



**ANNUAL
REPORT
2022**

**ANNUAL REPORT FOR YEAR
ENDED 30 JUNE 2022**



Contact Us



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STATEMENT OF COMPLIANCE

1 October 2022

Hon. Olo Fiti Afoa VAA'I
Minister of Works, Transport & Infrastructure
APIA

Dear Honorable Minister

Re: Samoa Ports Authority Annual Report and Audited Financial Statements for Financial Year Ended 30 June 2022

In compliance with Section 35(1) a,b & c of the Ports Authority Act 1998, it is with great pleasure that I submit herewith the Samoa Ports Authority's Annual Report with the Audited Financial Statements for the year ended 30 June 2022 for your information and presentation to Parliament.

The Report consists of the following:

1. Chairman's Report
2. General Manager's Review
3. Independent Auditor's Report
4. Certification by Directors
5. Audited Annual Financial Statements

Ma le faa'alo'alo tele lava.

So'oalo Kuresa SO'OALO
GENERAL MANAGER

STATEMENT TO PARLIAMENT

Hon. Speaker of the House
Parliament of Samoa
Mulinuu
APIA

Dear Mr Speaker

Pursuant to Section 35 (2) of the Ports Authority Act 1998, it is my pleasure to present to the Parliament of Samoa, the Annual Report with Audited Financial Statements of the Samoa Ports Authority for the Financial Year ended 30 June 2022.

I am pleased to announce that the Financial Year from 01 July 2021 to 30 June 2022 was another record financial year for the Authority despite the operational challenges especially the impact of the Covid-19 pandemic.

I wish to extend my sincere thanks and appreciation to the Board of Directors, Management and Staff for the extraordinary results of the year.

Ma le faa'alo'alo tele lava.



Hon. Olo Fiti Afoa VAA'1
MINISTER OF WORKS, TRANSPORT & INFRASTRUCTURE



SPA Vision & Mission



SPA Vision

“TO BE ONE OF THE PACIFIC’S LEADING PORTS IN PROVIDING SAFE, EFFICIENT AND EFFECTIVE PORT SERVICES”



SPA Mission

“TO CONTINUE DEVELOPING PORTS INFRASTRUCTURE IN COLLABORATION WITH THE GOVERNMENT’S ECONOMIC AND SOCIAL REQUIREMENTS, PROVIDING QUALITY SERVICES AND COMPLIANCE WITH NATIONAL AND INTERNATIONAL PORT STANDARDS, SYSTEMS, ENVIRONMENT AND SKILLS”

HIGHLIGHTS & CHALLENGES

OPERATIONS

4.0%

Revenue tonnage recorded – 2.0 million tons compared to 1.9 million tons last year; a slight rise of 4.0%.

4.0%

Number of Containers (TEUs) handled – 45,680 compared to 43,933 in 2020/21 FY; an increase of 4.0%.

23.1%

Number of Vessels – 310 compared to 403 last year; a decrease of 23.1%

21.7%

Cargo total tonnage – 1,106,117 tons compare to 909,150 tons in 2020/21 FY – a rise of 21.7%

26.2%

Transhipped cargo tonnage – 442,187 tons in 2021/22 vs 350,489 tons last year – an increase of 26.2%

FINANCE



NET PROFIT WST\$10.7 MILLION

Record Net Profit of WST\$10.7 million tala compared to WST\$9.1 million tala in 2020/21; a rise of 17.6%



DIVIDEND

Declared and Paid Cash Dividend of WST\$3.7 million tala to Government

MAJOR DEVELOPMENTS PROJECTS



ADB funded Enhancing Safety, Security and Sustainability of Apia Port Project ground-breaking ceremony

Construction of the new tug boat.



Chairman's Report

Introduction

The Samoa Ports Authority has accomplished another record annual financial performance despite the disruptions to services and revenue due to the global impact of the Covid-19.

Major activities, overall performance and dividend information.

SPA delivered a new record net profit of \$10,679,925 for the review financial year (FY 2021/22) which is short of the revised annual budget of \$11,180,502 by 4.48%.

From this record net profit SPA was able to continue dividend payments to the Government of Samoa as a return on its investment. Total dividends at 35% of net profits paid for this financial year amounted to \$3.7 million tala.

Despite the decline in the number of vessels due to the continued entry restrictions for Covid-19, the record financial results was possible due to the increase in the volume of cargo by 21.7% and transshipments by 26.2%. Total vessels revenue tonnage also rose by 4% as well as the number of containers in TEUs by 4%.

Capital projects

The ground-breaking ceremony to mark the commencement of the construction phase of the ADB-funded Enhancing Safety, Security and Sustainability of Apia port project in August 2021 was another milestone for SPA plus the construction of the new tug boat in Hong Kong under the same project.

SPA Directors

With gratitude, I record particular appreciation to my fellow Directors for their time, energy and dedication during the past year and for the expertise and insights they each bring to steering and overseeing SPA's activities.

A change in the Board directorship occurred in May 2022. With appreciation we commend the work and contribution for many years of the former directors; Tuatagaloa Shane Wulf, Deputy Chairman, Luafau Leia Tuulima Aimaasu, Afoa Raymond Pereira, and Tevaga Pisaina Leilua – Lei Sam.

The following were the Board Directors for the remainder of the year under review:

- o Seugamaalii Taito Jammie Saena;
- o Tiufea Rudolph Meredith;
- o Marie Toalepaalii;
- o Rev Nuuausala Siaosi. (now retired as of August 2022)

Acknowledgements

On behalf of SPA I thank the Hon Olo Fiti Afoa Vaa'i; the Minister of Works, Transport & Infrastructure, for his unfailing support and counsel. I would also like to thank the Associate Minister, Niuava Eti Malolo for his contribution.

We also acknowledge with appreciation the stakeholders and all port users for their patronage and cooperation which have contributed to the results reported herein. The support of the Government, all stakeholders and port users will be critical in underpinning the continued growth and development of the SPA and in achieving its mission to provide safe, efficient and profitable port services for the future of Samoa.

