note 2.3 (d) Impairment of financial assets, Note 7 Receivable from customers and Note 25 Financial risk management, the provisions for expected credit losses ("ECL") are determined under application of IFRS 9 Financial Instruments. This was considered a key audit matter as significant judgement was involved to determine the expected credit losses. Key areas of judgement included: - the interpretation of the requirements to determine impairment under application of IFRS 9, which are reflected in the Company and the Group's expected credit loss model; - the identification of exposures with a significant deterioration in credit quality; - assumptions used in the expected credit loss model such as the financial condition of the counterparty, expected future cash flows and forward-looking macroeconomic factors (e.g. forecast gross domestic product growth) as disclosed in Note 25 Financial risk management and Note 2.3 (d) Impairment of financial assets; and - the need to apply additional overlays to reflect current or future external factors that are not otherwise appropriately captured by the expected credit loss model.	In obtaining sufficient appropriate audit evidence we: ▸ Assessed the modelling techniques and methodology used against the requirements of IFRS 9 *Financial Instruments*. ▸ Assessed and tested the design and operating effectiveness of the controls over the: – data used to determine the provision for credit loss, including transactional data captured at loan origination, ongoing internal credit quality assessments, storage of data in data warehouses and interfaces to the expected credit loss model; and – expected credit loss model, including model build and approval, ongoing monitoring/validation, model governance and mathematical accuracy. ▸ Assessed key modelling assumptions with a focus on the: – financial condition of the counterparties and expected future cashflows; and – sensitivity of the collective provisions to changes in modelling assumptions. ▸ Examined a sample of exposures and performed procedures to evaluate the: – timely identification of exposures with a significant deterioration in credit quality; and – expected loss calculation for collective provisioning. ▸ Used industry knowledge and information published by regulators and other bodies, for example recently published gross domestic product growth data, to assess the impact of market and regulatory changes on the ECL model's assumptions. ▸ Involved IT specialists in areas that required specific expertise (including data reliability and the expected credit loss model). ▸ Assessed whether the financial statement disclosures appropriately reflect the Company and the Group's exposure to credit risk.

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Independent Audit Report *continued*

Key Audit Matters *continued*

Estimation of insurance contract liabilities (Key Audit Matter for the Group only)

Why significant	How our audit addressed the key audit matter
As at 30 June 2024, the subsidiary company has recorded insurance contract liabilities, including Liability for Remaining Coverage (LRC) and Liability for Incurred Claims (LIC) of $12,059,566. The subsidiary company applied IFRS 17 *Insurance Contracts* for the first time from 1 July 2023 which replaced IFRS 4 *Insurance Contracts*. The Company has evaluated the requirements of IFRS 17 and exercised judgement to develop accounting policies and determine appropriate measurement methodologies and a resultant model in order to comply with this new standard. As explained in Note 2.2, the impact of IFRS17 was determined to be immaterial and therefore no adjustments to previously reported amounts were recorded. Details on the transition approach are disclosed within the Statement of Accounting Policies. The Group's Independent Appointed Actuary calculated the insurance contract liabilities by considering relevant models, inputs and assumptions applicable to the Group and taking account of the revised requirements of IFRS 17. LRC reflects premiums received less deferred insurance acquisition cash flows and less amounts recognised in revenue for insurance services provided and involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component. LIC comprises cash flows related to past services provided under groups of insurance contracts which have not yet been paid, including claims that have been incurred but not yet reported. The LIC balance is also inclusive of a risk adjustment and discounting. Due to the magnitude of the balances and the increased estimation uncertainty and subjectivity involved in the assessment of these reserves, in particular the ultimate total settlement amount of the insurance contract liabilities combined with the change in disclosures relating to the introduction and application of IFRS 17, we consider this to be a key audit matter. The Group's disclosures regarding insurance contract liabilities are included in Notes 16 to the financial statements.	In obtaining sufficient appropriate audit evidence we: ▸ Tested controls over the initiation, review, approval and settlement of claims across the different lines of business. ▸ Evaluated the insurance contract liabilities reported by considering the loss reports, internal policies and the assumptions made by management. ▸ Evaluated the competence, objectivity and capabilities of the Actuary appointed by management. ▸ Considered the data provided by the Group to the external Actuary on which the actuarial valuation was based and assessed the completeness and accuracy of this data. ▸ Involved our internal actuarial specialist to assess the insurance contract liabilities report prepared by the Independent Appointed Actuary and to evaluate the appropriateness of the methodologies and assumptions used in the valuation against the requirements of IFRS 17. ▸ Analysing the Company's accounting policies to evaluate their compliance with the requirements of IFRS 17. ▸ Assessed the adequacy and completeness of the disclosures in relation to insurance contract liabilities, including new disclosures required by IFRS 17, within the Notes to the Financial Statements.

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Independent Audit Report *continued*

Key Audit Matters *continued*

Valuation of goodwill (Key Audit Matter for the Group only)

Why significant	How our audit addressed the key audit matter
As detailed in note 14, the consolidated Financial Statements include $894,311 of goodwill as at 30 June 2024. In accordance with the requirements of IAS 36 Impairment of Assets, the Group performs an annual impairment assessment of goodwill to determine whether the carrying amount exceeds its recoverable amount. The recoverable amount of goodwill was estimated by calculating the value in use of the Cash Generating Unit (CGU) to which the goodwill is allocated. A value in use model requires input of several key assumptions and judgements, including estimates of future cash flow forecasts, terminal growth rates and discount rates. There is uncertainty in estimating the recoverable amount of goodwill as changes in certain assumptions can lead to significant changes in the assessment of the recoverable amount. We considered valuation of goodwill as a key audit matter due to the combination of the significance of the goodwill balance and the level of judgment, estimation and key assumptions involved in the impairment assessment process.	In obtaining sufficient appropriate audit evidence we: ▶ Assessed the appropriateness of the Group's accounting policies for measurement of goodwill. ▶ Assessed the key assumptions used in the value in use calculation, including those in respect of estimated future cash flows, terminal growth rates and discount rates. ▶ Compared forecasts to historical experience and considered them in light of our understanding of the prospects of the business from internal and external sources. ▶ Performed a sensitivity analysis, which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows to evaluate the impact on the currently estimated headroom for the CGU. ▶ Assessed the accuracy and completeness of the information produced by management, such as forecasted cashflows, which was used as the basis of the impairment assessment ▶ Checked the mathematical accuracy of the models used by management. ▶ Considered the adequacy of the Group's related disclosures in line with the requirements of relevant accounting standards.

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Independent Audit Report *continued*

Other Information

The Directors and management are responsible for other information. The other information comprises the information in the Company and the Group's Annual Report for the year ended 30 June 2024 but does not include the financial statements and the 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors and management for the Financial Statements

The Directors and management are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and for such internal control as the 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, the Directors and management are responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless the Directors and management either intend to liquidate the Company and the Group to cease operations, or have no realistic alternative but to do so.

The Directors and management are responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISA will always detect a material misstatement when it exists. Misstatement 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.

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Independent Audit Report *continued*

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 controls.

- Obtain an understanding of internal controls 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 Company's and the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Company and the Group 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Directors and management 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.

We are also required to provide the Directors and management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors and management, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Audit Report *continued*

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the requirements of the Banking Act 1995 and the Companies Act 2015 in all material respects, and:

i) we have been given all information, explanations and assistance necessary for the conduct of the audit; and

ii) the Company and the Group has kept financial records sufficient to enable the financial statements to be prepared and audited.

Ernst & Young
Ernst & Young
Chartered Accountants

Minay Prasad
Partner

3 September 2024

KONTIKI FINANCE LIMITED and its Subsidiaries
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

Continuing operations	Notes	Group 2024 $	Group 2023 $	Company 2024 $	Company 2023 $
Revenue					
Interest revenue calculated using the effective interest method	3.1	38,316,982	34,529,552	38,179,867	34,281,072
Other interest and similar income	3.2	-	-	138,970	-
Interest expense calculated using the effective interest method	4.1	(6,329,017)	(7,617,743)	(6,329,017)	(7,617,743)
Other interest and similar expense	4.2	(1,490,269)	(1,672,246)	(1,424,798)	(1,626,220)
Net interest income		30,497,696	25,239,563	30,565,022	25,037,109
Fee income	3.4	3,519,228	1,571,324	1,062,625	772,577
Net gains/(losses) on financial assets at fair value through profit or loss	3.3	-	4,997,434	-	4,882,525
Insurance revenue	16	2,424,147	2,182,000	-	-
Non-trading income	3.5	8,567,113	5,508,916	6,696,852	5,235,302
Net trading revenue		45,008,184	39,499,237	38,324,499	35,927,513
Less: Expenses					
Movements in expected credit loss	7	(14,632,587)	(8,063,203)	(14,632,587)	(8,063,203)
Personnel expenses	4.3	(11,490,791)	(9,430,839)	(10,216,854)	(9,150,028)
Depreciation of plant and equipment and right-of-use assets	13 & 18	(1,739,122)	(1,735,651)	(1,554,166)	(1,654,539)
Amortisation of intangible assets	14	(287,167)	(180,493)	(287,167)	(180,493)
Investment in subsidiary derecognised	11	-	-	(386,592)	-
Impairment of goodwill	14	(441,021)	-	-	-
Insurance service expenses	16(b)	(1,071,971)	(833,562)	-	-
Allocation of reinsurance premiums	16(b)	(62,792)	(64,303)	-	-
Other operating expenses	4.4	(6,302,298)	(4,625,430)	(5,644,500)	(4,388,684)
Total operating expenses		(36,027,749)	(24,933,481)	(32,721,866)	(23,436,947)
Operating profit before tax from continuing operations		8,980,435	14,565,756	5,602,633	12,490,566
Discontinued operations					
Profit after tax for the year from discontinued operations	2.3 (x)	265,550	-	-	-
Income tax expense	5	(656,352)	(719,671)	(553,860)	(600,087)
Net profit after tax		8,589,633	13,846,085	5,048,773	11,890,479
Other comprehensive income					
Net (losses)/gain on debt instruments at fair value through other comprehensive income		(102,652)	87,513	(89,434)	65,505
Total comprehensive income for the year, net of tax		8,486,981	13,933,598	4,959,339	11,955,984
Earnings per share	22	$0.09	$0.15		

The accompanying notes form an integral part of this Statement of Profit or Loss and Other Comprehensive Income.

KONTIKI FINANCE LIMITED and its Subsidiaries
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Note	Group 2024 $	Group 2023 $	Company 2024 $	Company 2023 $
Issued capital					
Balance at the beginning of the year		15,060,578	14,870,626	15,060,578	14,870,626
Issue of share capital	21	490,960	633,275	490,960	633,275
Share buy-back		-	(443,323)	-	(443,323)
Balance at the end of the year		15,551,538	15,060,578	15,551,538	15,060,578
Retained earnings					
Balance at the beginning of the year		25,812,047	18,471,788	20,466,882	15,082,229
Net profit after tax		8,589,633	13,846,085	5,048,773	11,890,479
Dividends	21	(5,131,926)	(6,505,826)	(5,131,926)	(6,505,826)
Balance at the end of the year		29,269,754	25,812,047	20,383,729	20,466,882
Fair value reserve					
Balance at the beginning of the year		87,513	-	65,505	-
Net change in fair value of debt instrument at FVOCI		(102,652)	87,513	(89,434)	65,505
Balance at the end of the year		(15,139)	87,513	(23,929)	65,505
Total equity		44,806,153	40,960,138	35,911,338	35,592,965

The accompanying notes form an integral part of this Statement of Changes in Equity.

KONTIKI FINANCE LIMITED and its Subsidiaries
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Notes	Group 2024 $	Group 2023 $	Company 2024 $	Company 2023 $
ASSETS					
Cash and cash equivalents	6	37,930,369	70,468,847	34,974,308	68,559,828
Financial assets at fair value through profit or loss	9	12,227,083	8,510,533	-	-
Debt financial assets at amortised cost	8	44,928,736	37,626,852	38,900,000	34,400,000
Financial assets held for trading	20	5,934,861	6,037,513	4,976,071	5,065,505
Receivable from customers	7	171,916,408	151,285,000	161,279,610	145,892,096
Prepayments and other assets	10	3,499,944	2,659,091	5,613,370	4,663,683
Investment in subsidiary	11	-	-	876,694	1,263,286
Property, plant and equipment	13	9,644,767	12,154,040	8,816,330	11,760,965
Right-of-use assets	18	1,974,055	3,737,000	1,090,242	2,665,243
Intangible assets and goodwill	14	9,440,155	1,577,737	8,545,844	242,405
Current tax asset		-	243,464	-	275,537
Reinsurance contracts held asset	16(a)	27,272	35,519	-	-
Deferred tax asset	5	2,141,707	1,061,516	2,099,143	1,018,247
Total assets		299,665,357	295,397,112	267,171,612	275,806,795
EQUITY AND LIABILITIES					
Due to customers	12	210,972,396	212,307,378	210,972,396	212,307,378
Trade and other payables	15	13,196,023	8,521,459	2,679,887	5,145,622
Employee benefit liability	17	273,682	222,224	245,255	194,175
Current tax liability		445,836	-	496,198	-
Insurance contract Liabilites	16(a)	12,059,566	9,601,961	-	-
Lease liabilities	18	2,321,701	4,193,952	1,276,538	2,976,655
Debt issued and other borrowed funds	19	15,590,000	19,590,000	15,590,000	19,590,000
Total liabilities		254,859,204	254,436,974	231,260,274	240,213,830
SHAREHOLDERS EQUITY					
Issued capital	21	15,551,538	15,060,578	15,551,538	15,060,578
Retained earnings		29,269,754	25,812,047	20,383,729	20,466,882
Fair value reserve		(15,139)	87,513	(23,929)	65,505
Total equity		44,806,153	40,960,138	35,911,338	35,592,965
TOTAL EQUITY AND LIABILITIES		299,665,357	295,397,112	267,171,612	275,806,795

The accompanying notes form an integral part of this Statement of Financial Position.

