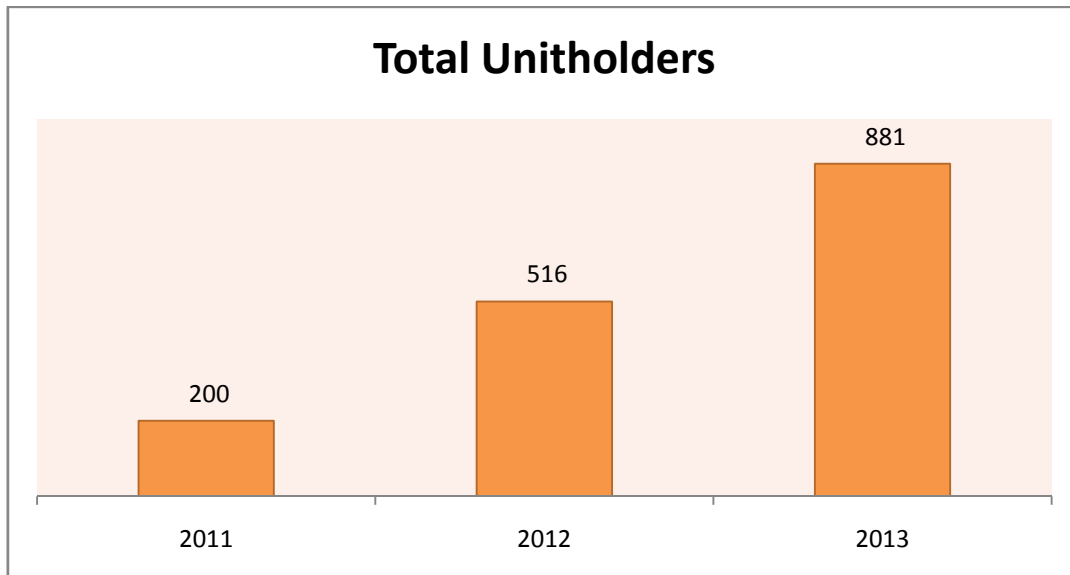


UNIT TRUST OF SAMOA (MANAGEMENT) LTD

ANNUAL REPORT

For the Year ended 30 June 2013



STATEMENT TO PARLIAMENT



20 February 2014

The Honourable Speaker
Legislative Assembly of Samoa
MULINUU

Dear Sir,

In pursuant of Part VI Section 23 of the Public Bodies (Performance and Accountability) Act 2001, I present to the Legislative Assembly for discussion, the Unit Trust of Samoa (Management) Company Ltd's Annual Report for the financial year ended 30 June 2013.

This is the third Annual Report of the Company since incorporation under the Companies Act 2001 on the 15th of February 2010. The Company was established to manage the Unit Trust of Samoa (the "**Trust**").

It is the Vision of the Company for the Trust "**to be the leading investment vehicle in Samoa that provides a smart investment for a better future**" for unitholders.

To achieve its Vision, the Company's Mission is to "**attract a large number of investors and continue to hold diversified investment portfolio that generates maximum returns to these investors**".

I am happy to announce that 1,159 of our people has invested in the Unit Trust of Samoa.

Ma le fa'aaloalo tele,



Faumuina Tiatia Fa'olafatane Liuga
MINISITA O TUPE

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Directors Report

On behalf of the Board of Directors of the Unit Trust of Samoa (Management) Limited (the "UTOS (Management) Ltd"), the Board is pleased to report on the performance of the UTOS (Management) Ltd for the year ending 30 June 2013. UTOS (Management) Ltd is the Manager of the Unit Trust of Samoa (the "UTOS") under the Unit Trust Act 2008 (the "Act"). UTOS (Management) Ltd is vested with responsibilities and functions to manage UTOS as described in the Trust Deed signed between the Board and the Trustees on 9th July 2010, and investment policies approved by the Trustees from time to time. The UTOS (Management) Ltd is a state-owned enterprise set up and initially fully funded by the Government to manage UTOS. The ultimate goal of UTOS (Management) Ltd is to reach self funding stage through fees and levies charged for management of UTOS and any other related special funds to be approved by the Government in the efforts to facilitate the creation of a market framework for trading of equity and debt securities.

