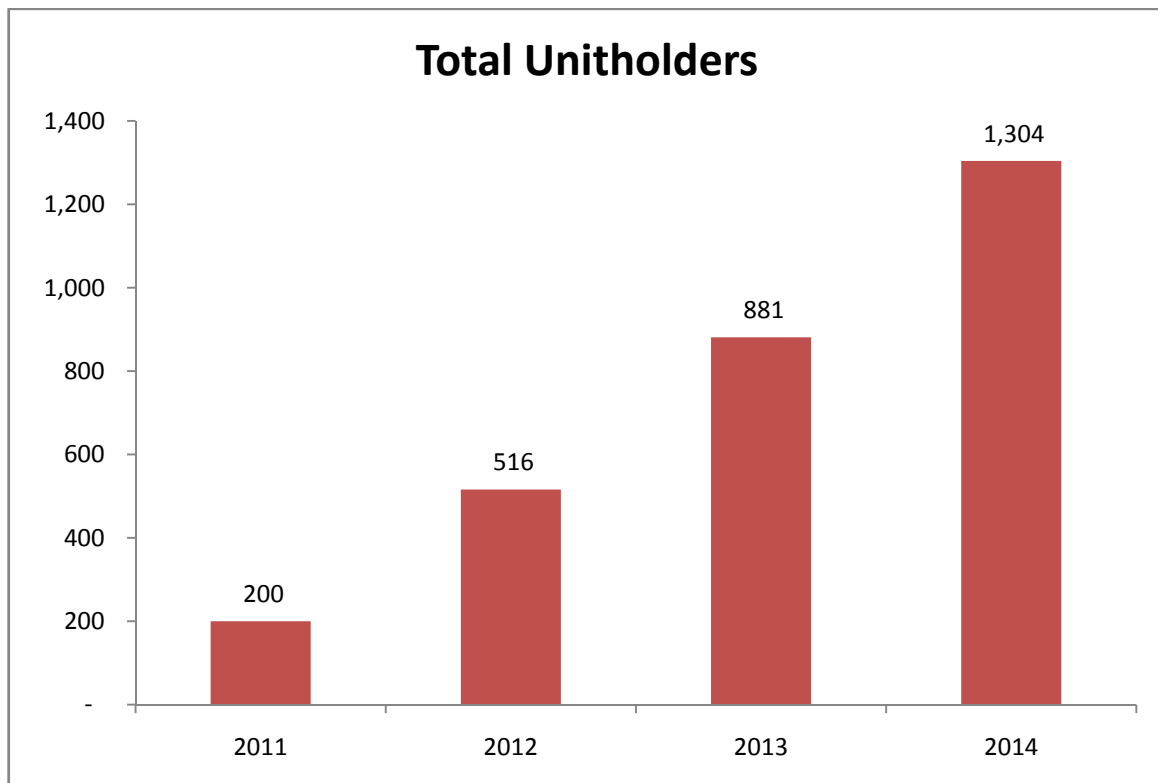


# UNIT TRUST OF SAMOA (MANAGEMENT) LTD

## ANNUAL REPORT

For the Year ended 30 June 2014



## STATEMENT TO PARLIAMENT

10 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 2014.

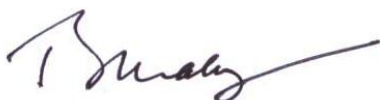
This is the fourth Annual Report of the Company since incorporation under the Companies Act 2001 on the 15<sup>th</sup> of February 2010. The Company was established to manage the Unit Trust of Samoa (the "**Trust**").

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 broad base of investors and continue to hold diversified investment portfolio that generates maximum returns**".

I am happy to announce that 1,304 of our people have invested in the Unit Trust of Samoa.

Ma le fa'aaloalo tele,



Tuilaepa Fatialofa Lupesoliai Sailele Malielegaoi  
PRIME MINISTER AND MINISTER OF FINANCE

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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 2014. UTOS (Management) Ltd is the Manager of the Unit Trust of Samoa (the “**UTOS**”) under the Unit Trusts 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. 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 fourth 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 manage the Unit Trust of Samoa (the “UTOS”) so as to maximise returns on investments of the unit holders based on the appreciation of the prices of the UTOS investment units; to achieve an annual return on equity of at least 7% as per Government State Owned Enterprises benchmark; 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.

