

UNIT TRUST OF SAMOA (MANAGEMENT) LTD

ANNUAL REPORT

30 June 2023

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Government of Samoa

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OFFICE OF THE MINISTER OF FINANCE

(Ministry of Finance; Central Bank of Samoa; Development Bank of Samoa; Samoa International Finance Authority; Samoa Life Assurance Corporation; Samoa National Provident Fund; National Energy Coordination Committee; National Tenders Board; Unit Trust of Samoa;)

STATEMENT TO PARLIAMENT

31st October 2023

Afioga Papalii Li'o Taeu Masepau
Speaker
Legislative Assembly of Samoa
MULINUU

Afioga e,

Pursuant to 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) Ltd.'s Annual Report for the financial year ended 30th June 2023.

The Unit Trust of Samoa (Management) Ltd (**the "Management Company"**) was incorporated under the Companies Act 2001 on the 15th of February 2010. The Management Company was established to manage the Unit Trust of Samoa (**the "Trust"**).

The Management Company manages the Trust with two core objectives:

- (i) ensuring equal opportunity for all eligible unitholders to access affordable investment opportunities
- (ii) and to generate optimal returns to unitholders from its secure and sustainable investment portfolio.

Yours sincerely,



Hon. Lautimuia Afoa Uelese Vaai
Minister of Finance

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DIRECTORS' REPORT

As we navigate through the post-pandemic economic recovery, we are delighted to report on the positive results achieved by the Unit Trust of Samoa Management Limited ('UTOSM') for the 12-months ending 30 June 2023.

The significant financial indicators achieved by UTOSM during the period include but are not limited to;

- i. A Return on Equity of 18% (FY22: 15%) which exceeds the 7% minimum ROE threshold stipulated for State Owned Enterprises.
- ii. An interim dividend of \$138,717 was paid to the Government during the year with a final dividend payable of \$85,425 declared at year end, bringing the total dividend for FY2023 to \$224,142 (FY22: \$170,124).

The core function for UTOSM is to manage the Trust (UTOS) and it is through the prudent management of the Trust's activities that produces this positive performance. The Trust reported a total return to unitholders of 10.95% comprising of a 6.51% capital growth and 4.44% dividend yield. Active community engagement, together with promotions and awareness programs has increased the visibility of UTOS resulting in a total number of unitholders of 5,141 at the end of June 2023 (FY22: 4,286).

During the period, the Management Company underwent a governance transition as appointment terms expired for all incumbent members. As a result of the transition, founding director and chairman for UTOSM, Afioga Afoa Asiata Kolone Vaai, did not seek reappointment and bid farewell after serving for over 12 years. Directors Toleafoa Douglas Creevey and Lauano Lauina Grace moved on to take up offers to be Chairperson of other State-Owned Enterprises. Director Lutuiloa Vaiula Solomona also did not seek reappointment and her directorship also ended upon expiry of 3-year term. We are grateful to these fellow directors for their contribution to the growth of UTOSM over the years and wish them well in their future endeavours.

Following the completion and confirmation of Cabinet appointments for UTOSM Board of Directors, the new composition is now as follows; Magele Arthur Penn (Chairman), Seulupe Michelle Macdonald (Director), Tufea Fa'atuai Fanolua (Director), Lemalu Patricia Fruean (Director), Salote Peteru (Director).

The new Board under the guidance of Chairman Magele, who has served for over a decade as a UTOSM director, now have taken on all the chairmanship's responsibilities and ensuring minimal disruption of the governance of the Company. The Board is acutely aware of the importance of its responsibilities and will continue to uphold the highest level of corporate

governance to maintain the integrity of the interests of the UTOSM shareholders as well as the unitholders of the Trust (UTOS).

In addition to the Board of Directors, an added level of oversight is provided by the Trustees. The role of the Trustee remains critical to uphold the integrity of decisions and safeguarding the interests of the unitholders. We remain appreciative of their support especially during the governance transition period.

No Director has received or become entitled to receive benefits (other than those included in the aggregate amount of emoluments received or due and receivable by directors shown in the Financial Statements) by reason of a contract made by the company or a related corporation with the director or with a firm of which he/she is a member, or with a company in which he/she has a substantial financial interest.

For and on-behalf of the Board and in accordance with resolutions of the Board of Directors.



Magele Arthur Penn
Chairman of the Board
UTOS (Management) Ltd



Seulupe Michelle Macdonald
Director
UTOS (Management) Ltd

CHIEF EXECUTIVE OFFICER'S REPORT

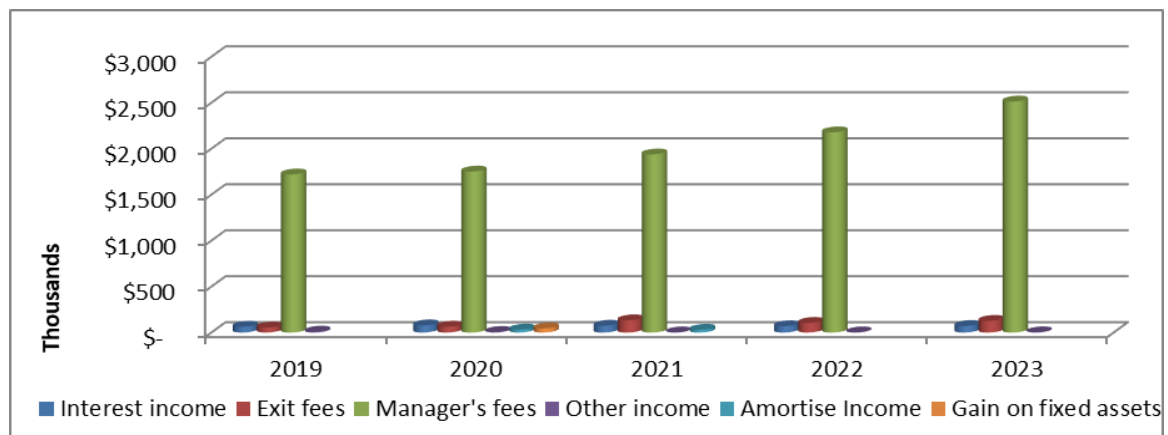
As we gradually emerge from the pandemic and its aftermath, UTOSM remains committed to deliver strong financial results for its stakeholders as the key driver to ensuring that its strategic targets are met year on year. It is with great pleasure that I present this report, highlighting the overall positive performance of UTOSM for the financial year ending 30th June 2023.

