ELECTRIC POWER CORPORATION

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Apia
Samoa

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PO Box: 2011

Auapa'au Mulipola Aloitafua
Fofoga Fetalai
Fono Aoao Faitulafono a Samoa
MULINUU

Afioga e,

I le ava tele, ou tuuina atu lenei Lipoti Faale-tausaga a le Faalapotopotoga o le Malosiaga Faa-eletise, mo le tausaga na faaiuina i le aso 30 Iuni 2025, i luma o le Fono Aoao Faitulafono a Samoa. O lenei Lipoti ua maea ona suesueina e Suetusi ma ua aloaia vaega uma ma le faatalanoaina.

E momoli pea le faafetai tele e Komiti Fatonu, Pulega ma le Aufaigaluega atoa mo galulue punouai lenei tausaga faa-le-tupe.

Ma le fa'aaloalo,

Toelupe Mapiautele Poumulinuku Onesemo
SUI PALEMIA/MINISITA FAALAPOTOPOTOGA O ELETISE SAMOA

Vision 2025
To be a sustainable electricity provider in the Region

Immediate Vision
Increase access by all people of Samoa to quality and affordable electricity supply

Mission
To provide and maintain quality electricity and customer service through innovative, sustainable and climate resilient infrastructure, in partnership with customers and stakeholders to support the development of Samoa.

STREET ADDRESS
Level 5 – Tui Atua Tupua Tamasese Efi Building, SOGI, APIA.

POSTAL ADDRESS
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FOR MORE INFORMATION
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BOARD OF DIRECTORS
Leasi Tuiletufuga Galuvao Vainalepa
Ioane Galuvao
CHAIRMAN

DIRECTORS
Asi Sagagauatasi Keve Tunupopo
Alo Lomitusi Pilimase Tyrell
Lilomaiava Filifilia Iosefa
Tapuala Letoa Ulupale Fuimaono

Finance, Audit & Risk Committee
Chair – Lilomaiava Filifilia Iosefa
Member- Tapuala Letoa Ulupale Fuimaono
Independent member- Mulitalo Lealali Mapu Mulitalo

Fesola'i Faumui Tauiliili Iese Toimoana
GENERAL MANAGER
Ex-Officio

MANAGEMENT

Fesola'i Faumui Tauiliili Iese Toimoana
General Manager

Magele Siu Fanolua
Chief Engineer Power Generation

Tupa'i Latuselu Posi
Chief Engineer Distribution & Utilization

Chris Fruean
Chief Engineer Quality Assurance & Development

Afamasaga Victor Elia Afamasaga
Chief Engineer National Control & Dispatching Centre

Asiata Alfred Lewer
Manager Savaii Operations

Palelēmafuta Sofia Silipa
Manager Finance & Commerce

Toiaivao Jason Hisatake
Manager Corporate Governance

Fesola'i Edwin Ulberg
Manager ICT

Tofilau Alex Stanley
Manager Legal Services

Maiava Faleoo Matoka
Manager Internal Audit & Investigation

CHAIRMAN'S REMARKS

The Board of Directors and the Management of the Electric Power Corporation hereby present the Corporation's forty third's (43rd) Annual Report for the financial year ending 30th June 2025.

Financial Performance

The Corporation ended the financial year with a total net profit of $6.9 million, marking a strong turnaround of 296% compared to the net loss of $3.5 million recorded in 2024. This improvement reflects effective cost management, higher revenue collections, and the full financial year of the normalization of tariff structure for all non domestic consumers following Government policy changes.

Athough the removal of the 20% reduction in tariffs in July & November 2023-2024 for all non domestic consumers was the main drive for this financial year's success, management's efforts was commendable in the utilization of resources sustainably, consistent financial controls, and in navigating the impact of the increases in the cost of all materials for operations.

Renewables

The continuous efforts by the Corporation to increase the diversity of renewable energy generation sources, will contribute to lowering the costs of electricity for the people of Samoa and for EPC to meet the increase of overall energy demand.

Electricity production at the end of the financial year reached a total of 221,510,405 kWh, a 3% increase compared to 214,707,698 kWh in the previous year. Total diesel production increased by 3% from 150,855,866 kWh in the previous year to 155,445,958 kWh . Total renewable energy production also increased by 3% from 63,851,832 kWh the last FY to 66,064,447kWh, primarily due to increase in solar production for Upolu and recorded another 30% overall RE contribution, which is the same level as the previous financial year.

For the reported year, hydro remains the largest contributor to overall renewable energy at 70%, and accounts for 20% of total EPC energy generation.

Independent Power Producers (IPPs)

Independent Power Producers (IPP) produced 19.6 million KWh of solar PV, a slight increase in output over the year. Although solar renewable energy (RE) offers EPC and its client's long-term and sustainable generation, EPC is currently reviewing the Power Purchase Agreement (PPA) business model to identify better cost synergies that will guarantee sustainability. Because of this, EPC has made large investments in its own renewable energy procurement, which is detailed below and is anticipated to move forward once government approval is granted.

Renewable Energy Developments

The Electric Power Corporation is determined to develop more renewable energy sources in partnership with the Private Sector (IPP) through Power Purchase Agreements (PPA). Private capital is globally observed as key to meeting the energy transition and climate change targets, and offers many benefits to the EPC – not limited to creating a competitive feed-in-tariff market, offsetting project capital from utility, and offsetting Operating & Maintenance costs from the utility. The National Energy Coordination Committee (NECC) and Cabinet Development Committee (CDC) have endorsed and approved, respectively, six (6) new renewable energy expansion projects totaling to over 25% contribution to annual energy production. All six projects are targeted to start construction stages by the end of year 2025

Governance

As part of its obligations as a state-owned enterprise, the Corporation completed its Annual Report 2023-2024 in October 2024, as well as timely submission of Quarterly Reports for the financial year to the Ministry of Public Enterprise for review. Throughout the year, twelve (12) regular board meetings were completed. Due to government administration reshuffling the Annual Report FY23-24 is yet to be tabled at Parliament and is awaiting Cabinet consideration.

Closing remarks

On behalf of the Corporation's Board of Directors, I would like to thank the Government of Samoa for its support, the Corporation's management and staff for their never ending commitment to serve Samoa, our development partners and stakeholders who have contributed to EPC's significant network infrastructure and operational improvements, and especially to all our customers for their support during the Financial Year 2024-2025. We look forward to continuing to improve our services to ensure we can serve our Samoan people better.

Ma lo'u faaaloalo tele,

Leasi Tuiletufuga Galuvao Vainalepa Ioane Galuvao

Chairman
EPC Board of Directors

GENERAL MANAGER'S REPORT

I am pleased to present the Electric Power Corporation's 43rd Annual Report, prepared in compliance with the Public Bodies (Performance and Accountability) Act 2001. This report provides an overview of EPC's principal activities and financial results for the fiscal year ending June 30, 2025. The period under reporting phase was one of both challenge and transformation for the Electric Power Corporation. Samoa faced a severe power crisis on Upolu in early 2025, which tested the resilience of EPC's systems and the commitment of its staff. Through decisive emergency actions, strengthened donor partnerships, and accelerated project delivery, EPC not only stabilized electricity supply but also advanced the foundation of Samoa's energy transition.

The following section highlights the major initiatives commenced, progressed, and completed during FY 2024–2025. These collectively represent EPC's resilience during crisis and its readiness for the future.

Highlights

ADB Energy Sector Partnership and Aide-Mémoire

In May 2025, EPC and the Government of Samoa concluded a landmark Aide-Mémoire with the Asian Development Bank (ADB) during its consultation mission to Apia. This agreement represents EPC's most substantial donor engagement since the Power Sector Expansion Project in 2007 and sets the direction for Samoa's energy sector over the coming decade. The mission endorsed the EPC Energy Transition Master Plan 2024–2034, confirming alignment on a capital investment program valued at USD 85.5 million. This program will deliver essential upgrades to Samoa's national grid, including major transmission line reinforcements, substation transformer expansions, and the deployment of advanced control systems such as SCADA and Energy Management Systems. These investments are critical to ensure the secure integration of more than 75 MW of new renewable capacity, while also strengthening EPC's resilience to future crises like the March-April 2025 state of emergency.

The Aide-Mémoire also reinforced the role of Independent Power Producers (IPPs) in Samoa's renewable energy future, with projects such as the Fiaga 25 MW Solar + 25 MWh BESS, Salelologa Solar + BESS, and Tiavea Solar + BESS now prioritized for delivery. Importantly, ADB committed not only to sovereign financing for grid modernization but also to transaction advisory services for EPC, ensuring that procurement processes, power purchase agreements, and investor engagement meet international standards. By the close of FY 2024–2025, more than USD 1.5 million in ADB technical assistance had already been mobilized to support project preparation, positioning EPC to launch competitive procurement in FY 2026. This renewed partnership with ADB provides Samoa with both the financial means and the technical pathway to achieve its national target of 70% renewable electricity by 2030, while strengthening EPC's role as the central driver of the country's energy transition.

Expanded Involvement in UNDP CAP-IT / Pacific GX Project

EPC deepened its role in the UNDP Climate Action Pathways for Island Transport (CAP-IT) / Pacific GX program, ensuring transport electrification is integrated with EPC's grid planning and tariff structures. EPC prepared to assume O&M of public EV charging stations post-handover, excluding government-managed sites, and contributed to planning for fleet electrification, maritime decarbornization, and EV charging integration. This positions EPC as a central actor in Samoa's transport-energy nexus.

JICA Project for Energy Transition in the Pacific Island Countries

EPC actively engaged in JICA's regional energy transition program, structured around four working groups:

- WG1: Generation & transmission planning, ensuring EPC's supply mix balances renewables and firm capacity.
- WG2: Transmission & distribution planning, focusing on grid reliability and voltage control.
- WG3: Hybrid systems, improving diesel-renewable integration.
- WG4: Capacity building, training EPC staff through Japan and Fiji placements.

This project strengthens EPC's technical planning, operational resilience, and human capacity in managing a high-renewables system.

Expanded Involvement in UNDP CAP-IT / Pacific GX Project

During the year, EPC deepened its role in the UNDP Climate Action Pathways for Island Transport (CAP-IT) and Pacific Green Transformation (GX) initiatives, both of which are central to Samoa's broader decarbonisation agenda. These projects, funded through international partners and coordinated with the Government of Samoa, focus on electrifying land and maritime transport, deploying public charging infrastructure, and piloting innovative clean transport solutions. EPC's involvement has been critical in ensuring that the expansion of electric mobility is planned and managed in close alignment with the electricity grid, rather than as a stand-alone initiative.