KONTIKI FINANCE LIMITED and its Subsidiaries
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Group 2024 Inflows/ (Outflows) $	Group 2023 Inflows/ (Outflows) $	Company 2024 Inflows/ (Outflows) $	Company 2023 Inflows/ (Outflows) $
Operating activities cash flows from continued operations					
Interest income received		35,916,281	33,754,194	35,918,136	33,505,714
Interest expense paid		(7,673,534)	(8,990,559)	(7,558,325)	(8,990,559)
Interest paid on lease liabilities	18	(284,722)	(299,430)	(195,491)	(253,404)
Non interest income received		8,215,475	4,809,951	5,759,477	4,007,880
Premium income received		4,892,462	4,120,968	-	-
Payments to suppliers and employees		(13,177,654)	(24,594,966)	(13,666,432)	(22,602,130)
Payments for claims		(986,431)	(945,264)	-	-
Payment of claims handling		(96,250)	(84,000)	-	-
Payment of reinsurance		(54,545)	(73,891)	-	-
Net customer loans repayments including granted		(22,924,064)	(12,372,546)	(22,924,064)	(12,372,546)
Net term deposits redeemed/(received)		(1,334,982)	38,141,038	(1,334,982)	38,141,038
Income taxes paid		(1,010,150)	(265,700)	(791,872)	(265,700)
Net cash flows from/(used in) operating activities from continued operations		1,481,886	33,199,794	(4,793,553)	31,170,293
Net cash flows from operating activities from discontinued operations	2.3(x)	358,937	-	-	-
Net cash flows from/(used in) Operating Activities		1,840,823	33,199,794	(4,793,553)	31,170,293
Investing activities					
Acquisition of property, plant and equipment	13	(2,003,087)	(5,356,225)	(1,877,651)	(5,254,018)
Proceeds from sale of plant and equipment		34,641	4,529	400	4,529
Acquisition of intangible asset	13 & 14	(15,417,808)	(4,682,630)	(15,025,330)	(4,682,630)
Proceeds from sale debt financial instruments		-	52,185,434	-	48,070,525
Placement of term deposits/disposals of debt financial instruments		(7,199,232)	(20,784,286)	(4,410,566)	(18,682,525)
Acquisition of/(net proceeds from sale of) financial asset through profit or loss		6,617	(322,962)	-	-
Dividends received	3.5	147,375	123,258	2,000,000	2,000,000
Payments for corporate bond		(4,000,000)	(410,000)	(4,000,000)	(410,000)
Acquisition of subsidiaries, net of cash acquired		-	(2,596,937)	-	(2,596,937)
Net cash flows (used in)/from investing activities from continued operations		(28,431,494)	18,160,181	(23,313,147)	18,448,944
Net cash flows from investing activities from discontinued operations	2.3(x)	16,719	-	-	-
Net cash flows (used in)/from Investing Activities		(28,414,775)	18,160,181	(23,313,147)	18,448,944
Financing activities					
Capital contribution from shareholders	21	490,960	633,275	490,960	633,275
Dividends paid	21	(5,131,926)	(6,505,826)	(5,131,926)	(6,505,826)
Principal lease payments	18	(958,442)	(654,178)	(837,854)	(583,303)
Share buy-back		-	(443,323)	-	(443,323)
Net cash flows (used in)/from financing activities from continued operations		(5,599,408)	(6,970,052)	(5,478,820)	(6,899,177)
Net cash flows used in financing activities from discontinued operations	2.3(x)	(365,118)	-	-	-
Net cash used in Financing Activities		(5,964,526)	(6,970,052)	(5,478,820)	(6,899,177)
Net (decrease)/increase in cash and cash equivalents		(32,538,478)	44,389,923	(33,585,520)	42,720,060
Cash and cash equivalents at 1 July		70,468,847	26,078,924	68,559,828	25,839,768
Cash and cash equivalents at 30 June	6	37,930,369	70,468,847	34,974,308	68,559,828

The accompanying notes form an integral part of this Statement of Cash Flows.

1. CORPORATE INFORMATION

The Financial Statements of Kontiki Finance Limited ("the Company") and its Subsidiaries (collectively "the Group") for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the Directors on 3rd September 2024. The entity owners have the power to amend the financials after issue, if applicable.

Kontiki Finance Limited is a limited liability company incorporated and domiciled in the Republic of Fiji. The principal activities of the Company are described in Note 28.

The Subsidiaries, Insurance Holdings (Pacific) Pte Limited and Veritas Pte Limited are limited liability companies incorporated and domiciled in the Republic of Fiji. The principal activities of the Companies are described in Note 28.

The Subsidiary, Platinum Insurance Limited is a limited liability company incorporated and domiciled in the Republic of Vanuatu. The principal activities of the Company are described in Note 28.

The Company was listed on the South Pacific Stock Exchange on 4 July 2018.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on a historical cost basis, except for financial assets and liabilities designated at fair value through profit or loss (FVPL) which have been measured at fair value. The financial statements are presented in Fijian dollars (FJD) and all values are rounded to the nearest dollar.

Statement of compliance

The financial statements of the Group and the Company have been drawn up in accordance with the provisions of the Banking Act 1995, Fiji Companies Act 2015 and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Separate financial statements

A separate set of accounts have been prepared for the parent entity and are presented under the columns marked "Company" in the financial statements. In these separate set of accounts, the company's investment in its subsidiaries is recorded at cost (less impairment, if any). Dividends from the subsidiaries are recognized in the profit or loss in the financial statements when the company's right to receive the dividend is established.

Presentation of financial statements

The Group presents its statement of financial position in order of liquidity based on the Group's intention and perceived ability to recover/settle the majority of assets/liabilities of the corresponding financial statement line item. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 7, Note 12 and Note 25.

Financial assets and financial liabilities are generally reported gross in the statement of financial position except when IFRS netting criteria are met.

Basis of consolidation

The Financial Statements comprise the financial statements of Kontiki Finance Limited ('the Company') and its Subsidiaries as at 30 June 2024.

The Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The Financial Statements of the Subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS *continued*

Going concern

The Group's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Group and the company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

2.1. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company and the Group's financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Estimations and assumptions

The key assumptions concerning the future and other key sources of estimation/uncertainty at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial period are discussed below:

Impairment losses on financial assets

The measurement of impairment losses under IFRS 9 across all categories of financial assets in scope requires judgement, in particular, assessment of significant increase in credit risk, measurement of lifetime expected credit losses and forward-looking assumptions. These estimates are driven by a number of factors, changes which can result in different levels of allowances.

The Group's expected credit loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Group's criteria for assessing if there has been a significant increase in credit risk (SICR), in which case allowances for financial assets should be measured on a lifetime expected credit loss (LTECL) basis;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulas and the choice of inputs.
- Determination of economic inputs, such as GDP, and their effect on probability of default (PD), exposure at default (EAD) and loss given default (LGD); and
- Management overlay on provision for expected credit loss.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

Insurance and reinsurance contracts

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, 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. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The Company disaggregates information to disclose life insurance contracts issued and reinsurance contracts issued separately. This disaggregation has been determined based on how the Company is managed.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

2.2. CHANGE IN ACCOUNTING POLICY

NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The Group applied for the first-time certain standards and amendments, which became or were effective for annual periods beginning on or after 1 July 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:
• A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
• Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

In periods in which Pillar Two legislation is (substantively) enacted but not yet effective, the amendment requires disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes including both qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period. For example:
a) Qualitative information such as how an entity is affected by Pillar Two legislation and the main jurisdictions in which exposures to Pillar Two income taxes might exist, and
b) Quantitative information such as:
• An indication of the proportion of an entity's profits that might be subject to Pillar Two income taxes and the average effective tax rate applicable to those profits; or
• An indication of how the entity's overall effective tax rate would have changed if Pillar Two legislation had been effective.

Once the legislation is effective, additional disclosures are required for the current tax expense related to Pillar Two income taxes. The requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

KFL has subsidiaries operating only in Fiji and Vanuatu with Vanuatu having zero tax. The subsidiaries subject to tax are only Fiji. The Group has determined that it will not be subject to Pillar Two taxes once the legislation becomes effective since its effective tax rate is above 15% in Fiji. Therefore, as the related Pillar Two disclosures are not required, the amendments will have no impact on the Group's consolidated financial statements at 30 June 2024.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have no impact on the Group's consolidated financial statements at 30 June 2024.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's consolidated financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the Group's consolidated financial statements.

2.2. CHANGE IN ACCOUNTING POLICY

NEW AND AMENDED STANDARDS AND INTERPRETATIONS *continued*

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts replaced IFRS 4 Insurance Contracts on accounting for insurance contracts at the start of the current accounting period on 1 July 2023.

The impact on insurance contract liabilities as at 1 July 2022 and 30 June 2023, and insurance service expense and result for the year then ended was assessed by management. As the retrospective restatement would not have a material effect on the statement of financial position at the beginning (1 July 2022) and end of the preceding period (30 June 2023), or the statement of comprehensive income during the year ended 30 June 2023, the prior period insurance service expense and result, and insurance contract liabilities have not been restated; however, disclosures have been updated to align with the requirements of IFRS 17.

The Group has restated comparative information applying the transitional provisions to IFRS 17. The nature of the changes in accounting policies can be summarised as follows:

Changes to classification and measurement
The Group has adopted the modified retrospective transition approach under IFRS 17.

IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Group.

Under IFRS 17, the Group's insurance contracts issued and reinsurance contracts held are all eligible to be measured by applying the premium allocation approach (PAA). The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

The measurement principles of PAA differ from the earned premium approach used by the Group under IFRS 4 in the following key areas:

- The liability for remaining coverage reflects premiums received less deferred insurance acquisition cash flows (if any) and less amounts recognised in revenue for insurance services provided.

- Measurement of the liability for remaining coverage includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related period of services are more than 12 months apart.

- Measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component.

- Measurement of the liability for incurred claims (previously claims outstanding and incurred-but-not reported (IBNR) claims) is determined on a discounted probability-weighted expected value basis, and includes an explicit risk adjustment for non-financial risk. The liability includes the Group's obligation to pay other incurred insurance expenses.

- Measurement of the asset for remaining coverage (reflecting reinsurance premiums paid for reinsurance held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts.

- While the measurement principles of PAA differ, the overall impact of these changes is minimal for the Group and subsidiary - the main difference is the discounting of future payments for the liability of incurred claims, which now requires an illiquidity adjustment. The duration of payments and the size of the illiquidity adjustment mean the impact is minimal.

2.2. CHANGE IN ACCOUNTING POLICY

NEW AND AMENDED STANDARDS AND INTERPRETATIONS *continued*

IFRS 17 Insurance Contracts (*continued*)

Changes to presentation and disclosure

For presentation in the statement of financial position, the Group aggregates insurance and reinsurance contracts held respectively and presents separately:

- Portfolios of insurance issued that are assets
- Portfolios of insurance issued that are liabilities
- Portfolios of reinsurance contracts held that are assets
- Portfolios of reinsurance contracts held that are liabilities

The portfolios referred to above are those established at initial recognition in accordance with IFRS 17 requirements.

The line item descriptions in the statement of comprehensive income have been changed significantly compared with last year. Previously, the Group reported the following line items:

- Premium income
- Claims expense
- Claims management expense
- Reinsurance expense
- Net movement in insurance contract liabilities

Instead, IFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expenses
- Insurance finance income or expenses
- Income or expenses from reinsurance contracts held

The Group provides disaggregated qualitative and quantitative information about:

- Amounts recognised in its financial statements from insurance contracts
- Significant judgements, and changes in those judgements, when applying the standard

Transition
On transition date, 1 July 2022, the Group, as described above, the impact of adopting IFRS 17 did not have a material effect on the statement of financial position at the beginning (1 July 2022) and end of the preceding period (30 June 2023), or the statement of comprehensive income during the year ended 30 June 2023, the prior period insurance service expense and result, and insurance contract liabilities have not been restated; however, disclosures have been updated to align with the requirements of IFRS 17.

