

UNIT TRUST OF SAMOA (MANAGEMENT) LTD

ANNUAL REPORT

30 June 2022

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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 2022

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 2022.

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 ("**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. Mulipola Anarosa Ale Molioo
Minister of Finance

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DIRECTORS' REPORT

Over the 12-month period for the financial year ending 30th June 2022, disruptions brought on by the pandemic continued to affect global economies. However, despite the countless variants that emerged, the availability of vaccines alluded to a road to recovery. Samoa also went into a country wide lockdown for an extended period when community transmission was detected.

It is indeed a pleasure, that at the time of writing this report, Samoa has once again reopened its borders to the world and the financial results presented herein remained largely resilient and unaffected.

The Unit Trust of Samoa Management Limited ('UTOSM') delivered positive returns to its shareholders with;

- i. A Return on Equity of 14.88% (FY21: 14.89%) which exceeds the 7% minimum ROE threshold stipulated for State Owned Enterprises.
- ii. An interim dividend of \$90,720 was paid to the Government during the year with a final dividend payable of \$79,404 declared at year end, bringing the total dividend for FY2022 to \$170,124 (FY21: \$201,433).

The results achieved by the UTOSM is a testament of its work in diligently managing the Trust. The Trust paid out its highest distribution to unitholders to date amounting to SAT\$7.50million. A total return of 9.25% comprising of a 4.73% capital growth and 4.52% dividend yield was recorded for the unitholders. The pandemic did not deter eligible unitholders from opening investment accounts as witnessed through the increase in unitholder numbers to 4,286 in FY2022; a growth of 12% in the number of unitholders.

In these challenging times, the Board continues to work with the Management team to ensure minimal disruptions to the operations, which has contributed to yet another positive results for the Management Company and achieving its strategic goals and objectives.

The role of the Trustee remains critical and is showcased through their active review and oversight of the work carried out by UTOSM to uphold the integrity of decisions and safeguarding the interests of the unitholders. We commend them once again for their hard work during the year.

The Board endeavours to uphold the highest level of corporate governance to ensure the protection of the interests of UTOSM shareholders as well as the unitholders of the UTOS Fund.

During the period, no Director has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by directors shown in the Financial Statements) by reason of a contract made by the 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 a resolution of the Directors



Afoa Asiata Kolone Vaai

Chairman of the Board
UTOS (Management) Ltd



Magele Arthur Penn

Director
UTOS (Management) Ltd

CHIEF EXECUTIVE OFFICER'S REPORT

UTOSM in its capacity as Fund Manager for the Trust maintains its commitment to deliver optimal returns to the unitholders and equal opportunities to access affordable investment opportunities.

With the support of our Shareholding Ministers, Board of Directors, Management and Staff, I am pleased to present this report, highlighting the steady financial performance of UTOSM for the financial year ending 30th June 2022.