A key milestone of this reporting period was EPC's formal commitment to assume operations and maintenance of the public EV charging stations once handed over under the CAP-IT project. This responsibility places EPC at the center of Samoa's emerging electric mobility ecosystem, where it can ensure charging facilities are reliable, integrated into EPC's billing and metering systems, and supported by renewable energy generation. Beyond the technical role, EPC has also contributed to policy discussions under the Pacific GX framework, particularly in areas of tariff design, demand forecasting, and system readiness for electrified transport. By embedding itself in these programs, EPC has positioned the Corporation not only as a power utility but also as a partner in national transport decarbonisation. This creates new opportunities for EPC to diversify its services, strengthen its renewable integration strategy, and directly contribute to Samoa's nationally determined contributions under the Paris Agreement.

JICA Project for Energy Transition in the Pacific Island Countries – Knowledge Exchange Programs

EPC also strengthened its partnership with the Government of Japan through its involvement in the JICA-led Project for Energy Transition in the Pacific Island Countries. This initiative is a multi-year technical cooperation program that brings together regional utilities to address the challenges of integrating high shares of renewable energy. For EPC, the project has been instrumental in providing both long-term planning tools and hands-on technical support to prepare the Corporation for the next stage of Samoa's energy transition.

The project is structured into four specialist working groups, each of which tackles a different dimension of energy system management. The first group focuses on generation and transmission planning, helping EPC to forecast demand and balance solar, hydro, diesel, and battery resources in the most stable and cost-effective way. The second group is dedicated to transmission and distribution grid planning, where the emphasis is on strengthening EPC's grid against fluctuations from variable renewable energy and ensuring reliable delivery of electricity to customers. The third group examines hybrid power generation, with a particular focus on remote and mixed systems where diesel and renewable sources must be combined more intelligently to reduce fuel dependence. Finally, the fourth group works on capacity building and human resource development, offering training workshops, technical exchanges, and opportunities for EPC staff to participate in programs in Fiji and Japan.

By engaging across all four groups, EPC has gained access to international expertise while also building up its internal capabilities. This partnership ensures that Samoa's transition to a renewable-rich power system will be supported by sound planning, robust infrastructure, and a workforce equipped with the right knowledge and skills. The JICA project therefore serves not only as technical assistance, but also as a long-term investment in EPC's institutional resilience and readiness to lead Samoa's energy transition

Upolu Energy Crisis Mitigation

One of the defining challenges of this reporting year was the power crisis on Upolu, which led to the declaration of a 30-day state of emergency between March and April 2025. The crisis, triggered by a major fault in transmission infrastructure, unplanned generator outages, and rising demand, placed unprecedented pressure on Samoa's electricity system. For EPC, this was a moment that demanded urgent and decisive action to safeguard national supply, protect communities, and maintain confidence in the country's economic and social stability.

In response, EPC undertook a series of critical interventions. Foremost among these was the deployment of six 1.25 MVA Aggreko rental generators at Fuluasou, which were brought into operation in April 2025 to stabilize supply. These rentals were not a luxury but a necessity - a strategic stopgap to ensure Samoa avoided extended outages and had sufficient reserve margin while permanent solutions were being advanced. At the same time, EPC accelerated preparations for the Fiaga diesel plant overhaul, scheduled from July 2026 to July 2027, with strong Government support ensuring access to MHIET expertise despite EPC's financial constraints.

These combined actions restored stability to Samoa's electricity system and demonstrated EPC's capacity to manage crises under extraordinary circumstances. While costly, the rentals and emergency measures bought the Corporation time to proceed with its long-term investment program and to continue serving the nation without prolonged blackouts. The lessons of the crisis reinforced the need for resilience, firm generation reserves, and accelerated investment in grid modernization - priorities that now define EPC's forward agenda.

CHOGM 2024 Expansion & Generation Capacity

In late 2024, Samoa hosted the Commonwealth Heads of Government Meeting (CHOGM) — a global event that placed exceptional demands on the nation's infrastructure and power supply. For EPC, ensuring uninterrupted electricity during this period was both a matter of national pride and a critical test of operational resilience. Recognizing the heightened load and security of supply requirements, EPC successfully expanded its generation capacity ahead of the event by commissioning four new HNAC diesel units at Fuluasou, adding 8 MW of installed capacity to the system. This investment not only safeguarded supply during CHOGM itself but also provided a longer-term boost to Samoa's available generation reserves.

The commissioning of these units was complemented by EPC's broader crisis response measures, including the introduction of rental generators to further bolster firm capacity amid rising demand. Taken together, these initiatives ensured that EPC was able to meet the increased requirements of CHOGM without disruption, while also laying the groundwork for improved reliability in the years ahead. The Fuluasou expansion marked an important achievement in EPC's continuing effort to balance immediate system needs with the long-term vision of a cleaner, more resilient energy mix.

Strengthened Partnership with Australia – DFAT and AIFFP Grants

A major achievement of FY 2024–2025 was the successful securing of two landmark projects with the Government of Australia, reflecting strong bilateral confidence in EPC's capacity to deliver sustainable energy outcomes. While implementation will commence in FY 2025–2026, the contracts and grants were signed and secured within this reporting year, marking a decisive step forward in Samoa's renewable energy journey.

The first of these is the Apia Township Solar Hybrid Streetlights Project, supported through DFAT under an Accountable Cash Grant of AUD 350,000. Once implemented, this project will see up to 250 existing streetlights in Apia replaced with modern solar-hybrid LED units, designed to reduce diesel use, cut emissions, and provide reliable urban lighting for at least a decade. EPC will assume responsibility for procurement, installation, and ongoing maintenance, demonstrating its ability to directly manage donor-funded urban energy solutions.

The second initiative is the Off-grid Renewable Energy Solutions for Samoan Communities Project, funded under the AIFFP's REnew Pacific program through a tripartite AUD 1.118 million grant with Australia and the Ministry of Finance. This project will expand renewable access for underserved communities, including the deployment of solar-battery mini-grids on Apolima Island and household-scale off-grid systems for remote villages. By broadening access to clean electricity, the project directly supports Samoa's inclusive electrification targets.

Although both projects will be implemented in the new fiscal year, their successful financing and approval in FY 2024–2025 stand as key achievements. They highlight EPC's strengthened international partnerships, its credibility in securing external resources, and its readiness to deliver practical, renewable-based improvements for both urban and rural communities in Samoa.

Partnership with the Government of New Zealand

A key achievement of FY 2024–2025 was the securing of a grant valued at over NZD 500,000 from the Government of New Zealand, directed at stabilising Samoa's core generation assets. Confirmed in May 2025 through MFAT, the package addresses two critical priorities: rehabilitation works at the Taʻelefaga Hydro Station and the replacement and overhaul of turbochargers at the Fiaga Diesel Power Plant.

At Taʻelefaga, the grant will enable refurbishment works that restore dependable hydroelectric output to the Upolu grid, helping to reduce reliance on diesel generation and strengthen system resilience. At Fiaga, the funding provides for the supply and overhaul of turbocharger components for EPC's Mitsubishi diesel units, ensuring the country's largest power station maintains firm generation capacity until its scheduled full overhaul in 2026–2027. These interventions were identified as urgent during the Upolu power crisis earlier in the year and represent highly targeted assistance to EPC's operational needs.

While physical implementation will commence in FY 2025–2026, the successful negotiation and approval of this package in the current reporting year stands as a major accomplishment. It reinforces the strength of Samoa's bilateral partnership with New Zealand and demonstrates EPC's capacity to secure external support for both immediate stability and long-term energy transition objectives.

Private Sector IPP Development

FY 2024–2025 was a breakthrough year for EPC's collaboration with the domestic private sector, with both new agreements secured and major projects completed under the Independent Power Producer (IPP) framework.

During the year, EPC concluded agreements with three new local IPPs, marking the largest pipeline of private renewable energy projects to date. For Upolu, two developers secured contracts for 5 MW solar + 5 MWh BESS projects each, while on Savai'i, EPC finalized its first major IPP investment with a 4 MW solar plant coupled with a 10 MWh BESS. Collectively, these projects are expected to deliver approximately 15.6 GWh annually, equivalent to about 7% of Samoa's total electricity production compared with the previous year's 213 GWh. Construction of these facilities will take place in FY 2025–2026, with commissioning targeted shortly thereafter. Each project includes mandatory battery storage components, ensuring that new renewable capacity contributes not only to energy supply but also to frequency and voltage stability on EPC's grid.

In parallel, two milestone private sector projects were completed during the reporting year. EPC finalized the sale of its Faleolo solar site to E-Energy Group, expanding the facility's capacity to 4.5 MW in total, while Green Power Samoa Ltd commissioned the nation's first private-sector battery storage system with a 2 MW BESS at its Tuanaimato solar site dedicated to grid support. These completions represent the first wave of operational private sector investments, moving from planning to tangible infrastructure.

From a corporate and economic perspective, the rapidly growing interest of local investors in IPP projects reflects both the strength of Samoa's domestic economy and the alignment of private capital with national energy policy objectives. For EPC, this surge of interest validates its framework for private participation and demonstrates that the transition to 70% renewable energy by 2030 is increasingly supported not only by international donors but also by domestic entrepreneurship and investment.

Strategic Direction

In alignment with the Public Bodies Act 2001, EPC has submitted all required reports, including the Annual Report for 2024-2025 to the Office of the Legislative Assembly and Quarterly Reports to the Ministry for Public Enterprises, on time.

Key Issues/Key Achievements

Below are key issues that the EPC encountered during the financial year.

i. EPC recorded an operating profit after Other Comprehensive Income of \$6.9million compared to the loss of \$3.5 million in FY23-24.
ii. An increase in cash on hand and at bank by \$7.9million compared to the \$2.6million in FY23-24. The \$5.29million variance mainly reflect the driven focus in terms of revenue collection strategy emphasis by the Corporation.
iii. The CSO allocation in the Government Budget 2024/2025 was \$3 million tala has been insufficient. This has contributed to the increase in CSO arrears which was recorded at \$7.7million as of June 30th 2025 a huge increase from the

$4.7million/64% within FY23-24. The ongoing arrears is mainly from the increase of demand for assistance put forward by the community versus insufficient CSO budget allocated towards EPC.

iv. The continuous impacts of climate change had affected the performance of the Hydro Plants due to low water level in all rivers and below average yearly rainfall.

Government Debts

v. Total Government Debts as at end of financial year was $4.09million which includes current billing of $3.03 million

vi. There has been improvement in the payment of electricity consumptions by Government Ministries and Corporations, however, the major increase is due to current consumptions.

vii. VAGST receivable increased by 83% and the balance was $35.8 million at the end of the financial year.