Insurance and reinsurance contracts accounting treatment
The Group issued insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur.

Insurance contracts can also transfer financial risk. The Group issues loan protection insurance.

Level of aggregation
IFRS 17 requires a Group to determine the level of aggregation for applying its requirements. The level of aggregation for the Group is determined first by dividing the business written into portfolios. Portfolios comprise of groups of contracts with similar risks which are managed together, acknowledging that for the accounting period ending 30 June 2024, the Group only issued one type of insurance contract. Portfolios are further divided based on expected profitability at inception into three categories:

- Onerous contracts
- Contracts with no significant risk of becoming onerous
- and the remainder

2.2. CHANGE IN ACCOUNTING POLICY

NEW AND AMENDED STANDARDS AND INTERPRETATIONS *continued*

IFRS 17 Insurance Contracts (*continued*)
Insurance and reinsurance contracts accounting treatment (continued)

The Group determines that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Group considers facts and circumstances to identify whether a group of contracts are onerous based on:
- Pricing information
- Results of similar contracts it has recognised
- Environmental factors, e.g., a change in market experience or regulation

The Group divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition.

Recognition
The Group recognises groups of insurance contracts it issues from the earliest of the following:
- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there's no due date

The Group recognises groups of reinsurance contracts held it has entered into from the earlier of the following:
- The beginning of the coverage period of the group of reinsurance contracts; and
- The date the Group recognises an onerous group of underlying insurance contracts if the Group entered into the related reinsurance contract in the group of reinsurance contracts at or before that date.

Contract boundary
The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks

Or

Both of the following criteria are satisfied:

- The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio
- The pricing of the premiums up to the date when the risk are reassessed does not take into account the risks that relate to period after the reassessment date
  A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

Measurement - Premium Allocation Approach

Premium Allocation Approach (PAA) Eligibility
Subject to specified criteria, the PAA can be adopted as a simplified approach to the IFRS 17 general model.

Where the coverage period for loan protection insurance and reinsurance is one year or less it qualifies automatically for PAA. For insurance with the coverage period greater than one year, it is assessed there is no material difference in the measurement of the liability for remaining coverage between PAA and the general model, therefore, these qualify for PAA.

Liability for Remaining Coverage (LFRC), adjusted for financial risk and time value of money
Where there is no significant financing component in relation to the LFRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make any adjustment for accreditation of interest on the LFRC.

2.2. CHANGE IN ACCOUNTING POLICY

NEW AND AMENDED STANDARDS AND INTERPRETATIONS *continued*

IFRS 17 Insurance Contracts (*continued*)
Insurance and reinsurance contracts accounting treatment (continued)

Liability for Incurred Claims (LFIC), adjusted for time value of money
For incurred claims that are expected to be paid out in less than one year, no adjustment is made for the time value of money. For all claims greater than one year, the LFIC is adjusted for the time value for money.

Insurance contracts - initial measurement
The Group applied the PAA to all the insurance contracts that it issues and reinsurance contracts that it holds, as:
- The coverage period for each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary; or
- For contracts longer than one year, the Group reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general mode. In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and type of its lines of business.

For a group of contracts that is not onerous at initial recognition the Group measures the liability for remaining coverage as:
- The premiums, if any, received at initial recognition
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Group pays or receives before the group of insurance contracts is recognised.

Reinsurance contracts held - initial measurement
The Group measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

Insurance contracts - subsequent measurement
The Group measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:
- Plus premiums received in the period
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognised as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims

The Group estimates the liability for incurred claims as the fulfilment of cash flows related to incurred claims. The fulfilment of cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimate from the perspective of the Group, and include an explicit adjustment for non-financial risk (the risk adjustment). The Group does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

Reinsurance contracts held - subsequent measurement
The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

Insurance acquisition cash flows
Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

The Group recognised insurance acquisition cash flows for insurance contracts issued on or before 30 June 2024. A separate asset for insurance acquisition cash flow has been recognised for this.

2.2. CHANGE IN ACCOUNTING POLICY

NEW AND AMENDED STANDARDS AND INTERPRETATIONS *continued*

IFRS 17 Insurance Contracts (*continued*)
Insurance and reinsurance contracts accounting treatment (continued)

Insurance acquisition cash flows continued

At the end of each reporting period, the Group revises amounts of insurance acquisition cash flows allocated to groups of insurance contracts not yet recognised, to reflect the expense on the basis of passage of time.

Presentation

Insurance Revenue
The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time, but if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

Net income or expense from reinsurance contracts held
The Group presents separately on the face of the statement of profit or loss and other comprehensive income, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Group treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held, and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement of profit or loss and other comprehensive income.

2.3. SUMMARY OF ACCOUNTING POLICIES

a) Foreign currencies

The financial statements are presented in Fiji dollars (FJD), which is the Company and the Group's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance date.

All differences are taken to the statement of profit or loss and other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates when the fair value is determined.

b) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include the cost of replacing part of the property, plant and equipment when that cost is incurred, if the recognition criteria is met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss and other comprehensive income as incurred.

Depreciation is calculated on a straight line basis over the useful life of the Group's asset as follows:

	Rate
Office equipment	15%-40%
Furniture & fittings	7%-20%
Motor vehicles	18%-24%
Building	2.5%
Leasehold land	Term of lease

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income in the year the asset is derecognised.

Building on leasehold land is depreciated using the straight-line method over their estimated useful lives or the remaining period of the lease whichever is shorter. Freehold land is not depreciated.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

c) Financial instruments

Recognition and initial measurement

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

Except for loans and advances that do not have a significant financing component at initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The Group measures Cash and cash equivalents, Due to customers of financial assets, Receivables from customers and Non-listed financial assets and liabilities at amortised cost.

2.3. SUMMARY OF ACCOUNTING POLICIES *continued*

c) Financial instruments *continued*

Classification and subsequent measurement of financial assets

The financial asset is subsequently measured by one of the following methods:

- amortised cost,
- fair value through other comprehensive income (FVOCI) - debt investments,
- fair value through other comprehensive income (FVOCI) - equity investments, or
- fair value through profit or loss (FVPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group 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.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows (business model assessment); and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI test) on the principal amount outstanding.

Financial assets measured at amortised cost 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.

A debt investment is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments at fair value through other comprehensive income are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments measured at fair value through other comprehensive income are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

2.3. SUMMARY OF ACCOUNTING POLICIES *continued*

c) Financial instruments *continued*

Business model assessment

Business model assessment involves determining how financial assets are managed in order to generate cash flows. The objective of the business model is to hold assets and collect contractual cash flows. Any sales of the asset are incidental to the objective of the model. The contractual cash flow characteristics assessment involves assessing the contractual features of an instrument to determine if they give rise to cash flows that are consistent with a basic lending arrangement.

The SPPI test

Contractual cash flows are consistent with a basic lending arrangement if they represent cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI). Principal is defined as the fair value of the instrument at initial recognition. Principal may change over the life of the instrument due to repayments or amortization of premium/discount. Interest is defined as the consideration for the time value of money and the credit risk associated with the principal amount outstanding and for other basic lending risks and costs, and a profit margin. If the Group identifies any contractual features that could significantly modify the cash flows of the instrument such that they are no longer consistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

Deposits are accounted for at amortised cost. Interest on deposits, calculated using the effective interest rate method, is recognised as interest expense. Interest on borrowings is recognised using the effective interest rate method as interest expense.

Derecognition of financial assets

Derecognition due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

The Group 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 of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Modifications of financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Debt issued/dues to customers and other borrowed funds

Issued financial instruments or their components, which are not designated at fair value through profit or loss, are classified as liabilities under 'debt issued and other borrowed funds' or 'dues to customers', where the substance of the contractual arrangement results in the Company and Group having an obligation either to deliver cash or another financial asset for a fixed number of own equity shares. The components of compound financial instruments, that contain both liability and equity elements, are accounted for separately, with the equity component being assigned the residual amount after deducting from the instruments as a whole the amount separately determined as the fair value of the liability component on the date of issue.

After initial recognition, debt issued and other borrowings are subsequently measured at amortised cost using the effective interest rate method.

2.3. SUMMARY OF ACCOUNTING POLICIES *continued*

c) Financial instruments *continued*

Financial liabilities

Classification and subsequent measurement of financial liabilities

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issued funds, and costs that are an integral part of the effective interest rate (EIR). A compound financial instrument which contains both a liability and an equity component is separated at the issue date. The Group classifies all financial liabilities as subsequently measured at amortised cost.

Deposits are accounted for at amortised cost. Interest on deposits, calculated using the effective interest rate method, is recognised as interest expense. Interest on borrowings is recognised using the effective interest rate method as interest expense.

Interest bearing loans and borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs, and have not been designated as at fair value through the statement of profit or loss and other comprehensive income.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised on the statement of profit or loss and other comprehensive income when the liabilities are derecognised as well as through the amortisation process.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through the statement of profit or loss and other comprehensive income includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through the statement of profit or loss and other comprehensive income.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on liabilities held for trading are recognised on the statement of profit or loss and other comprehensive income.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. If an existing financial liability is replaced by another from the same counter-party on substantially different terms, or the terms of the existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability at fair value. The difference in the respective carrying amount of the existing liability and the new liability is recognised as a gain/loss in the statement of profit or loss and other comprehensive income.

d) Impairment of financial assets

Measurement of Expected Credit Loss (ECL)

The Group records the allowance for expected credit losses for all loans and other debt financial assets not held at FVPL, together with loan commitments in accordance with IFRS 9. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Group's policies for determining if there has been a significant increase in credit risk are set out in this note.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are probable within the 12 months after the reporting date.

2.3. SUMMARY OF ACCOUNTING POLICIES *continued*

d) Impairment of financial assets *continued*

Measurement of Expected Credit Loss (ECL) continued

LTECLs and 12mECLs are calculated on a collective basis for both the secured and unsecured portfolios. The Group's policy for grouping financial assets measured on a collective basis is explained in this note.

The Group uses an expected credit loss approach as required under IFRS 9 to measure allowance for credit losses.

This impairment model measures credit loss allowances for financial assets using a three-stage approach based on the extent of credit deterioration since origination:

- Stage 1 – 12 month ECL applies to all financial assets that have not experienced a significant increase in credit risk (SICR) since origination and are not credit impaired. Stage 1 financial assets also include financial assets where the credit risk has improved, and the asset has been reclassified from Stage 2. The ECL is computed using a 12 month probability of default (PD) and the estimated loss given default (LGD).

- Stage 2 – When a financial asset experiences a SICR subsequent to origination, but is not credit impaired, it is considered to be in Stage 2. This Stage also includes assets where the credit risk has improved, and the financial instrument has been reclassified from Stage 3. The ECL is computed using the lifetime PD that represents the probability of default occurring over the remaining estimated life of the financial asset, and the estimated LGD.

- Stage 3 – Financial assets considered credit impaired are included in this stage. Similar to Stage 2, the credit loss allowance continues to be based on the LTECL. The ECL is computed using a 100% PD and the estimated LGD.

Calculation of expected credit loss

The ECL is calculated by measuring expected cash shortfalls, discounted by the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The key elements of the ECL calculation are outlined below:

- **PD** – The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognised and is still in the portfolio.

- **EAD** – The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected draw-downs on committed facilities, and accrued interest from missed payments.

- **LGD** – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The mechanics of the ECL method are summarised below:

- Stage 1 – The 12mECL is calculated as the portion of LTECL that represents the ECL that results from default events on a financial asset that are possible within the 12 months after the reporting date. The 12mECL allowance is calculated based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by the original EIR.

- Stage 2 – When a financial asset has shown a significant increase in credit risk since origination the credit loss allowance is calculated using the LTECL. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

- Stage 3 – For financial assets considered credit-impaired, the lifetime expected credit losses is used for these loans. The method is similar to that for Stage 2 assets with the PD set at 100%.

2.3. SUMMARY OF ACCOUNTING POLICIES *continued*

d) Impairment of financial assets *continued*

Calculation of expected credit loss continued

Forward-looking information

The Group includes prospective information (such as GDP growth) in determining its expected credit loss. This information is sourced from publicly-available economic data and forecasts. The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays may be made as temporary adjustments using expert credit judgment.

Assessment of significant increase in credit risk (SICR)

The Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life of the loan. The assessment considers borrower-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking macroeconomic factors.

The common assessments for SICR include macroeconomic outlook, management judgement, and delinquency and monitoring. Forward-looking macroeconomic factors are a key component of the macroeconomic outlook. The importance and relevance of each specific macroeconomic factor depends on factors such as the type of product and the characteristics of the financial instruments. With regards to delinquency and monitoring, there is a rebuttable presumption that the credit risk of the loan has increased since initial recognition when contractual payments are more than 30 days overdue. In addition, an account is considered to have experienced a SICR when it has been extended by more than 3 months. The account is then reclassified from Stage 1 to Stage 2.