SPA is fortunate in having well skilled and committed staff led by the General Manager/CEO, with their combined contributions to the efficient management and overall supervision of all Authority functions and activities. On behalf of the Board I warmly acknowledge and thank them all for their loyalty and service and in ensuring another successful year for the Authority in the midst of adversity and uncertainty.

We express to the SPA General Manager / CEO, Afioga So'ovalo Kuresa So'ovalo, a particular tribute of acknowledgement for his fine management and leadership of the Authority.

In like manner let me also acknowledge with warm appreciation the role and important contributions of all our stakeholders and other varied players within the Port system which all combine to ensure the functioning efficiency and safety of the Port, and to make this year another successful year for SPA. We thank them for the essential services they render and for their invaluable commitment and cooperation.

Soifua,



Tuiloma Neroni Slade
Board Chairman



General Manager's Report

It is with much pleasure that I present the 23rd Annual Report of the Samoa Ports Authority for the financial year ended 30 June 2022 noting the achievements and challenges endured during the review year.

Significant Events

After several months of the political impasse after the general election in April 2021, the new Fast-led government took over in July 2021. A welcoming session by the MWTI sector CEOs and GMs was held before the official welcoming ceremony for the new Minister of Works, Transport & Infrastructure; Hon. Olo Fiti Afoa Vaa'i and the Associate Minister where all sector Management and staff attended.

The Authority overall operation during the financial year was dominated by the community outbreak of the Covid-19 on 17 March 2022 where a level 3 lockdown was immediately enforced to stop the potential widespread of the pandemic. The Authority level 3 pandemic plan was implemented where most of the staff remained at home with only critical areas like Maritime, Port Operations, Cargo, Manifest and Finance were required to work since the port remained open for essential supplies.

The Authority welcomed three new Board Directors; Susuga Marie Toalepaialii, Afioga Seugamaalii Taito Jammie Saena and Tofa Tiufea Rudolph Meredith. The three new Directors will make up the new Board membership of five Directors including the Chairman. The first task for the new Board was the assessing and approving of the Annual Budget for the 2022/23 financial year.

Operational Overview

The number of vessels handled during the financial year slightly declined by 23.1% from 403 vessels in 2020/21 FY to only 310 during the review FY. The decline was significantly impacted by the huge drop in the number of fishing vessels by 45% from 200 to only 110 this year. Revenue tonnage (Vessels GRT) slightly rose by 4% over the previous year despite the reduction in the number of vessels. Container volumes also rose by 4% above the previous year total of 43,933 TEUs compare to 45,680 TEUs this year.

Financial Performance

The Authority continues to honour its obligation as a State Owned Entity (SOE) by paying its prescribed 35% of Net Profits as dividend to the Government through the Ministry of Public Enterprises. A total of \$3.7 million tala dividend on Net Profits for the FY 2021/22 has been paid to Government. It is another excellent financial year for the Authority despite the impact of Covid-19 with a new record profit of \$10.7 million tala and it is the first time the Authority has surpassed the \$10 million tala mark.

Development Projects

The ground-breaking ceremony to mark the start of the construction phase of the Enhancing Safety, Security and Sustainability of the Apia Port Project (ESSSAP) was another milestone for the Authority officiated in Apia by the ADB Regional Director and the Prime Minister of Samoa; Hon Fiame Naomi Mataafa.

Outlook

Exceptional results; (Financial and Operations-wise) in the last three years illustrate that we are progressing and will continue to try keep the momentum going. All port trade statistics are on the rise despite the impact of Covid-19 entry restrictions and it is an exciting time for the Authority to proceed with its future development aspirations prioritizing the upgrade of domestic ports of Mulifanua and Salelologa.

Acknowledgement

On behalf of SPA, I wish to acknowledge with appreciation the support and contribution from our business partners, stakeholders and all port-users, they have all contributed to the Authority's results for this FY.

After another strong performance despite the challenges, I would like to thank the Hon Minister of Works, Transport & Infrastructure Olo Fiti Afoa Vaa'i for the advice and unfailing support rendered during the year. Acknowledge with appreciation the support of the Associate Ministers Niiuava Eti Malolo and Laumatiamanu Ringo Purcell during the review financial year.

I would also like to especially thank the SPA Board Chairman, Afioga Tuiloma Neroni Slade for proficiency guidance and leadership. I thank the hard-working Board of Directors and my Senior Management Team for their diligence, contribution and support.

Finally, I would like to acknowledge and thank all staff for their hard work, support and commitment to the Authority's drive for success. Malo tautua, faafetai lagolago.

Ma le faaaloalo tele lava.



So'oalo Kuresa SO'OALO
GENERAL MANAGER



SPA PROFILE

Samoa Ports Authority (SPA) was established in July 1999 under the Ports Authority Act 1998.

As a State-Owned Entity (SOE), the Authority must also comply with the provisions of the following legislations:

- Public Bodies (Performance & Accountability) Act 2001
- Public Finance Management Act 2001
- Shipping Act 1998
- Small Vessels Regulations 1998
- Labour and Employment Relations Act 2013
- Companies Act 2001
- Cabinet Directives

2.1. SPA History

The Samoa Ports Authority was established in 1999 by the Ports Authority Act 1998. The amendment of the Act as per Cabinet Directive FK (14) 21 in 2014, authorised the transfer of the domestic ports of Mulifanua and Salelologa under the management of the Samoa Shipping Corporation. A decision to transfer the domestic ports back to SPA has been finalised with amendment of the Act to be tabled before Parliament targeting 1st October 2022 as the effective date.



SPA currently employs a total of 110 employees all based at Matautu-tai and specifically focus on the operations and management of the Apia International Port, Apia Fisheries Port, Asau and the Aleipata Ports. More staff are expected when the transfer of domestic ports eventuated in October 2022 since all the staff currently employed by the Samoa Shipping Corporation Ltd will be transferred as well.



Apia Port

Apia International Port is located at Matautu-tai at approximately 3km from the center of the Apia town-ship. Apia Port is the main seaport gateway for Samoa accounting for approximately 97% of international freight movements.



Aleipata Wharf & Slipway

Aleipata wharf and slipway is situated on the east side of the main island of Upolu. The Slipway was leased to the Samoa Shipping Corporation in 2014 under a pilot project arrangement for a five year term.