The prime mandate of UTOS (Management) Ltd, that is to say the managing of the “UTOS”, has been again quite successful. For the 2013/2014 financial year, the unit price of UTOS has appreciated by 10%. A dividend distribution of 9 sene per unit was declared on the 13<sup>th</sup> June 2014 and paid out on the 14<sup>th</sup> July 2014. This brings the total return on the investment of a unit holder to 17.3% for this financial year which is slightly below the 24.2% of last year. Compared to similar investment financial instruments, the latest returns to the unit holders are still considered relatively attractive. The present average returns to the UTOS unit holders are comparable to the returns to the shareholders of commercial banks in Samoa during the 2000’s decade when earnings were averaging 25% per annum on equity after tax.

This financial year also saw the first instance that the UTOS (Management) Ltd has recorded a Net Profit. This has resulted in the Company recording a first positive annual Return on Equity of 56%. We are pleased to note that this result means that as a trading body under the auspices of the Government’s State Owned Enterprises framework, UTOS (Management) Ltd is now in a position to start repaying the Government’s faith in its establishment by way of paying back a dividend. We envision that a dividend payment to Government will be effected within the following fiscal year.

As a State-owned enterprise, the UTOS (Management) Ltd has made sure it has been up to date with all its reporting requirements to the State-owned enterprise monitoring division of the Ministry of Finance.

The Board of Directors of UTOS (Management) Ltd for the period under review were Afoa Asiata Kolone Vaai (Chairman), Lavea Tupaimatuna Lavea and Tuliaupupu Pala Lima. The Board endeavours to uphold the principles of good corporate governance and best practices to ensure that the interests of unit holders and Government (sole shareholder of UTOS (Management) Ltd) are protected.

As can be seen from the Financial Statements presented in the Report, we are pleased to report that this is the first year that UTOS (Management) Ltd has made a profit, in effect becoming self financing and is expected to fully recoup all its past accumulated losses by the first quarter of the 2014/2015

financial year. It is also noteworthy that this is the first year that UTOS (Management) Ltd has operated without financial support from the Government as was the case in the past three years.

Highlights for the financial year:

- First year since inception in 2011 that UTOS (Management) Ltd has made a Net Profit, \$937,301 (2012 Net Loss \$21,125).  
Accumulated losses now stand at \$125,882 compared to \$1,063,183 prior year.  
The Board is planning to pay Government a dividend in the next financial year based on the above Net Profit as per relevant legislation and set Government Policy;
- Sa'u Justina Sa'u has been appointed to a second term as the Chief Executive Officer of UTOS (Management) Ltd. We have conducted the process accordingly with all relevant Government policies and procedures;
- We have created a new personnel position called the Accounts & Compliance Assisstant. This is a position under the CFO (comparable to senior level under PSC criterion), and came about as a measure to alleviate the increasing work loads of existing staff;
- We have also acquired a Motor Vehicle for the CEO according to Government policy and guidelines for the first time. Prior to this, a transport allowance was incorporated into the CEO's remuneration package in lieu of a motor vehicle. Needless to say, we have now rescinded this allowance;
- We have had a clean audit report for the year under review. This is the third year in a row the we have been issued an 'unqualified audit opinion';

We thank the Government for the financial support and incentives provided for the introduction of the unit trust concept through UTOS to achieve its investment social objective. We have also been very fortunate that the Ministers of Finance since inception have been very supportive to ensure that this investment concept becomes a reality.

We are pleased, as alluded to earlier, to announce that UTOS (Management) Ltd is now reversing its role as from the next year and will be seeking to become a net contributor to the Government budget through dividends payable to the Government. The exemption granted to SOEs with Government guarantees borrowing from UTOS will be fully phased out in the new year.

Despite all the achievements to date of the UTOS and UTOS (Management) Ltd, we are fully aware that it needs to continue to be innovative and vigilant to stay competitive and meet its commercial and social objectives. Our ultimate goal as a managing company is to grow the UTOS to become one of the largest financial institutions in the country. Considering that the total assets of UTOS is less than 10% of total liquidity and around 12% of domestic credit of the local banking system, we recognise there is still a lot of work to be done.

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 fourth year of operation. The financial performance of the Company during the financial year ending 30 June 2014 has tremendously improved compared to previous years. This is the first year that the company has operated without any financial support from the Government. This is also the first year that the company has made a profit since it was established in February 2010.

Management has managed and operated the Unit Trust of Samoa (UTOS) 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:

- The Company makes a net profit for the first time. Net assets of the Company increase by 127% when compared to last year.
- Total revenue increase by 189% when compared to last year.
- The Return on Equity is 56% when compared to -3% last year.