This is the third year of operations for UTOS (Management) Ltd since it was established on 15 February 2010. The three primary goals of UTOS (Management) Ltd are to maximise returns on investments of the unitholders based on the appreciation of the prices of the UTOS investment units; to encourage a wide spread of individual unit holders based on the number of unit holders; and to operate the UTOS (Management) Ltd responsibly and sustainably in order to comply with the requirements of the Public Bodies (Performance and Accountability) Act 2001. For the 2012/2013 financial year, the unit price of UTOS has appreciated by 18.6% and the number of unitholders has increased from 516 to 881 at the end June 2013. A dividend distribution of 7 sene per unit was declared and paid out on 7th August 2012. This brings the total return on the investment of a unitholder (provided investment was from the outset of the financial year) to 24.2% this financial year which is a slight improvement on the 20.8% for the previous year; while net loss of the UTOS (Management) Ltd has been reduced 93% in this financial year in comparison to previous.

The Board of Directors of UTOS (Management) Ltd during the period under review were Afoa Asiata Kolone Vaai (Chairman), Tuliaupupu Fata Pala Lima and Lavea Tupaimatuna Iulai Lavea. The Board endeavours to uphold the principles of good corporate governance and best practices to ensure that the interests of its Unitholders are protected.

The Investment Committee takes an active role in ensuring that investment policies and guidelines are complied with. The membership of the committee comprises of the Chairman of the Board, a director, an independent member from the major investors, and the Chief Executive Officer.

The Audit Committee takes responsibility in ensuring that the internal policies and procedures are complied with and followed; to ensure that accounts are kept properly and comply with accounting principles and standards. The Audit Committee comprises of a director of the Board of the Management UTOS (Management) Ltd who also chairs the committee, and a representative of the Trustees of the Trust.

With a rapidly growing investment portfolio and increase in the number of unitholders, the Board of UTOS Management Ltd is now according priority to strengthening of its management, accounting and financial systems including the creation of a pool of in-house and external special investment appraisal and management skills support as new investment opportunities demand new skill sets. The Board of UTOS Management Ltd is keen to strike a balance in the scaling of the UTOS

NIT TRUST OF SAMOA (MANAGEMENT) LTD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

investment operations and its overhead costs so that it can maintain the edge with its margins on its financial investments.

As can be seen from the Financial Statements presented in the Report, the UTOS (Management) Ltd has operated on a loss basis so that the Trust initiative is a success. However, as compared to the initial two years of operations the loss incurred by the UTOS (Management) Ltd has been lowered significantly. This is mainly attributed to the increase in Management Fee from 1.5% to 4% on total net assets of the Trust which was enacted in July 2012. This is the main revenue stream for the UTOS (Management) Ltd and will continue to increase if the Trust also continues its projected growth.

The Board has continued to closely monitor the spread of unitholders as it aims for the UTOS to become the largest investment vehicle in Samoa in terms of its number of unitholders. Individual investors continued to make up the majority of total unitholders at 78%. Notable is the increase of joint investors at 16%. Last year, three large investors held more than 70% of total units in the Trust; two of them were State Owned financial institutions. This year, they hold only 49% of total units. The trend in the increase in the number of unitholders shows that as the appreciation in the price of the unit made a UTOS investment a lot more attractive compared to alternative investment returns from commercial bank savings and fixed deposits, there was a strong public response in the purchase of units. Notable also is the inflow of highly educated and business oriented groups of investors. This has placed more pressure on the Board and Management to maintain a good performing and 'moderate risk' investment portfolio.

We are grateful to the Government for their continued support throughout the initial developmental phase of the Trust through tax concessions and guarantees, in addition to the budgetary funding support for UTOS Management Ltd. The 2012/2013 financial year is the last in which the UTOS (Management) Ltd will receive budgetary support from the Government. In anticipation of this situation, we have placed tight controls on spending over the next three years, which includes budget cuts in marketing and promotion, a cap on the number of employees and capital expenditure. The Management UTOS (Management) Ltd has also decided not to increase its Management Fee; currently at 4% of net assets of the Trust per annum. Instead the Management UTOS (Management) Ltd and Trustees have agreed for the Trust to directly bear all direct costs of servicing unitholders which were previously borne by the UTOS (Management) Ltd. These costs included all costs for printing the Annual Report (as required in the Trust Deed and Unit Trust Act), costs for publications and airing of all notices for General Unitholders meetings, as well as all costs associated with Unitholders meetings. The total amount of these costs for this financial year was \$13,753.20.