Expected life

When measuring expected credit loss, the Group considers the maximum contractual period over which the Group is exposed to credit risk. All contractual terms are considered when determining the expected life, including prepayment, and extension and rollover options. For revolving credit facilities, the expected life is estimated based on the period over which the Group is exposed to credit risk and how the credit losses are mitigated by management actions.

Presentation of allowance for credit losses in the statement of financial position:

Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the financial assets.

Definition of default

The Group considers a financial instrument to be in default as a result of one or more loss events that occurred after the date of initial recognition of the instrument and the loss event has a negative impact on the estimated future cash flows of the instrument that can be reliably estimated. This includes events that indicate:

- significant financial difficulty of the borrower;
- default or delinquency in interest or principal payments;
- high probability of the borrower entering a phase of bankruptcy or a financial reorganisation; and
- measurable decrease in the estimated future cash flows from the loan or the underlying assets that back the loan.

The Group considers that default has occurred and classifies the financial asset as impaired when it is more than 90 days past due.

The Group holds collateral for secured loans and may sell the collateral in the absence of default by the loan account holder. For the purposes of ECL calculations, the Group has taken the fair value of these collaterals to be $nil and not included the fair value of the collaterals held in the calculation of ECL.

Write-off policy

The Group writes off an impaired financial asset (and the related impairment allowance), either partially or in full, when there is no realistic prospect of recovery. Where financial assets are secured, write-off is generally after receipt of any proceeds from the realisation of security. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier. In subsequent periods, any recoveries of amounts previously written off are disclosed as other income in the statement of profit or loss and other comprehensive income.

2.3. SUMMARY OF ACCOUNTING POLICIES *continued*

e) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and cash in banks that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

f) Prepayments and other assets

Prepayments and other assets include interest receivable on loans and investments, advance payments and deposits.

In the consolidation process, related party receivables from the Subsidiaries such as insurance commission and dividends recorded in the Company's book of account are eliminated against corresponding payables recorded in the Subsidiary Company's general ledger.

g) Employee entitlements

Provision is made for annual leave estimated to be payable to employees at balance date on the basis of statutory and contractual requirements.

h) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when reimbursement is virtually certain. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

Measurement of the liability for incurred claims

Outstanding claims are assessed by reviewing individual claims and making allowance for claims incurred but not reported, foreseeable events, past experience and industry trends. They are stated in the balance sheet net of any reinsurance or other recoveries.

Provision is also made for claims liability for incurred claims based on foreseeable events, past experience and industry trends. In the current year this allowance was calculated by reviewing the total Subsidiary exposure on all policies written by the Subsidiary, by the Subsidiary's Actuary. The liability for incurred claims is determined independently by the Subsidiary's Actuary Peter Davies B.Bus.Sc., FIA, FNZSA.

i) Insurance revenue

Insurance revenue comprises amounts charged to policyholders and excludes taxes collected on behalf of statutory parties. The earned portion of premium received and receivable is recognised as revenue. Insurance revenue is recognised as earned from the date of attachment of risk, over the period related to the insurance contract in accordance with the pattern of the risk expected under the contract. The unearned portion or premiums not earned at the reporting date is recognised in the statement of financial position as insurance contract liabilities. The provision for unearned premium is verified by the Subsidiary's Actuary Peter Davies B.Bus.Sc., FIA, FNZSA.

j) Deferred acquisition cost and commissions income

The Company earned commission for bringing in insurance business for the Subsidiary Company up until 30 June 2018. The commission earned by the Company was recognised as income in its book of accounts. However, the related brokerage costs (costs associated with obtaining and recording insurance business) incurred by the Subsidiary are capitalised and amortised, consistent with the earning pattern of the related insurance premium for that business. In the consolidation process, the commission income recorded in the Company's books were eliminated against the related asset recorded in the Subsidiary Company's books.

2.3. SUMMARY OF ACCOUNTING POLICIES *continued*

k) Income tax

Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income respectively. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Detailed disclosures are provided in Note 5.

Deferred tax

Deferred income tax is provided, using the liability method, on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from goodwill amortisation or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of any unexpired tax assets and unexpired tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unexpired tax assets and unexpired tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income tax for the Subsidiary Companies

In the Republic of Vanuatu, no income taxes of any kind are payable. Veritas Pte Limited and Insurance Holdings (Pacific) Pte Limited income tax rate are calculated at 25% following legislative increase from 20%.

2.3. SUMMARY OF ACCOUNTING POLICIES *continued*

l) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statement of profit or loss and other comprehensive income in the year in which the expenditure is incurred.

The useful lives of intangible assets for the Group are assessed to be finite which is systematically amortised over its useful life from the time that it is available for use until it is derecognised.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or expected pattern of consumption in future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss and other comprehensive income in the expense category consistent with the function of the intangible assets.

Gain or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss and other comprehensive income when the asset is derecognised.

m) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost (inclusive of VAT where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the entity. Amounts payable that have been denominated in foreign currencies have been translated to local currency using the rates of exchange ruling at the end of the financial period.

n) Revenue recognition

Interest income and expense

Net interest income comprises interest income and interest expense calculated using the effective interest method. Refer to Note 3.1 and Note 4.1.

In its interest income/expense calculated using the effective interest method, the Group only includes interest on those financial instruments that are set out in Note 7, Note 8 , Note 12 and Note 19.

Other interest income/expense includes all financial assets/liabilities measured at FVPL, other than those held for trading, using the contractual interest rate.

Interest income/expense on all trading financial assets/liabilities is recognised as a part of the fair value change in Net trading income.

The Group calculates interest income on financial assets, other than those considered credit-impaired, by applying the EIR to the gross carrying amount of the financial asset.

For all financial instruments measured at amortised cost, interest income and expense is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instruments and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses. The carrying amount of the financial asset or financial liability is adjusted if the Company revised its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest income or expense.

2.3. SUMMARY OF ACCOUNTING POLICIES *continued*

n) Revenue recognition *continued*

Fee income

The Group and Company earns fee and commission income from a range of financial services it provides to its customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Group and Company expects to be entitled in exchange for providing the services.

The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract.

Insurance administrative fee

Insurance administrative fee is brought to account on an earned basis.

Underwriting activities

Revenue from underwriting activities includes revenue derived from premiums and commissions received. Revenue from underwriting activities is recognised on completion of each month's activities.

o) Impairment of non-financials assets

The Group assesses at each reporting date, or more frequently if events or changes and circumstances indicate that the carrying value of a non financial asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount, the asset (or cash generating unit) is considered impaired and is written down to its recoverable amount.

For assets an assignment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount.

p) Comparative figures

Comparative figures have been amended where necessary, for changes in presentation in the current year.

q) Earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to shareholders of the Group, excluding any costs of servicing equity other than ordinary shares, by the number of ordinary shares outstanding at the end of the financial year, adjusted for bonus elements in ordinary shares issued during the year. Refer to Note 22.

r) Dividends

Dividends are recognised as a liability and deducted from equity in the Group's financial statements when they are approved by the directors. Interim dividends are deducted from equity when they are declared and are no longer at the discretion of the Group.

s) Segment information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products and services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environment.

2.3. SUMMARY OF ACCOUNTING POLICIES *continued*

s) Segment information *continued*

(a) Geographical segment

The Company operates predominantly in Fiji and one of the Subsidiary operates in Vanuatu, therefore two geographical areas for reporting purposes. Refer to Note 31(a).

(b) Business segment

The Company and the Group operates predominantly in the financial and insurance services industry. Refer to Note 31(b).

t) Determination of fair values

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- Level 1 financial instruments − Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments − Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.
- Level 3 financial instruments − Those that include one or more unobservable inputs that is significant to the measurement as a whole.

Level 1 hierarchy of valuation is most applicable to the Group. Refer to Note 9 for details of hierarchy for valuation of financial assets at fair value through profit or loss.

u) IFRS 16 - Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The Group has lease contracts for office spaces and repossession storage yard, used in its operations. Leases of office spaces and the repossession storage yard have terms of between 1 and 8 years. The Groups obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), discounted using the incremental borrowing rate at the commencement date.

Refer to Note 18 for the right-of-use assets and lease liabilities breakdown.

2.3. SUMMARY OF ACCOUNTING POLICIES *continued*

v) Financial assets or financial liabilities held for trading

The Group classifies financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short-term profit-making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the statement of financial position at fair value.

w) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.3. SUMMARY OF ACCOUNTING POLICIES *continued*

x) Discontinued operations

Veritas Pte Limited, a wholly owned subsidiary of Kontiki Finance, specializes in insurance claims outsource processing and has been contracted to provide claim management services to the Accident Compensation Commission, Fiji (ACCF). The ACCF Interim Board announced that it would no longer require the services of Veritas Pte Limited, which had served as the Commission's claims processing agent over the years.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

The operations of Veritas Pte Limited ceased in June 2024. The financial results of Veritas Pte Limited for the year ending 30 June 2024 are presented as follows:

	Veritas Pte Limited
	$
Revenue from contracts with customers	825,561
Expenses	(470,215)
Profit/(loss) before tax from discontinued operations	355,346
Income tax expenses	(89,796)
Profit/(loss) for the year from discontinued operations	**265,550**

The major classes of assets and liabilities of Veritas Pte Limited as at 30 June 2024 are, as follows:

	Veritas Pte Limited
Assets	$
Cash and short-term deposits (Note 6)	276,110
	276,110
Liabilities	
Creditors	64,392
	64,392
Net assets directly associated with discontinued operations	**211,718**

The net cash flows incurred by Veritas Pte Limited are, as follows:

Operating	358,937
Financing	(365,118)
Investing	16,719
Net cash inflow/(outflow)	**10,538**

y) Share buyback

A share buyback is a corporate action where a company buys back its own shares from the existing shareholders, either through a tender offer or through the open market. The company may do this to reduce the number of shares outstanding, increase earnings per share, return excess cash to shareholders, or support the share price. The shares that are bought back are either cancelled or held in the company’s treasury.

The group announced the buy-back of shares under the Selective Buy-Back Program as approved at KFL’s AGM held on 27th October 2022. The Selective Buy-Back Program was not renewed at KFL's 2023 AGM, and so during the financial year, there were no shares bought back by the group under the Selective Buy-Back program.

		Group 2024	Group 2023	Company 2024	Company 2023
3.	**REVENUE**	**$**	**$**	**$**	**$**
3.1	**Interest revenue calculated using the effective interest method**				
	Debt financial assets at amortised cost	1,349,964	3,767,807	1,212,848	3,519,327
	Receivables from customers	36,967,018	30,761,745	36,967,019	30,761,745
		38,316,982	34,529,552	38,179,867	34,281,072
3.2	**Other interest and similar income**				
	Interest income shareholder advance	-	-	138,970	-
		-	-	138,970	-
3.3	**Net gains/(losses) on financial assets at fair value through profit or loss**				
	Sale of financial assets	-	52,185,434	-	48,070,525
	Debt financial assets at amortised cost	-	(47,188,000)	-	(43,188,000)
		-	4,997,434	-	4,882,525
3.4	**Fees Income**				
	Brokerage income	2,568,665	597,249	-	-
	Service income	-	225,768	-	-
	Other fees and charges	950,563	748,307	1,062,625	772,577
		3,519,228	1,571,324	1,062,625	772,577
3.5	**Non-Trading Income**				
	Unrealised gains on financial assets	3,723,491	2,147,031	-	-
	Dividend income	147,375	123,258	2,000,000	2,000,000
	Bad debts recovered	4,691,034	3,225,120	4,691,034	3,225,120
	Insurance commission	5,213	10,182	5,818	10,182
	Rental income	-	3,325	-	-
		8,567,113	5,508,916	6,696,852	5,235,302

	Group 2024	Group 2023	Company 2024	Company 2023
	$	$	$	$
4. EXPENSES				
Included in expenses are:				
4.1 Interest expense calculated using the effective interest method				
Term deposits	6,329,017	7,617,743	6,329,017	7,617,743
	6,329,017	7,617,743	6,329,017	7,617,743
4.2 Other interest and similar expense				
Debt issued and other borrowed funds	1,205,547	1,372,816	1,229,307	1,372,816
Interest expense on lease liabilities (Note 18)	284,722	299,430	195,491	253,404
	1,490,269	1,672,246	1,424,798	1,626,220
4.3 Personnel Expenses				
Salaries and wages	10,321,668	8,566,463	9,121,932	8,296,925
FNPF employer contribution	854,250	561,658	793,327	544,376
FNU Levy	95,699	88,200	92,636	87,248
Others	219,174	214,518	208,959	221,479
	11,490,791	9,430,839	10,216,854	9,150,028
4.4 Other operating expenses				
Accounting fees	128,595	63,484	116,041	71,484
Auditors remuneration	140,338	92,400	54,338	54,338
Bank charges	40,640	31,334	33,526	28,258
Directors fees and allowances	234,949	253,153	234,949	253,153
Other operating expenses	5,757,776	4,185,059	5,205,646	3,981,451
	6,302,298	4,625,430	5,644,500	4,388,684

5. INCOME TAX EXPENSE

A reconciliation between income tax expense and the product of accounting profit multiplied by the tax rate for the year ended 30 June are as follows:

	Group 2024	Group 2023	Company 2024	Company 2023
Accounting profit before income tax	8,980,435	14,565,756	5,602,633	12,490,566
Prima facie income tax on the operating profit*	915,951	1,302,957	840,395	1,255,607
Under provision from prior year caused by variation in permanent differences	-	30	-	30
Tax effect of items treated as permanent differences - current year	(315,539)	(150,564)	(342,646)	(224,282)
Change in tax rate	-	(339,416)	-	(339,416)
Tax losses utilised	-	(91,377)	-	(91,377)
Others	55,940	(1,959)	56,111	(475)
Income tax expense reported in the statement of profit and loss and other comprehensive income	656,352	719,671	553,860	600,087

5. INCOME TAX EXPENSE *continued*

* The Company's prima facie income tax was calculated at 15% of the Company's operating profit due to the Company being listed on the South Pacific Stock Exchange (SPX) in July 2018. The subsidiary company Platinum Insurance Limited is based in the Republic of Vanuatu where no income taxes of any kind are payable. Insurance Holdings (Pacific) Pte Limited and Veritas Pte Limited income tax was calculated at 25%.