### Financial Performance

The performance of the Company has improved compared to the last three years. The net profit for this financial year is \$937,301 compared to a net loss of \$21,125 last year. As can be seen from the Statement of Financial Performance, total revenue has increased by 189% compared to last year largely due to the large increase to income from late payment fees on Public Bodies' capital notes financed by UTOS, coupled with a rapid increase in the value of the net assets of UTOS. Total actual expenditure was maintained below budget by 3% while actual revenue was 119% above budget. When compared to last year, expenditure increased by 12% mainly due to a large increase in audit fees, bank charges and advertising & promotion.;

The Financial Position of the Company continues to grow stronger and stable. The total net assets as at 30 June 2014 has increased from \$736,817 last year to \$1.67 million with no borrowings. During the year, a second company vehicle costing \$86,990 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 16 to 1. This is mainly attributed to the increase in surplus funds from revenue which are invested in term deposits.

### 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 four 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. There is also increasing interest from our Samoan communities overseas; however, we have yet to see a significant impact in the proportion of unitholders residing overseas.

A new challenge that management is now facing is identifying commercially viable local equity investments that meet UTOS's required rate of return on Trust funds.

As we move into our fifth year of operations, diversification of equity portfolio will increase risks to UTOS funds although it brings potentially higher returns. Therefore, it is extremely important for management to performance its duties with due care and diligence. 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 financial support by way of capital injection into the Company, the Management will continue to restructure its revenue sources and fees 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**



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

P.O. Box 13  
APIA, SAMOA



Please address all correspondences  
to the Controller & Auditor-General

## AUDIT OFFICE

### REPORT OF THE AUDIT OFFICE

#### TO THE BOARD OF DIRECTORS – UNIT TRUST OF SAMOA (MANAGEMENT) LIMITED

We have audited the accompanying Financial Statements of the Unit Trust of Samoa (Management) Limited comprising the statement of financial position as at 30 June 2014, the statements of financial performance, cash flows and changes in equity for the year then ended, together with explanatory notes thereto which include a summary of significant accounting policies. The Accounting Firm of AH CHONG Public Accountants., Chartered Accountants, assisted in this audit.

#### The Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and presentation of these Financial Statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are 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 these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

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 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 work performed and the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Audit 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 2014, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

We have obtained all the information and explanations that we have required. In our opinion, as far as appears from our examination of the records, the company has kept proper accounting records and the financial statements of the company give in the prescribed manner the information required by the Companies Act 2001 (amended 2006), and the Public Bodies (Performance and Accountability) Act 2001 .

Our audit was completed on the 2<sup>nd</sup> October 2014 and our audit opinion is expressed as at that date.

Apia, Samoa  
10 October 2014

*Cabele*  
Fuimaono Papali'i C.G. Afele  
**CONTROLLER AND AUDITOR-GENERAL**



UNIT TRUST OF SAMOA (MANAGEMENT) LTD  
CERTIFICATION BY DIRECTORS  
FOR THE YEAR ENDED 30 JUNE 2014

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We certify that the attached financial statements for the Unit Trust of Samoa (Management) Ltd comprising of the statement of financial position, statements 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 2014:

- 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 clear under the Public Bodies (Performance and Accountability) Act 2001.

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


We authorise the attached financial statements for issue on 11 October 2014 on behalf of the directors of the Unit Trusts of Samoa (Management) Ltd.



Signature

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

11 / 10 / 14



Signature

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

11 / 10 / 14

UNIT TRUST OF SAMOA (MANAGEMENT) LTD  
Statement of Financial Position  
As at 30 June 2014

	Notes	2014 \$	2013 \$
<b>ASSETS</b>			
<b>Non current assets</b>			
Investment in UTOS		116	100
Property and equipment	7	168,161	97,041
Term Deposit - SCB	9	100,000	51,745
<b>Total non current assets</b>		<b>268,277</b>	<b>148,886</b>
<b>Current assets</b>			
Cash and cash equivalents	8	1,146,201	815,189
Trade receivables	10	333,712	47,208
Other receivables		22,042	18,239
<b>Total current assets</b>		<b>1,501,955</b>	<b>880,636</b>
<b>Total Assets</b>		<b>1,770,232</b>	<b>1,029,522</b>
<b>LIABILITIES, CAPITAL AND RESERVES</b>			
<b>Current liabilities</b>			
Trade Creditors	11	24,005	255,279
Other creditors and accruals	11	40,194	22,839
Provision for employee benefits		31,915	14,587
<b>Total current liabilities</b>		<b>96,114</b>	<b>292,705</b>
<b>Capital and reserves</b>			
Government of Samoa contribution	12	1,800,000	1,800,000
Retained earnings/(losses)		(125,882)	(1,063,183)
<b>Total capital and reserves</b>		<b>1,674,118</b>	<b>736,817</b>
<b>Total liabilities, capital and reserves</b>		<b>1,770,232</b>	<b>1,029,522</b>

The accompanying notes on pages 13 to 18 form an integral part of the above financial statement.