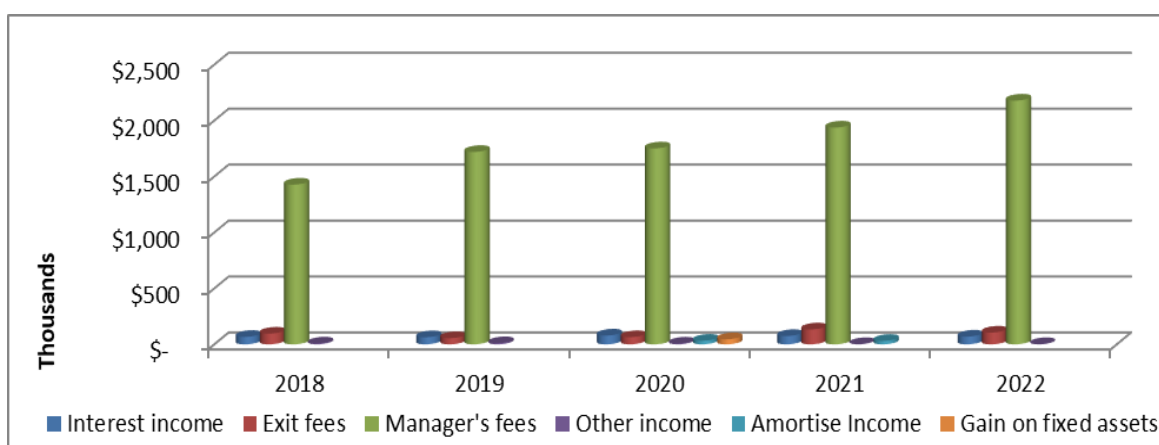
FINANCIAL PERFORMANCE

Income

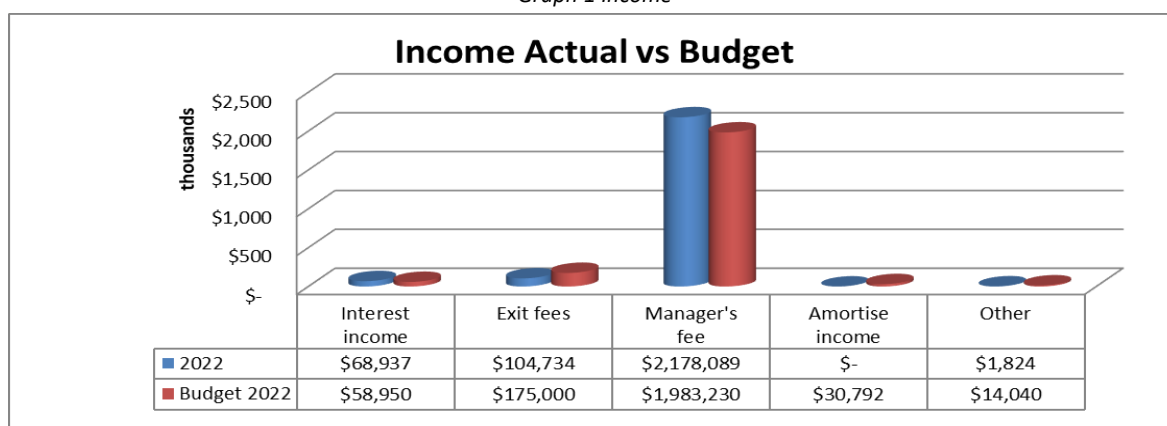
An increase of 8.90% was recorded for Total Income compared to the results of the prior year. The key income generating source for UTOSM is the Manager's Fee it receives for managing the Trust and thus is the driver for this result. The Manager's Fee is calculated as 1.40% per annum of the Trust's Net Assets. Therefore, the increase in income is in line with the continuous growth of the Trust's Net Assets.

The total income during the year exceeded the approved budget by 4%.

The UTOSM income stream composition and its historical trend is showcased in the graph below followed by comparison of actual results against budget estimates for the financial year.



Graph 1 Income



Graph 2 Actual vs Budget

Expenditure

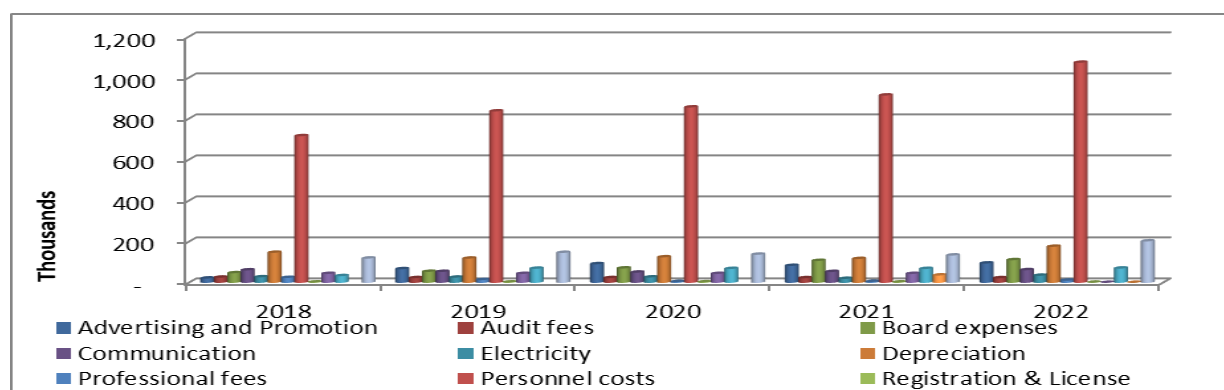
An increase of 15% in total expenditure compared to the previous year is attributable to the following;

- ❖ An increase of depreciation expense by 51% resulting from changes in global accounting standards as per IFRS16 coupled with additional assets purchased during the year.
- ❖ Executive management combined with personnel costs increased by 17% as a result of two (2) principal level staff and part-timers hired during the year.
- ❖ Repairs and maintenance increased by 100% due to security license and maintenance fees of online systems and website.