	Group		Company	
	2024	2023	2024	2023
	$	$	$	$
Deferred income tax asset at 30 June relates to the following:				
Allowance for impairment losses	1,993,046	883,642	1,993,046	883,642
Accelerated depreciation for book purposes	62,153	76,445	54,653	68,592
Difference between right-of-use assets and lease liabilities	56,030	73,260	28,073	46,712
Employee benefit liability	43,895	36,140	36,788	29,127
Unrealised exchange loss	-	1,855	-	-
Financial assets held for trading	(13,417)	(9,826)	(13,417)	(9,826)
	2,141,707	1,061,516	2,099,143	1,018,247

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and at bank. Cash and cash equivalents included in the Statement of Cash Flows comprise the following amounts on the Statement of Financial Position:

Cash on hand	15,224	15,824	14,024	14,024
Cash at bank	4,815,233	15,084,394	2,136,481	13,177,175
Cash attributed to discontinued operations	276,110	-	-	-
Demand deposits	32,823,802	55,368,629	32,823,803	55,368,629
	37,930,369	70,468,847	34,974,308	68,559,828

7. RECEIVABLE FROM CUSTOMERS

Credit contracts	174,236,018	149,364,646	174,236,018	149,364,646
Hire purchase	1,177,573	3,124,881	1,177,573	3,124,881
Insurance premium	-	416,865	-	-
Trade receivables	10,636,798	4,976,039	-	-
	186,050,389	157,882,431	175,413,591	152,489,527
Less: Interest suspense	(847,007)	(706,481)	(847,007)	(706,481)
Receivables gross carrying value	185,203,382	157,175,950	174,566,584	151,783,046
Less: Allowance for ECL	(13,286,974)	(5,890,950)	(13,286,974)	(5,890,950)
Net receivable from customers	171,916,408	151,285,000	161,279,610	145,892,096

Maturity analysis

Not longer than 3 months	10,405,319	5,996,416	3,428,699	1,405,384
Longer than 3 months but not longer than 12 months	11,521,047	6,482,493	9,335,477	6,332,432
Longer than 12 months but not longer than 5 years	65,177,778	63,219,996	63,703,170	62,568,185
Longer than 5 years	98,946,245	82,183,526	98,946,245	82,183,526
	186,050,389	157,882,431	175,413,591	152,489,527

7. RECEIVABLE FROM CUSTOMERS *continued*

ECL for loans and advances to customers

As at 30 June 2024, trade receivables with an initial value of $13,286,974 (2023: $5,890,950) were impaired and provided for. Movements in the ECL is detailed below.

The following table provides information about the exposure to credit risk and ECL for receivables from customers (net of interest suspended) as at 30 June 2024 :

30 June 2024	Gross carrying value	Loss allowance	Expected weighted average loss	Credit Impaired
	$	$		
Stage 1	161,282,424	5,245,648	3.25%	No
Stage 2	7,256,449	807,365	11.13%	No
Stage 3	16,664,509	7,233,961	43.41%	Yes
	185,203,382	**13,286,974**	**7.17%**	
Overall	**185,203,382**	**13,286,974**	**7.17%**	

A reconciliation of the allowance for impairment losses for receivables from customers is as follows:

30 June 2024	Movements in ECL	Total allowance for ECL	Reconciliation of movement in expected credit loss
		$	$
Opening balance as at 1 July 2023	5,890,950	5,890,950	-
Loss allowance equal to 12m ECL/increase in provisions	4,334,646	14,969,604	5,776,891
Loss allowance equal to lifetime ECL with SICR/(write-off within the provision)	(707,425)	(7,119,371)	889,129
Loss allowance equal to lifetime ECL that are credit impaired/(write back)	3,768,803	(454,209)	7,849,375
Direct write-off	-	-	117,192
Closing balance	13,286,974	13,286,974	14,632,587

30 June 2023	Gross carrying value	Loss allowance	Expected weighted average loss rate	Credit Impaired
	$	$		
Stage 1	133,675,845	911,000	0.68%	No
Stage 2	16,021,046	1,514,790	9.45%	No
Stage 3	7,479,059	3,465,160	46.33%	Yes
Overall	**157,175,950**	**5,890,950**	**3.75%**	
	157,175,950	**5,890,950**	**3.75%**	

7. RECEIVABLE FROM CUSTOMERS *continued*

ECL for loans and advances to customers *continued*

30 June 2023	Movements in ECL	Total allowance for ECL	Reconciliation of movement in expected credit loss
	$	$	$
Opening balance as at 1 July 2022	9,598,289	9,598,289	-
Loss allowance equal to 12m ECL/increase in provisions	(178,148)	7,965,586	7,965,587
Loss allowance equal to lifetime ECL with SICR/(write-off within the provision)	(126,136)	(11,343,310)	-
Loss allowance equal to lifetime ECL that are credit impaired/(write back)	(3,403,055)	(329,615)	(329,616)
Direct write-off	-	-	427,232
Closing balance	5,890,950	5,890,950	8,063,203

Collateral security for loans and advances is mainly motor vehicles.

See Note 25 on credit risk of loans and advances, which explains how the Company manages and measures credit quality of loans and advances that are neither past due nor impaired.

	Group		Company	
	2024	2023	2024	2023
	$	$	$	$
8. DEBT FINANCIAL ASSETS AT AMORTISED COST				
Receivables due from other financial institutions	42,328,736	34,826,852	36,300,000	32,000,000
Securities held	2,600,000	2,800,000	2,600,000	2,400,000
	44,928,736	37,626,852	38,900,000	34,400,000
9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
Quoted equity shares	12,227,083	8,510,533	-	-

As at 30 June 2024, the Group had $12,227,083 of equity shares. The fair value of the equity shares is determined by reference to published price quotations in an active market.

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are carried at fair value in the financial statements.

	Carrying Amount	Fair Value			
30-Jun-24		Level 1	Level 2	Level 3	Total
Quoted equity shares	12,227,083	12,227,083	-	-	12,227,083
30-Jun-23					
Quoted equity shares	8,510,533	8,510,533	-	-	8,510,533

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**

10. PREPAYMENTS AND OTHER ASSETS

	Group 2024 $	Group 2023 $	Company 2024 $	Company 2023 $
Other debtors	2,355,104	1,520,754	2,204,035	1,375,048
Prepayments	1,144,840	1,138,337	1,351,052	1,028,568
Receivable from related party (Note 24)(b)	-	-	2,058,283	2,260,067
	3,499,944	2,659,091	5,613,370	4,663,683

11. INVESTMENT IN SUBSIDIARIES

	Group 2024 $	Group 2023 $	Company 2024 $	Company 2023 $
Shares in Subsidiary Companies:				
- Platinum Insurance Limited	-	-	215,000	215,000
- Insurance Holdings (Pacific) Pte Limited	-	-	661,694	661,694
- Veritas Pte Limited	-	-	386,592	386,592
- Investment derecognised due to discontinued operations	-	-	(386,592)	-
	-	-	876,694	1,263,286

The Company holds 100% of the ordinary shares for all these subsidiaries. The results of these subsidiaries has been consolidated in these financial statements. Veritas Pte Limited was classified as a discontinued operation and written off as at 30 June 2024.

12. DUE TO CUSTOMERS

As at year end, due to customers is as follows:

	Group 2024 $	Group 2023 $	Company 2024 $	Company 2023 $
Term deposits	210,972,396	212,307,378	210,972,396	212,307,378

Sector concentration

	Group 2024 $	Group 2023 $	Company 2024 $	Company 2023 $
Individuals	99,207,426	99,466,636	99,207,426	99,466,636
Private sector businesses	29,291,802	30,519,843	29,291,802	30,519,843
Public enterprises	39,457,492	42,616,692	39,457,492	42,616,692
Non-profit institutions	12,134,646	12,955,418	12,134,646	12,955,418
Non-bank financial institutions	30,881,030	25,248,493	30,881,030	25,248,493
Local Government	-	1,500,296	-	1,500,296
	210,972,396	212,307,378	210,972,396	212,307,378

Maturity analysis

	Group 2024 $	Group 2023 $	Company 2024 $	Company 2023 $
Not longer than 3 months	34,219,716	40,268,353	34,219,716	40,268,353
Longer than 3 months and not longer than 12 months	97,364,894	87,375,443	97,364,894	87,375,443
Longer than 12 months and not longer than 5 years	63,243,825	74,613,514	63,243,825	74,613,514
Longer than 5 years	16,143,961	10,050,068	16,143,961	10,050,068
	210,972,396	212,307,378	210,972,396	212,307,378

13. PROPERTY, PLANT AND EQUIPMENT

	Group 2024 $	Group 2023 $	Company 2024 $	Company 2023 $
Furniture and fittings				
Cost:				
At 1 July	1,303,027	1,163,023	1,241,310	1,163,023
Additions	159,431	80,187	154,824	80,187
Acquisition of a subsidiary	-	61,717	-	-
Disposals	(21,204)	(1,900)	-	(1,900)
At 30 June	1,441,254	1,303,027	1,396,134	1,241,310
Depreciation:				
At 1 July	1,066,570	897,831	1,027,091	897,831
Depreciation charge for the year	123,573	131,758	121,657	130,463
Acquisition of a subsidiary	-	38,184	-	-
Disposal	(14,265)	(1,203)	-	(1,203)
At 30 June	1,175,878	1,066,570	1,148,748	1,027,091
Net written down value as at 30 June	265,376	236,457	247,386	214,219
Office equipment				
Cost:				
At 1 July	2,498,328	1,911,157	2,154,169	1,911,157
Additions	608,735	329,761	491,426	326,719
Acquisition of a subsidiary	-	341,117	-	-
Disposal	(218,124)	(83,707)	(149,041)	(83,707)
At 30 June	2,888,939	2,498,328	2,496,554	2,154,169
Depreciation:				
At 1 July	1,844,852	1,299,284	1,512,553	1,299,284
Depreciation charge for the year	302,996	291,657	279,848	285,700
Acquisition of a subsidiary	-	326,342	-	-
Disposal	(189,976)	(72,431)	(142,038)	(72,431)
At 30 June	1,957,872	1,844,852	1,650,363	1,512,553
Net written down value as at 30 June	931,067	653,476	846,191	641,616
Motor vehicles				
Cost:				
At 1 July	1,549,107	1,015,251	1,274,151	1,015,251
Additions	68,900	358,065	68,900	258,900
Acquisition of a subsidiary	-	175,791	-	-
Disposal	(175,791)	-	-	-
At 30 June	1,442,216	1,549,107	1,343,051	1,274,151
Depreciation:				
At 1 July	1,057,604	663,907	882,302	663,907
Depreciation charge for the year	194,510	220,871	175,342	218,395
Acquisition of a subsidiary	-	172,826	-	-
Disposal	(175,132)	-	-	-
At 30 June	1,076,982	1,057,604	1,057,644	882,302
Net written down value as at 30 June	365,234	491,503	285,407	391,849