Asau (Savaii) wharf

Asau port is situated on the western side of the island of Savaii, with a total quay length of 105 meters. The wharf is still maintained by the Authority and its use is limited to yachts and small fishing vessels, due to its shallow and narrow channel.



Port Security

The Apia International Port was included in the IMO audit in May 2018 and continues to comply with ISPS safety requirements to ensure safety of ships, port facilities and international maritime operations. Annual visit by the US Coast Guard is to provide advice and guidance on ISPS Compliance. The Authority has enhanced its Security services by installing CCTV cameras for monitoring of vessel operations and movements of cargo within the wharf compound. New requirements have been implemented where every person must obtain prior approval for issuance of a Pass to enter.



As a protective measure for Covid-19, it is now a requirement for all that enter the port to be fully vaccinated.



Board of Directors



Tuiloma Neroni Slade

Chairman



Seugamaalii
Taito Jammie
Saena
Board Director



Tiufea Rudolf
Meredith
Board Director



Rev Nuuausala
Siasia Siutaia
Board Director



Marie
Toalepaialii
Board Director



So'oalo Kuresa
So'oalo
Board Secretary

Senior Management



So'oalo Kuresa SO'OALO

General Manager / Board Secretary



Lealaialoto
Capt. Tafai
TOILOLO
**Assistant GM-
Port Operation**



Moe LENE
**Assistant GM-
Finance**



Vaafusuaga
Capt. Foetutasi
FAAMAUSILI
**Assistant GM-
Maritime | Port
Master**



Tuitama Nia
VAIFALE
**Assistant GM-
Audit**



Peter Gafa
LOKENI
**Assistant GM-
Corporate
Services**

REVIEW OF OPERATIONS

Major Projects & Significant Events

Level 3 Covid-19 Lockdown

The Authority overall operation was significantly dominated by the community outbreak of the Covid-19 on 17 March 2022 where a level 3 lockdown was immediately enforced to stop the potential widespread of the pandemic. The Authority level 3 pandemic plan was implemented where most of the staff remained at home with only critical areas like Maritime, Port Operations, Cargo, Manifest and Finance were required to work since the port remained open for essential supplies.

Under the plan, the above divisions were divided into teams to work on a weekly shift to avoid mass contact amongst staff at one time and regular tests were carried out by the Port Health staff for SPA staff including other port workers. Several staff were reported positive and were asked to be isolated at home and only to return to work when tested negative.



New FAST led Government took over.

After several months of the political impasse after the general election in April, the new Fast led government took over in July 2021.

A welcoming session by the MWTI sector CEOs and GMs was held at the TATTE Event Center before the official welcoming ceremony for the new Minister Hon. Olo Fiti Afoa Vaa'i and Associate Minister Niuava Eti Malolo where all sector Management and staff attended.

A church service was conducted followed by an ava ceremony to welcome the Hon Minister and Associate Minister. The Hon Minister then delivered his speech to all Sector Management and staff and the event was concluded with a lunch for everyone.





Assistant General Manager Finance (CFO)

The Board in August 2021 endorsed the interviewing panel report and recommendation to re-appoint Ms Moe Lene as the Assistant General Manager Finance (CFO) for another three years. This is Moe’s second three-year term as the AGM Finance for the Authority.



Port Master (Assistant General Manager Maritime)

The appointment of the new Port Master (Assistant General Manager Maritime) Vaafusuaga Capt Foetutasi Faamausili was confirmed by Cabinet and endorsed by the Board in March 2022. New Port Master has commenced employment for a three-year contract.

Assistant General Manager Corporate Services Resignation

In June we received the resignation letter from the former Assistant General Manager for Corporate Services Rev Peter Gafa Lokeni to end his term in July 2022. He will serve as the Church Minister for the Faatoia CCCS parish. The position has been advertised for applications to recruit a replacement for a three-year contract.



2022 Financial Year Dividends

The Authority continues to honour it’s obligation as a State Owned Entity (SOE) by paying the prescribed 35% of Net Profits as dividend to the Government through the Ministry of Public Enterprises. A total of \$3.7 million tala dividend on Net Profits for the FY 2021/22 has been paid to Government to date.



Transfer of Domestic Ports back to SPA.

The transfer of domestic ports of Mulifanua and Salelologa was one major activity announced during the financial and preparations are now well in progress for this to happen in October 2022.

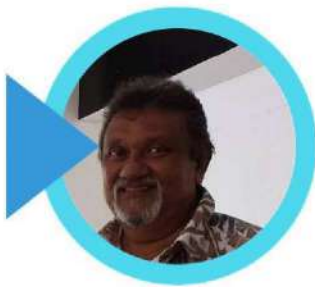
The decision is a reversal of that made in 2014 where the two domestic ports were transferred under the management of the Samoa Shipping Corporation Ltd.

Management of both entities with the support of the office of the Attorney General are currently processing the relevant documents to be presented to Cabinet and eventually to Parliament for the amendment of the Ports Authority Act 1998 to accommodate the transfer.



New Board Directors

We welcomed three new Board Directors; Susuga Marie Toalepaalii, Afioga Seugamaalii Taito Jammie Saena and Tofa Tiufea Rudolph Meredith. The three new Directors will make up the new Board membership of five Directors including the Chairman. The first task for the new Board was the assessing and approving of the Annual Budget for the 2022/23 financial year.



Tiufea Rudolf Meredith



Seugamaalii Taito Jammie Saena



Marie Bentin To'alepaalii

Ground-breaking Ceremony of Enhancing Safety, Security and Sustainability of Apia Port Project (ESSSAP)

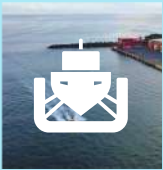
Friday 13th August 2022 was another milestone for the Authority when the first female Prime Minister of Samoa, Hon Fiame Naomi Mataafa officiated her first ever official engagement as the Prime Minister when she delivered the keynote address for the ground-breaking ceremony of the Enhancing Safety, Security and Sustainability of the Apia Port project.