On the revenue side, and given that the Board has decided not to increase its Management Fee, additional fees were applied on the investment portfolio and selected services to assist with the operations of the UTOS (Management) Ltd. These fees include a 0.5% Manager's Brokerage fee and 2.5% per annum penalty on late payments charged on our lending facilities as well as a \$10 charged for a request for confirmation of a unit investment for loan application and audit purposes.

We have also ensured that UTOS has fully complied with the filing of all relevant reporting to the Registrar of Companies. As a State-Owned enterprise, the UTOS Management Ltd has also been up to date with all reporting requirements to the SOE Monitoring Division of the Ministry of Finance.

NIT TRUST OF SAMOA (MANAGEMENT) LTD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

We have also collaborated with the Central Bank of Samoa to bring UTOS under the supervision of the Central Bank as the regulator of the finance sector.

It is the mission of the UTOS (Management) Ltd to attract a large number of investors and continue to hold a diversified investments portfolio that generates maximum returns to investors. The Board and Management have strived to improve access and financial inclusion of the general public by its continued investment promotional programmes and presence in the community by way of educational seminars and individual consultations, regular press releases as well as driving 'regular investment top ups' through direct deductions from salaries and bank accounts. Reporting to unitholders on their investments has improved. Statements on investment balances are provided within 3 days of request either electronically or hardcopy.

We believe that UTOS continues to be the only local private fund with over 1000 investors. It is also moving in the right direction in terms of diversifying its investment portfolio. We also believe that we are generating the maximum return to investors with available funds, but also believe that we can do better in the years to come.

Sincerely,



Afoa Asiata Kolone Vaai
CHAIRMAN OF THE BOARD



Tuliaupupu Pala Lima
DIRECTOR

Chief Executive Officer's Report

It is a pleasure to report on the performance of the Company for its third year of operation. No doubt it has been another very challenging but successful year.

The financial performance of the Company during the financial year ending 30 June 2013, although not satisfactory, has tremendously improved compared to the last year. The main reason for this situation is because the primary objective and priority of Management was to develop and grow the Trust into a profitable investment fund, while making sacrifices during the formative phases of the Trust. The company was able to operate during the year with support from the Government of Samoa. It is envisaged that the Company will become self sufficient and independent of further Government financial support in the financial year 2014.

Management has managed and operated the Trust in accordance with the Trust Deed, internal policies and guidelines approved by the Board of Directors and the Trustees.

Highlights for the Financial Year

The highlights for the year are:

- First ever distribution of 7 sene per unit to all unitholders of the Trust in August 2012.
- The growth in the unit price was 18.6%.
- The return to a unitholder was 24.2%.
- The number of Unitholders has reached 881, making UTOS the local private fund with the highest number of shareholders.
- The Trust's investment portfolio has reached \$67.7 million as at 30 June 2013.
- Application of the 4% Management Fee on the Trust as the Company moves to become financially independent from further Government capital injection.
- Net loss of the Company is reduced by 96% when compared to last year.
- Net assets of the Company increase by 82% when compared to last year.

Financial Performance

The performance of the Company, as explained earlier, has improved compared to the last two years. The net loss for this financial year is \$21,125 compared to \$506,597 last year. As can be seen from the Statement of Financial Performance, total revenue has increased by 764% compared to last year largely due to the increase of the Management Fee from 1.5% to 4% of the net assets of the Trust. Total actual expenditure was maintained below budget by 14% while actual revenue was 75% above budget. When compared to last year, expenditure fell by 1% mainly due to a large reduction in advertising and promotion; while revenue increased by 88% due to the 4% increase in the Managers fee as well as Manager's brokerage fees.

The Financial Position of the Company continues to grow stronger and stable. The total net assets as at 30 June 2013 has increased from \$457,942 last year to \$736,817 with no borrowings. During the year, a company vehicle costing \$56,232 was purchased which is reflected in the increased value of property and equipment. The liquidity position remains strong as shown by a current ratio of 3 to 1. This is mainly attributed to the increase in surplus funds from revenue which are invested in term deposits and convertible notes.

Future risks and challenges

Like any other investment funds and management companies, the Management Company is neither immune to risks nor free of challenges. These include financial markets, business as well as political risks.

Over the last three years since the Company was established, the major challenge for the Company is changing the 'mind-set' and attitudes of our people to be more positive towards saving and investing. There has been a notable interest amongst different groups of investors who have joined the Trust even with the cut back on marketing and promotion to reduce losses.