13. PROPERTY, PLANT AND EQUIPMENT *continued*

	Group 2024 $	Group 2023 $	Company 2024 $	Company 2023 $
Buildings				
Cost:				
At 1 July	3,675,838	860,835	3,549,047	860,835
Additions	1,166,021	2,688,212	1,162,501	2,688,212
Acquisition of a subsidiary	-	126,791	-	-
Disposal	(10,906)	-	-	-
At 30 June	4,830,953	3,675,838	4,711,548	3,549,047
Depreciation:				
At 1 July	87,347	11,703	62,602	11,703
Depreciation charge for the year	96,474	51,886	93,570	50,899
Acquisition of a subsidiary	-	23,758	-	-
Disposal	(4,234)	-	-	-
At 30 June	179,587	87,347	156,172	62,602
		-	-	
Net written down value as at 30 June	4,651,366	3,588,491	4,555,376	3,486,445
Leasehold land				
Cost:				
At 1 July	945,000	945,000	945,000	945,000
Additions	-	-	-	-
At 30 June	945,000	945,000	945,000	945,000
Depreciation:				
At 1 July	21,052	7,756	21,052	7,756
Depreciation charge for the year	13,296	13,296	13,296	13,296
At 30 June	34,348	21,052	34,348	21,052
Freehold land				
Cost:				
At 1 July	1,900,000	-	1,900,000	-
Additions	-	1,900,000	-	1,900,000
At 30 June	1,900,000	1,900,000	1,900,000	1,900,000
Net written down value as at 30 June	2,810,652	2,823,948	2,810,652	2,823,948
Work In Progress				
Cost:				
At 1 July	4,360,165	52,644	4,202,888	52,644
Additions	6,827,202	4,803,114	6,434,724	4,645,837
Transfers	(10,566,294)	(495,593)	(10,566,294)	(495,593)
At 30 June	621,073	4,360,165	71,318	4,202,888
Net book value as at 30 June	9,644,767	12,154,040	8,816,330	11,760,965

14. INTANGIBLE ASSETS AND GOODWILL

	Group 2024 $	Group 2023 $	Company 2024 $	Company 2023 $
Software costs				
Cost:				
At 1 July	1,729,285	1,692,491	1,729,285	1,692,491
Additions	8,590,606	36,794	8,590,606	36,794
Disposal	-	-	-	-
At 30 June	10,319,891	1,729,285	10,319,891	1,729,285
Amortisation and impairment:				
At 1 July	1,486,880	1,306,387	1,486,880	1,306,387
Amortisation	287,167	180,493	287,167	180,493
Disposal	-	-	-	-
At 30 June	1,774,047	1,486,880	1,774,047	1,486,880
Net written down value as at 30 June	8,545,844	242,405	8,545,844	242,405
Goodwill				
Cost:				
At 1 July	1,335,332	-	-	-
Acquisition of a subsidiary	-	1,335,332	-	-
Write off arising out of discontinued operations	441,021	-	-	-
At 30 June	894,311	1,335,332	-	-
Net written down value as at 30 June	9,440,155	1,577,737	8,545,844	242,405

Veritas Pte Limited was classified as a discontinued operation as at 30 June 2024. The Group decided to write off goodwill that was acquired upon acquisition.

15. TRADE AND OTHER PAYABLES

	Group 2024 $	Group 2023 $	Company 2024 $	Company 2023 $
Trade payables	9,249,612	292,561	130,556	223,320
Payable to related party (Note 24) (b)	22,083	19,416	631,993	2,871,418
Accrued and other liabilities	3,924,328	8,209,482	1,917,338	2,050,884
	13,196,023	8,521,459	2,679,887	5,145,622

Terms and conditions of the above financial liabilities are as follows:

- Trade payables are non-interest bearing and are normally settled as and when due.

16. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACTS HELD ASSETS

	2024 Assets	2024 Liabilities	2023 Assets	2023 Liabilities
Liabilities for remaining coverage	(6,794)	11,110,599	-	8,616,811
Liabilities for incurred claims	-	955,761	-	985,150
Insurance contract (assets)/liabilities	**(6,794)**	**12,066,360**	**-**	**9,601,961**
Reinsurance contracts held				
Loan protection	27,273	-	35,519	-
Total reinsurance contracts held	**27,273**	**-**	**35,519**	**-**

16. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACTS HELD ASSETS *continued*

As required by IFRS 17, premium receivables are now presented as a deduction in the liability for remaining coverage. As a result, liabilities for remaining coverage include premium receivables of FJD $287,620 (2023: FJD $416,865).

(a) Reconciliations

Reconciliation of the carrying amounts of provisions at the beginning and end of the current financial period

	Assets for insurance acquisition cash flows	Liabilities for remaining coverage	Liabilities for remaining coverage	Liabilities for incurred claims	Total
			Estimates of the present value of future cash flows	Risk Adjustment	
2024					
Loan Protection					
Insurance contract (assets)/liabilities 1 July 2023	**(29,020)**	**8,645,831**	**985,150**	**-**	**9,601,961**
Insurance revenue	-	(2,424,147)	-	-	(2,424,147)
Insurance service expenses					
Incurred claims and other expenses	-	-	973,015	-	973,015
Insurance and claims handling fees	-	33,687	62,563	-	96,250
Changes to liabilities for incurred claims	-	-	(99,606)	83,633	(15,973)
Amortisation of insurance acquisition cash flows	18,679	-	-	-	18,679
Net insurance (revenue)/expense	**18,679**	**(2,390,460)**	**935,972**	**83,633**	**(1,352,176)**
Cash flows					
Premiums received	3,548	4,888,914	-	-	4,892,462
Claims paid	-	-	(1,082,681)	-	(1,082,681)
Total cash flows	**3,548**	**4,888,914**	**(1,082,681)**	**-**	**3,809,781**
Insurance contract (assets)/liablities 30 June 2024	**(6,793)**	**11,144,285**	**838,441**	**83,633**	**12,059,566**
2023					
Loan Protection					
Insurance contract (assets)/liabilities 1 July 2022	**(90,818)**	**6,728,758**	**1,304,755**	**-**	**7,942,695**
Insurance revenue	-	(2,182,000)	-	-	(2,182,000)
Insurance service expenses					
Incurred claims and other expenses	-	-	979,468	-	979,468
Changes to liabilities for incurred claims	-	-	(269,809)	-	(269,809)
Movement to acquisition cost cash flows	39,903	-	-	-	39,903
Net insurance (revenue)/expense	**39,903**	**(2,182,000)**	**709,659**	**-**	**(1,432,438)**
Cash flows					
Premiums received	21,895	4,099,073	-	-	4,120,968
Payment of claims	-	-	(945,264)	-	(945,264)
Payment of claims handling	-	-	(84,000)	-	(84,000)
Total cash flows	**21,895**	**4,099,073**	**(1,029,264)**	**-**	**3,091,704**
Insurance contract (assets)/liabilities 30 June 2023	**(29,020)**	**8,645,831**	**985,150**	**-**	**9,601,961**

16. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACTS HELD ASSETS *continued*

(a) Reconciliations *continued*

	Assets for remaining coverage	Amounts recoverable on incurred claims	Total
2024			
Loan Protection			
Reinsurance contract assets 1 July 2023	**35,519**	**-**	**35,519**
Allocation of reinsurance premiums	(62,792)	-	(62,792)
Amounts recoverable from reinsurers for incurred claims	-	-	-
Total changes in the statement of comprehensive income	**(62,792)**	**-**	**(62,792)**
Cash flows			
Reinsurance premium paid	54,545	-	54,545
Amounts received	-	-	-
Total cash flows	**54,545**	**-**	**54,545**
Reinsurance contract assets 30 June 2024	**27,272**	**-**	**27,272**
2023			
Loan Protection			
Reinsurance contract assets 1 July 2022	**25,931**	**-**	**25,931**
Allocation of reinsurance premiums	(64,303)	-	(64,303)
Amounts recoverable from reinsurers for incurred claims	-	-	-
Total changes in the statement of comprehensive income	**(64,303)**	**-**	**(64,303)**
Cash flows			
Reinsurance premium paid	73,891	-	73,891
Amounts received	-	-	-
Total cash flows	**73,891**	**-**	**73,891**
Reinsurance contract assets 30 June 2023	**35,519**	**-**	**35,519**

(b) Insurance Contracts

	2024 $	2023 $
(i) Insurance Service Result		
Insurance revenue	**2,424,147**	**2,182,000**
Insurance service expense	**(1,071,971)**	**(833,562)**
Incurred claims and other expenses	(973,015)	(979,468)
Insurance and claims handling fees	(96,250)	(84,000)
Net movement in insurance contract liabilities	15,973	269,809
Amortisation of insurance acquisition cash flows	(18,679)	(39,903)
Insurance service result before reinsurance contracts held	**1,352,176**	**1,348,438**
Reinsurance recoveries	-	-
Outward reinsurance expense	(62,792)	(64,303)
Net expense from reinsurance contracts held	**(62,792)**	**(64,303)**
Insurance service result	**1,289,384**	**1,284,135**

16. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACTS HELD ASSETS c*ontinued*

	2024 $	2023 $
(b) Insurance Contracts *continued*		
Investment income	**4,007,971**	**2,633,677**
Interest Income	69,117	10,989
Bond Interest	67,999	237,491
Dividend	147,375	123,258
Unrealised Gain on Equities	3,723,491	2,193,096
Realised Gain on Bonds	-	114,909
Realised Loss on Equities	(11)	(46,066)
Other income and expenses	**(292,070)**	**(260,755)**
Actuary Fees	(12,554)	(14,531)
Auditors Remuneration	(73,500)	(31,128)
Bank Fees	(3,852)	(3,076)
Foreign Currency Loss	(13,381)	(16,660)
Share Purchase Fees	-	(26,374)
Share Sold Fees	(173)	(7,629)
Management Fee Expense	(90,721)	(97,899)
Local Representative Fee	(6,942)	(6,736)
Internal Audit Fee	-	8,000
Tax – Withholding Tax on Interests	(6,912)	(1,201)
Samoa Project Expense	(17,998)	-
Parking Expense	(1,821)	(574)
Depreciation	(41,217)	(41,197)
Other Income	-	3,326
Interest Expense for Lease	(22,999)	(25,076)
Operating profit before taxation	**5,005,285**	**3,657,057**
Income tax expense	-	-
Operating profit after taxation	**5,005,285**	**3,657,057**
(ii) Insurance service expense	-	-
Gross claims incurred	(973,015)	(979,468)
Net claims incurred	**(973,015)**	**(979,468)**

Investment and other income and expenses are consolidated into various line items recorded in the statement of profit or loss and other comprehensive income.

Gross incurred claims
Current year claims relate to risks borne in the current financial year. Prior year claims relate to a reassessment of the risks borne in all previous financial

(c) Liability for incurred claims

	2024 $	2023 $
Central estimate of expected present value of future payments for claims incurred	773,767	935,936
Claims payable	35,799	49,214
Risk margin	83,633	-
Claims handling costs	62,563	-
Liability for incurred claims	**955,762**	**985,150**

Platinum Insurance Limited's Actuary, Peter Davies, B.Bus.Sc, FNZSA, FI, has calculated the estimate of the outstanding claims liability as at reporting date for the company by review of historical claims data and the estimated cost of settling claims on the basis of past performance and trends.

The outstanding claims liability has been determined in accordance with IFRS 17, Insurance Contracts issued by the New Zealand External Reporting Board, and Professional Standard No. 30 of the New Zealand Society of Actuaries – Valuation of General Insurance Claims.

The Company's Actuary is satisfied as to the nature, sufficiency and accuracy of the data used to determine the outstanding claims liability. The outstanding claims liability is set at a level that is appropriate and sustainable to cover the Company's claims obligations after having regard to the prevailing market environment and prudent industry practice.

The key assumptions adopted by the Company's Actuary in calculation of the outstanding claims liability are set out below.

At the reporting date, there are no qualifications contained in the Actuarial Report.

16. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACTS HELD ASSETS *continued*

(c) Liability for incurred claims *continued*

(i) Assumptions adopted in calculation of the liability for incurred claims

Key assumptions

The following key assumptions were used by the Actuary:
- claims reporting patterns: derived from analysis of past claims experience;
- risk margin: 10.0% (30 June 2023: nil); and
- claims management allowance: 8.1% (30 June 2023: nil)

Claims reporting patterns

The claims reporting pattern assumed in the estimate of the outstanding claim liability is in line with the Company's past experience.

Risk margin

The estimate of the outstanding claims liability also includes a risk margin that relates to the inherent uncertainty in the central estimate of the future payments. Risk margins are determined on a basis that reflects the Company's business. Regard is given to the robustness of the valuation models, the reliability and volume of available data, past experience of the insurer and the industry and the characteristics of the classes of business written.

Uncertainty in claims is represented as a volatility measure in relation to the central estimate. The volatility measure is derived after consideration of statistical modelling and benchmarking to industry analysis. The measure of the volatility is referred to as the coefficient of variation, defined as the standard deviation of the distribution of future cash flows divided by the mean.

The risk margins applied to future claims payments are determined with the objective of achieving at least 75% probability of sufficiency for both the outstanding claims liability and the unexpired risk liability.

Claims management allowance

The estimate of the outstanding claims liability incorporates an allowance for the future cost of administering the claims. This allowance is determined after analysing historical claim related expenses incurred by the classes of business.

(ii) Sensitivity analysis

Generally all insurance business entered into is long term in nature. Key sensitivities relate to the reporting times, payment durations and discount rate.

The movement in any of these key variables will impact the performance and equity of the Company. The business written is long term in nature and therefore it will be more impacted by changes in assumptions over time.

The following table describes how a change in each assumption will affect the outstanding claim liability and shows an analysis of the sensitivity to the profit or loss.