FINANCIAL PERFORMANCE

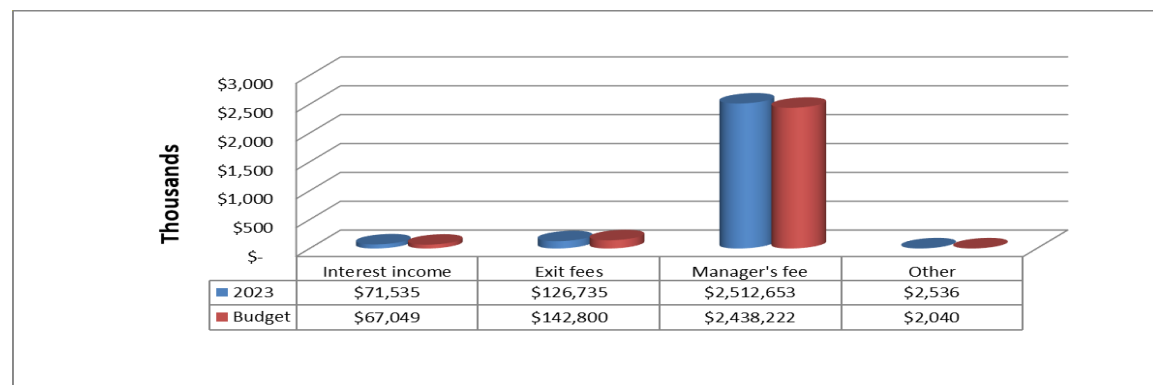
Income

An overall increase of 15.29% was recorded for total income relative to prior year results. This result was largely driven by a 15.36% increase in manager's fees; which is the main income stream for UTOSM. This is the fee that UTOSM receives for managing the Trust and is calculated as 1.40% per annum of the Trust's Net Assets. Other line items such as interest income, exit fees and other income also collectively increased by 14.42% compared to the prior year.

The total income during the year exceeded the approved budget by 2%.



Graph 1: Income Line Items (5-year trend)