Due to Covid-19 restrictions at the time, attendance was limited to Cabinet Ministers, Board Chairman, Port-users, Management and staff. The ADB remarks was delivered virtually by it's Regional Head from Suva, Fiji and the ground breaking was performed by the Hon Minister of Works, Transport & Infrastructure, the SPA Board Chairman, Representative of ADB from its Apia office and Representative of the main contractor;; China Harbour Engineering Company.

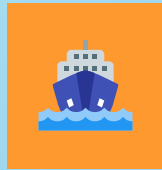




APIA Port Statistics



Number of Vessels Calls



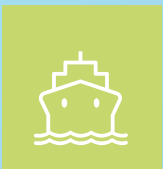
Vessels Calls-Five Years



Vessels Calls 2021-2022



Vessels Calls - Five Years



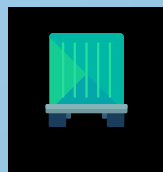
Types of Vessels



Vessels GRT - Five Years



Vessels Breakdown



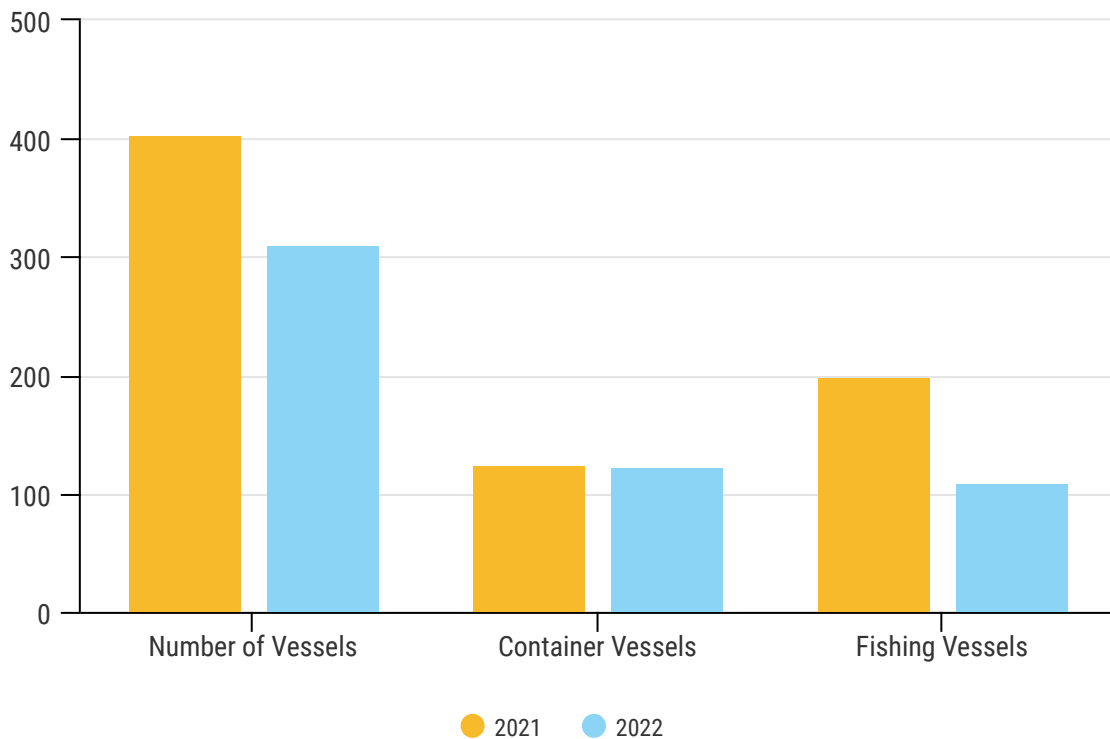
No of Containers (TEUs) - Five Years

Numbers of Vessels

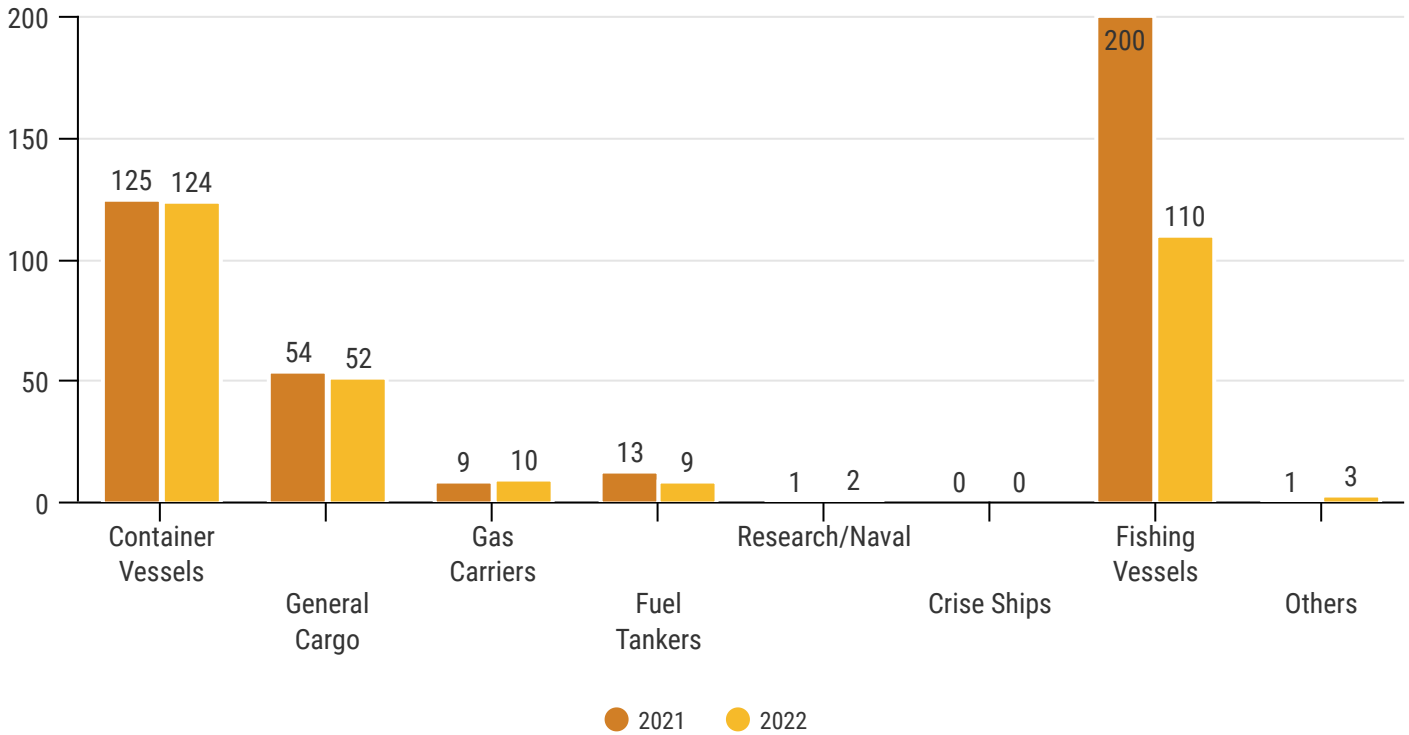


	2018	2019	2020	2021	2022
Number of Vessels Calls	525	621	637	403	310
	2018	2019	2020	2021	2022