Variable	**Movement**	**2024**	**2023**
Effect on profit and loss		**$**	**$**
- Payment durations	10% longer	950,268	-
- Payment durations	10% shorter	673,409	-

(d) Insurance risk

Insurance risk is the risk of fluctuations in the timing, frequency and severity of insured events and claims settlements, relative to the expectations at the time of underwriting. The risks inherent in any single insurance contract are the possibility of the insured event occurring and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, these risks are random and unpredictable. In relation to the pricing of individual insurance contracts and the determination of the level of outstanding claims provision in relation to a portfolio of insurance contracts, the principal risk is that the ultimate claims payment will exceed the carrying amount of the provision established.

16. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACTS HELD ASSETS *continued*

(d) Insurance risk *continued*

(i) Objectives in managing risks arising from insurance contracts and policies for mitigating those risks

The subsidiary manages its insurance risks through a process of ongoing identification, measurement, and monitoring subject to risk limits and other controls. This process of risk management is critical to the subsidiary profitability and Company is accountable for the risk exposures relating to their responsibilities. The subsidiary is exposed to credit risk, liquidity risk, (re)/insurance risk, market risk, claims management risk, regulatory risk and operational risk in the main. The subsidiary's Board and the parent company have ultimate oversight over these risks. The principal risk the subsidiary faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long–term claims. Therefore, the objective of the subsidiary is to ensure that sufficient reserves are available to cover these liabilities. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy. There have not been material differences between the actual claims compared with estimates recorded in the accounts.

(ii) Concentration of insurance risk

The Company is exposed to a single concentration of insurance risk, which is loan protection insurance issued to Kontiki Finance Limited's customers. The risk is managed through the use of an actuary and internal analysis as described above, and the use of a reinsurance provider.

(e) Onerous Contracts test

When using a Premium Allocation Approach (PAA) under IFRS 17, the assumption is made that business written is not onerous at initial recognition. An ongoing test is required to determine that there is no significant possibility of the contracts becoming onerous - by assessing the likelihood of changes in applicable facts and circumstances.

The value of fulfilment cashflows if the General Measurement Model were applied, is comprised of expected net future claims, expense allowance and a risk margin. The liability for remaining coverage ("Unearned Premium Reserve") is higher than the fulfilment cashflows indicating there is no significant risk of these contracts becoming onerous.

There is no significant probability of the contracts becoming onerous under the test requirements of IFRS 17.

(f) Reinsurance programme

Reinsurance programmes are structured to adequately protect the Company’s solvency and capital positions.

Reinsurance is purchased to make the Company's results less volatile by reducing the effect of large individual claims or multiple small claims.

Stop Loss Insurance was purchased on 19 January 2024. The limit of liability on the policy is up to FJD 600,000 in respect of any Ultimate Net Loss in excess of FJD 400,000 across all policies for any one occurrence. This cover insures for a catastrophic event in Fiji and is in accordance with the Insurance Act No.25 which requires cover of up to USD 250,000 to be provided.

17. EMPLOYEE BENEFIT LIABILITY

Annual leave	273,682	222,224	245,255	194,175

18. LEASES

Group as a lessee

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

As at 1 July 2023	3,737,000	3,564,141	2,665,243	3,170,323
Additions	203,924	1,140,140	254,048	402,819
Disposal of right-of-use assets	(953,107)	-	(953,107)	-
Remeasurement of right-of-use assets	(5,489)	58,902	(5,489)	47,887
Depreciation expense	(1,008,273)	(1,026,183)	(870,453)	(955,786)
As at 30 June 2024	1,974,055	3,737,000	1,090,242	2,665,243

18. <u>LEASES *continued*</u>

Group as a lessee continued

Set out below are the carrying amounts of lease liabilities and the movements during the period:

As at 1 July 2023	4,193,952	3,843,553	2,976,655	3,435,488
Additions	202,503	945,675	254,048	76,582
Disposal of lease liability	(1,110,820)	-	(1,110,820)	-
Remeasurement of lease liability	(5,492)	58,902	(5,492)	47,887
Accretion of interest	284,722	299,430	195,491	253,404
Payments	(1,243,164)	(953,608)	(1,033,344)	(836,706)
As at 30 June 2024	2,321,701	4,193,952	1,276,538	2,976,655

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	1,008,273	1,026,183	870,453	955,786
Interest expense on lease liabilities	284,722	299,430	195,491	253,404
Total amount recognised in profit or loss	1,292,995	1,325,613	1,065,944	1,209,190

The Group had total cash outflows for leases of $1,243,164 in 2024. The Company had non-cash additions to right-of-use assets and lease liabilities of $Nil during the financial period.

The ROU asset is amortised over the term of each leased asset.

	Group		Company	
	2024 $	2023 $	2024 $	2023 $
19. <u>DEBT ISSUED AND OTHER BORROWED FUNDS</u>				
Tier 2 Capital Bond	15,590,000	19,590,000	15,590,000	19,590,000

As at 30 June 2024, Kontiki Finance Limited had on issue $15.59 million worth of Tier 2 Capital Bonds with an average interest rate of 6.82% per annum, payable quarterly. The bonds have a term of 7 years and are repaid in equal annual installments over the last 5 years of the Term of the Bond (20% of the Principal amount each year from year 3 to year 7). A total sum of $4 million was repaid during the financial year.

20. <u>FINANCIAL ASSETS HELD FOR TRADING</u>

Government debt securities	5,934,861	6,037,513	4,976,071	5,065,505

As at 30 June 2024, the Group's government bond portfolio was valued at $5,934,861 ($4,976,071 for the Company).

21. <u>SHARE CAPITAL</u>

<u>Issued and paid up capital</u>

Ordinary shares fully paid	15,551,538	15,060,578	15,551,538	15,060,578

The Group has a Dividend Reinvestment Plan. Under the Plan shareholders may elect to reinvest all or part of their dividend in additional ordinary shares to be issued by the Company. The dividend reinvestment price is set at a five percent discount to the weighted average price of KFL shares traded on the SPX over the 30 days preceding the dividend announcement. A final dividend of 2.5 cents per share, totaling to $2,328,756, was declared from profits for the 2023 financial year and paid in the 2024 financial year. In addition, an interim dividend of 3.0 cents per share, totaling to $2,803,170, was declared and paid during the financial year 2024. During the year, as part of the dividend reinvestment, the Company raised share capital totaling to $490,960 (2023: $633,275) in the 2024 financial year. The total number of shares at the end of the year was 93,632,117 (2023: 93,150,247).

22. EARNINGS PER SHARE

	Group 2024 $	Group 2023 $
Profit attributable to ordinary shares for basic earnings	8,486,981	13,933,598
Weighted average ordinary shares at end of financial year	93,391,182	93,067,473
Basic earnings per share ($)	$ 0.09	$ 0.15

23. COMMITMENTS AND CONTINGENT LIABILITIES

		2024 $	2023 $
a)	Contingent liabilities	Nil	Nil
b)	Capital commitments	5,434,533	6,685,927

Capital expenditure of $5,434,533 is budgeted for the purchase of IT hardware and software, buildings, motor vehicles, office furniture, fittings and equipment and software development for the company.

24. RELATED PARTY TRANSACTIONS

(a) Directors

The names of persons who were directors of Kontiki Finance Limited at the date of this report are as follows:
Barry Trevor Whiteside (Chairman)
Chirk Hoy Yam
Glen Wilfred Craig
Griffon Ian Emose
Peter Andrew Dixon (appointed on 30 October 2023)
Desmond Eric Kearse (appointed on 30 October 2023)

	Transaction type	2024 $	2023 $
(b) Owing by/(to) related parties			
- Platinum Insurance Limited	Insurance premiums	(609,910)	(2,852,002)
- Platinum Insurance Limited	Insurance claims	349,745	362,200
- Directors	Directors fees	(22,083)	(19,416)
- Insurance Holdings (Pacific) Pte Limited	Advances	1,527,314	1,397,357
- Veritas Pte Limited	Advances	-	319,285
- Kontiki Portfolio Services Limited	Share buy-back	181,225	181,225
(c) Other related party transactions			
- Kontiki Stockbroking Pte Limited	Referral and broking fee	40,162	57,704
- Kontiki Capital Pte Limited	Advisory and managerial services	60,159	18,968
- Compensation of key management personnel	Directors fees and other benefits	235,031	253,153
	Short term employee benefits	2,814,212	2,417,964
Income			
- Platinum Insurance Limited	Dividend	2,000,000	2,000,000
- Kontiki Finance Limited	Brokerage fees	15,813	3,450
- Platinum Insurance Limited	Brokerage fees	96,250	21,000
- Insurance Holdings (Pacific) Pte Limited	Interest income	115,209	-
- Veritas Pte Limited	Interest income	23,761	-

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk is inherent in the Group and Company's activities but it is managed through a process of ongoing identification, measurement and monitoring subject to risk limits and other controls. This process of risk management is critical to the Group and the Company's profitability and each individual within the Group and Company is accountable for the risk exposures relating to their responsibilities. The Group and Company is exposed to credit risk, liquidity risk and operational risk in the main. The Asset and Liability Committee (ALCO) has oversight of liquidity risk, the Board has oversight of credit risk, and the Board Audit Committee has oversight of all other risks.

The main risk arising from the Group's financial statements are credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

Credit risk

Credit risk is the risk that the Group and Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group and Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and by monitoring exposures in relation to such limits.

Credit risk is managed through credit verification procedures. Loan receivable balances are monitored on an ongoing basis. The credit quality of customer accounts which are neither past due nor impaired is classified to be good and are expected to be recovered.

The Company has established an account review process to provide early identification of possible changes in the creditworthiness on customers. The credit quality review process allows the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

Counterparty limits for liquidity placements are established using credit agency risk ratings. Below also shows maximum exposure to credit risk of the financial assets at the end of reporting period.

	Group		Company	
	2024	**2023**	**2024**	**2023**
Cash and cash equivalents	37,930,369	70,468,847	34,974,308	68,559,828
Receivable from customers	171,916,408	151,285,000	161,279,610	145,892,096
Debt financial assets at amortised cost	44,928,736	37,626,852	38,900,000	34,400,000
Prepayments and other assets	3,499,944	2,694,610	5,613,370	4,663,683
Financial assets held for trading	5,934,861	6,037,513	4,976,071	5,065,505
Financial assets at fair value through profit or loss	12,227,083	8,510,533	-	-
	276,437,401	276,623,355	245,743,359	258,581,112

Impairment assessment

Definition of default and cure

The Group and Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Group and Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Group and Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- The borrower is in default or near default;
- The borrower requested emergency funding from the Company;
- The borrower has past due liabilities to public creditors or employees;
- The borrower is deceased;
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral;
- A material decrease in the borrower’s turnover or the loss of a major customer;
- A covenant breach not waived by the Company; and
- The debtor (or any legal entity within the debtor’s group) filing for bankruptcy application/protection.

It is the Group and the Company's policy to consider a financial instrument as ‘cured’ and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least six consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

The level of provision maintained varies according to the classification of loans in accordance with the current arrears position of the accounts. Provisions may be adjusted where there are any known difficulties in the cash flows of the customers, or infringement of the original terms of the contract.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

Credit risk *continued*

Impairment assessment continued

Individually assessed allowances

The Company and the Group determines the allowances appropriate for each individually significant loan or advance on an individual basis. Items considered when determining allowance amounts include the sustainability of the customer's business plan, its ability to improve performance once a financial difficulty has arisen, projected receipts and the expected dividend payout should bankruptcy ensue, the availability of other financial support and the reliable value of collateral and the timing of cash flows. The impairment losses are evaluated at each reporting date, unless unforeseen circumstances require earlier attention.

Collectively assessed allowance

Allowances are assessed collectively for losses on loans and advances that are not individually significant and for individually significant loans and advances where there is not yet objective evidence of individual impairment. Allowances are evaluated on each reporting date with each portfolio receiving a separate review.

Information about the Group and the Company's exposure to credit risk and ECL for receivables as at 30 June 2024 is set out in Note 7.
The summary of the Group and the Company's exposure to credit risk is as follow:

	Group		Company	
	2024	2023	2024	2023
	$	$	$	$
Stage 1 - not credit impaired and no SICR*	161,282,424	133,675,846	150,645,625	128,282,942
Stage 2 - SICR but not credit impaired	7,256,449	16,021,045	7,256,449	16,021,045
Stage 3 - Credit impaired	16,664,509	7,479,059	16,664,509	7,479,059
Gross Credit Exposure	185,203,382	157,175,950	174,566,583	151,783,046
Less: allowance for ECL/impairment losses	(13,286,974)	(5,890,950)	(13,286,974)	(5,890,950)
Net Credit Exposure	171,916,408	151,285,000	161,279,609	145,892,096

*Stage 1 for Group includes trade receivables relating to IHL amounting to $10,636,798 (2023: $4,976,039).