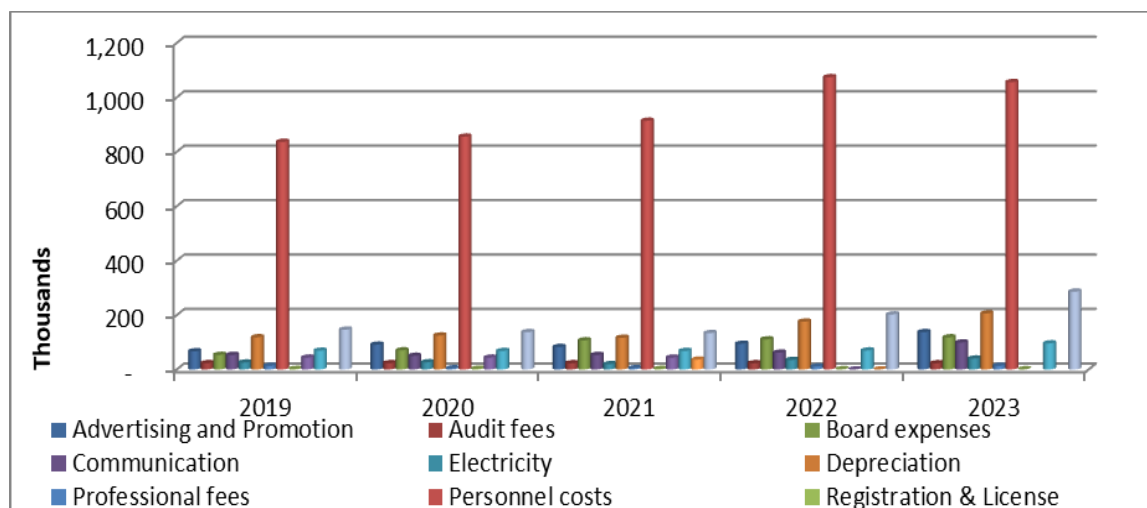


Graph 2: Actual Income vs Budget Income for FY22/23

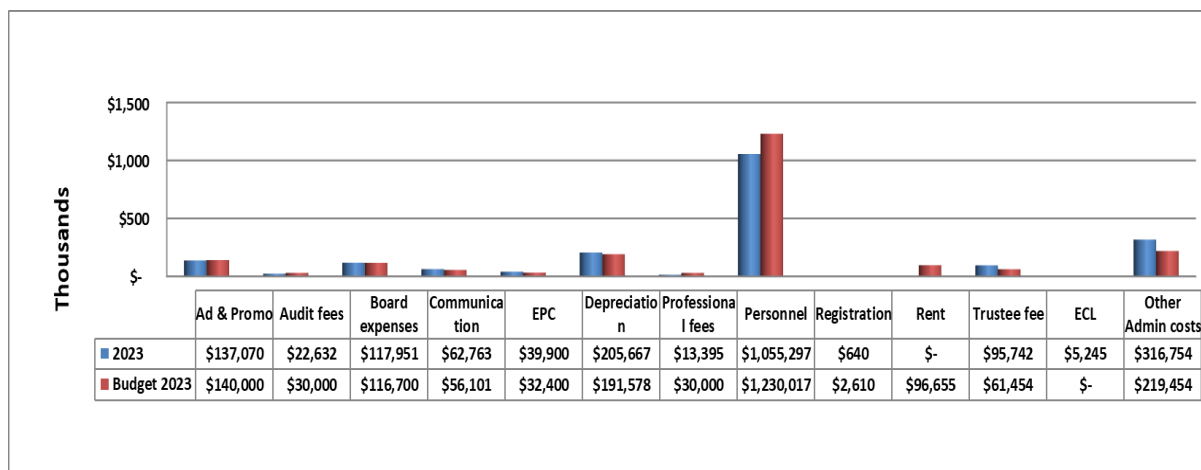
Expenditure

Total Expenditure increased by 11.67% and is directly attributable to the following expense items;

- ❖ Advertising and promotion increased by 45% due to extensive promotions through tv, radio and roadshows for public awareness both local and overseas. High costs associated with advertising through mainstream media has also contributed to this increase. The company is also now leveraging the use of digital media to counter this effect.
- ❖ An increase of depreciation expense by 17% due to additional assets purchased during the year.
- ❖ Overseas travels and trainings allocations deferred during the pandemic were utilised in the financial year. Some members of the Management and Board attended the Pacific Island Investment Forum meeting in PNG to pursue investment opportunities with regional partners. The CEO also attended the 56th Asian Development Bank (ADB) Annual Meeting, which was held in Incheon, Republic of Korea (South Korea) in May 2023. All these associated travel costs (\$47k) have contributed to the increase to \$160k of other administration expenses and to the increase to \$65k of travel and allowances expenses for the period.



Graph 3: Expenditure Line Items (5-year trend)

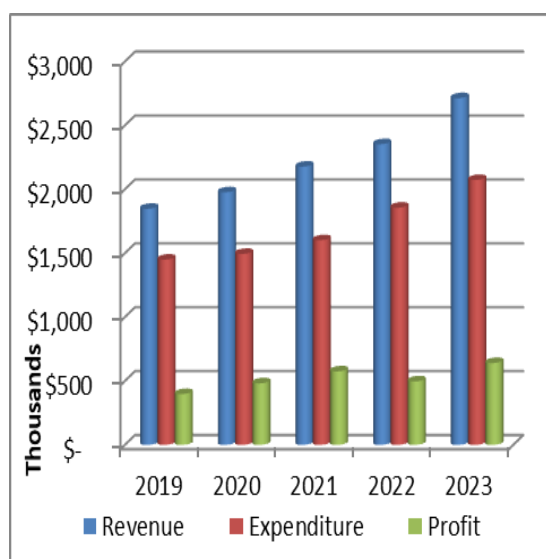


Graph 4: Actual vs Budget Expenditure for FY22/23

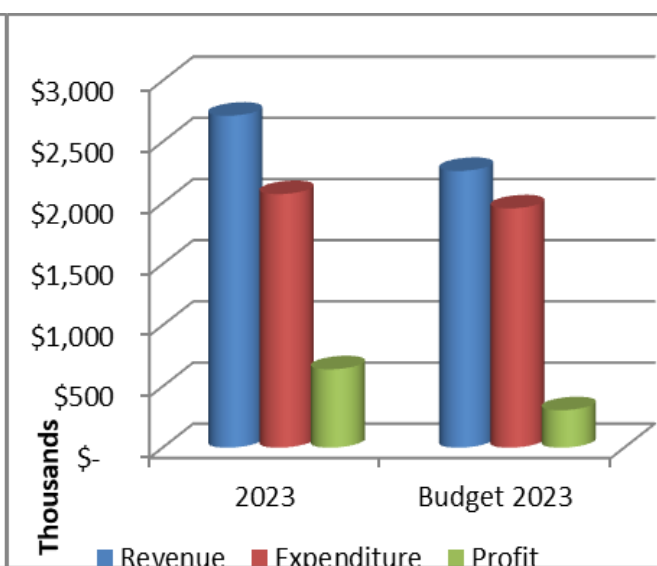
Profit

Overall, the UTOSM recorded a Net Profit of \$640,405 which is representative of a 28.8% increase compared to the prior year; the Net Profit for FY22 amounted to \$497,175.

As a result of its profitability and ample liquidity, the company was again in a position to declare a total dividend of \$224,142 to its shareholders during the year; a 32% increase compared to the previous year.



Graph 5: Financial Performance (5-year trend)