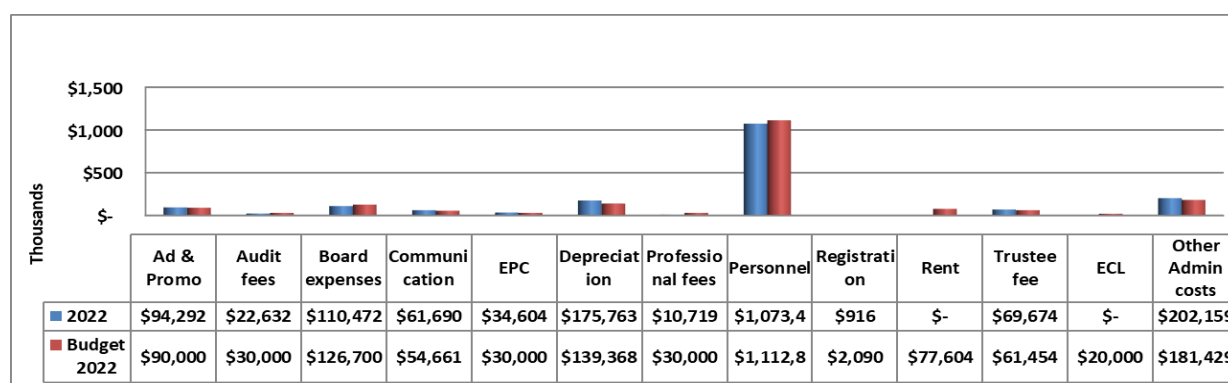
Total expenditure was 5% less than budget estimates due to the following;

- ❖ Reversal of expected credit loss relating to Samoa Airways Establishment Fees
- ❖ Underutilised overseas travel and training fees as travel remained restricted with border closures

Historical trends of key expenditures for the last 5 years are showcased in the Graph 3, followed by comparison of the financial year results against budget estimated in Graph 4.



Graph 3 Expenditures

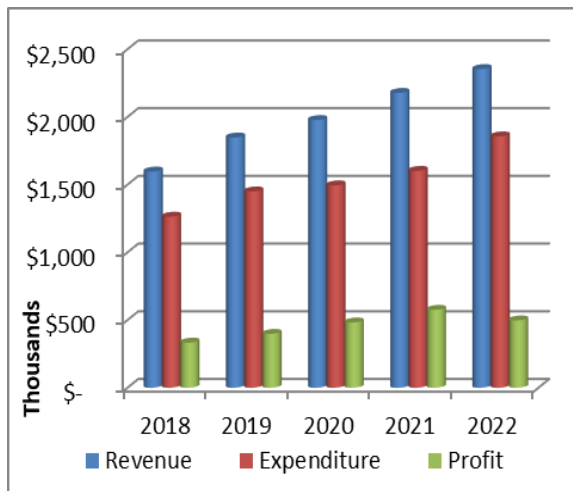


Graph 4 Actuals vs Budget

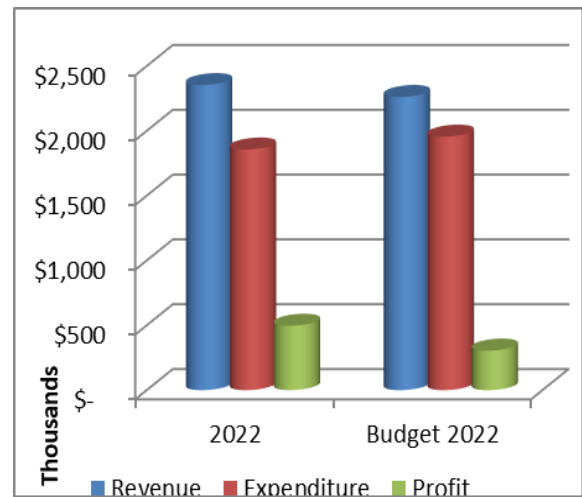
Profit

Overall, the UTOSM recorded a Net Profit of \$497,175 for the year, a reduction of 13.6% when compared to the prior year where a Net Profit of \$575, 522 was recorded.

The company continues to be in a position to declare and pay dividends to its shareholders with a total dividend of \$174,011 declared during the year.