1. Operating Performance and Results

Production

The electricity production as at end of this financial year totaled to 221,510,405 kWh a 3% increase compared to 214,707,698 kWh in the previous year. Total diesel production increased from 150,855,866 kWh in previous year to 155,445,958 kWh, a 3% increase. Total renewable energy production increased marginally from 63,851,832 kWh in previous year to 66,064,447 kWh, primarily due to a minimum increase for Upolu Solar, totaling the overall RE contribution to 30% for the financial year. Total production is further detailed in below Figures 01 and 02

Figure 01: Electricity Production by Island/Source

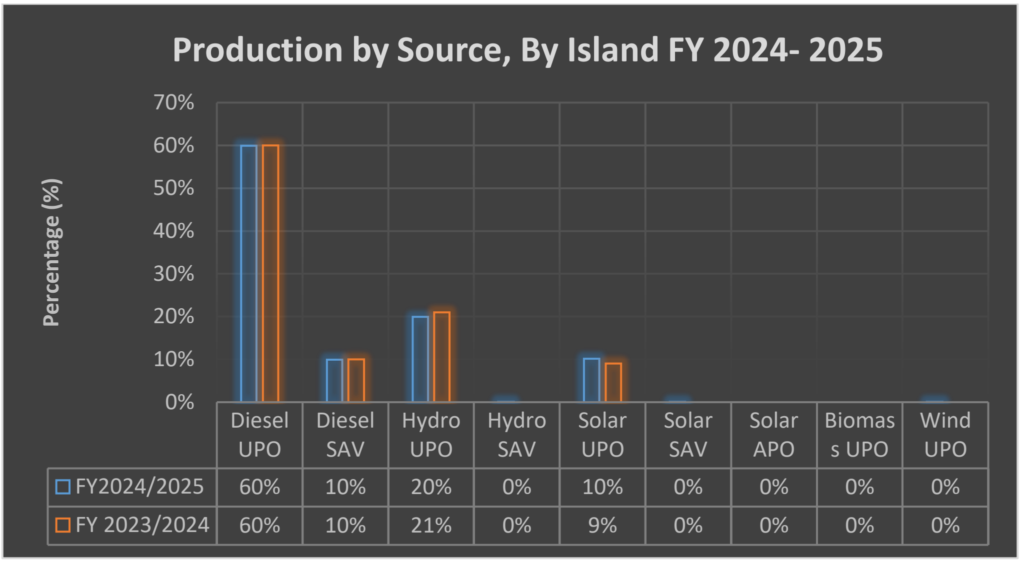
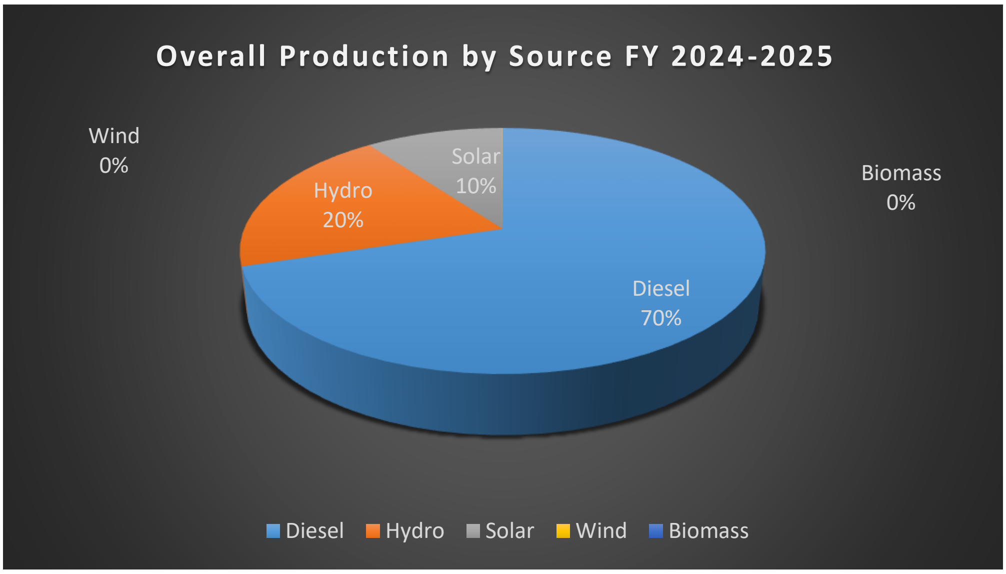


Figure 02: Overall Production by Source



Consumer Base

EPC registered 45,686 consumers overall as of the end of June 2025, a 2.4% increase from the previous year. The overall user base was made up of 1,601 non-prepayment meters including large consumers on Fixed Rate and 44,085 prepayment meters, as detailed in below table 02.

Table 02: Total Consumers by Island & By Meter Type

TOTAL CONSUMERS BY ISLAND & BY METER TYPE 2024-2025			
	Post paid	Pre Paid	Total
Upolu	1,387	34,667	36,054
Savaii	212	9,235	9,447
Manono	1	172	173
Apolima	1	11	12
Total	**1,601**	**44,085**	**45,686**

The total consumption including consumption within EPC's operations totaled to 192.1m kWh compared to 191.98m kWh in the previous year.

Human Resource Management & Development

As at end of June 2025, EPC employed a total of 344 employees, 264 of which are based in Upolu and 80 in Savaii. The workforce consists of,

i. 279 are male and 65 are female,
ii. 55 contract staff, 284 permanent staff and 5 temporary staff,

During the reported period, staff turnover of 38 staff left the EPC was due to resignation, retirement, termination and end of employment contract. There were 83 appointments, including new permanent, temporary and contract appointments, while 49 received promotions during the reported FY24-25.

In terms of staff development, there were 27 invitational in-country, overseas and online trainings received within the Financial Year 24-25.

Financial Performance

The Corporation ended the financial year with a net profit and other comprehensive income of $6.90 million Tala, compared to a net loss of $3.52 million Tala in the previous year. Electricity sales totaled $171.31 million Tala, representing approximately 94% of total income for the year. Imported diesel fuel costs amounted to $103.55 million Tala, remaining the major expenditure item for the period and accounting for about 75% of the total electricity costs of $137.6 million Tala.

3. Progress with Corporate Plan

This is the first financial year of the current Corporate Plan for planning period 2025-2027. The progress of implementation of the first year of the Corporate Plan, as reported to the Ministry for Public Enterprises every quarter, is summarized in below table 03.

Table 03: Progress of Implementation of Corporate Plan

Strategy	Key Performance Indicator	FY 2024-2025 Target	Actual FY 2024-2025
Reporting to Board	No of days Board received monthly reports for meeting	7 working days	Target achieved.
Monitoring & Evaluation of CP Results	Quarterly review of CP output results to MPE	30 days after each QTR	All four (4) Quarterly Reports submitted to MPE on time, for their review.
Continuous distribution of electricity supply	System Average Interruption Duration Index (SAIDI) & System Average Interruption Frequency Index (SAIFI) reduced	**Upolu** SAIFI –7 times SAIDI- 600mins **Savaii** SAIFI –12 times SAIDI- 600mins	**Upolu** SAIFI – 3.03 times SAIDI- 545.3mins **Savaii** SAIFI – 4.8times SAIDI- 355.6 mins
Capacity Factor	Maintained at adequate level	**Upolu** – 45% **Savaii** – 40%	**Upolu** – 38% **Savaii** – 54%
Renewable Energy Generation Sources	Renewable Energy contribution increased	**Upolu** **EPC** – 45% **IPP** – 55% **Savaii** **EPC** – 34.14% **IPP** – 66%	**Upolu** **EPC** – 70% **IPP** – 30% **Savaii** **EPC** – 0% **IPP** – 0%
Improve revenue collection	Electricity and Non Electricity Sales increased	**Electricity Sales** - $132m **Non-Electricity Sales** - $10.8m	**Electricity Sales** $171.1m **Non-Electricity Sales** $11 m
Debt Recovery & collection of Arrears improved	Electricity and Non Electricity Arrears reduced	**Electricity Arrears** - $3m **Non-Electricity Arrears** - $20m	**Electricity Arrears** $17.1m **Non-Electricity Arrears** $486k

Financial Performance in line with Budget and financial & statutory obligations	$11m	$10m	$6.9m

4. Capital Expenditure and projects for the year

Capital expenditure for the financial year amounted to $12 million Tala, representing the Corporation's ongoing investment in infrastructure and operational assets. Of this amount, $11.3 million Tala was allocated to Power Plants, heavy duty machinery and Distribution Assets, with the remaining balance distributed across other Divisions.

5. Outlook for next year

The current governing legislations and mandate requires a thorough review for sustainable and accessible electricity service delivery, in addition to meeting obligations under the mandated Public Performance Accountability Act. The removal of the 20% tariff reduction for non-domestic consumer is a huge relief for the Corporations and it is anticipated that it will further reduce losses in future years.

The uncontrollable changes in weather patterns remain as a hindrance factor for the Corporation given its impact on the level of generation from renewable sources. This poses the risk of reverting back to thermal, which is the costly source of generation.

6. Future Risks and Uncertainties

The effects of climate change on weather patterns and the constant fluctuation of fuel prices will always be high risks for the Corporation.

Changes in Government's CSO policy with regards to street lights consumptions without appropriate review for funding means that the Corporation may not be able to provide that service in the future.

7. Community Service Obligation (CSO)

The $3 million provided for CSO is not sufficient to cover electricity consumptions of street lights therefore CSO committee cannot approve any further new streetlights or any other developments under this policy. With the impact of other government policies on finances, the Corporation needs to invest only in sustainable developments and infrastructure.

Acknowledgement

Despite challenges, EPC remains dedicated to delivering accessible, high-quality electricity to Samoa. We extend our gratitude to the Chairman, Board of Directors, management, and staff for their steadfast support and commitment to EPC's vision.

Ma le faaaloalo lava,

Fesolai Faumui Tauiliili Iese Toimoana
General Manager

ELECTRIC POWER CORPORATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements are the responsibility of the board of directors and management. The financial statements have been prepared according to International Financial Reporting Standards and include amounts based on the board of directors and management's best estimates and judgments.

The board of directors and management have established and maintained accounting and internal control systems that include written policies and procedures. These systems are designed to provide reasonable assurance that financial records are reliable and form a proper basis for the timely and accurate preparation of financial statements, and that our assets are properly safeguarded.

The board of directors oversees management's responsibilities for financial reporting. The financial statements have been reviewed and approved by the board of directors on recommendation from management.

Our independent auditors (BDO), having been appointed by the Controller and Auditor General, have audited our financial statements. The accompanying independent auditors' report outlines the scope of their examination and their opinion.

Palelēmafuta Sofia Silipa
Manager Finance and Commerce

Faumui Tauiliili Iese Toimoana
General Manager

Dated: 24th October 2025

The Directors present their report together with the financial statements of the Electric Power Corporation ("the Corporation") for the year ended 30 June 2025 as set out on the accompanying pages and the auditors' report thereon in accordance with the Public Finance Management Act and the Public Bodies (Performance and Accountability) Act 2001.