Graph 6: Actual Results vs Budget for FY2

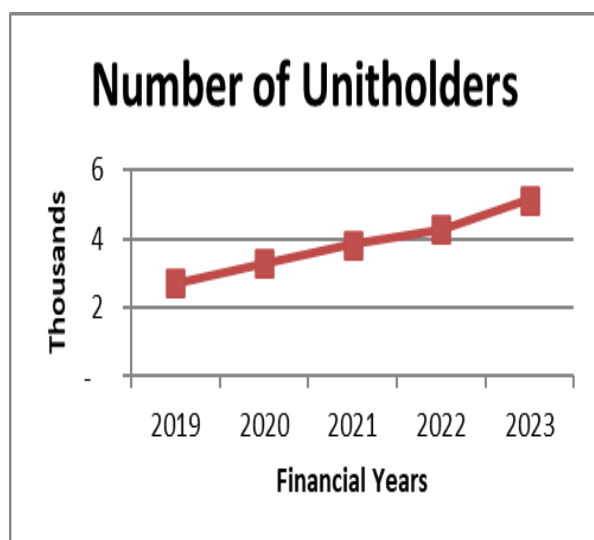
MANAGING OF THE UNIT TRUST OF SAMOA

Unit Registry

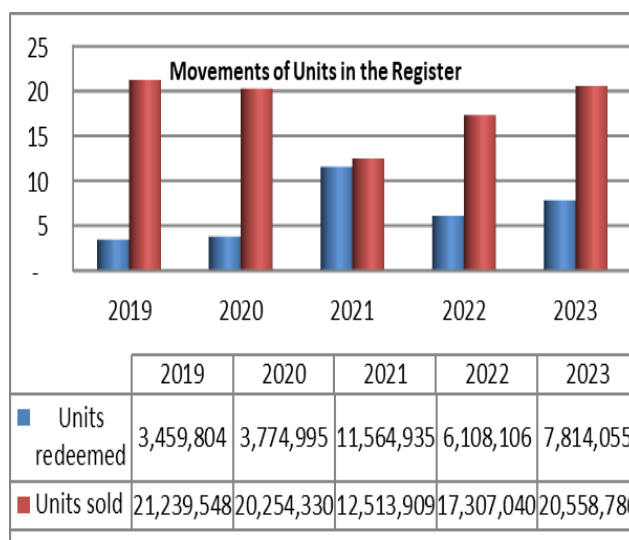
The total number of unitholders on register at the end of June 2023 amounted to 5,141 which is 20% increase compared to the same period last year. The continuous rise in the number of unitholders is a direct result of increased awareness campaigns through

community roadshows, pre-departure briefings for RSE workers, mainstream media advertisements together with the use of digital media.

Total Units sold during the year increased by 18.79% to 20.56million units compared to FY22. The total number of units repurchased during the period also increased by 27.9% to 7.81million relative to the same period in the prior year.



Graph 7 Investors (unitholders)

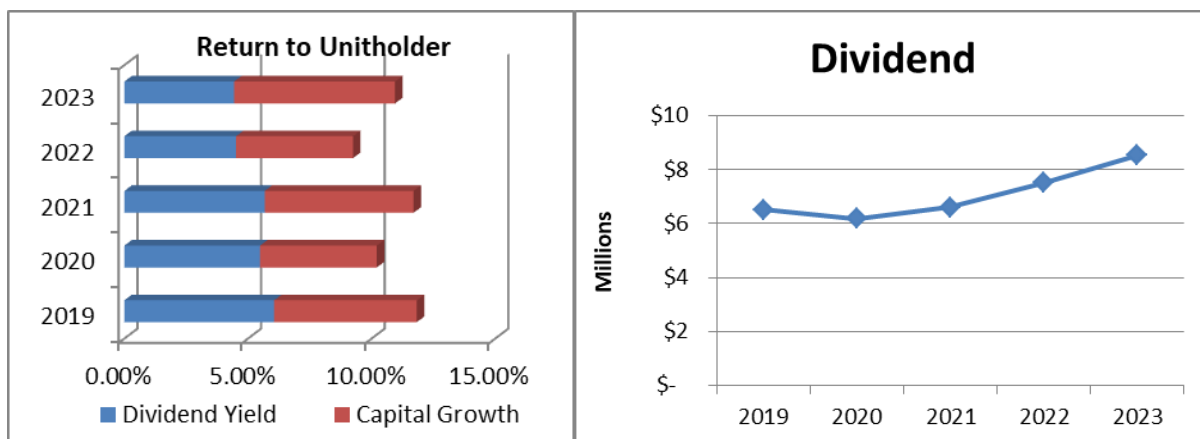


Graph 8 Movements of Units in the last five years

Return to Unitholders

The unitholders earned a total return of 10.95% for FY23 compared to 9.25% in FY22. The total return is comprised of capital gains of 6.51% and a dividend yield of 4.44%. These results are directly attributable to the overall performance of the Trust.

The unit price at the start of the financial year was \$1.69 and reached \$1.80 at the end of June 2023; a direct result of the capital growth generated by the value of assets held in the Trust's portfolio. Income generated through the portfolio through interest earnings and dividend received enabled the Trust to payout its annual dividend of 0.08sene per unit. Despite the payout rate remaining the same as the prior year, the total value of the payout increased from \$7.50m to \$8.52million as a result of the increase in the number of units issued during the year. A total of SAT\$52.5million has been declared by the Trust to its unitholders in form of dividends since its establishment.



Graph 9: Total Return to Unitholder in the last five years

Graph 10: Total Dividend Distribution FY19-FY23

The Trust's total asset surpassed \$255 million with an increase of \$51 million from previous year. The investment portfolio increased by 25% following the settlement of new debt and equity investment securities together with the increase in value of existing equity investments. Despite the limited opportunities, the Management Company remained diligent to actively source and appraise lucrative and commercially viable investment opportunities.

The Trust has become increasingly self-funded over the years with 64% of the portfolio funded through unit sales and the remaining 36% being funded through borrowings. The overall Net Assets of the Trust increased by \$23million to \$182million.

ONLINE SERVICES

Digitisation of our services has been vital in achieving the positive results reported during the year. Increasing efficiency and convenience for our unitholders to open and manage their UTOS accounts has been made possible through ongoing upgrades to our digital platforms.

Earlier in the year, a refreshed UTOS website was launched together with an online application form to enable unitholders to open new accounts from any device without having to visit our office. Transfer of funds to open the accounts and top-up existing accounts was also made possible with the existing digital transfer platforms such as MTala, ANZ Billpay, KlickEx, Talofa Voucher and Internet Banking transfers from commercial banks.

We are aware of the rising cybersecurity threats that is associated with these developments and have put in place robust mitigation measures to ensure unitholder data is protected at all times. Any system vulnerabilities are actively assessed and addressed.