Graph 5 Financial performances in the last five years



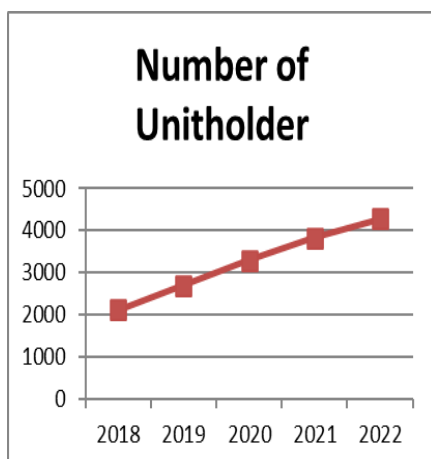
Graph 6 Actual vs Budget

MANAGING OF THE UNIT TRUST OF SAMOA

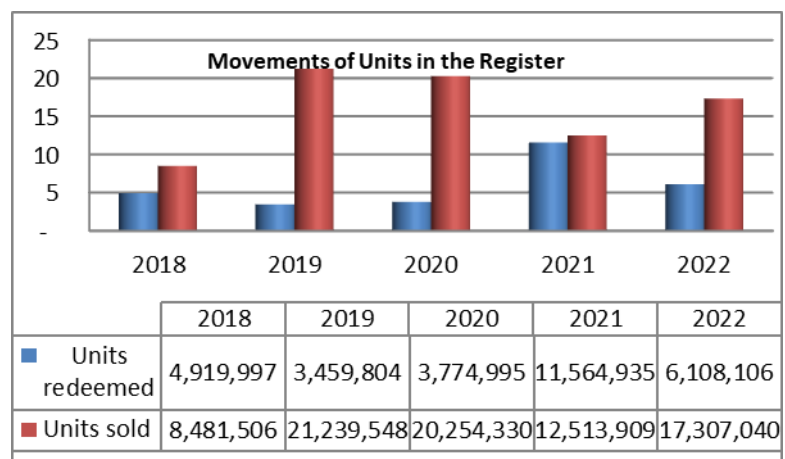
Unit Registry

Active marketing and awareness campaigns have yielded positive results with the number of unitholders increasing year on year. At the end of June 2022, the number of active unitholders on register amounted to 4,286 compared to 3,828 at the end of June 2021.

A total of 17.30million units were issued and paid during the year and is representative of a 38% increase compared to the prior year. The number of units that were sold back to the Trust decreased by 46% to 6.10million with unitholders willing to invest their funds for a longer period.



Graph 7 Investors (unitholders)

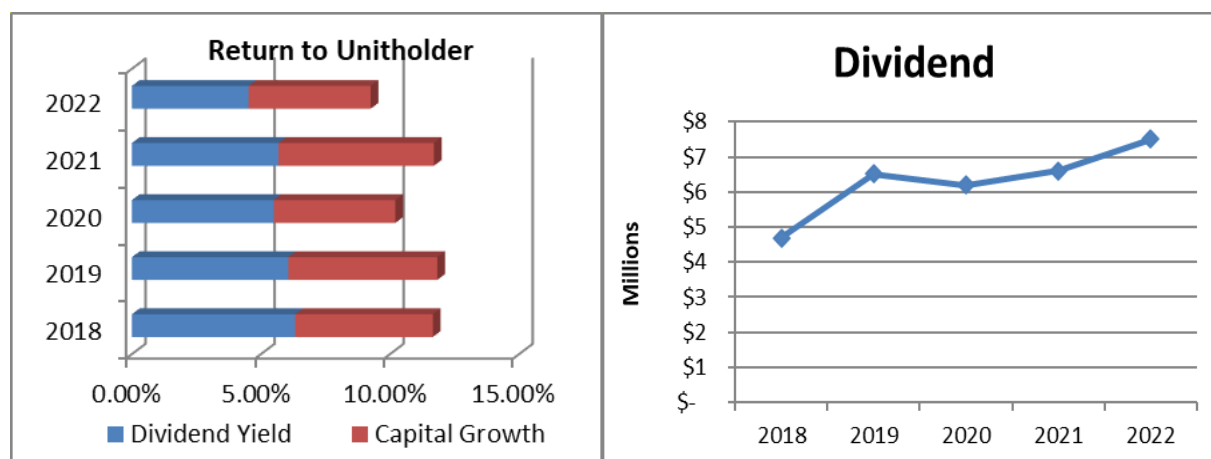


Graph 8 Movements of Units in the last five years

Return to Unitholders

The Trust achieved a total return of 9.25% compared to 11.70% in the previous year. The drop is attributable to the number of units on issue increasing at a higher rate compared to the profits generated by the Trust.