Directors
The Directors of the Corporation at the date of this report are:

Leasi Vainalepa Ioane Galuvao
Lomitusi Pilimase Tyrell
Asi Keve Tunupopo
Lilomaiava Filifilia Iosefa
Tapuala Letoa Ulupale Fuimaono
Faumui Tauiliili Iese Toimoana – ex officio

Principal Activity
The principal activity of the Electric Power Corporation is the generation, sale and distribution of electrical energy. There has been no change in the principal activity of the Corporation during the year.

State of Affairs
In the opinion of the directors:

(i) the accompanying Statement of Financial Performance & Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows are drawn up so as to give a true and fair view of the operations and results of the Corporation for the year ended 30 June 2025;

(ii) the accompanying Statement of Financial Position is drawn up so as to give a true and fair view of the state of affairs of the Corporation as at 30 June 2025.

Operating Results
The net profit (loss) & other comprehensive income for the year is **$6,895,270** 2024: (**$3,522,824)**

Dividends
Despite the operating results recorded, given the delays in receipt of major accounts receivables, the Directors did not approve for the provision of any Dividends for the year ended 30 June 2025.

Dated at Apia this:

Signed in accordance with a resolution of the Directors.

DIRECTOR **DIRECTOR**

Telephone: 27751
Fax: 24167
Email: info@audit.gov.ws
Website: www.audit.gov.ws

Please address all correspondences to the Controller and Auditor General

AUDIT OFFICE

P.O Box 13
APIA, SAMOA

REPORT OF THE AUDIT OFFICE

TO THE GOVERNING BODY IN CHARGE OF GOVERNANCE – ELECTRIC POWER CORPORATION

Audit Opinion

We have audited the Financial Statements of the Electric Power Corporation (the Corporation), which comprise the Statement of Financial Position as at 30 June 2025, the Statement of Financial Performance and Other Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the year ended 30 June 2025, and notes to the financial statements, including material accounting policy information. The Delegate on the audit resulting in this Independent Auditor's Report is Chartered Accountant and Consultant, Taimalieutu Ernest Betham, including Assistants he used in his audit as authorised and mandated in the Instrument of Appointment and Delegation.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Electric Power Corporation as at 30 June 2025, and of its financial performance and its cash flows for the year ended 30 June 2025 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

During our audit, we identified the following matters:

Incorrect Measurement of Lease Liabilities and Assets

The Corporation has incorrectly measured lease liabilities and Right of Use Assets for all its lease contracts. These were recognised as total contractual lease payments rather than the present value of lease payments discounted using the appropriate discount rate, as required by IFRS 16. This has resulted in misstatements of both assets and liabilities. Management is currently assessing the impact and considering the appropriate discount rate to use and will update the measurement of the relevant lease liability and right of use assets at the appropriate time.

Recognition of Future Repairs and Maintenance Costs

The Corporation has recognized $10,259,443 tala in its provision for general repairs and maintenance, representing costs for future repairs and maintenance under its generator maintenance program. Under IAS 37 Provisions, Contingent Liabilities and Contingent Assets, a provision should only be recognized for present obligations arising from past events, not for future operating costs. Accordingly, the recognition of these future costs is not in compliance with IFRS and results in an overstatement of liabilities and understatement of equity and net income by the same amount.

VAGST Receivable from Government

As disclosed in Note 21 to the financial statements, the Corporation has recognized a VAGST receivable balance of approximately $35 million tala from the Ministry for Customs and Revenue, representing amounts claimed but not yet settled by the Government of Samoa.

Management has not recorded any provision for impairment against this receivable balance. In our view, there is significant uncertainty regarding the timing and recoverability of this amount due to the continued delays in settlement by the Government and the absence of a formal confirmation or payment schedule from the Ministry.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Electric Power Corporation in accordance with the ethical requirements that are relevant to our audit of financial statements in Samoa, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Emphasis of Matter – Harmonisation of Accounting, Reporting, and Disclosures

We conducted a Harmonised Financial Reporting Review on 19 August 2025 of the Corporation's financial statements and identified several instances of non-compliance with IFRS Accounting Standards. As of the date of this report, management has not resolved these matters. Our audit opinion is not modified in respect of this matter.

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FA AVAEI LE ATUA SAMOA

AUDIT OFFICE

P.O Box 13
APIA, SAMOA

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and the Public Bodies (Performance and Accountability) Act 2001, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with these International Standards on Auditing (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 control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Apia, Samoa
31 October 2025

Fa'amatuainu Dennis Margraff
ASSISTANT CONTROLLER AND AUDITOR GENERAL

Electric Power Corporation
Statement of Financial Performance & Other Comprehensive Income
For the year ended 30 June 2025

	Notes	2025 $	2024 $
INCOME			
Electricity sales	5,6	171,306,367	158,730,962
Direct costs electricity energy sales	9	147,357,639	146,581,965
Gross Profit		**23,948,728**	**12,148,997**
Add:			
Non electricity energy sales		1,767,939	1,473,893
Other income	7	9,210,533	9,420,738
		10,978,472	**10,894,632**
Less:			
Administration costs		5,111,934	4,935,526
Selling and distribution costs	10	16,262,494	14,973,674
Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA)		**13,552,771**	**3,134,428**
Less:			
Net finance costs	11	341,888	935,793
Amortization costs	14	(575,386)	(575,386)
Depreciation costs	15	(10,720,125)	(11,313,781)
Net Profit/(Loss) after Interest, Depreciation & Amortisation		**2,599,148**	**(7,818,946)**
Add/(Less) : **Other Comprehensive Income (OCI)**			
ARR Amortisation (recognising asset erosion)	25	4,296,121	4,296,121
Loss of Revenue (20% reduction in Electricity Tariff)		19,457,629	26,433,251
Government assistance (20% reduction in Electricity Tariff)		(19,457,629)	(26,433,251)
Other Comprehensive Income/(loss) for the year		**4,296,121**	**4,296,121**
Net Profit/(Loss) & OCI credit to Equity		**6,895,270**	**(3,522,824)**

The accompanying notes form an integral part of the above Statement of Financial Performance & Other Comprehensive Income.

Electric Power Corporation
Statement of Financial Position
As at 30 June 2025

	Notes	2025 $	2024 $
ASSETS			
Non current assets			
Property, plant and equipment	19	351,149,336	363,778,092
Prospect development costs	17	218,452	218,452
Right of use asset	16	160,805,814	66,795,393
Self-Insurance special purpose fund	23	7,969,059	7,948,968
Total non current assets		**520,142,661**	**438,740,905**
Current assets			
Cash at bank and on hand	22	7,934,167	2,649,131
Trade receivables	20	15,992,903	11,762,229
Other receivables and prepayments	21	38,312,876	25,988,722
Inventory	18	15,965,621	15,155,163
Total current assets		**78,205,567**	**55,555,246**
TOTAL ASSETS		**598,348,228**	**494,296,151**
EQUITY AND LIABILITIES			
Equity			
Government of Samoa Capital	24	160,279,631	160,279,631
Assets Revaluation Reserves	25	102,580,152	106,876,273
Self Insurance Reserves	31	15,529,850	13,529,850
Accumulated Profit / (Losses)		(27,636,380)	(34,531,650)
Total Equity		**250,753,253**	**246,154,104**
Non current liabilities			
Borrowings	26	92,825,785	84,317,577
Deferred income	27	62,475,032	58,586,155
Leased Liability	16	148,903,190	60,188,422
Total non current liabilities		**304,204,007**	**203,092,155**
Current liabilities			
Trade creditors		19,857,173	19,357,442
Provisions and accruals	28	4,771,939	4,773,276
Current portion of deferred income	27	6,859,231	5,803,994
Current portion of borrowings	26	-	8,508,208
Current portion of leased liability	16	11,902,624	6,606,971
Total current liabilities		**43,390,968**	**45,049,892**
TOTAL EQUITY AND LIABILITIES		**598,348,228**	**494,296,151**

Signed on behalf of the Board:

Director
Date : 29/10/25.

Director
Date :

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

Electric Power Corporation
Statement of Changes in Equity
For the year ended 30 June 2025

	Notes	Government of Samoa Capital $	Asset Revaluation Reserve $	Self Insurance Reserves $	Accumulated Profit/(Loss) $	Total Equity $
Balance at 30 June 2023		160,279,631	111,172,394	17,002,904	(36,981,879)	251,473,050
Less: Amortised portion of asset erosion	25		(4,296,121)			(4,296,121)
Net profit/(loss) & OCI for the year					(3,522,824)	(3,522,824)
Dividend declared @ 35% of Net Profit	29				-	-
Self Insurance Reserves	31			2,500,000		2,500,000
Approved to purchase SFS - FK23 Faapitoa 04	31			(5,973,054)	5,973,054	-
Balance at 30 June 2024		**160,279,631**	**106,876,273**	**13,529,850**	**(34,531,650)**	**246,154,104**
Less: Amortised portion of asset erosion	25		(4,296,121)			(4,296,121)
Net profit/(loss) & OCI for the year					6,895,270	6,895,270
Dividend declared @ 35% of Net Profit	29				-	-
Self Insurance Reserves	31			2,000,000		2,000,000
Balance at 30 June 2025		**160,279,631**	**102,580,152**	**15,529,850**	**(27,636,380)**	**250,753,253**

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

Electric Power Corporation
Statement of Cash Flows
For the year ended 30 June 2025

	2025	2024
	$	$
Cash flows from operating activities		
Receipts from customers	160,604,674	146,697,507
Receipts from VAGST	5,000,000	30,776,656
Interest received	315,107	298,396
UNCC / sundry income	3,398,888	3,249,446
Payments to suppliers and employees	(163,566,549)	(157,861,316)
Net cash flows from operating activities	5,752,120	23,160,690
Cash flows from investing activities		
Proceeds from drawdown of term deposits	-	4,609,745
Proceeds from sale of property, plant and equipment	-	5,973,054
Gain on sales of fixed assets (SfS)	-	1,988,547
Reimbursement for CHOGM generators from MOF	9,380,583	-
Payments for property, plant and equipment	(9,847,667)	(15,347,092)
Net cash flows from investing activities	(467,084)	(2,775,747)
Cash flows from financing activities		
Repayment of PSEP Loan	-	(23,470,757)
Net cash flows from financing activities	-	(23,470,757)
Net increase/(decrease) in cash balances	5,285,035	(3,085,814)
Cash balances brought forward	2,649,131	5,734,945
Ending cash balance	**7,934,167**	**2,649,131**
This is presented by:		
Petty Cash on hand	3,530	3,530
ANZ Bank (Samoa) Ltd	893,961	744,631
Bank South Pacific Ltd	163,248	315,391
National Bank of Samoa	4,780,372	1,520,102
Samoa Commercial Bank	93,055	65,477
Short term deposits - 3 months	2,000,000	-
	7,934,167	**2,649,131**

1. General information

The Electric Power Corporation (the Corporation) is a wholly owned Government Corporation (Trading Body) which is involved in the generation, distribution and selling of electricity through diesel generator, hydro, wind and solar power.