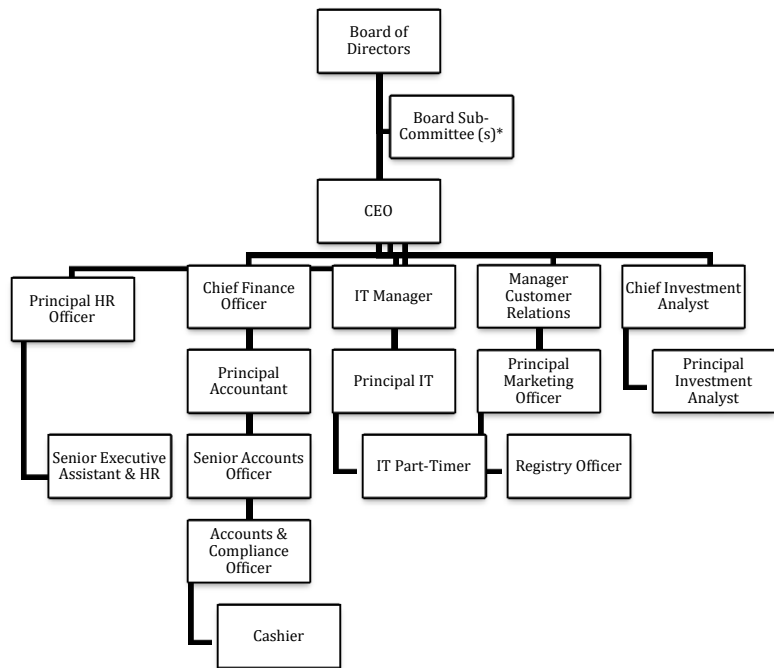
HUMAN RESOURCES

A total number of 16 personnel (9 females and 7 males) were employed by UTOSM during the period and is inclusive of one part-time staff member.

The Company continues to offer capacity building for its staff through trainings and online courses where available. Employee retention is vital given the small scale of operations and

the company ensures that the staff is well taken care of and activities carried out throughout the year for capacity building as well as ensuring that employee morale remains high. The well-being of employees is paramount in order to continue optimal service delivery and achieve strategic targets year on year.

The organisational structure for the Company is shown below;



OUTLOOK

As the local economy continues on its recovery path, we are optimistic that the foreseeable future of UTOSM is a positive one.

The Company will continue to seek additional revenue streams to diversify its earnings and not be solely reliant on the fees generated from the Trust. In addition, it will prudently manage its expenses while also ensuring that capital and human resource developments are not hindered by any strict expense management.

Prudent management of the Trust remains critical and the Company will continue to promote and increase awareness of the services that UTOS has to offer for our local and overseas Samoans. In addition, actively investing of funds sourced from unitholders is paramount in order to continue to generate optimal sustainable returns for the unitholders. Furthermore, our Information Technology team will continue to enhance our digital visibility whilst also maintaining a high level of cybersecurity protection.

Without the dedication and commitment of its Staff, the Company will not be able to achieve its target, henceforth, it will continue to provide staff training and capacity building to ensure that staff are upskilled regularly to meet the standards required for optimal

provision of services to our unitholders and in turn generate positive returns for our shareholders.

It is also important to ensure that the welfare of the staff is well taken care of to maintain positive morale in the workplace.

ACKNOWLEDGEMENT

I take this opportunity to first acknowledge our Chairman, Afioga Afoa Asiata Kolone Vaai and members of the Board of Directors; Afioga Toleafoa Douglas Creevey, Afioga Lauano Lauina Grace and Afioga Lutuiola Vaiula Solomoa, whose tenure ended mid-way through this financial year. Your commitment and dedication to UTOSM and its work for the Trust is invaluable and we express sincere gratitude for your service. I wish you well in your future endeavours.

To the current Chairman, Afioga Magele Arthur Penn and present members of Board of Directors; Afioga Seulupe Michelle Macdonald, Susuga Tufea Fa'atua Pulepule Fanolua, Afioga Lemalu Patricia Ah Chong Fruean and Susuga Salote Peteru, thank you for your commitment to the smooth transition and continuing on from where the former Board left off. This has been crucial in the continued work of UTOSM. Your guidance and patience, together with your commitment is greatly appreciated.

To the Management team and staff of UTOSM, your perseverance and hard work does not go unnoticed and for that I am grateful.

At the time of this report, a Ministerial transition has also come in to effect. On behalf of the Chairman and the Board of Directors, Management and Staff of UTOSM, I extend our sincere appreciation to the former Minister of Finance, Honourable Mulipola Anarosa Ale-Molio'o, for her support and cooperation during her time as the Minister for UTOSM. UTOSM wishes you well in your new Ministerial role. I would also like to convey on behalf of UTOSM, our warmest congratulations to our new Minister of Finance, Honourable Lautimuia Afoa Uelese Vaai on his appointment. May the Lord's blessings be upon you always and congratulations on your appointment once again!

Lastly, the Chairman, Board of Directors, Management and Staff of UTOSM would like to thank the Government of Samoa and the Shareholding Ministers of UTOSM, through the Minister of Finance, Honourable Lautimua Afoa Uelese Vaai, for the continuous support shown towards UTOSM.

Soifua ma ia Manuia,



Tevaga Viane Tagiilima
CHIEF EXECUTIVE OFFICER

Please address all correspondences
to the Controller and Auditor General



AUDIT OFFICE

REPORT OF THE AUDIT OFFICE

TO THE GOVERNING BODY IN CHARGE OF GOVERNANCE – UNIT TRUST OF SAMOA (MANAGEMENT) LIMITED

Audit Opinion

We have audited the accompanying Financial Statements of the Unit Trust of Samoa (Management) Ltd (UTOS), which comprise of the statement of financial position, statement of financial performance, statement of changes in equity and statement of cash flows for the year ended 30 June 2023, together with explanatory notes thereto which include a summary of significant accounting policies. The Accounting Firm of Sua ma Pauga and Associates, Chartered Accountants assisted in this audit. The Engagement Partner on the audit resulting in this Independent Auditor's Report is Pauga Fata Talalelei Pauga.