Despite the decrease in total return compared to previous years, the unit price reached its highest of \$1.77 in June 2022. The dividend per unit declared was maintained at 0.08sene per unit and amounted to a total of \$7.5 million distributed to unitholders compared to \$6.6 million in the previous year. This is the highest distribution paid out by the trust since inception. Since its inception, a total of SAT\$44million has been paid by the Trust to its unitholders in the form of annual dividends.



Graph 9 Return to Unitholder in the last five years

Graph 10 shows dividend declared & paid out in the last five years

The Trust's total asset surpassed \$200 million for the first time since establishment during the year. The investment portfolio increased by 20% with 2 major equity investments settled during the year and ongoing disbursements of investments approved in the prior year. The investment portfolio continues to perform well and remained resilient against the downward turn in the economy.

The Trust borrowings increased by 60% with funds going towards the settlement of new investments. The Trust's Net Assets increased by \$20 million with the increasing number of units sold plus profit from investment during the financial year driving the growth.

ONLINE SERVICES

Our online and digital communication services were successfully implemented during the lockdown periods and used throughout the different levels of State of Emergency Orders. The Board, Management and staff were able to conduct online meetings and managed to continue office operations with the use of Zoom, WhatsApp and email to communicate. Despite the closure of office, the operations of UTOSM were not disrupted during the prolonged lockdowns as staffs were able to operate from home using our online services.

We have utilized the use of Information, Communication and Technology (ICT) infrastructures to reach out to our unitholders by providing the UTOS Mobile App to access statements and make top-up payments through the MTala and Klikex platforms. Our local and overseas unitholders now have the ability to top up their accounts from anywhere using the MTala and online bank transfers. Unitholders who were in need of funds were also able to complete their withdrawal processes online and have funds directly deposited to their nominated bank accounts.

OUTLOOK

The availability of vaccines and reopening of borders provides a more improved outlook but uncertainty lingers with international conflicts and ongoing geopolitical issues. Our priority to invest locally remains as we actively engage with stakeholders in how UTOS can assist with their economic recovery. As borders reopen, we also remain open to regional opportunities that we can undertake with our local and regional partners.

The Investment team continues with the due diligence process of new investments in the pipeline and actively seeking new opportunities in the market. In addition, our marketing team will continue advertising campaigns and presentation targeting various stakeholders with inclusion of the seasonal workers scheme to set up accounts together with a push for digital marketing to capture the diaspora market.

Our Information Technology team is working towards improving our Website and Registry System with addition of updated servers. Furthermore, unitholders will soon be able to deposit money to their UTOS accounts through our partnership with Digicel My Cash and potential partnership with Talofa Voucher platforms from Pacific 40 Company.

Plans are still in the pipeline for new products which include a closed-fund, which may similar to a secondary stock exchange with a focus on property development and infrastructural projects. These investments are illiquid in nature and will be for those unitholders who are interested in these investment types.

Our systems are continuously upgraded and secured. Staff engagement with existing and potential unitholders through quality customer service remains a priority.

The Management continues to provide staff training and capacity building to ensure that staff maintains the standard and levels of experience required to provide optimum service to the unitholders. The welfare of the staff is also of critical importance with regular team building and social activities carried out to maintain high morale in the workplace.

ACKNOWLEDGEMENT

I take this opportunity to acknowledge the continuous support and dedication of the Chairman and the Board of Directors whose leadership and guidance provides clear direction for the operations of UTOSM. Their commitment to make available their time to ensure minimal disruption to decisions for UTOS is commended.

I also extend gratitude to the Management team and staff for their perseverance through another challenging year.

Finally, on behalf of the Chairman and the Board of Directors, Management and Staff of UTOSM, I extend our sincere appreciation to the Government through our Minister, Honourable Mulipola Anarosa Ale Molio'o, for the continuous support and cooperation.

Fa'afetai Tele Lava,

A handwritten signature in blue ink, appearing to read 'Tevaga Viane Tagiilima', with a stylized flourish at the end.

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 BOARD OF DIRECTORS – UNIT TRUST OF SAMOA (MANAGEMENT) LIMITED

Audit Opinion

We have audited the accompanying Financial Statements of the Unit Trust of Samoa (Management) Ltd for the year ended 30 June 2022 consisting of the statement of financial position, statement of financial performance, statement of changes in equity and statement of cash flows for the year ended, 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 Seiuli 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 2022, 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 the Company 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.