Container Vessels	154	169	148	125	124
	2018	2019	2020	2021	2022
Cruise Ships	5	17	2	-	-
	2018	2019	2020	2021	2022
Fishing Vessels	220	240	292	200	110
	2018	2019	2020	2021	2022
Vessels GRT	2,439,148	3,672,558	2,498,536	1,899,338	1,975,034
	2018	2019	2020	2021	2022
No of Containers (TEUs)	37,091	42,102	41,200	43,933	45,680

Vessels Calls-2021 vs 2022



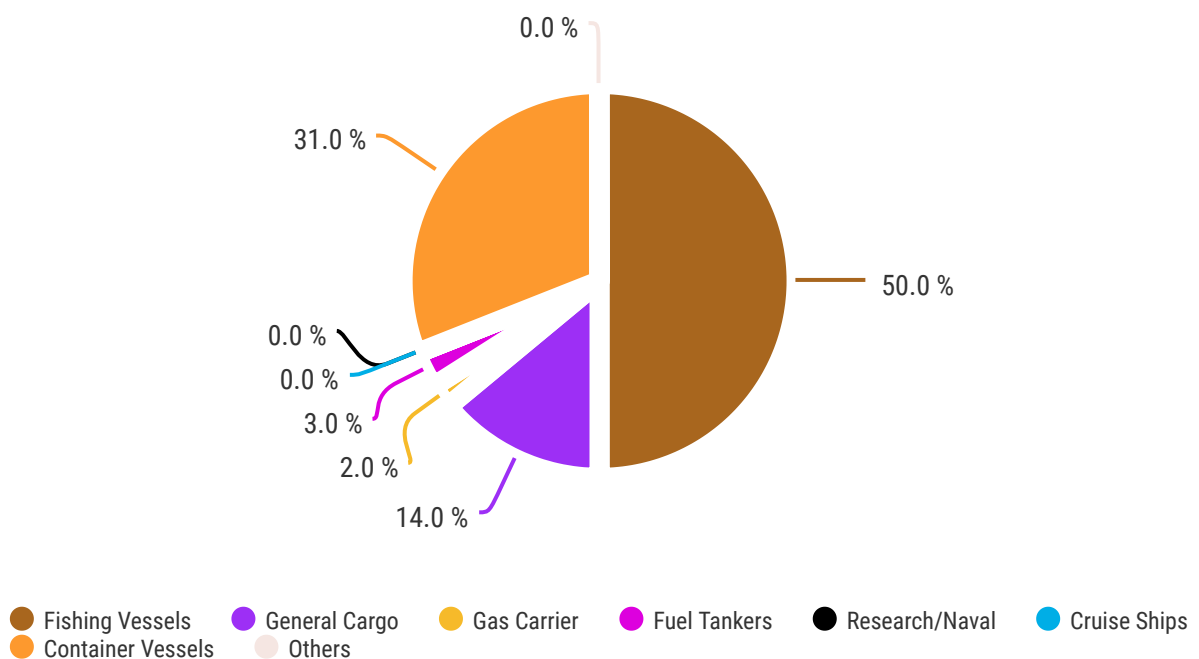
Types of Vessels



The number of vessels berthed at Apia Port declined by 23.08% from 403 in 2020/21 FY to only 310 during the review financial year. It is the second consecutive year the number of vessels called into the Apia port have declined due to the continued impact of the Covid-19 entry restrictions.

The big mover in vessels type were the fishing vessels which declined by 45% compare to the previous year (from 200 to only 110). The number of container vessels marginally decreased by 0.80% from 125 last year to 124 during the review financial year likewise the general cargo vessels slightly decline by 3.70% from 54 in 2020/21 FY to 52 in 2021/22 FY.