On behalf of the Board of Directors

.....  
Director

Date

2 / 10 / 2014

.....  
Director

Date

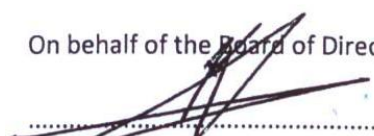
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UNIT TRUST OF SAMOA (MANAGEMENT) LTD  
Statement of Financial Performance  
For the year ended 30 June 201

	Notes	2014 \$	2013 \$
<b>Income</b>			
Interest income		39,377	19,240
Exit fees		34,512	12,761
Manager's fees		1,054,390	354,373
Manager's Brokerage fees		-	140,626
Late Payment Penalty fees		440,445	14,516
Other income		706	974
<b>Total Income</b>		<b><u>1,569,430</u></b>	<b><u>542,490</u></b>
<b>Expenses</b>			
Advertising & Promotion		35,620	26,377
Audit fees		16,180	11,500
Bank Fees & Charges		1,437	1,056
Board Expenses	6(ii)	24,270	26,273
Communication Costs		10,710	21,946
Depreciation	7	37,863	30,492
Professional Fees		2,025	-
Personnel costs	5	452,886	399,345
Registration & licenses		1,400	2,124
Rent		1,284	1,722
Repairs & maintenance		-	-
Other Administration expenses	4	48,454	28,467
Travel & allowances		-	14,312
<b>Total expenses</b>		<b><u>632,129</u></b>	<b><u>563,615</u></b>
<b>Profit/(Loss) before income tax</b>		937,301	(21,125)
Income tax (expense)/benefit		-	-
Under provision of prior years tax		-	-
<b>Net profit/(loss) after income tax</b>		<b><u>937,301</u></b>	<b><u>(21,125)</u></b>


The accompanying notes on pages 13 to 18 form an integral part of the above financial statements.

On behalf of the Board of Directors

  
.....  
Director

Date

2 / 10 / 2014

  
.....  
Director

Date

2 / 10 / 2014

UNIT TRUST OF SAMOA (MANAGEMENT) LTD  
Statement of Changes in Equity  
For the year ended 30 June 2014

	Note	Government of Samoa Contribution	Retained Earnings/ (Losses)	Total
<b>Opening Balance as at 30 June 2013</b>		1,800,000	(1,063,183)	736,817
Government of Samoa Contribution		-		-
Net Profit/(Loss)			937,301	937,301
			-	-
<b>Balance as at 30 June 2014</b>		<b>1,800,000</b>	<b>(125,882)</b>	<b>1,674,118</b>

*The accompanying notes on pages 13 to 18 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 2014

	Notes	2014 \$	2013 \$
<b>Cash Flows from operating activities</b>			
Cash received from Unit Holders and Trust		14,078,066	8,034,063
Cash received from interest on current account		4,781	1,595
Cash received from fees income		1,430,189	482,648
Cash paid to and for the Trust		(14,490,994)	(7,856,350)
Cash paid to suppliers and employees		(564,586)	(545,337)
<b>Net cash inflow/(outflow) from operating activities</b>		<u>457,457</u>	<u>116,619</u>
<b>Cash flows from investment activities</b>			
Cash from Interest on Term Deposits		30,793	15,237
Cash from Investments		-	67,477
Purchase of property, plant & equipments		(108,983)	(56,232)
<b>Net cash inflow/(outflow) from investment activities</b>		<u>(78,190)</u>	<u>26,482</u>
<b>Cash flows from financing activities</b>			
Proceeds from Government of Samoa		-	300,000
<b>Net cash inflow/(outflow) from financing activities</b>		<u>-</u>	<u>300,000</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		379,267	443,101
Cash and cash equivalents at beginning of year		866,934	423,833
<b>Cash and cash equivalents at end of year</b>		<u><u>1,246,201</u></u>	<u><u>866,934</u></u>
<b>Represented by:</b>			
Cash on hand and at banks	8	1,146,201	815,189
Non-Current Cash in SCB term deposit	9	100,000	51,745
		<u><u>1,246,201</u></u>	<u><u>866,934</u></u>

*The accompanying notes on pages 13 to 18 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 2014

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**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

UNIT TRUST OF SAMOA (MANAGEMENT) LTD  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 30 June 2014

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performance.