Emphasis of Matter

We draw attention to Note 2(c) to the financial statements, which describes the effect of covid19 pandemic worldwide and its impact on the Unit Trust of Samoa (Management) Ltd (UTOS) and the Going Concern basis on the Company. Despite the uncertainty over this prolong pandemic, UTOS is with the belief that there is no point of concern over the operation of the company now and in the foreseeable future. Our opinion is not modified in respect of this matter.

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

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AUDIT OFFICE

concern basis of accounting unless Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 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 Company'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 Company 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.

Our audit was completed on 31st October 2022 and our opinion is expressed as at that date.

Apia, Samoa
01st November 2022

Mua'ausā Marshall Maua
ASSISTANT CONTROLLER AND AUDITOR GENERAL

UNIT TRUST OF SAMOA (MANAGEMENT) LTD
CERTIFICATION BY DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2022

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 2022:

- a) Give a true and fair view of the matters to which they take;
- 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 31 October 2022 on behalf of the directors of the Unit Trust of Samoa (Management) Ltd.



Afoa Asiata Kolone Vaai

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



Magele Arthur Penn

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

UNIT TRUST OF SAMOA (MANAGEMENT) LTD
Statement of Financial Position

As at 30 June 2022

		2022	2021
ASSETS	Notes	\$	\$
Non current assets			
Investment in UTOS		280	280
Samoa Airways Establishment Fee Receivable	10	-	207,829
Property and equipment	11	558,238	445,929
Term Deposit - SCB	8	141,612	135,514
Total non current assets		700,130	789,552
Current assets			
Cash and cash equivalents	7	4,017,205	2,473,639
Trade debtors	9	315,636	665,474
Other debtors		91,132	33,722
Total current assets		4,423,972	3,172,836
Total Assets		5,124,102	3,962,388
LIABILITIES, CAPITAL AND RESERVES			
Current liabilities			
Trade creditors	12 (a)	1,455,498	506,375
Other creditors and accruals	12 (b)	53,478	75,144
Provision for government dividend		79,404	104,397
Provision for employee benefits		52,870	62,607
Lease liability	15	139,502	-
Total current liabilities		1,780,752	748,523
Long Term Liabilities			
Deferred Income	13	-	197,566
Total Long Term Liabilities		-	197,566
Total Liabilities		1,780,752	946,089
Capital and reserves			
Share Capital	14	1,800,000	1,800,000
Retained earnings/(losses)		1,543,350	1,216,299
		3,343,350	3,016,299
Total liabilities, capital and reserves		5,124,102	3,962,388


Afoa Asiata Kolone Vaai
Chairman of the Board


Magele Arthur Penn
Director

The accompanying notes on pages 18 to 24 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 2022

		2022	2021
	Notes	\$	\$
Income			
Interest income		68,937	74,340
Exit fees		104,734	133,141
Manager's fees	16	2,178,089	1,937,221
Amortise Income	13	-	30,789
Gain on sale of Fixed Asset		-	-
Other income		1,824	1,945
Total Income		2,353,584	2,177,437
Expenses			
Advertising & Promotion		94,292	82,577
Audit fees		22,632	22,632
Bank fees & Charges		2,764	3,342
Board expenses	6(ii)	110,472	106,810
Communication costs		61,690	53,035
Depreciation	11	175,763	116,332
Electricity		34,604	19,408
Executive management compensation	6(iii)	549,176	554,077
Other administration expenses	4	88,291	75,467
Personnel costs	5	524,311	359,561
Professional fees		10,719	4,915
Provision		-	35,921
Registration & Licenses		916	1,995
Rent		-	43,508
Lease interest	15	6,943	-
Repairs & Maintenance		93,442	43,333
Travel & Allowances		10,719	11,270
Trustee fee	16	69,674	67,732
Total expenses		1,856,409	1,601,915
Profit/(Loss) before Income tax		497,175	575,522
Income tax (Expense)/Benefit	2(n)	-	-
Net profit/(loss) after Income tax		497,175	575,522

The accompanying notes on pages 18 to 24 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 2022