Credit risk concentration

Credit risk concentration is determined based on the industry for which the loan is given. An analysis of concentrations of credit risk from loans and advances is shown below:

	Group		Company	
	2024	2023	2024	2023
	$	$	$	$
Individuals	168,520,924	136,783,783	157,884,126	131,807,744
Professional and business services	6,331,203	8,606,523	6,331,203	8,606,523
Agriculture	3,846,060	3,476,827	3,846,060	3,476,827
Building and construction	4,511,361	4,802,704	4,511,361	4,802,704
Transport, communication and storage	2,840,841	3,795,729	2,840,841	3,795,729
	186,050,389	157,465,566	175,413,591	152,489,527
Insurance premium receivable	-	416,865	-	-
	186,050,389	157,882,431	175,413,591	152,489,527

The principal risk the subsidiary company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long–term claims. Therefore, the objective of the subsidiary company is to ensure that sufficient reserves are available to cover these liabilities. The subsidiary company manages this risk by having reinsurance placed with counterparties that have a good credit rating that are subject to regular reviews. The concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the Board and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy. There has not been material differences between the actual claims compared with estimates recorded in the accounts.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

Liquidity risk

Liquidity risk is the risk that the Group and Company will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management aims to match the maturity profile of its term deposit base so as to as closely as possible match that of the loan portfolio. Management also manages liquidity placements so as to ensure adequate liquidity at all times. Cash flows and liquidity are monitored on a daily basis. This incorporates an assessment of expected cash flows and the availability of maturing liquidity placements to provide additional funding if required.

Maturity analysis of financial assets and liabilities

The table below shows the financial assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Group and Company uses the same basis of expected repayment behavior that was used for estimating the EIR.

30 June 2024

ASSETS	**Less than 3 months**	**3 -12 months**	**12 months - 5 years**	**More than 5 Years**	**Total**
Cash and cash equivalents	37,930,369	-	-	-	37,930,369
Financial assets at fair value through profit or loss	12,227,083	-	-	-	12,227,083
Debt financial assets at amortised cost	26,000,000	13,928,736	5,000,000	-	44,928,736
Financial assets held for trading	5,934,861	-	-	-	5,934,861
Receivable from customers	10,405,319	11,521,047	65,177,778	98,946,245	186,050,389
EQUITY AND LIABILITIES					
Due to customers	34,219,716	97,364,894	63,243,825	16,143,961	210,972,396
Trade and other payables	13,196,023	-	-	-	13,196,023
Employee benefit liability	273,682	-	-	-	273,682
Insurance contract liabilities	1,097,998	2,071,915	7,409,674	1,479,979	12,059,566
Debt issued and other borrowed funds	1,590,000	6,410,000	7,590,000	-	15,590,000
Lease liabilities	157,448	569,986	1,047,095	547,172	2,321,701

30 June 2023

ASSETS	**Less than 3 months**	**3 -12 months**	**12 months - 5 years**	**More than 5 Years**	**Total**
Cash and cash equivalents	70,468,847	-	-	-	70,468,847
Financial assets at fair value through profit or loss	8,510,533	-	-	-	8,510,533
Financial assets held for trading	15,000,000	8,876,852	12,150,000	1,600,000	37,626,852
Debt financial assets at amortised cost	6,037,513	-	-	-	6,037,513
Receivable from customers	5,996,416	6,482,493	63,219,996	82,183,526	157,882,431
EQUITY AND LIABILITIES					
Due to customers	40,268,353	87,375,443	74,613,514	10,050,068	212,307,378
Trade and other payables	8,075,574	-	-	-	8,075,574
Employee benefit liability	222,224	-	-	-	222,224
Insurance contract liabilities	380,582	1,736,800	5,718,570	1,226,744	9,062,696
Debt issued and other borrowed funds	1,590,000	6,410,000	11,590,000	-	19,590,000
Lease liabilities	359,315	777,336	2,484,277	573,024	4,193,952

Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud and external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial crisis. The Group cannot expect to eliminate all operational risk, but through a control framework and by monitoring and responding to potential risks, the Group is able to manage risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, including use of internal audit.

26. CAPITAL MANAGEMENT

The primary objectives of the Group and the Group's capital management policy are to maintain adequate capital to ensure compliance with regulatory capital requirements, to support the growth of its business, and to maximise shareholder value.

The Group and the Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group and the Company may adjust the dividend paid to shareholders, raise capital, or return capital to shareholders.

Capital management is under constant review by the Board.

Regulatory capital	**Company**	
	2024	**2023**
Tier 1	24,707,658	25,853,055
Tier 2	16,236,341	21,269,323
Total capital	40,943,999	47,122,378
Risk weighted assets	201,156,675	186,289,889
Tier 1 capital ratio	12%	14%
Total capital ratio	20%	25%

Under its license conditions with the Reserve Bank of Fiji (RBF), the Company is required to maintain a minimum of 15% of risk weighted assets in total capital at any point in time.

Regulatory capital consists of Tier 1 capital, which comprises of share capital, retained earnings less deferred tax asset and intangible assets. The other component of regulatory capital is Tier 2 capital, which is made up of unaudited current year profit, Tier 2 Capital Bonds and credit loss reserve less deferred tax asset or 1.25% of risk weighted assets (whichever is lesser).

27. SIGNIFICANT EVENT - DISCONTINUED OPERATIONS VERITAS PTE LIMITED (VERITAS)

Veritas Private Limited ("Veritas"), a wholly-owned subsidiary of Kontiki Finance specializing in insurance claims processing, was classified as a discontinued operation as of 30 June 2024. This followed the decision of the Accident Compensation Commission, Fiji (ACCF) not to renew Veritas's contract for claim management services after May 2024, effectively ending Veritas's operations in June 2024.

IFRS 17 Insurance Contracts replaced IFRS 4 Insurance Contracts on accounting for insurance contracts at the start of the current accounting period on 1 July 2023. The Group has adopted IFRS 17 as at 1 July 2023.

28. PRINCIPAL BUSINESS ACTIVITY

The principal activities of the Company during the year were that of receiving deposits and extending of credit and related services. There was no significant change in the nature of this activity during the financial period.

The Company has a Subsidiary Company in Vanuatu, Platinum Insurance Limited. The principal activity of the Subsidiary is to act as a captive insurer underwriting loan protection insurance for its parent Company, Kontiki Finance Limited, based in the Republic of Fiji.

The principal activity of the Insurance Holdings (Pacific) Pte Limited during the financial year was insurance broking.

The principal activity of Veritas Pte Limited were consultancy and claim management services.

29. COMPANY DETAILS

Registered office

Level 5 Tappoo City Building
GPO Box 12508
Suva

The Company is a limited liability Company domiciled and incorporated in the Republic of Fiji.

The Company is listed on the South Pacific Stock Exchange.

Places of business

The places of business are located at: Suva, Lautoka and Labasa.

Number of employees at the end of the year

	Group	
	2024	**2023**
Executive	5	4
Finance	40	39
Products and distribution	94	85
Lending and compliance	39	45
Insurance broking	20	23
Others	8	9
	206	205

All employees are employed by the Company and its Subsidiaries Veritas Pte Limited and Insurance Holdings (Pacific) Pte Limited.

30. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

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

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
• What is meant by a right to defer settlement;
• That a right to defer must exist at the end of the reporting period;
• That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The amendments are not expected to have a material impact on the Group's financial statements.

30. STANDARDS ISSUED BUT NOT YET EFFECTIVE *continued*

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

31. SEGMENT INFORMATION

The Directors have examined the Group's performance both from a business and a geographic perspective and have identified four segments of its business:

- Finance business located in Fiji, receiving deposits and extending of credit and related services; and
- Captive insurance business located in Vanuatu, underwriting of loan protection insurance for the finance business.
- Insurance business located in Fiji, act as a insurance broker.
- Insurance business located in Fiji, providing consultancy and claim management services.

31. SEGMENT INFORMATION *continued*

(a) Geographic Segments

The Group operates in the geographical segments of Fiji and Vanuatu and the activities are mentioned in Note 31(b).

2024 Revenue	Fiji $	Vanuatu $	Inter Segment $	Total $
Interest revenue calculated using the effective interest method	38,179,867	137,115	-	38,316,982
Other interest and similar income	138,970	-	(138,970)	-
Interest expense calculated using the effective interest method	(6,329,017)	-	-	(6,329,017)
Other Interest and similar expense	(1,606,240)	(22,999)	138,970	(1,490,269)
Net interest income	30,383,580	114,116	-	30,497,696
Fee income	3,519,228	-	-	3,519,228
Insurance revenue	-	2,424,147	-	2,424,147
Non-trading income	6,696,852	3,870,261	(2,000,000)	8,567,113
Total revenue	40,599,660	6,408,524	(2,000,000)	45,008,184
Less: expenses				
Movements in expected credit loss	(14,632,587)	-	-	(14,632,587)
Personnel Expenses	(11,490,791)	-	-	(11,490,791)
Depreciation of property, plant and equipment	(1,697,905)	(41,217)	-	(1,739,122)
Amortisation of intangible assets	(287,167)	-	-	(287,167)
Impairment of goodwill	(441,021)	-	-	(441,021)
Insurance service expense		(1,071,971)		(1,071,971)
Allocation of reinsurance premiums	-	(62,792)	-	(62,792)
Other operating expenses	(6,209,928)	(227,259)	134,889	(6,302,298)
Total operating expenses	(34,759,399)	(1,403,239)	134,889	(36,027,749)
Operating profit before tax	5,840,261	5,005,285	(1,865,111)	8,980,435
Profit before tax				
Income tax expense	(656,352)	-	-	(656,352)
Net profit after tax	5,183,909	5,005,285	(1,865,111)	8,324,082
Total assets	281,219,492	20,882,135	(2,712,380)	299,389,247
Total liabilities	244,756,452	12,543,859	(2,505,499)	254,794,812
Cash flows from operating activities	(2,012,533)	3,494,419	-	1,481,886
Cash flows from investing activities	(25,676,508)	(2,754,986)	-	(28,431,494)
Cash flows used in financing activities	(5,539,898)	(59,510)	-	(5,599,408)

The Group has classified Veritas Pte Limited as a discontinued operation in 2024. IFRS 8 Operating Segments does not provide guidance as to whether segment disclosures apply to discontinued operations. Although the disposed segment is material, the Group has not disclosed the results within the segment disclosures under IFRS 8. IFRS 5.5B states that the requirements of other standards do not apply to discontinued operations, unless they specify disclosures applicable to them. Since IFRS 8 does not refer to discontinued operations, entities are not required to include them as a reportable segment.

31. SEGMENT INFORMATION *continued*

2023 **Revenue**	**Fiji** **$**	**Vanuatu** **$**	**Inter Segment** **$**	**Total** **$**
Interest revenue calculated using the effective interest method	34,281,072	248,480	-	34,529,552
Interest expense calculated using the effective interest method	(7,617,743)	-	-	(7,617,743)
Other Interest and similar expense	(1,647,170)	(25,076)	-	(1,672,246)
Net interest income	25,016,159	223,404	-	25,239,563
Fee income	1,571,324	-	-	1,571,324
Insurance revenue	-	2,182,000	-	2,182,000
Net gains/(losses) on financial assets at fair value through profit or loss	4,882,525	114,909	-	4,997,434
Non-trading income	5,235,302	2,273,614	(2,000,000)	5,508,916
Total revenue	36,705,310	4,793,927	(2,000,000)	39,499,237
Less: expenses				
Movements in allowance for impairment losses	(8,063,203)	-	-	(8,063,203)
Personnel Expenses	(9,430,839)	-	-	(9,430,839)
Depreciation of property, plant and equipment	(1,694,454)	(41,197)	-	(1,735,651)
Amortisation of intangible assets	(180,493)	-	-	(180,493)
Insurance service expenses	-	(833,562)	-	(833,562)
Allocation of reinsurance premiums	-	(64,303)	-	(64,303)
Other operating expenses	(5,953,033)	(197,806)	86,068	(6,064,771)
Total operating expenses	(25,322,022)	(1,136,868)	86,068	(26,372,822)
Operating profit before tax	11,383,289	3,657,059	(1,913,932)	13,126,415
Profit before tax				
Income tax expense	(719,671)	-	-	(719,671)
Net profit after tax	12,102,959	3,657,059	(1,913,932)	13,846,085
Total assets	284,277,630	15,895,559	(4,776,077)	295,397,112
Total liabilities	248,489,021	10,549,350	(4,601,397)	254,436,974
Cash flows from operating activities	30,536,744	2,663,050	-	33,199,794
Cash flows from investing activities	20,992,748	(2,832,567)	-	18,160,181
Cash flows used in financing activities	(6,932,086)	(37,966)	-	(6,970,052)

31. SEGMENT INFORMATION *continued*

(b) Business Segment

The following summary describes the operations of each business segment.

Business segments	Operations
Finance	Receiving deposits and extending of credit and related services
Insurance	Underwriting of loan protection insurance
Broking	Insurance broking
Claim management services	Consultancy and claim management services.

32. EVENTS OCCURRING AFTER THE END OF THE FINANCIAL PERIOD

No matter or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group and the Company, the results of those operations, or the state of affairs of the Group and the Company in future financial periods.