In our opinion, the financial statements give a true and fair view of the financial position of the Unit Trust of Samoa (Management) Ltd as at 30 June 2023, and of its financial performance, changes in equity and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report. We are independent of UTOS 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.

Key Audit Matters (KAM)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters and for the purpose of this report, KAM's where required, are adequately disclosed on the notes to financial statements in relation to areas of uncertainty faced by the UTOS's together with compensation actions. Thus, not required to report separately.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Directors and Management are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as the directors and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our

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to the Controller and Auditor General*



AUDIT OFFICE

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 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, 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors and management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the UTOS'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 UTOS 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 identify during our audit.

Report on other legal or regulatory requirements

Report on other legal and regulatory requirement Under Section 104 of the Public Finance Management Act 2001 a public body shall submit to the Minister for Finance and the Responsible Minister the audited financial statements within four months after the end of the public body's financial year. Unit Trust of Samoa (Management) Ltd has complied with Section 104 of the Public Finance Management Act 2001 when its audited financial statements for the year ended 30 June 2023 were submitted before the deadline of 31 October 2023.

Our audit was completed on 24th October 2023 and our opinion is expressed as at that date.

Apia, Samoa
31 October 2023


Vaofusi Terence Su'a

ASSISTANT CONTROLLER AND AUDITOR GENERAL

UNIT TRUST OF SAMOA (MANAGEMENT) LTD
CERTIFICATION BY DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2023

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 2023:

- 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 the 30/10/2023 on behalf of the directors of the Unit Trust of Samoa (Management) Ltd.



CHAIRMAN

Unit Trust of Samoa (Management) Ltd
Apia, Samoa

30/10/2023



DIRECTOR

Unit Trust of Samoa (Management) Ltd
Apia, Samoa

30/10/2023

UNIT TRUST OF SAMOA (MANAGEMENT) LTD
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 2023

		2023	2022
ASSETS	Notes	\$	\$
Non current assets			
Investment in UTOS		280	280
Property and equipment	10	661,169	558,238
Term Deposit - SCB	8	146,215	141,612
Total non current assets		807,664	700,130
Current assets			
Cash and cash equivalents	7	2,580,413	4,017,205
Trade debtors	9	571,670	315,636
Other debtors		97,229	91,132
Total current assets		3,249,312	4,423,972
Total Assets		4,056,976	5,124,102
LIABILITIES, CAPITAL AND RESERVES			
Current liabilities			
Trade creditors	11 (a)	41	1,455,498
Other creditors and accruals	11 (b)	53,151	53,478
Provision for government dividend		85,425	79,404
Provision for employee benefits		64,777	52,870
Lease liability	13	93,968	139,502
Total current liabilities		297,362	1,780,752
Total Liabilities		297,362	1,780,752
Capital and reserves			
Share Capital	12	1,800,000	1,800,000
Retained earnings/(losses)		1,959,614	1,543,350
		3,759,614	3,343,350
Total liabilities, capital and reserves		4,056,976	5,124,102

On behalf of the Board of Directors



Chairman
Magele Arthur Penn



Director
Seulupe Michelle Macdonald

The accompanying notes on pages 19-24 form an integral part of the above financial statement.

UNIT TRUST OF SAMOA (MANAGEMENT) LTD
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2023

		2023	2022
	Notes	\$	\$
Income			
Interest income		71,535	68,937
Exit fees		126,735	104,734
Manager's fees	14	2,512,653	2,178,089
Other income		2,536	1,824
Total Income		<u>2,713,459</u>	<u>2,353,584</u>
Expenses			
Advertising & Promotion		137,070	94,292
Audit fees		22,632	22,632
Bank fees & Charges		2,856	2,764
Board expenses	6(ii)	117,951	110,472
Communication costs		62,763	61,690
Depreciation	10	205,665	175,763
Electricity		39,900	34,604
Executive management compensation	6(iii)	552,085	549,176
Other administration expenses	4	160,069	88,291
Personnel costs	5	503,212	524,311
Professional fees		13,395	10,719
Registration & Licenses		640	916
Lease interest	13	5,245	6,943
Repairs & Maintenance		89,221	93,442
Travel & Allowances		64,608	10,719
Trustee fee	14	95,742	69,674
Total expenses		<u>2,073,054</u>	<u>1,856,409</u>
Profit/(Loss) before Income tax		640,405	497,175
Income tax (Expense)/Benefit	2(n)	<u>-</u>	<u>-</u>
Net profit/(loss) after Income tax		<u>640,405</u>	<u>497,175</u>

The accompanying notes on pages 19-24 form an integral part of the above financial statement.

UNIT TRUST OF SAMOA (MANAGEMENT) LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Government of Samoa Contribution	Earnings/ (Losses)	Total
Opening Balance as at 30 June 2022	1,800,000	1,543,350	3,343,350
Net Profit/(Loss)		640,405	640,405
Interim Dividend paid		(138,717)	(138,717)
Final Dividend payable		(85,425)	(85,425)
Closing Balance as at 30 June 2023	1,800,000	1,959,614	3,759,614

The accompanying notes on pages 19-24 form an integral part of the above financial statement.