	Government of Samoa Contribution	Earnings/ (Losses)	Total
Opening Balance as at 30 June 2021	1,800,000	1,216,299	3,016,299
Net Profit/(Loss)		497,175	497,175
Interim Dividend paid		(90,720)	(90,720)
Final Dividend payable		(79,404)	(79,404)
Closing Balance as at 30 June 2022	1,800,000	1,543,350	3,343,350

The accompanying notes on pages 18 to 24 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 2022

	Note	2022 \$	2021 \$
Cash Flows from operating activities			
Cash received from Unit Holders and Trust		30,351,515	21,034,657
Cash received from interest on current account		10,510	6,974
Cash received from other income		38,722	41,048
Cash received from fees income		3,778,252	1,916,352
Cash paid to and for the Trust		(28,131,122)	(21,474,725)
Cash paid for expenses and employees		(3,935,019)	(1,472,458)
Net cash inflow/(outflow) from operating activities		<u>2,112,858</u>	<u>51,848</u>
Cash flows from investment activities			
Cash from interest on term deposits		57,795	70,801
Cash from Sale of Fixed Assets		-	-
Payment for property, plant and equipment		(288,073)	(60,529)
Net cash inflow/(outflow) from investment activities		<u>(230,278)</u>	<u>10,272</u>
Cash flows from financing activities			
Dividend to Government of Samoa		(197,403)	(175,670)
Net cash inflow/(outflow) from financing activities		<u>(197,403)</u>	<u>(175,670)</u>
Net increase/(decrease) in cash and cash equivalents		1,685,178	(113,550)
Cash and cash equivalents at beginning of year		2,473,639	2,722,703
Total Cash and cash equivalents at end of year		4,158,817	2,609,153
Deduct;			
Non - Current cash in SCB Bond term deposit	8	(141,612)	(135,514)
Current cash and cash equivalents at end of year		<u>4,017,205</u>	<u>2,473,639</u>
Represented by;			
Current Cash and Cash equivalents	7	4,017,205	2,473,639
		<u>4,017,205</u>	<u>2,473,639</u>

The accompanying notes on pages 18 to 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 2022

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 Tafailagi Trustee Company Ltd and the unitholders. 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 Afoa Asiata Kolone Vaai. The Board comprises of representatives from the Private Sector and Commercial Services.

The main office is located on the 3rd Floor of the Development Bank of Samoa Building, Fugalei 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 on-going 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 period.

c. Basis of Accounting – Going Concern

Notwithstanding recent novel corona virus (COVID-19) global outbreak and significant economic uncertainties resulting there from, 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.

UNIT TRUST OF SAMOA (MANAGEMENT) LTD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

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.

f. Foreign currency transactions

Transactions in foreign currencies are translated into Samoan Tala at exchange rates ruling at the date to 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 translations 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.

h. 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 or a credit loss is recognised immediately in the statement of financial performance.

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 is 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 equipment	20%
- Motor vehicles	20%
- Computers	33%
- Systems and software	10%
- Leasehold Building	2.5%

UNIT TRUST OF SAMOA (MANAGEMENT) LTD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

l. Property, plant and equipment (continued)

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 amounts.

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.

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 exempted 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 interests on 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. Since, the remaining term of the current lease is less than 12 months, and the impact of the change is not material, the company has adopted the exemption, and continued to recognise the lease payments on a straight line basis.

3. Critical accounting estimates and judgements

The company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements 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.

UNIT TRUST OF SAMOA (MANAGEMENT) LTD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

4. Other Administration expenses	2022	2021
<i>Details of administration expenses are specified as follows:</i>	\$	\$
Catering & refreshments	9,052	10,678
General supplies & services	20,292	3,762
Insurance	5,696	5,697
Memberships & subscriptions	5,202	8,924
Motor vehicle expenses	6,422	9,134
Other	881	1,260
Printing & Publications	22,373	11,282
Agent fee	1,110	893
Staff training & development	2,188	11,135
Stationeries	15,076	12,702
Total administration expenses	88,291	75,467

General supplies for the year includes covid tests purchased for staff testing etc.