**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%
- Motor vehicles	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.



**UNIT TRUST OF SAMOA (MANAGEMENT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2014

**m. Income tax**

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.

**4. Other Administration expenses**

Details of administration expenses are specified as follows:

	2014	2013
	\$	\$
Catering & refreshments	2,124	267
Motor vehicle expenses	2,642	130
General supplies & services	2,342	1,223
Memberships & subscriptions	4,875	2,985
Postage/Courier	2,144	634
Printing & Publications	16,499	4,420
Samoa Post fee	1,005	1,080
Stationeries	12,696	14,206
Insurance - Motor Vehicle	1,832	2,283
Staff training & development	400	1,222
Other	1,895	18
<b>Total administration expenses</b>	<u>48,454</u>	<u>28,467</u>

**5. Personnel costs**

Details of personnel costs are specified as follows:

	2014	2013
	\$	\$
Salaries & wages	396,005	354,502
NPF contribution	20,087	19,178
ACC levy	3,997	3,836
Other allowances	14,775	18,500
Employee benefits	18,022	3,329
<b>Total personnel costs</b>	<u>452,886</u>	<u>399,345</u>

**6. Directors and executive management compensation**

**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

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Tuliaupupu Pala Lima - Independent member

Director's fees, benefits and Board expenses of \$24,270 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:

	2014	2013
	\$	\$
Directors fees and allowances	21,398	23,368
Membership fees	2,000	2,000
Meeting expenses	872	905
<b>Total Board of Directors expenses</b>	<u>24,270</u>	<u>26,273</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 2013	49,990	37,124	25,747	56,232	169,093
Additions	7,888	822	13,283	86,990	108,983
Disposals	-	-	-	-	-
Balance as at 30 June 2014	<u>57,878</u>	<u>37,946</u>	<u>39,030</u>	<u>143,222</u>	<u>278,076</u>
<i>Accumulated depreciation</i>					
Opening balance 1 July 2013	28,769	16,563	22,035	4,686	72,052
Disposals	-	-	-	-	-
Depreciation charge for the year	10,619	7,502	3,585	16,156	37,863
Balance as at 30 June 2014	<u>39,388</u>	<u>24,065</u>	<u>25,620</u>	<u>20,842</u>	<u>109,915</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>
Net Carrying amount 30 June 2014	<u>18,490</u>	<u>13,881</u>	<u>13,410</u>	<u>122,380</u>	<u>168,161</u>

8. **Cash and cash equivalents**

Details of cash and cash at bank are as follows:

	2014	2013
	\$	\$
Westpac account	406,519	305,851
Petty cash	150	100
	<u>406,669</u>	<u>305,951</u>
ANZ account	33,055	2,954
Westpac AUD account	754	1,002
SCB account	5,723	-
SCB Term Deposit	700,000	205,281
UTOS Convertible Note	-	300,000
<b>Total cash and cash equivalents</b>	<u>1,146,201</u>	<u>815,189</u>

The term deposit with SCB is surplus Company funds earning interest at 5.25% p.a. and matures on 25 August 2014.

9. **Term Deposits**

Details of term deposits are specified below:

	2013	2012
	\$	\$
SCB	<u>100,000</u>	<u>51,745</u>
	<u>100,000</u>	<u>51,745</u>

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

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10. **Trade receivables**

Details of other receivables are specified as follows:

	2014	2013
	\$	\$
Unit Redemptions paid Receivable from Trust	186,640	-
Manager's fee receivable from Trust	103,434	46,598
Late Payment Penalties Receivables from Trust	38,211	610
Totogifuapau mo le talaina i tua o iunite	5,427	-
	333,712	47,208

11. **Creditors**

Details of other creditors and accruals are specified as follows:

	2014	2013
	\$	\$
Payroll Liabilities	12,374	8,428
Provision for Audit fee (inclusive Vagst)	16,180	11,500
Board fees/allowances	6,163	-
Withholding tax payable	1,682	-
Others	3,795	2,911
<b>Total other creditors</b>	40,194	17,813

**Trade Creditors**

Unitholders' funds payable to Trust	24,005	255,279
	24,005	255,279

12. **Authorised and paid-up capital**

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

	2014	2013
	\$	\$
Authorised capital 100 ordinary shares	1,800,000	1,800,000
Issued and paid up capital	1,500,000	1,500,000
Additional issued and paid capital	300,000	300,000
Issued and paid up capital end of financial year	1,800,000	1,800,000

13. **Contingent liabilities**

As at 30 June 2014, 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 2014.