UNIT TRUST OF SAMOA (MANAGEMENT) LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Cash Flows from operating activities			
Cash received from Unit Holders and Trust		35,217,677	30,351,515
Cash received from interest on current account		12,748	10,510
Cash received from other income		5,480	38,722
Cash received from fees income		2,499,934	3,778,252
Cash paid to and for the Trust		(34,991,087)	(28,131,122)
Cash paid for expenses and employees		(3,994,822)	(3,935,019)
Net cash inflow/(outflow) from operating activities		<u>(1,250,070)</u>	<u>2,112,858</u>
Cash flows from investment activities			
Cash from interest on term deposits		36,000	57,795
Cash from Sale of Fixed Assets		-	-
Payment for property, plant and equipment		-	(288,073)
Net cash inflow/(outflow) from investment activities		<u>36,000</u>	<u>(230,278)</u>
Cash flows from financing activities			
Dividend to Government of Samoa		(218,120)	(197,403)
Net cash inflow/(outflow) from financing activities		<u>(218,120)</u>	<u>(197,403)</u>
Net increase/(decrease) in cash and cash equivalents		(1,432,190)	1,685,178
Cash and cash equivalents at beginning of year		4,158,817	2,473,639
Total Cash and cash equivalents at end of year		2,726,627	4,158,817
Deduct;			
Non - Current cash in SCB Bond term deposit	8	(146,215)	(141,612)
Current cash and cash equivalents at end of year		<u>2,580,413</u>	<u>4,017,205</u>
Represented by;			
Current Cash and Cash equivalents	7	2,580,413	4,017,205
		<u>2,580,413</u>	<u>4,017,205</u>

The accompanying notes on pages 19-24 form an integral part of the above financial statement.

UNIT TRUST OF SAMOA (MANAGEMENT) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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 Tafa'ila'agi 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 guidelines contained in the prospectus and investment policy.

The Manager was established under the Unit Trusts Act 2008. It is governed by five members of the board of directors (the Board) chaired by Afioga Magele Arthur Penn. The Board comprises of representatives from the Private Sector and Commerce.

The main office is located on the 3rd Floor of the Development Bank of Samoa Building, Savalalo 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. Basis of Accounting -Going Concern

The financial statements of the Management Ltd have been prepared on a going concern basis. The directors consider the application of the going concern principle to be appropriate in the preparation of these financial statements as they believe with the plans and strategies put in place by the Management Ltd will generate and maintain required funding to meet its liabilities and commitments as and when they fall due over the next twelve months.

d. Comparative Information

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

e. 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 been rounded to the nearest tala.

2 Statement of significant accounting policies (continued)

f. 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.

g. 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.

i. 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 obliged to make future payments in respect of the purchase of these goods and services.

j. 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.

k. 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, and the company has met its contractual obligations for the services provided.

l. Property, plant 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 furniture and fittings	20%
- Office equipments	20%
- Motor vehicles	20%
- Computers	33%
- Systems and software	10%
- Leasehold Building	2.5%

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 income/expense in the statement of financial performance.

UNIT TRUST OF SAMOA (MANAGEMENT) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

m. Value added goods and services tax (VAGST)

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

n. Income tax

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

o. 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 provided.

p. Borrowing costs

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

q. Leases

A new IFRS 16-Leases, becomes effective for reporting periods beginning on or after 1 January 2019. IFRS 16 requires a lessee to account for all leases on the balance sheet, be recognising a lease liability reflecting future lease payments and a "right-of-use asset" valued at the present value of all lease payments over the term of the lease using an interest rate inherent in the lease or the incremental borrowing rate. The lease payments are allocated between the interest on the lease and the reduction of the lease liability while the Right-of-Use asset is depreciated over the lease term. The optional exemptions are where the lease term is 12 months or less, or when the values of assets involved are small.

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

	2023	2022
	\$	\$
<i>Details of administration expenses are specified as follows:</i>		
Catering & refreshments	15,860	9,052
General supplies & services	7,958	20,292
Insurance	6,717	5,696
Memberships & subscriptions	14,234	5,202
Motor vehicle expenses	8,803	6,422
Hosting/Venue hire - AGM	14,480	881
Printing & Publications	28,670	22,373
Agent fee	2,393	1,110
Staff training & development	46,877	2,188
Stationeries	<u>14,080</u>	<u>15,076</u>
Total administration expenses	160,069	88,291

General supplies for FY2022 includes covid tests purchased for staff testing.

UNIT TRUST OF SAMOA (MANAGEMENT) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

5. Personnel costs

Details of personnel costs are specified as follows:

Salaries & Wages	412,625	427,982
NPF contribution	77,288	84,210
ACC levy	7,729	5,987
Staff amenities	<u>5,571</u>	<u>6,133</u>
Total personnel costs	503,212	524,311

6. Directors and executive management compensation

i. Board of Directors

The Directors of the company during the period from July 22 to April 23 comprised of:

Afoa Asiata Kolone Vaai	- Chairperson
Magele Arthur Penn	- Director
Tolefoa Douglas Creevey	- Director
Lauano Lauina Grace	- Director
Lutuiloa Vaiula Solomona	- Director

Director's fees, benefits and Board expenses of \$117,951 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 of Directors

Newly appointed current Directors comprise of:

Magele Arthur Penn	- Chairperson
Seulupe Michelle Macdonald	- Director
Tufearo Fa'atuai Pulepule Fanolua	- Director
Lemalu Patricia Ah Chong Fruen	- Director

	2023	2022
<i>Board of Directors expenses are as follows:</i>	\$	\$
Directors Fees and Allowances	85,500	94,500
Annual Director Membership Fees	7,200	7,200
Board Meeting Expenses	9,513	8,772
Board Travel Expenses	<u>15,738</u>	<u>-</u>
Total Board of Directors expenses	117,951	110,472

iii. Executive Management

Executive Management Salaries	<u>552,085</u>	<u>549,176</u>
Total Executive Management	552,085	549,176

7. Cash and cash equivalents

Details of cash and cash equivalents are as follows:

BSP Account	373,448	1,884,372
ANZ Account	162,510	124,129
SCB Account	63,164	38,017
NBS Account	211,580	217,497
Petty Cash	<u>250</u>	<u>250</u>
	810,952	2,264,266
SCB Term Deposit	214,240	208,000
NBS Term Deposit	355,221	344,939
BSP Term Deposit	<u>1,200,000</u>	<u>1,200,000</u>
Total cash and cash equivalents	2,580,413	4,017,205

The term deposits are surplus company funds earning interest rate of 3% p.a. All term deposits will mature within the next financial period.