5. Personnel costs

Details of personnel costs are specified as follows:

Salaries & Wages	427,982	329,851
NPF contribution	84,210	20,162
ACC levy	5,987	3,361
Staff amenities	6,133	6,187
Total personnel costs	524,311	359,561

6. Directors and executive management compensation

i. Directors

The Directors of the company during the period comprised of:

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

Director's fees, benefits and Board expenses of \$110,472 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

Board of Directors expenses are as follows:

	2022	2021
	\$	\$
Directors fees and allowances	94,500	94,500
Membership fees	7,200	7,200
Meeting expenses	8,772	5,110
Total Board of Directors expenses	110,472	106,810

iii. Executive Management

Executive Management Compensation	549,176	554,077
Total Executive Management	549,176	554,077

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

7. Cash and cash equivalents

Details of cash and cash equivalents are as follows:

BSP account	1,884,372	717,031
ANZ account	124,129	46,083
SCB account	38,017	39,024
NBS account	217,497	91,796
Petty cash	250	250
	2,264,266	894,183
SCB Term Deposit	208,000	1,244,759
NBS Term Deposit	344,939	334,697
BSP Term Deposit	1,200,000	-
Total cash and cash equivalents	4,017,205	2,473,639

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

8. Term Deposits - SCB

Details of term deposits are specified below:

SCB - Bond (long term)	141,612	135,514
	141,612	135,514

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	116,744	477,535
Manager's fee receivable from Trust	197,573	155,256
Samoa Airways Loan Establishment Fee - Current	-	61,579
Exit fees receivable from Trust	1,319	7,025
	315,636	701,396
Less: Provision	-	(35,921)
	315,636	665,474

10. Long Term Debtor

Samoa Airways Loan Establishment Fee	-	207,829
	-	207,829

A joint agreement was signed by Samoa Airways and UTOS on the 24th January 2019 for the \$150,000 with an additional \$150,000 loan establishment fee to be paid quarterly for a term of ten years.

Proceeds from the loan fee will go directly to a joint promotion campaign in the agreement. Loan for Samoa Airways was written off from the books of the Management in March 2022 and transferred to the Trust.

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For the year ended 30 June 2022

11. 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 2021	91,500	96,110	115,953	562,932	227,000	-	1,093,495
Additions	-	5,626	-	77,222	-	205,224	288,073
Disposals							
Balance as at 30 June 2022	91,500	101,736	115,953	640,154	227,000	205,224	1,381,568
Accumulated depreciation							
Balance 1 July 2021	12,010	90,200	78,701	308,658	157,998	-	647,566
Disposals							-
Depreciation	2,288	3,895	13,388	66,185	21,600	68,408	175,763
Balance as at 30 June 2022	14,297	94,095	92,089	374,843	179,598	68,408	823,330
Net Carrying amount							
30 June 2021	79,491	5,910	37,253	254,273	69,002	-	445,929
Net Carrying amount							
30 June 2022	77,203	7,641	23,865	265,311	47,402	136,816	558,238

12. Liabilities

Details of Trade creditors and Other are specified as follows:

(a) Trade Creditors

	2022 \$	2021 \$
Unitholders' funds payable to Trust	1,455,498	506,375
	1,455,498	506,375

(b) Other Creditors & Accruals:

Payroll Liabilities	14,665	9,953
Provision for Audit fee (inclusive Vagst)	13,944	22,632
Provision for Trustee fee	4,724	3,584
Deferred Income - current portion (see narrative in note 13)	-	30,789
Others	20,146	8,185
	53,478	75,144

13 Long Term Liabilities

Deferred Income	-	197,566
	-	197,566

The income side of the arrangement in note 10 is deferred and amortised equally over 10 years from January 2019. Amortise income for the year is \$30,789 leaving a balance of \$197,566 for deferred income. Current portion of \$30,789 is included in other creditors & accruals (2021:\$).

14. Authorised 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	1,800,000	1,800,000

15. Leases

The existing lease for the company's space at DBS building is \$3,625.70 per month. This is for a term of 3 years with right of renewal for another 2 years subject to approval. Lease was effective July 2021 due to expire on the 30th June 2024. Lease rentals for the year will be treated in accordance with IFRS 16.

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15. Leases	2022	2021
	\$	\$
Initial liability recognised	205,224	-
Less lease payment during the year	(72,665)	-
Plus interest expense for the year	6,943	-
	139,502	-

16. Trustee fee and Manager's fee	2022	2021
	\$	\$
Trustee fee expense for the year	(69,674)	(67,726)
Manager's fee income for year end	2,178,089	1,937,221

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 fee

Under the terms of the Trust Deed, the Manager is entitled to receive manager's remuneration set by the Manager and can be change 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.

17. Contingent liabilities

As at 30 June 2022, the Company had no contingent liabilities or assets.

18. Events occurring after balance sheet date

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