The Corporation was established by the Electric Power Corporation Act 1972. It is governed by a five member board of directors (the Board) with its own Chairman. The Board includes the General Manager of the Electric Power Corporation as an *ex-officio*. The Corporation's main office is located on the 5th floor of the Tui Atua Tupua Tamasese Efi Building, Sogi and its postal address is PO Box 2011.

The Corporation is designated as a public trading body under the Public Bodies (Performance and Accountability) Act 2001. As a public trading body, the Corporation is required to follow the requirements of the Public Finance Management Act 2001. These financial statements were authorised for issue by the Board of Directors at 31 October 2025.

2. Statement of significant accounting policies

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

a. Statement of compliance

These financial statements have been prepared in accordance with the requirements of the Public Finance Management Act 2001 which requires the adoption of International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) in preparing its financial statements.

b. Basis of preparation

The financial statements have been prepared on the historical cost basis unless otherwise stated. The principal accounting policies are stated to assist in a general understanding of these financial statements.

c. Foreign currency transactions

Items included in the financial statements of the Corporation are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency is the Samoan Tala (SAT). Transactions in foreign currencies are translated to functional currency at exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at the exchange rates ruling at the dates the fair value was determined.

d. Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the assets. The cost of self-constructed assets includes the cost of material and direct labour, any other costs directly attributable to bringing the asset into working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The costs of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied with that part will flow to the company and its cost can be measured reliably. The costs of the day to day servicing of the property, plant and equipment are recognised in profit and loss as incurred.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The rates at which depreciation is charged annually are as follows:

• Buildings	2.50%
• Power plants and distribution assets	
Diesel stations	vary from 2.50% - 10.00%
Hydro station	vary from 2.00% - 5.00%
Distribution lines	4.00%
Power plant access infrastructure	vary from 1.3% - 2.50%
Tools and radio equipment	10.00%
• Office equipment and furniture	vary from 1.00% – 50.00%
• Motor vehicles	20.00%

The residual value is reassessed annually.

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other (losses)/gains – net, in the income statement.

e. **Prospect development costs**

The Corporation accumulates costs associated with renewable electricity generation projects and electric site prospect development activities. Recovery of these costs is dependent upon the successful completion of the related projects. Costs associated with the successful projects are reclassified as property, plant and equipment and amortised over the useful life of the projects. Costs of unsuccessful projects are written off in the year the prospect is abandoned.

f. **Inventories**

Inventories are valued at the lower of cost using first in first out (FIFO) for inventory of fuel and weighted average for all other items of inventory) and net realisable value. The cost of purchased inventory comprises direct material and where applicable, direct labour and other direct variable costs incurred in order to bring inventories to their present location and condition. Net realisable value is the estimated amount the inventories are expected to be realised in the ordinary course of business.

g. **Financial assets**

The Corporation classifies its financial assets in the loans and receivables category. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

Loans and receivables are classified as trade and other receivables, cash at bank and on hand and term deposits in the current assets section of the balance sheet. The Corporation assesses at each balance sheet date whether there is an objective evidence that a financial asset or group of assets is impaired.

h. **Trade and other receivables**

Trade and other receivables are recognised initially at fair value and subsequently measured at cost, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Corporation will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the income statement.

i. **Contributed capital**

Capital contributed by the Government classified as equity. Contributed capital also includes reimbursements made by the Government to the Corporation for capital works performed by the Corporation under the Government's Community Service Obligation (CSO).

j. **Loans payable**

Loans payable are recognised initially at fair value, net of transaction costs incurred. Loans payable are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

k. **Provisions**

A provision is recognised in the balance sheet when the Corporation has a present legal or constructive obligation as a result of past event, and it is more likely that an outflow of economic benefits will be required to settle the obligation, and the amount has been reliably estimated.

l. **Accounts payable**

Trade accounts payables and other accounts payable are recognised when the Corporation becomes obliged to make future payments resulting from the purchase of goods and services. Trade payables are recognised at cost which is the fair value of the consideration to be paid in the future for goods and services received. Given the short term nature of most payables, the carrying amounts approximate fair value.

m. **Cash and cash equivalents**

Cash and cash equivalents consist of cash, bank deposits and term deposits with maturities less than 90 days net of bank overdrafts for the purposes of the statement of cash flows.

n. **Impairment**

The carrying amounts of the Corporation's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized immediately in the profit or loss.

Calculation of recoverable amount

Recoverable amount is the higher of fair value less costs to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discounted rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Reversals of impairment

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

o. **Revenue**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Corporation's activities. Revenue is shown net of returns, rebates and discounts.

Revenue from electrical energy sales are recognised at the time of generation and delivery to the customer as metered at the point of interconnection with the distribution system.

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract at the balance date as measured by progress invoices raised to customers in conjunction with an assessment of costs incurred to date.

Interest revenue is recognised in the income statement as it accrues, using the effective interest rate method.

p. **Government grants**

Government grants are not recognised until there is reasonable assurance that the Corporation will comply with the conditions attaching to them and the grants will be received.

Government grants whose primary condition is that the Corporation should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets unless instructed by the shareholder to treat government grants as contributed capital.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Corporation with no future related costs are recognised in profit or loss in the period in which they become receivable.

q. **Distinction between capital and revenue expenditure**

Capital expenditure is defined as all expenditure incurred in the creation of a new asset (which includes the acquisition and installation of a new unit of plant) and any expenditure that results in a significant restoration or increased service potential for existing assets. Constructed assets are included in property, plant and equipment as each becomes operational and available for use.

Revenue expenditure is defined as expenditure that is incurred in the maintenance and operation of the property, plant and equipment of the Corporation.

r. **Employee benefits**

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

Liabilities for annual leave are accrued and recognised in the balance sheet. Annual leave are recorded at the undiscounted amount expected to be paid for the entitlement earned.

Short term benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

On resignation or cessation of service other than by misconduct, an employee is entitled to compensation (termination grant) based on the employee's salary and wage at the time of ceasing employment. The liability for ceasing employment (termination grant) is measured on an undiscounted basis and expensed as they become due.

s. **Net finance costs**

Net finance costs comprises interest on long term borrowings, realised and unrealized foreign exchange gains and losses, interest income on short term deposits, bank charges and bank overdraft fees that are recognised in profit or loss.

t. **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

u. **Value added goods and services tax**

As a Public Trading Body the Corporation does not charge VAGST on its electricity energy sales.

On January 2016, the Corporation registered as zero rate under the VAGST Act 2015 and the VAGST paid from onward is recognised as receivable from the Government in the statement of financial position.

v. **Income tax**

The Corporation shall not be liable to taxation by virtue of section 20 of the Electric Power Corporation Act 1980.

w. **Leases – IFRS 16**

Leases treatment changed and effective after 1 January 2019. The International Accounting Standard Board (IASB) issued IFRS16 Leases, which required lessees to recognise assets and liabilities for most leases.

The objective of the disclosure requirements is for the Corporation to disclose information in the financial statements that enable users "to assess the effect that leases have on the financial position, financial performance and cash flows of the lessee". To achieve this objective, Corporation are required to provide disclosures about their assets, liabilities, expenses and cash flows that are generated by lease contracts

x. **Dividend distribution**

Cabinet directive FK (18) 25 dated August 8th, 2018 changed the calculation of dividend from 50% to 35% of the Net Profit. The Corporation recognizes a dividend payable to the Government based on this dividend calculation.

y. **Comparatives**

Where necessary previous periods comparatives have been changed to conform with the presentation of financial information for the current year. The changes to the prior year amounts are a result of correction of a prior year accounting error. The material changes for the comparatives are restated to reflect the corresponding changes to the prior year figures.

z. **Standards, interpretations and amendments to published standards that are not yet effective**

Certain new standards, amendments and interpretations issued by the IASB to those standards have been published that are mandatory for the Corporation's accounting periods beginning on or after 1 April 2008 or later periods but which the Corporation has not earlier adopted.

Not yet adopted:

• Amendments to IAS 1: Presentation of Financial Statements which are mandatory for reporting periods beginning on or after 1 January 2009 – The revised IAS 1 requires an entity to present all owner changes in equity, separately from non-owner changes in equity, in a statement of changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (an income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. Management is yet to determine the impact of this standard on future financial statements.

3. Financial risk management

3.1 Financial risk factors

The Corporation's activities are exposed to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Corporation's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Corporation's financial performance.

Risk management is carried out by management under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of non-derivative financial instruments, and investment of excess liquidity.

Market Risk

Interest rate risk

Interest rate risk is the risk that the value of the Corporation's assets and liabilities will fluctuate due to changes in market interest rates. The Corporation has interest bearing debt (government borrowings and finance leases) that are subject to fixed interest rates. Borrowings issued at fixed rates expose the Corporation to fair value interest rate risk. The Corporation's policy is to keep primarily 100% of its borrowings at fixed rates.

The Corporation has no significant interest bearing assets. Therefore the Corporation's income and expenses and operating cash flows are substantially independent of changes in market interest rates.

Foreign currency risk

Foreign currency risk is the risk that the value of the Corporation's assets and liabilities or revenues and expenses will fluctuate due to changes in foreign exchange rates. The Corporation is exposed to currency risk as a result of transactions that are denominated in a currency other than Samoan Tala. The Corporation's policy does not hedge any material foreign currency exposure.

Sensitivity analysis

		2025		
Carrying Amount (USD)		32,925,306		92,825,785
		0.3547	(ANZ rate)	$SAT
		Loan Balance		Exchange Gain/Loss
USD - Loan Accounts	5%	88,405,510		(4,420,275)
USD - Loan Accounts	-5%	97,711,353		4,885,568
USD - Loan Accounts	10%	84,387,078		(8,438,708)
USD - Loan Accounts	-10%	103,139,762		10,313,976
USD - Loan Accounts	15%	80,718,074		(12,107,711)
USD - Loan Accounts	-15%	109,206,806		16,381,021

Price risk

The Corporation is not exposed to any significant price risk.