UNIT TRUST OF SAMOA (MANAGEMENT) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

8. Term Deposits - SCB

Details of term deposits are specified below:

SCB - Bond (long term)	<u>146,215</u>	<u>141,612</u>
	<u>146,215</u>	<u>141,612</u>

This term deposit with SCB is the Bond as stipulated under section 5(2) of the Unit Trusts Act 2008. It will not be withdrawn.

9. Trade debtors

Details of other receivables are specified as follows:

Unit Redemptions paid receivable from Trust	360,587	116,744
Manager's Fee Receivable from Trust	207,092	197,573
Samoa Airways Loan Establishment Fee - Current	-	-
Exit Fees Receivable from Trust	<u>3,991</u>	<u>1,319</u>
	<u>571,670</u>	<u>315,636</u>
Less: Provision	-	-
	<u>571,670</u>	<u>315,636</u>

10. Property and Equipment

	Leasehold Building	Office Furniture & Fixture	Office Equipment	Computers & Softwares	Motor Vehicle	Right of use of Asset	Total
Cost carrying amount							
Balance as at 1 July 2022	91,500	101,736	115,953	640,154	227,000	205,224	1,381,568
Additions	68,000	15,656	26,741	48,817	110,000	39,385	308,598
Disposals			(18,999)				(18,999)
Balance as at 30 June 2023	<u>159,500</u>	<u>117,392</u>	<u>123,695</u>	<u>688,971</u>	<u>337,000</u>	<u>244,609</u>	<u>1,671,167</u>
Accumulated depreciation							
Balance 1 July 2022	14,297	94,095	92,089	374,843	179,598	68,408	823,330
Disposals			(18,999)				(18,999)
Depreciation	<u>2,572</u>	<u>3,766</u>	<u>10,269</u>	<u>68,531</u>	<u>35,239</u>	<u>85,287</u>	<u>205,665</u>
Balance as at 30 June 2023	<u>16,869</u>	<u>97,861</u>	<u>83,359</u>	<u>443,374</u>	<u>214,837</u>	<u>153,695</u>	<u>1,009,995</u>
Net Carrying amount							
30 June 2022	<u>77,203</u>	<u>7,641</u>	<u>23,865</u>	<u>265,311</u>	<u>47,402</u>	<u>136,816</u>	<u>558,238</u>
Net Carrying amount							
30 June 2023	<u>142,631</u>	<u>19,531</u>	<u>40,336</u>	<u>245,597</u>	<u>122,163</u>	<u>90,913</u>	<u>661,169</u>

11. Liabilities

Details of Trade creditors and Other are specified as follows:

(a) Trade Creditors

Unitholders' funds payable to Trust

2023	2022
\$	\$
<u>41</u>	<u>1,455,498</u>
<u>41</u>	<u>1,455,498</u>

(b) Other Creditors & Accruals:

Payroll Liabilities
Provision for Audit fee (inclusive Vagst)
Provision for Trustee fee
Deferred Income - current portion (see narrative in note 13)
Other Payables and Accruals

20,518	14,665
19,027	13,944
2,500	4,724
-	-
<u>11,106</u>	<u>20,146</u>
<u>53,151</u>	<u>53,478</u>

UNIT TRUST OF SAMOA (MANAGEMENT) LTD
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12. Authorized and paid-up capital

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

Authorised capital 100 ordinary shares	1,800,000	1,800,000
Issued and paid up capital	1,800,000	1,800,000
Additional issued and paid capital	-	-
Issued and paid up capital end of financial year	<u>1,800,000</u>	<u>1,800,000</u>

13. Leases

The existing lease for the company's space at DBS building is \$7,999.66 per month. This is for a term of 3 years with right of renewal for another 2 years subject to approval. Lease was effective in July 2021 and due to expire on the 30th June 2024. Lease rentals for the year will be treated in accordance with IFRS 16.

Initial liability recognised	139,502	205,224
Addition to lease liability: Increase in rental space in Oct22	39,385	-
Less lease payment during the year	(90,163)	(72,665)
Plus interest expense for the year	5,245	6,943
	<u>93,968</u>	<u>139,502</u>

14. Trustees fee and Manager's fee

	2023	2022
	\$	\$
Trustee fee expense for the year	(95,742)	(69,674)
Manager's fee income for year	2,512,653	2,178,089

Trustee's fee

The Trustee receives a fixed fee of \$30,000 per annum plus .5% of the Trust's total comprehensive income for the year.

Manager's fees

Under the terms of the Trust Deed, the Manager is entitled to receive manager's remuneration set by the Manager and can be changed by agreement between the Manager and the Trustee. According to the joint resolution by the Trustees and the Manager's Board of Directors the Manager receives 1.4% of the UTOS Trust Net Asset. The Manager's fee income is charged by the UTOS Management Ltd to the UTOS Trust on a monthly basis for managing the Trust.

15. Contingent liabilities

As at 30 June 2023, the Company had no contingent liabilities or assets.

16. Events occurring after balance sheet date

There are no material events after balance date that require adjustment or disclosure in these financial statements.