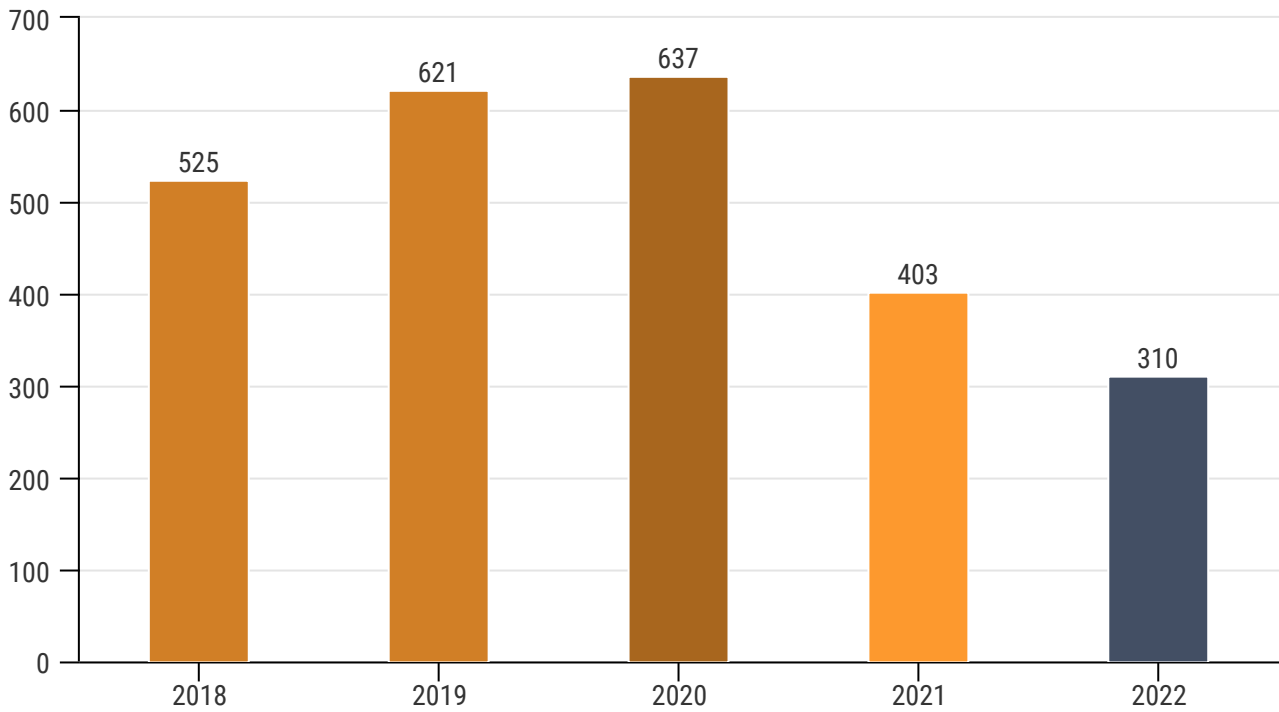
Vessels Breakdown



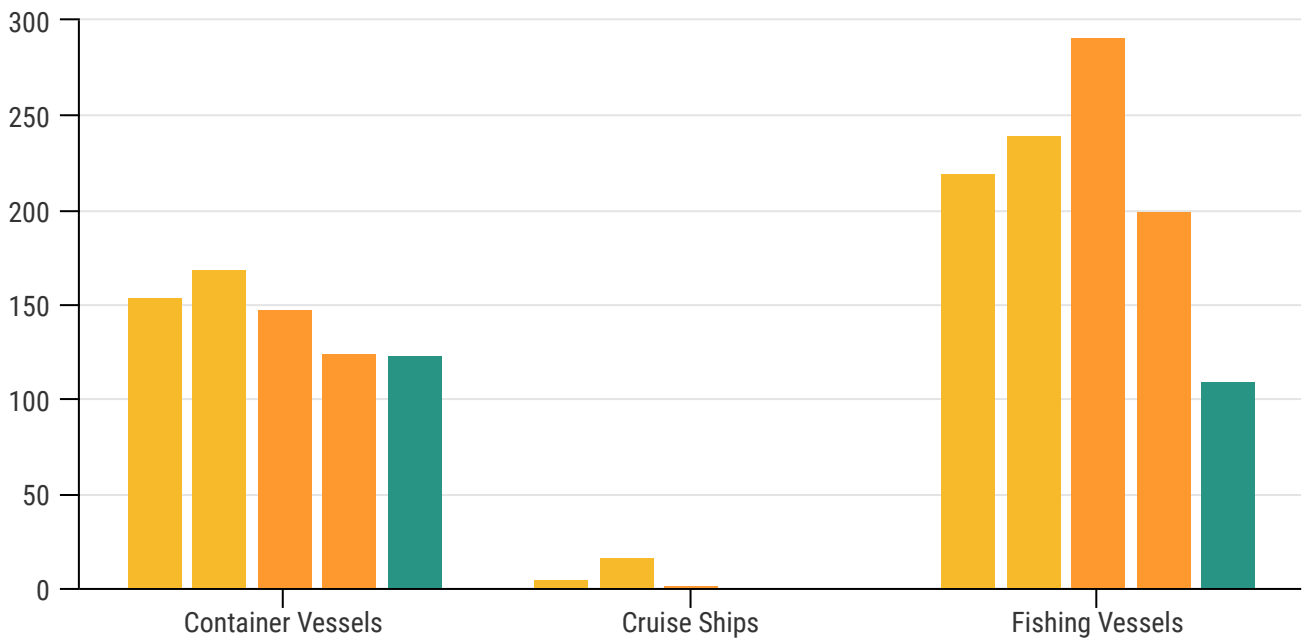
The fishing vessels represented 50% of the total number of vessels for the year; container vessels at 31.0%; general cargo at 14%; gas and fuel tankers at 5%.