Liquidity Risk

Liquidity risk represents the risk that the Corporation may not have the financial ability to meet its contractual obligations. Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Corporation's short, medium and long-term funding and liquidity management requirements. The Corporation manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Forecasted liquidity reserve per 30 June 2025 is as follows:

	2025 - 2026 $	2026 - 2027 $
Opening balance for the period	7,934,167	17,210,640
Operating proceeds	216,392,506	238,031,756
Operating cash outflows	(182,800,669)	(188,284,690)
Cash outflow for investments	(25,005,363)	(25,755,524)
Proceeds from sales of investments and interest received	690,000	710,700
Financing proceeds	12,668,707	6,334,353.29
Payments of debts and dividends	(12,668,707)	(13,048,768)
	17,210,640	35,198,469

The table below analyses the Corporation's financial assets and liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Credit Risk

2025	At Call	Less than 1 year	Between 1 & 2 years	Between 2 & 5 years	Over 5 years	Total
Borrowings	-	-	(11,701,576)	(46,806,302)	(34,317,907)	(92,825,785)
Trade and other payables	-	(24,629,112)	-	-	-	(24,629,112)
Cash	7,934,167	-	-	-	-	7,934,167
Term deposits/Investment	7,969,059	-	-	-	-	7,969,059
Accounts receivable	-	54,305,779	-	-	-	54,305,779
	15,903,226	29,676,667	(11,701,576)	(46,806,302)	(34,317,907)	(47,245,892)

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation. Financial instruments that potentially subject the Corporation to concentrations of credit risk consist principally of cash at bank and short term bank deposits and trade receivables.

The Corporation places its cash and short term deposits with high credit quality financial institutions and sovereign bodies and limits the amount of credit exposure to any one financial institution in accordance with its board-approved cash management policy.

Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Corporation has significant credit risk exposure to a single counterparty. The Corporation defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk is defined as counterparty revenue exceeding 5% of gross revenues. Included in electricity sales of $171,306,367(2024: $158,730,962) are revenues of $15,417,573 (2024: $14,285,787) or 9% of total revenues relating to a single counterparty.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Corporation's maximum exposure to credit risk without taking account of the value of any collateral obtained.

3.2 Capital risk management

The Corporation's policy is to maintain a strong capital base to ensure that it will be able to continue as a going concern and to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognized and the Corporation recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The capital structure of the Corporation consists of debt, which includes the borrowings disclosed in note 26, cash and cash equivalents and contributed equity by the Government, asset revaluation reserves and accumulated funds as disclosed in notes 22, 24 and 25 respectively.

The Corporation's policies in respect of capital management are reviewed regularly by the board of directors. Consistent with others in the industry the Corporation monitors capital on the basis of the gearing ratio. The Corporation has a target gearing ratio of 20% to 45% determined as the proportion of net debt to equity.

The gearing ratio at the year-end was as follows:

	2025 $	2024 $
Debt (i)	92,825,785	92,825,785
less Cash equivalents and short term deposits	(7,934,167)	(2,649,131)
Net debt	84,891,618	90,176,654
Equity (ii)	250,753,253	246,154,104
Net debt to equity ratio	34%	37%

(i) Debt is defined as long and short term borrowings as detailed in note 26.

(ii) Equity includes contributed capital, asset revaluation reserve and accumulated funds.

3.3 Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

4. Critical accounting estimates and judgments

Preparing financial statements to conform to IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions have been based on historical experience and other factors that are believed to be reasonable under the circumstances. These estimates and assumptions have formed the basis for making judgments about the carrying values of assets and liabilities, where these are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are regularly reviewed. Any change to estimates is recognized in the year if the change affects only that year, or into future years if it also affects future years. In the process of applying the Corporation’s accounting policies, management has made the following judgments, estimates and assumptions that have had the most significant impact on the amounts recognized in these financial statements.

The Corporation operates an extensive integrated electricity distribution network comprising large numbers of relatively minor individual network asset components. These components are replaced over time as part of an ongoing maintenance/refurbishment programmed, consistent with the Corporation’s approved network asset management plan. The costs associated with recording and tracking all individual components replaced and removed from the network substantially outweigh the benefits of doing so. Management has estimated the quantities and the carrying values of components removed from the network in each reporting period. Any errors in the estimates of such removals are corrected at the next asset revaluation, and are not considered to be material on either an annual or a cumulative basis with respect to either reported net profits or carrying values of the network.

The Corporation invoices its customers monthly for electricity energy sales. For electricity energy sales to customers during June 2025 it will invoiced at the end of June 2025, and therefore management has not estimated any accrued revenue at year end.

Property, plant and equipment are long-lived assets that are amortised over their useful lives. Useful lives are based on management’s estimates of the period over which the assets will generate revenue. The values of property, plant, equipment and assets with indefinite lives are reviewed annually for impairment.

If the useful economic lives had been longer by an average of one year during the period ended 30 June 2025 (annualised), then the Corporation's depreciation charge would have been approximately $2,407,848 lower if the useful lives had been longer by an average of one year, or approximately $2,029,442 higher if the useful lives had been an average of one year shorter.

5. Electricity energy sales

Details of electricity energy sales and gross margins are specified as follows:

	2025	2024
	$	$
Electricity energy sales through monthly billings	101,873,066	93,733,616
Electricity energy sales through cash power	69,433,301	64,997,346
Total sales	171,306,367	158,730,962
Less direct costs of electricity energy sales	(147,357,639)	(146,581,965)
Gross margin on electricity energy sales	23,948,728	12,148,997

6. Information about market concentrations

Total electricity sales are divided among the following market segments:

	2025	2024
	$	$
Commercial	62,976,345	54,023,767
Domestic	39,897,030	39,191,553
Government Departments	38,349,650	37,846,485
Hotels	8,248,596	8,597,168
Industrial	11,171,392	9,258,538
Religions	7,834,642	7,156,147
Schools	2,828,712	2,657,303
	171,306,367	158,730,962

7. Other income

Details of other income are specified as follows:

	2025	2024
	$	$
Connection/reconnection fees	853,460	855,140
Service line receipts	35,935	37,117
Deferred income - CSO (refer note 27)	779,175	779,175
Deferred income for solar and wind energy	692,869	692,869
Deferred income for poles/lights from China	239,018	239,018
Deferred income renewable energy & power sector rehabs	2,866,763	2,866,763
Deferred income CHOGM generators	619,260	
Deferred income motor vehicle	11,594	
Interest on overdue accounts	1,541,630	742,908
Proceed and gain from sales of assets	82,416	2,094,826
Dark Fibre and pole sharing with Bluesky & Digicel	454,408	370,389
Pole relocation & upgrade of lines	252,786	247,542
Recovery cost	493,233	382,796
Others	287,986	112,195
	9,210,533	9,420,738

8. Auditors remuneration

The remuneration of auditors for the year is allocated as follows:

	2025	2024
	$	$
Audit of EPC financial statements	51,485	51,485
Audit Office review fee	6,430	6,455
	57,915	57,940

9. Direct costs electricity energy sales

Direct costs electricity energy sales are specified as follows:

	2025	2024
	$	$
Cost of diesel fuel and oil less ACC levy rebate	103,554,290	109,935,207
Amortization costs	199,371	153,972
Depreciation expense	14,771,336	14,362,510
Insurance costs	2,000,000	2,500,000
IPP costs	9,813,595	7,404,957
Motor vehicle costs (fuel, repairs & maintenance)	187,700	155,550
Solar Operational Expenses	345,820	131,265
Operating expenses	2,626,645	1,605,745
Labor costs	3,795,989	3,562,953
Local consumption	5,165,889	3,792,999
SCADA operational expenses	412,864	210,011
Repairs and maintenance	4,484,140	2,766,796
	147,357,639	146,581,965

10. Selling and distribution costs

Selling and distribution costs are specified as follows:

	2025	2024
	$	$
Intallation and inspection costs	1,477,730	902,245
Operating costs	3,045,147	2,425,551
Labor costs	5,617,663	4,984,303
Motor vehicle costs	752,311	664,716
Repairs and maintenance	5,369,643	5,996,860
	16,262,494	14,973,674

11. Net finance costs

Net finance costs are specified as follows:

	2025	2024
	$	$
Interest income on short term deposit	(344,058)	(284,744)
Less finance costs relating to:		
Interest on borrowings - PSEP	-	(653,055)
Bank charges	2,170	2,005
Net finance costs	(341,888)	(935,793)

12. Personnel costs

Personnel costs are specified as follows:

	2025	2024
Personnel costs	$	$
General Manager's Office	397,723	361,542
Internal Audit	317,282	224,702
Corporate Governance	622,220	584,847
Legal & Policy	164,872	148,732
Information Communication & Technology	381,268	360,858
Finance & Commerce	1,311,550	1,471,983
Generation	1,965,530	1,824,290
National Control Centre	887,383	854,516
Distribution & Utilisation	2,874,787	2,322,945
Quality Assurance	1,192,963	1,323,556
Savaii	2,048,376	1,895,873
Employers contribution to:		
National Provident Fund	1,166,223	1,096,753
Accident Compensation Corporation	120,520	103,259
	13,450,697	12,573,853

The average number of persons employed during the year is 344 (2024: 316)

13. Directors and executive management compensation

i. *Directors*

The Directors of the Corporation during the financial period were:

Leasi Vainalepa Ioane Galuvao (Chairman of the Board)

Lomitusi Pilimase Tyrell (member of Board)

Asi Keve Tunupopo (member of Board)

Lilomaiava Filifilia Iosefa (member of Board)

Tapuala Letoa Ulupale Fuimaono (member of Board)

Faumui Tauiliili Iese Toimoana – EPC General Manager ex officio

Directors fees of $94,500 (2024: $87,326) were paid during the year. Board expenses amounted to $18,365 (2024: $19,261). Directors appointed from Government Corporations and Ministries receive a director's fee but no longer receive a sitting allowance. Government regulations specify that directors' fees are $18,000 per annum, $22,500 for chairman.

	2025	2024
Directors and executive management compensation	$	$
Directors fees - current	94,500	87,327
Catering for board meeting	5,090	4,981
Membership fees	6,360	7,420
Other	6,916	6,860
	112,865	106,588

ii. *Key management personnel costs*

The remuneration of key members of management during the year was as follows:

	2025	2024
	$	$
Salaries and short-term employment benefits	1,075,636	1,052,144
Employers contribution to:		
National Provident Fund	107,564	105,214
Accident Compensation Corporation	10,756	10,521
	1,193,956	1,167,880

14. Amortization costs

	2025	2024
Represented by:	$	$
Amortization Selling & Distribution Costs	139,948	139,948
Amortization Administration costs	435,438	435,438
	575,386	575,386

15. Depreciation costs

	2025	2024
Represented by:	$	$
Depreciation Selling & Distribution Costs	9,203,381	9,804,744
Depreciation Administration costs	1,516,744	1,509,037
	10,720,125	11,313,781

16. Right of Use Lease Assets

The Corporation applied the modified transition method and thus prior comparatives were not restated. The Corporation provides the disclosures specified in IFRS 16.53 and, where appropriate, made reference to other sections of the financial statements. In addition, the Corporation disclosed the maturity analysis of lease liabilities separately from the maturity analyses of other financial liabilities

Lease asset

Lease asset are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred during takeover less any lease incentive received. No impairment loss recognised given land value appreciates.