For the Trust, the primary risk is linked to the share value of Bluesky SamoaTel. It is true that the Government has underwritten a fall in the share value, however the underwrite is limited to only 10% of the purchase price or \$790,000 for the first 5 years. Any loss of value above \$790,000 will be absorbed by the Trust.

As the Trust moves into its fourth year of operations, diversification of its equity portfolio will increase risks to Trust funds although it brings potentially higher returns. Human resources and staff skills will be up scaled to manage these risks and challenges.

Future outlook

The future outlook for the Company is bright. In response to a change in Government's commitment for continued financial support by way of capital injection into the Company, the Management is restructuring its revenue sources to ensure the sustainability of the Company and the Trust over the next 3 years.

Our promotion has expanded to target local businesses and overseas based Samoans. Management will continue to explore easy and low cost ways for overseas based Samoans to invest in UTOS directly from these countries.

The number of staff will likely expand with the expansion of the Trust in order to maintain efficient and quality service to unitholders, as well as prudent monitoring and investment of funds. Training will also be factored into the Corporate Plan over the next 3 years to enhance staff skills and capabilities.

The Management and Staff of the Company would like to take this opportunity to thank and acknowledge the support of the Minister of Finance, Board of Directors, Trustees and Ministry of Finance for their continued support during the year.

Ma le fa'aaloalo tele,



Sau Fapaipai Justina Sau
CHIEF EXECUTIVE OFFICER

Financial Statements

For the Year Ended 30 June 2013

TELEPHONE: 27751
FAX: 24167
EMAIL: info@audit.gov.ws
Website: www.audit.gov.ws

Please address all correspondences
to the Controller and Chief Auditor



P.O. Box 13
APIA, SAMOA

AUDIT OFFICE

REPORT OF THE AUDIT OFFICE

UNIT TRUST OF SAMOA (MANAGEMENT) LTD

We have audited the accompanying financial statements of the Unit Trust of Samoa (Management) Limited, which comprises the statement of financial position as at 30 June 2013, the statements of financial performance, statement of changes in equity and cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

The Responsibility of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

Auditor's Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Unit Trust of Samoa (Management) Limited as at 30 June 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and also give in the prescribed manner the information required by the Public Bodies (Performance & Accountability) Act 2001.

Apia, Samoa
9 December 2013

Caetele
Fuimaono Papali'i Camillo Afele
CONTROLLER AND CHIEF AUDITOR

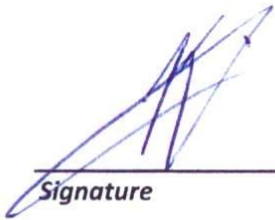
**UNIT TRUST OF SAMOA (MANAGEMENT) LTD
CERTIFICATION BY DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2013**

We certify that the attached financial statements for the Unit Trust of Samoa (Management) Ltd comprising of the statement of financial position, statement of financial performance, statement of changes in equity, statement of cash flows and notes to the financial statements for the financial year ended 30 June 2013:

- a) give a true and fair view of the matters to which they relate;
- b) have been prepared in accordance with International Financial Reporting Standards; and
- c) comply with the Public Finance Management Act 2001 and Companies Act 2001 (amended 2006) in relation to the form or content of financial statements made under the Public Bodies (Performance and Accountability) Act 2001.

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

We authorise the attached financial statements for issue on.....9...../12...../13.....on behalf of the directors of the Unit Trust of Samoa (Management) Ltd.



Signature

CHAIRMAN
Unit Trust of Samoa (Management) Ltd
Apia, Samoa

9 / 12 / 13



Signature

DIRECTOR
Unit Trust of Samoa (Management) Ltd
Apia, Samoa

9 / 12 / 13

UNIT TRUST OF SAMOA (MANAGEMENT) LTD
Statement of Financial Position
As at 30 June 2013