Vessels Calls - Five Years



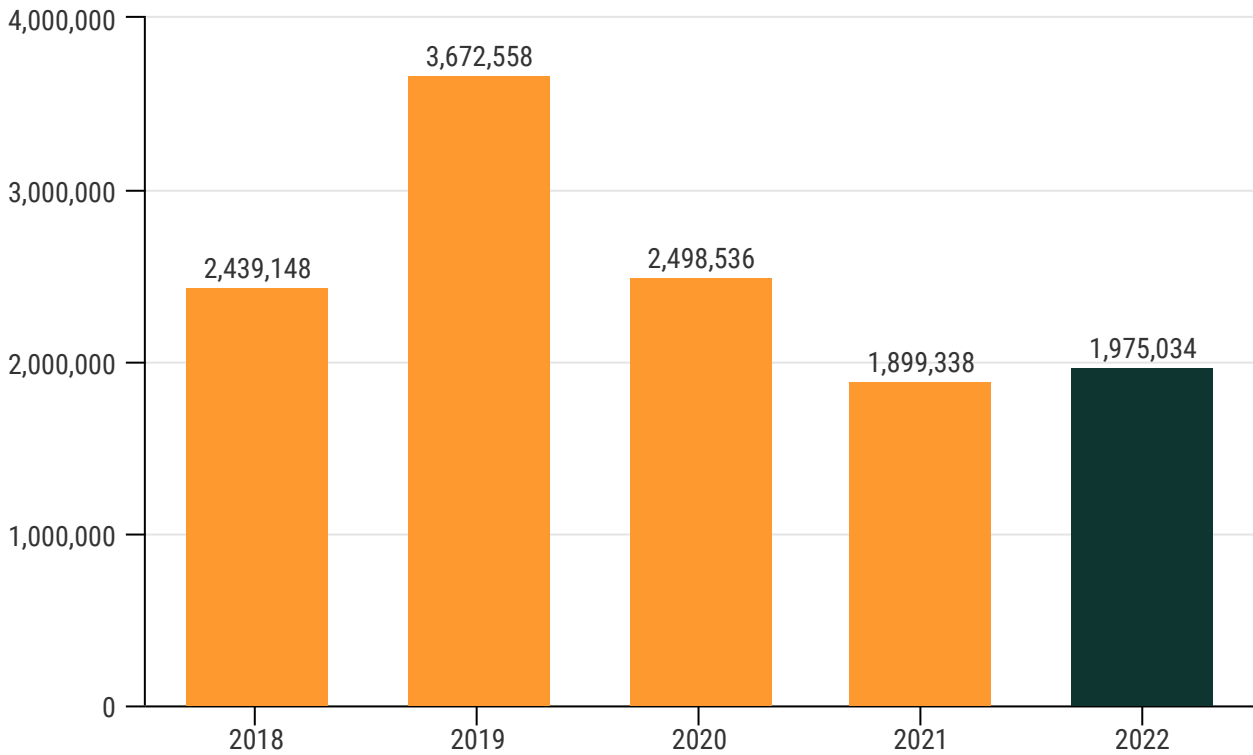
Vessels Types - Five Years



The number of vessels berthed at the Apia Port rose over the last four years, specifically rose by 20.6% from 525 in 2017/18 to 637 in 2019/20, but declined in 2020/21 to only 403 furthermore to only 310 during the financial year of 2021/22 obviously due to the SOE restrictions imposed where only cargo and fishing vessels were allowed to enter due to the Covid-19 pandemic.

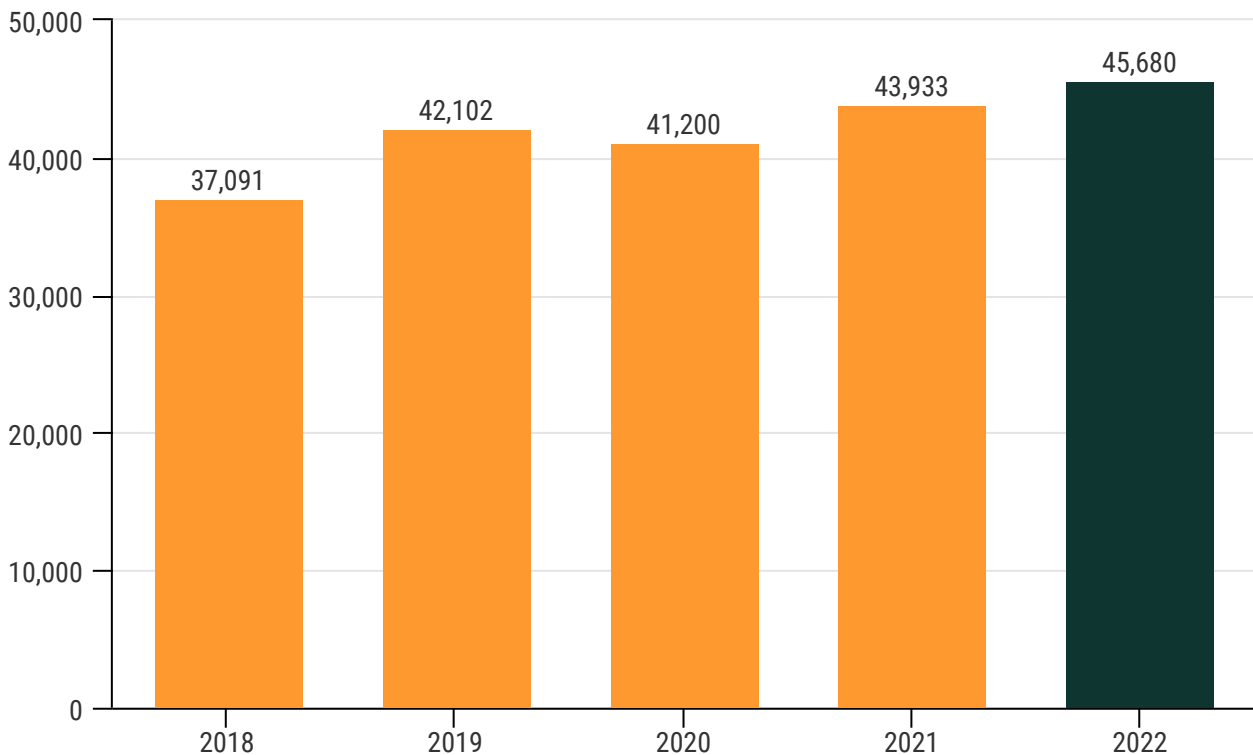


Vessels GRT - Five Years



Vessels Gross Tonnage slightly rose by 4% over the 2020/21 FY total of 1.9 million tons despite the reduction in the number of vessels. Total Cargo volume tonnage also rose by 21.7% from 909,150 tons last year to 1,106,117 tons this year, similarly transhipped cargo tonnage also rose by 26.2% from 350,489 tons in 2020/21 FY to 442,187 tons in 2021/22 FY