Lease Liability

Lease liability is measured at present value of fixed and variable lease payments net of cash lease incentives that are not paid at year end. Given that there is no finance charge implicit in the agreement, lease payment are apportioned directly in reducing the lease liability. Any modification will be accounted for as a new lease with new effective date of the modification.

Right of use asset	2025	2024
Represented by:	$	$
Ministry of Finance lease	191,796	767,180
Samoa Airport Authority lease	491,666	541,667
Tuanaimato lease	948,416	1,026,906
Fiaga lease	293,413	317,696
Green Power Energy - IPP	41,524,000	45,728,900
Sun Pacific - IPP	16,739,132	18,413,045
New Green Power	50,886,957	-
E.Energy	49,730,435	-
	160,805,814	66,795,393

Right of use Assets - leases

	2025	2024
Lease Liability analyse as follow;	$	$
Current portion	11,902,624	6,606,971
Term Portion	148,903,190	60,188,422
	160,805,814	66,795,393

The total future minimum lease payments under operating lease rentals are payable as follows:

The Corporation leases on the level one and five of TATTE building. It pays a monthly rent of $55,141 (VAGST inclusive) to the Ministry of Finance accordance with its mutual undertaking with EPC specified in the MOU commencing on 1st July 2012.

It also has a deed of lease agreement with Samoa Airport Authority at Faleolo signed on 23rd November 2016 for the lease of 20 acres of land to develop solar system to generate electricity with an amount of $50,000 p.a. exclusive VAGST.

Another lease agreement is with Samoa Land Corporation at Tuanaimato commencing on 15 May 2018 for the lease of 19.6 acres of land with an annual rent of $4,000 per acre exclusive VAGST.

The above leases with SAA and SLC (head Lessors) positions EPC as the intermediate lessor given the conditions sets out in the lease agreements to develop solar farm. EPC as the intermediate lessor classifies the sublease by reference to the right-of-use asset arising from the head lease. Thus, EPC as intermediate lessor classifies the sublease to Solar Farm Companies as an operating lease.

Another lease agreement between EPC and two IPPs are now treated under lease treatment. These Power Purchase Agreement between EPC and Green Power was signed on the 25th July 2014 and Sun Pacific was signed on June 2015 for 20 years term of agreement.

EPC purchase from Green Power a nominal total amount of Energy Output of 7.0 million kWh per annum for SAT$0.70 inclusive VAGST per kilowatt hour of whatever they generated during each month. This rate is reduced at .5% every five years until the end of 20 years term of agreement. And for Sun Pacific they sells a nominal total amount of 3.5 million kWh per annum for SAT$0.55 inclusive VAGST per kilowatt hour.

New Agreements in FY2024-2025

Green Power Samoa – Fuzhou Haohui New Energy Development Co.Ltd. The PPA was signed on 25 March 2024 for a 20 year term. EPC purchases a nominal energy output of 7.0 million kWh per annum for SAT$0.44 per kWh (inclusive VAGST)

E Energy Group Limited, the PPA was signed on the 20 March 2024 for a 20 year term. 7.0 million kWh per annum for SAT$.43 per kWh (inclusive VAGST)

17. Prospect development costs

Prospect development costs are comprised of the following:

	2025	2024
	$	$
Savaii Hydro Project	362,783	362,783
Less: Provision for doubtful debts	(144,331)	(144,331)
	218,452	218,452

18. Inventory

Inventories are specified as follows:

	2025	2024
	$	$
Utilisation and distribution inventory	14,871,349	14,220,491
Less: Provision for obsolete stock	(631,526)	(631,526)
	14,239,823	13,588,966
Fuel and oil inventory	1,725,797	1,544,762
Goods in transit	-	21,436
	15,965,621	15,155,163

The cost of utilisation and distribution inventories recognised as expense and included in ‘selling and distribution costs’ was $6,632,599 (2024: $6,585,680). The cost of fuel and oil inventories recognised as expense and included in ‘direct costs electricity energy sales’ was $103,554,290 (2024: $109,935,207).

19. Property, plant and equipment

	Land & buildings	Power plants & distribution assets	Office equipment & furniture	Motor vehicles	Total
Gross carrying amount					
Balance at 30th June 2023	70,174,096	577,804,573	4,927,730	9,764,346	662,670,744
Additions		4,029,258	76,084	1,152,174.11	5,257,517
Disposals	(242,929)	(90,829)	(23,590)	(370,323)	(727,670)
Balance at 30th June 2024	69,931,167	581,743,003	4,980,224	10,546,197	667,200,590
Additions	162,892	9,175,449	430,672	3,407,987.19	13,176,999
Balance at 30th June 2025	70,094,059	590,918,452	5,410,896	13,954,184	680,377,590
Accumulated depreciation					
Balance at 30th June 2023	24,537,674	242,254,874	4,537,543	7,577,013	278,907,104
Depreciation charge for the year	2,620,768	21,822,222	197,631	1,035,670	25,676,291
Disposals	(242,929)	(90,829)	(23,590)	(370,323)	(727,671)
Balance at 30th June 2024	26,915,513	263,986,267	4,711,584	8,242,360	303,855,724
Depreciation charge for the year	2,443,324	21,577,418	169,825	1,300,893	25,491,461
Balance at 30th June 2025	29,358,837	285,563,686	4,881,409	9,543,253	329,347,185
Capital works in progress 2024	-	433,227	-	-	**433,227**
Capital works in progress 2025		118,933			**118,933**
Net book value					
As at 30 June 2024	**43,015,654**	**318,189,962**	**268,640**	**2,303,837**	**363,778,093**
As at 30 June 2025	**40,735,222**	**305,473,698**	**529,487**	**4,410,931**	**351,149,336**

20. Trade receivables

Trade debtors are specified as follows:

	2025 $	2024 $
Customers from electricity energy sales	17,124,535	13,205,686
Customers from non electricity energy sales	486,586	198,196
	17,611,120	13,403,882
Less allowance for doubtful debts	(1,618,217)	(1,641,653)
Net trade debtors	15,992,903	11,762,229

The average credit period on electricity energy and non-electricity energy sales is 30 days. No interest is charged on the trade receivables for the first 30 days from the date of the invoice. Thereafter, interest is charged at 2% on any outstanding balance from $10 tala upwards. The Corporation has provided fully for all receivables over 90 days because historical experience is such that receivables that are past due beyond 90 days are generally not recoverable. Trade receivables between 30 days and 90 days are provided for based on estimated irrecoverable amounts from the sale of revenue, determined by reference to past default experience.

Included in the Corporation's trade receivable balance are debtors with a carrying amount of $2,760,917(2024: $1,709,443) which are past due at the reporting date for which the Corporation has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable.

These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

Ageing of past due but not impaired

	2025	2024
	$	$
1 to 30 days	1,531,846	751,969
31 to 60 days	683,572	516,494
61 to 90 days	545,498	440,980
	2,760,917	1,709,443

Movement in the allowance for doubtful debts

	2025	2024
	$	$
Opening balance	1,641,653	1,641,653
Amounts written off	-	-
Closing balance	1,641,653	1,641,653

In determining the recoverability of a trade receivable, the Corporation considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

As of 30 June 2025, trade receivables of $6,289,903 (2024: $3,622,819) were impaired and identified as part of the provision for doubtful debts consisting mainly of independent customers, which are in unexpectedly difficult economic situations and certain project receivables. It was assessed that a portion of these receivables are expected to be recovered. 15

Ageing of impaired trade receivables

	2025	2024
	$	$
Over 90 days and over 360 days	6,289,903	3,622,819

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Corporation does not hold any collateral as security.

21. Other receivables and prepayments

Other debtors and prepayments are specified as follows:

	2025	2024
	$	$
Prepayments	2,158,962	6,316,896
Other debtors	329,932	177,819
Interest receivable on term deposit	43,804	34,944
** VASGT Receivable	35,780,178	19,459,063
	38,312,876	25,988,722

** VAGST Receivable

The corporation is registered under the VAGST Act 2015 as zero rated therefore cannot charge VAGST to its customers and the VAGST receivable will be recovered from the Ministry for Revenue through its VAGST returns on a bi-monthly basis.

22. Cash and cash equivalents

	2025	2024
	$	$
Cash on hand	3,530	3,530
Cash at bank	5,930,637	2,645,601
	5,934,167	2,649,131
Short term deposits - 3 months	2,000,000	-
Total cash and cash equivalents	7,934,167	2,649,131

Cash and cash equivalents at the end of the financial year as shown in the cash flow statement can be reconciled to the related items in the balance sheet as follows:

23. Self-Insurance Special Purpose Fund

	2025	2024
Term Investment	$	$
Unit Trust of Samoa (UTOS)	7,969,059	7,948,968
Total Self-Insurance Special Purpose Fund	7,969,059	7,948,968

These term deposits are set aside for the Special Purpose Account approved by the Board for the Self-Insurance Fund.

24. Government capital contributions

	2025	2024
	$	$
Opening balance	160,279,631	160,279,631
Total government capital contribution	160,279,631	160,279,631

25. Asset revaluation reserve

	2025	2024
	$	$
Opening balance	106,876,273	111,172,394
Amortised portion for the year	(4,296,121)	(4,296,121)
Total Assets revaluation reserve	102,580,152	106,876,273

The current portion of the Asset Revaluation Reserve is amortised and recognised in the Statement of Other Comprehensive Income (OCI) of the financial statement.

The last asset valuation was conducted by the Aon Global Risk Consulting of Australia in August 2019 based on cost and fair value of all Electric Power Corporation assets as at 30 June 2019.

26. Borrowings

	2025	2024
Non current	$	$
Power sector expansion borrowing	92,825,785	84,317,577
	92,825,785	84,317,577
Current		
Power sector expansion borrowing	-	8,508,208
	-	8,508,208
Total borrowing	92,825,785	92,825,785

(a) Power sector expansion project borrowing (PSEP)

EPC and the Ministry of Finance (MoF) made an arrangement for the PSEP on-lending and VAGST Refund in FY23/24. A $23,470,757 swap payment was made for VAGST refund from MoF to cover interests outstanding of $4,911,022.84 tala and principal of $18,559,734.16 in the previous three years.

As, part of the arrangement, MoF granted a three year grace period for interest and principal repayment from 1st July 2023 – 30th June 2026.