	Notes	2013 \$	2012 \$
ASSETS			
Non current assets			
Investment in UTOS		100	100
Property and equipment	7	97,041	69,576
Term Deposit - SCB	9	51,745	50,000
Total non current assets		148,886	119,676
Current assets			
Cash and cash equivalents	8	815,189	423,833
Other receivables	10	18,850	16,146
Trade debtors		46,598	6,290
Total current assets		880,636	446,269
Total Assets		1,029,522	565,944
LIABILITIES, CAPITAL AND RESERVES			
Current liabilities			
Accounts payable		1,233	58,362
Other creditors and accruals	11	276,885	17,813
Provision for employee benefits		14,587	31,827
Total current liabilities		292,705	108,002
Capital and reserves			
Government of Samoa contribution	12	1,800,000	1,500,000
Retained earnings/(losses)		(1,042,058)	(535,461)
Current years' earnings/(loss)		(21,125)	(506,597)
Total capital and reserves		736,817	457,942
Total liabilities, capital and reserves		1,029,522	565,944

The accompanying notes on pages 15 to 19 form an integral part of the above financial statements.

UNIT TRUST OF SAMOA (MANAGEMENT) LTD
Statement of Financial Performance
For the year ended 30 June 2013

	Notes	2013 \$	2012 \$
Income			
Interest income		19,240	5,910
Exit fees		12,761	441
Manager's fees		354,373	56,448
Manager's Brokerage fees		140,626	-
Late Payment Penalty fees		14,516	-
Other income		974	6
Total Income		542,490	62,805
Expenses			
Advertising & Promotion		26,377	58,323
Audit fees		11,500	10,000
Bank Fees & Charges		1,056	347
Board Expenses	6(ii)	26,273	27,400
Communication Costs		21,946	21,423
Depreciation	7	30,492	24,647
Legal Fees		-	-
Personnel costs	5	399,345	359,312
Registration & licenses		2,124	550
Rent		1,722	2,516
Repairs & maintenance		-	4,574
Other Administration expenses	4	28,467	59,312
Travel & allowances		14,312	992
Withholding tax		-	8
Total expenses		563,615	569,402
Profit/(Loss) before income tax		(21,125)	(506,597)
Income tax (expense)/benefit		-	-
Under provision of prior years tax		-	-
Net profit/(loss) after income tax		(21,125)	(506,597)

The accompanying notes on pages 15 to 19 form an integral part of the above financial statements.

UNIT TRUST OF SAMOA (MANAGEMENT) LTD
Statement of Changes in Equity
For the year ended 30 June 2013

	Note	Government of Samoa Contribution	Retained Earnings/ (Losses)	Total
Opening Balance as at 30 June 2012		1,500,000	(1,042,058)	457,942
Government of Samoa Contribution		300,000		300,000
Net Profit/(Loss)			(21,125)	(21,125)
Balance as at 30 June 2013				736,817

The accompanying notes on pages 15 to 19 form an integral part of the above financial statements

UNIT TRUST OF SAMOA (MANAGEMENT) LTD
Statement of Cash Flows
For the year ended 30 June 2013

	Notes	2013 \$	2012 \$
Cash Flows from operating activities			
Cash received from Unit Holders		7,621,075	1,695,990
Cash transferred to Trust		(7,439,809)	(1,634,554)
Interest on current account		1,595	999
Cash receipts from Customers		910,873	46,591
Cash paid to suppliers and employees		(961,878)	(558,707)
Net cash inflow/(outflow) from operating activities		131,857	(449,681)
Cash flows from investment activities			
Interest on Term Deposits		4,500	3,044
Cash Investments		11,231	-
Purchase of property, plant & equipments		(56,232)	(6,697)
Net cash inflow/(outflow) from investment activities		(40,501)	(3,653)
Cash flows from financing activities			
Proceeds from Government of Samoa		300,000	800,000
Net cash inflow/(outflow) from financing activities		300,000	800,000
Net increase/(decrease) in cash and cash equivalents			
		391,356	346,666
Cash and cash equivalents at beginning of year		423,833	77,167
Cash and cash equivalents at end of year		815,189	423,833
Represented by:			
Cash on hand and at banks	8	815,189	423,833
		815,189	423,833

The accompanying notes on pages 15 to 19 form an integral part of the above financial statements

UNIT TRUST OF SAMOA (MANAGEMENT) LTD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

1. General information

The Unit Trust of Samoa (Management) Ltd was established in March 2010. Unit Trust of Samoa ("the Manager") manages the Unit Trust of Samoa ("the Trust") and it is domiciled in Samoa. The Management Company has a fiduciary relationship with the Samoa Trustee Company Ltd and the unit holders. This relationship is formalised with a Trust Deed under the Unit Trusts Act 2008.