Government loans:	**Openning Balance $**	**New and additional Loans $**	**Interest during period $**	**Loan Repayments $**	**Balance 30/06/25 $**
PSEP borrowing	92,825,785	-		-	92,825,785
Total Government loans	**92,825,785**	**-**	**-**	**-**	**92,825,785**

	2025 Total $	2024 Total $
PSEP borrowing	**92,825,785**	**92,825,785**

On 16th June 2008 the Corporation signed a Subsidiary Financing Agreement with the Government of Samoa for the Power Sector Expansion Project. The total cost of the project is equivalent to US$100 million dollars. The financing components of the power sector expansion project and the cumulative drawdown balance at year end are as follows:

Financing consortium		***Financing components***		
		$m	$m	$m
Asian Development Bank	ADF Loan	US$26.61	US$25.7	SAT$60.9
Asian Development Bank	ADF Grant	US$15.39	US$15.4	SAT$37.95
Japan Bank for International Cooperation	Loan	US$44.75	¥4,082.6 US$44.8	SAT$107.9
Total repayable borrowings		**US$86.75**	**US$85.9**	**SAT$206.75**
Government of Australia (Aus Aid)	Grant	US$8.00	US$7.8	SAT$18.7
EPC counterpart financing		US$12.00	US$15.43	SAT$39.35
Total project financing		**US$106.75**	**US$109.13**	**SAT$264.8**
NB. Loan interest not included				

The main Financing Agreement is between the Government of Samoa and the Asian Development Bank. Total repayable borrowings as part of the Power Sector Expansion Project (PSEP) amount to $US85 million dollars. EPC counterpart financing is funded from internal sources of the Corporation. The grant from the Government of Australia is to be recognised as equity in the accounts of the Corporation. The original subsidiary financing agreement relates to the financing of the Power Sector Expansion Project which was expected to be implemented over the next 8 years with an expected completion date in 2016 was extended and completed in August 2018.

The transactions during the year are converted at ADB exchange rates to ensure the USD amount agrees with what is recorded by ADB as disbursed under the Loan. The loan drawdowns is recognized when ADB disbursed funds in a form of payments directly to contractor's accounts and is recorded in SAT$ equivalent amounts in the PSEP on-lending account with MOF as per subsidiary financing agreement between Gov't of Samoa and EPC. The Asian Development Bank USD equivalent rate for Samoan Tala prevailing on the date of disbursements is used for all transactions in foreign currencies. Items included in the financial statements of the Corporation are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The functional currency is the Samoan Tala (SAT).

Foreign currency transaction

The Asian Development Bank USD equivalent rate for Samoan Tala prevailing on the date of disbursements is used for all transactions in foreign currencies

b) Below the market rate of interest

The interest rate was reduced from 6.5% to 2.0% as per FK(15)02 approved on 14 January 2015 and was back dated to year 2008. The interest rate of 2% on borrowings from the Government of Samoa is considered "Below the Market rate of interest" in terms of International Accounting Standards (IAS) 20 and IAS 39 which requires all loans to be recognized and measured at fair value, thus requiring interest to be imputed to loans with a below market rate of interest. The Board of International Accounting Standard believed that the imputation of interest provides more relevant information to a user of the financial statement. However, based on discussions with the Ministry of Finance as the Lender for Government Loans, the interest rate as approved by Cabinet in the public interest from time to time is the market rate for interest, as currently they don't have any policies/procedures for setting the market rate of interests for these types of loans.

Repayments

The repayments fall into two separate tranches – the first tranche has a repayment period of 25 years commencing in 2013 with a grace period of 5 years at an interest rate of 2.0% per annum. The second tranche has a repayment period of 28 years commencing in 2016 including a grace period of 8 years and an interest rate of 2.0%. MoF has granted a 3 year grace period for all repayments from July 2023 to June 2026 and repayments to resume in 2027 financial year.

Financial covenants

The loan shall have priority over all other debts of the Corporation. Certain financial matters that the Corporation needs to comply with as part of loan conditions are:

- **Accounts Receivable**: Maintaining accounts receivable equivalent to not more than two months equivalent of annual income for electricity energy and non-electricity energy sales –The Corporation has not achieved this loan covenant at 3.97 months of billings.
- **Self-Financing Ratio:** (i) from 2008 to 2015, cash from internal sources shall not be less than 12% of the annual average of capital expenditures incurred. The Corporation has achieved this loan covenant at 99.4%. (ii) After 2015 cash from internal sources shall not be less than 20% of the annual average of capital expenditures incurred;
- **Debt Service Ratio:** No debt to be incurred unless a reasonable forecast of revenues and expenditures show that estimated free cash flows are at least 6.2 times the estimated debt service requirements on the debts of the borrower – The Corporation has not achieved as debt service ratio is nil due to no Interest charged and repayment for this FY.

27. Deferred income

Summary	2025	2024
Current versus non-current balance	$	$
Current portion		
- CSO (i)	548,503	548,503
- CSO Tsunami (ii)	230,672	230,672
- Solar energy & wind projects (iii)	692,869	692,869
- Poles/street lights from China (iv)	239,018	239,018
- Renewable energy & power sector rehabs (v)	2,866,763	2,866,763
- CHOGM generators (vi)	619,260	-
- CHOGM motor vehicle (vii)	11,594	-
- Cash power e-vend (viii)	628,985	441,979
- Prepay smart meters (iv)	1,021,568	784,190
	6,859,231	5,803,994
Non current portion		
- CSO (i)	6,627,986	7,176,489
- CSO Tsunami (ii)	2,170,615	2,401,287
- Solar energy & wind projects (iii)	2,118,140	2,811,009
- Poles/street lights from China (iv)	85,158	324,176
- Renewable energy & power sector rehabs (v)	43,006,431	45,873,195
- CHOGM generators	8,142,064	-
- CHOGM motor vehicle	324,638	-
	62,475,032	58,586,155
Total	**69,334,264**	**64,390,150**

	2025	2024
(i) Unamortised balance - CSO	$	$
Opening balance	7,724,992	8,273,495
Amortisation charge	(548,503)	(548,503)
Closing balance	7,176,489	7,724,992
(ii) Unamortised balance - CSO Tsunami		
Opening balance	2,631,958	2,862,630
Amortisation charge	(230,672)	(230,672)
Closing balance	2,401,287	2,631,958
(iii) Unamortised balance - Solar & Wind projects		
Total grant opening balance	3,503,877	4,196,746
Amortisation charge	(692,869)	(692,869)
	2,811,009	3,503,877
(iv) Unamortised balance - Poles/st.lights from China		
Total grant opening balance	563,194	802,212
Return to MNRE		
Amortisation charge	(239,018)	(239,018)
	324,176	563,194
(v) Unamortised balance - Renewable energy & power sector rehab		
Total grant opening balance	48,739,958	51,606,721
Amortisation charge	(2,866,763)	(2,866,763)
	45,873,195	48,739,958
(vi) Unamortised balance - CHOGM generators		
Opening balance	9,380,583	-
Amortisation charge	(619,260)	-
	8,761,323	-
(vii) Unamortised balance - CHOGM motor vehicle		
Opening balance	347,826	-
Amortisation charge	(11,594)	-
	336,232	-
(vii) Unamortised balance -E-Vend		
Opening balance	441,979	580,059
Sales during the year	58,182,971	53,368,426
Amortisation charge	(57,995,965)	(53,506,507)
Closing balance	628,985	441,979

i. The corporation carry out rural electrification work and installation of streetlight on behalf of government. Expenses are claimed for reimbursement from government as they are incurred. On the receipt of the reimbursement from government, capital expenses are treated as deferred liability and amortised to income over the same years which is the same rate at which the asset is depreciated.
ii. In 2011, government approved $2.4 million for reimbursement of electrification work of the Tsunami damage. This reimbursement is also treated as deferred liability and amortised to income over the same years and rate at which the asset is depreciated
iii. The solar and wind energy grant projects funded by Ausaid which accounted as an asset and deferred income and amortised to income and expenditure statement using the same rates at which these assets depreciated.

iv. Grant of poles & street lights from China through the ministry of MNRE accounted as an asset and deferred income and amortised to income and expenditure statement using the same rates at which these assets depreciated
v. This grant relates to renewable energy and hydro rehabs project (REDPSRP) transfer and accounted as an assets and deferred income when it commission within the financial year 2018. Portion started to amortise when the project is completed.

28. Provisions and accruals

Provisions and accruals are specified as follows:

	2025	2024
	$	$
Other creditors and accruals	3,902,050	3,911,154
Provision for audit fees	77,183	73,231
Provision for staff untaken leaves	329,779	176,709
Provision for long service leaves	289,512	384,171
Provision for End of Contract	173,416	228,010
	4,771,939	4,773,276

Untaken annual leave recognised as an expense for the current year in the profit and loss was $329,779 Tala (2024: $176,709).

29. Dividend Payable

	2025	2024
Represented by:	$	$
Net Loss after Interest, Depreciation & Amortisation	2,599,148	(7,818,946)
	2,599,148	**(7,818,946)**
Dividend declared @ 35%	-	-
Total Dividend	-	-

Dividend Policy of Government is 35% of Net Profit after Interest, Depreciation and Amortization however, no dividend was declared .

30. Community Service Obligation (CSO) Funding

Funds received from Government during the year for Community Service Obligation (CSO) funding was allocated as follows:

	2025	2024
	$	$
CSO for payments of street/seawll lights consumptions	2,952,817	1,000,000
	2,952,817	1,000,000

CSO for operational costs are recognised as income in the financial statements and matched against the expenditure that has been incurred. CSO for capital expenditures are amortised to income at the same rate on which the related asset has been depreciated.

31. Self-Insurance Fund

As per FK (15) 23, a Self-Insurance Fund was set up for EPC assets. The amount for this Fund was increased from $1.5m to $5m following Board Resolution dated 22nd October 2015 when the revised budget was approved given the projected financial situation for the year ending 30th June 2016, as well as the Board of Director's concerns with the risk on the corporation's assets. It was also approved that yearly contribution to the Fund be $2.5m per annum. However, due to the financial situation in the last three years, the amount was reduced to $2 million in the budget approved by the Board.

	2025	2024
Represented by:	$	$
Opening Balance	13,529,850	17,002,904
Yearly Contribution	2,000,000	2,500,000
Approved to finance operational costs - FK23(05)	-	(5,973,054)
Net movement for the year	2,000,000	(3,473,054)
Total adjusted balance	15,529,850	13,529,850

32. Commitments for expenditure

Commitments for expenditure are specified as follows

	2025	2024
	$	$
Power plants & distribution assets	728,158	728,158
Other property, plant and equipment	11,174,465	5,878,813
Total commitments for expenditure	11,902,624	6,606,971

33. 20% reduction in Tariff

As per FK (23)25, the 20% reduction in electricity tariff was removed on the 1st of July 2023 for the government customers only. And on the 1st of November 2023 all other non-domestic customers were removed from the 20% tariff reduction, but the special tariff still continues for domestic consumer.