The Trust is an investment vehicle that allows investors monies to be pooled with other unit holders' monies that in return are re-issued with units and become unit holders in the Unit Trust. The pooled funds in the Trust are then invested by the Unit Trust of Samoa (Management) Ltd, the fund manager, in accordance with the investment with the investment guidelines contained in the prospectus and investment policy.

The Trust was established under the Unit Trusts Act 2008. It is governed by a 3 member board of directors (the Board) chaired by Afioga Afoa Asiata Kolone Vaai. The Board comprises of the CEO for the Ministry of Finance and includes a representative from the Private Sector and Commerce.

The main office is located on the 7th Floor of the Central Bank of Samoa Building, Matafele and its postal address is Private Bag, Apia Samoa.

2. Statement of significant accounting policies

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

a. Statement of compliance

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

In accordance with section 91 of the Public Finance Management Act 2001, Unit Trust of Samoa (Management) Ltd is designated as a Public Body, therefore it must also satisfy the reporting requirements under the Public Bodies (Performance & Accountability) Act 2001.

b. Basis of preparation

The financial statements are prepared on the historical cost basis. The principal accounting policies are stated to assist in a general understanding of these financial statements. Reporting financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period and future periods.

c. Comparative Information

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

d. Functional and presentation currency

The financial statements are presented in Samoan Tala (SAT \$), which is the Company's functional currency and all values as presented in Samoan Tala have not been rounded.

e. Foreign currency transactions

Transactions in foreign currencies are translated into Samoan Tala at exchange rates ruling at the date of the transaction. Amounts receivable and payable denominated in foreign currencies are translated at the rates of exchange ruling at balance sheet date. Foreign exchange differences arising on translation are recognised in the statement of financial performance.

NIT TRUST OF SAMOA (MANAGEMENT) LTD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

f. Cash and cash equivalents

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

g. Accounts and Other Receivables

Accounts and other receivables are recorded at fair value. At the end of each reporting period, the carrying amounts of accounts and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the statement of financial performance.

h. Accounts and other payables

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

i. Provisions

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

j. Revenue recognition

Interest income

Interest income on investments are recognised as they accrue.

Fees and charges

Fees and charges are brought to account when they are earned.

k. Property and equipment

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

Cost includes expenditures that are directly attributable to the acquisition of the asset. The costs of the day to day servicing of the PPE are recognised in the statement of financial performance as incurred.

Depreciation

Depreciation is charged to the statement of financial performance on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The following rates are used for the depreciation of property, plant and equipment:

- Office furnitures and fittings	20%
- Office equipments	20%
- Computers and software	33%

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 gains/(losses) - net' in the statement of financial performance.

l. Value added goods and services tax (VAGST)

As a semi-financial institution, the Company is exempt from VAGST.

m. Income tax

NIT TRUST OF SAMOA (MANAGEMENT) LTD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

The Unit Trust of Samoa (Management) Ltd is exempted from Income Tax

n. Employee benefits

The Company 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 the statement of financial performance.

Liabilities for annual and sick 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. Sick leave is calculated at 1/3 of the total days.

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

o. Borrowing costs

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

3. Critical accounting estimates and judgments

The company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Income taxes

Deferred tax assets and liabilities have been offset in accordance with IAS 12 Income Taxes. Deferred tax has been calculated on the assumption that there will be no change in tax law or circumstances of the Company that will result in tax losses not being available to the Company in the future.

4. Other Administration expenses

Details of administration expenses are specified as follows:

	2013	2012
	\$	\$
Catering & refreshments	267	8,109
Fuel	130	60
General supplies & services	1,223	999
Memberships & subscriptions	2,985	2,705
Postage/Courier	634	163
Printing & Publications	4,420	34,428
Samoa Post fee	1,080	6,910
Stationeries	14,206	4,961
Insurance - Motor Vehicle	2,283	-
Staff training & development	1,222	-
Other	18	976
Total administration expenses	<u>28,467</u>	<u>59,312</u>

5. Personnel costs

Details of personnel costs are specified as follows:

	2013	2012
	\$	\$
Salaries & wages	354,502	300,588
NPF contribution	19,178	16,101
ACC levy	3,836	3,220
Other allowances	18,500	18,519
Employee benefits	3,329	20,884
Total personnel costs	<u>399,345</u>	<u>359,312</u>

6. Directors and executive management compensation

NIT TRUST OF SAMOA (MANAGEMENT) LTD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

i. *Directors*

The Directors of the company during the period comprised of:

Afoa Asiata Kolone Vaai	-	Chairperson
Lavea Tupaimatuna Iulai Lavea	-	CEO, Ministry of Finance
Tuliaupupu Pala Lima	-	Independent member

Director's fees, benefits and Board expenses of \$26,273 were paid during the year including sitting allowances. Directors appointed from Government corporations and Ministries do not receive a director's fee or sitting allowance.

ii. *Board costs*

Board of Directors expenses are as follows:	2013	2012
	\$	\$
Directors fees and allowances	23,368	24,765
Membership fees	2,000	2,000
Meeting expenses	905	635
Total Board of Directors expenses	<u>26,273</u>	<u>27,400</u>

7. **Property and equipment**

Details of property and equipment are specified as follows:

	Office furniture & fittings	Office equipment	Computers & software	Motor Vehicles	Total
<i>Gross carrying amount</i>					
Balance as at 1 July 2012	49,990	35,399	25,747	-	111,136
Additions	-	1,725	-	56,232	
Disposals	-	-	-		
Balance as at 30 June 2013	<u>49,990</u>	<u>37,124</u>	<u>25,747</u>	<u>56,232</u>	<u>169,093</u>
<i>Accumulated depreciation</i>					
Opening balance 1 July 2012	18,771	9,287	13,502	-	41,560
Disposals	-	-	-	-	-
Depreciation charge for the year	9,998	7,276	8,533	4,686	30,492
Balance as at 30 June 2013	<u>28,769</u>	<u>16,563</u>	<u>22,035</u>	<u>4,686</u>	<u>72,052</u>
Net Carrying amount 30 June 2012	<u>31,219</u>	<u>26,112</u>	<u>12,245</u>	<u>-</u>	<u>69,576</u>
Net Carrying amount 30 June 2013	<u>21,221</u>	<u>20,561</u>	<u>3,712</u>	<u>51,546</u>	<u>97,041</u>

8. **Cash and cash equivalents**

Details of cash and cash at bank are as follows:

	2013	2012
	\$	\$
Westpac account	305,851	151,227
Petty cash	100	100
	<u>305,951</u>	<u>151,327</u>
ANZ account	2,954	20,941
Westpac AUD account	1,002	-
SCB Term Deposit	205,281	251,565
UTOS Convertible Note	300,000	-
Total cash and cash equivalents	<u>815,189</u>	<u>423,833</u>

NIT TRUST OF SAMOA (MANAGEMENT) LTD
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The term deposit with SCB is current; 6 months at 4% interest p.a.

9. Term Deposits

Details of term deposits are specified below:

	2013	2012
	\$	\$
SCB	51,745	50,000
	<u>51,745</u>	<u>50,000</u>

The term deposit with SCB is the Bond as stipulated under the Trust Deed. It will not be withdrawn.

10. Other receivables

Details of other receivables are specified as follows:

	2013	2012
	\$	\$
Interest Receivable	4,486	2,078
Unit Redemptions paid Receivable from Trust	-	12,462
Exit fees & capital loss Receivable from Trust	-	1,552
Late Payment Penalties Receivables from Trust	610	-
Costs Reallocation Receivable from Trust	13,753	-
Other	-	55
	<u>18,850</u>	<u>16,146</u>

11. Other creditors and accruals

Details of other creditors and accruals are specified as follows:

	2013	2012
	\$	\$
Payroll Liabilities	8,428	7,620
Provision for Audit fee	11,500	10,000
Other creditors & accruals	1,677	192
Unitholders' Funds Payable to Trust	255,279	-
	<u>276,885</u>	<u>17,813</u>

12. Authorised and paid-up capital

Details of authorised and paid-up capital are specified as follows:

	2013	2012
	\$	\$
Authorised capital 100 ordinary shares	<u>1,800,000</u>	<u>1,500,000</u>
Issued and paid up capital	1,500,000	700,000
Additional issued and paid capital	300,000	800,000
Issued and paid up capital end of financial year	<u><u>1,800,000</u></u>	<u><u>1,500,000</u></u>

13. Contingent liabilities

As at 30 June 2013, the Company had no contingent liabilities or assets.

14. Events occurring after balance sheet date

There are no material events after balance date that require adjustment or disclosure in these financial statements as at 30 June 2013.