No of Containers (TEUs) - Five Years

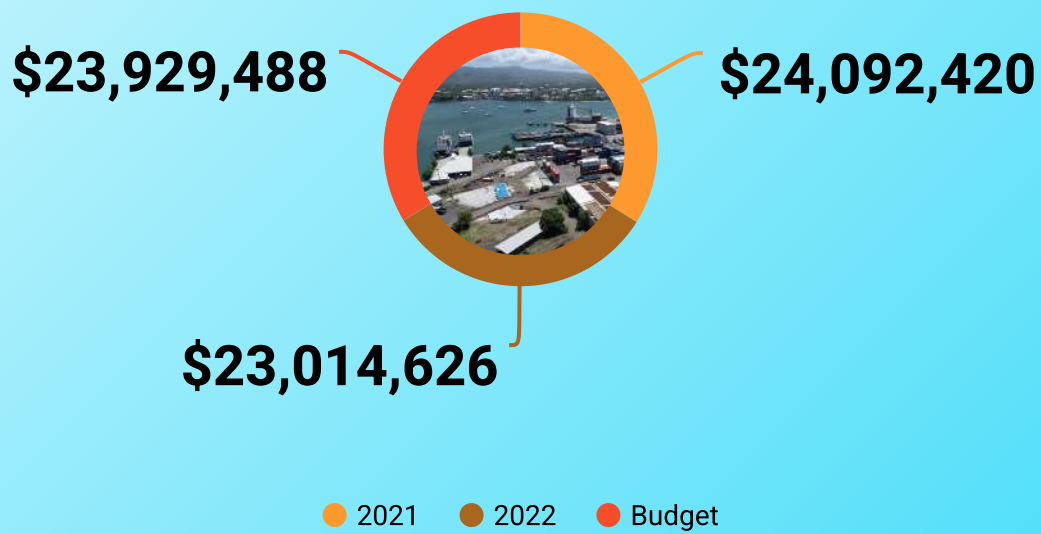


The number of containers in TEUs rose by 4% from 43,933 TEUs last FY to 45,680 TEUs during the review FY.



REVIEW OF FINANCIAL RESULTS

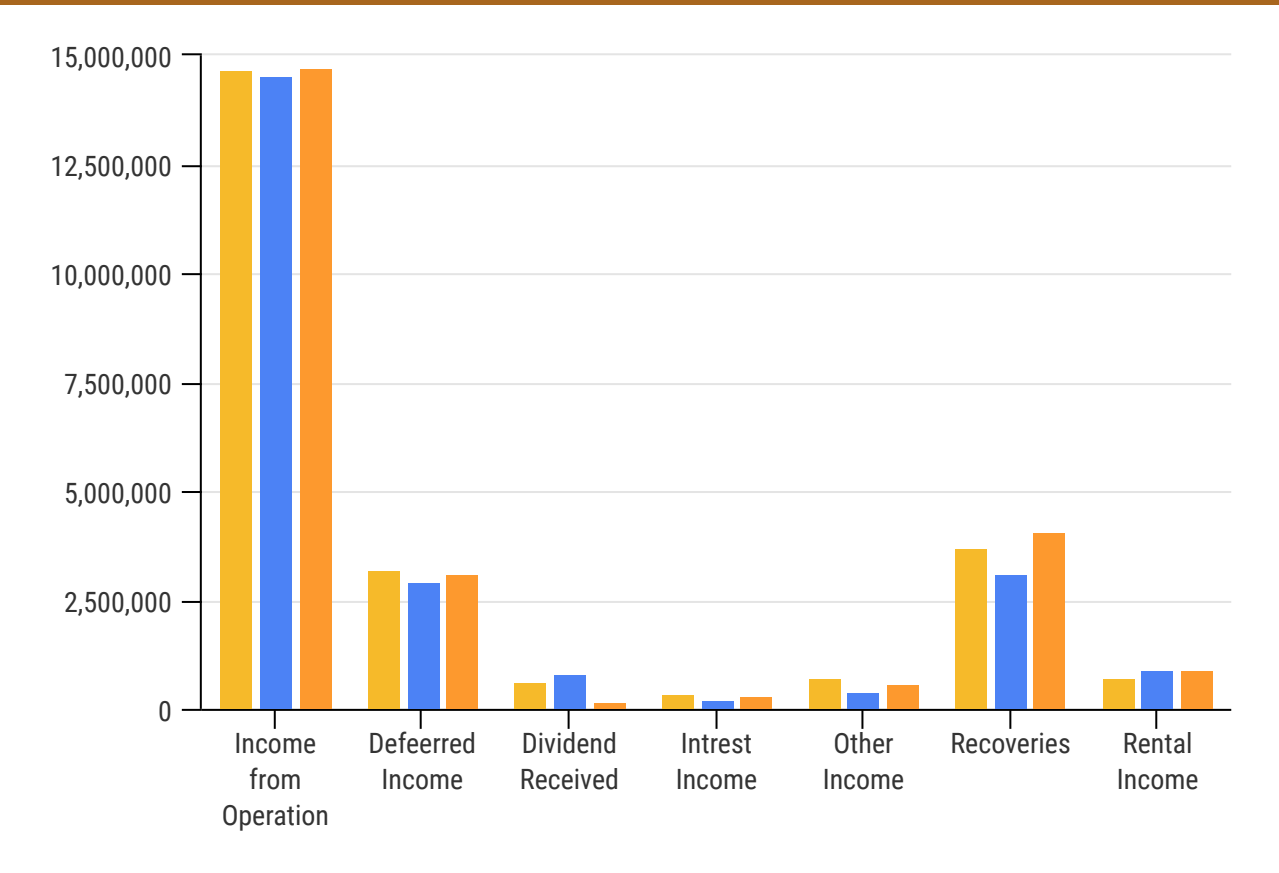
Revenue



REVIEW OF FINANCIAL RESULTS

REVENUE

	2021	2022	Budget
Income from Operation	14,700,517	14,531,951	14,717,808
Deferred Income	3,195,800	2,931,324	3,099,996
Dividend Received	636,666	838,534	200,004
Interest Income	383,729	236,408	335,004
Other Income	747,676	413,331	586,836
Recoveries	3,713,485	3,138,322	4,062,540
Rental Income	714,547	924,756	927,300
Total Revenue	24,092,420	23,014,626	23,929,488





Total Revenue earned dropped by 4.47% from \$24.09 million tala in 2020/21 FY to \$23.02 million tala during the 2021/22 FY and also lower than the annual budget amount of \$23.93 million tala by 3.82%. Income from Operations made up 63% of the total revenue and recorded a decline of 1.15% below the prior year results, likewise lower than the annual budget by 1.26%. Revenue from Recoveries made up 13% of the total revenue posted a drop of 15.49% below last year total, also short of annual budget by 22.75%.

Despite the decline of 23.08% in the number of vessels calls for the year, the better financial results is attributed mainly to the rise in the number of containers in TEUs by 4%, total volume of cargo tonnage by 21.7%, and the increase in the volume of transshipments by 26.2%.

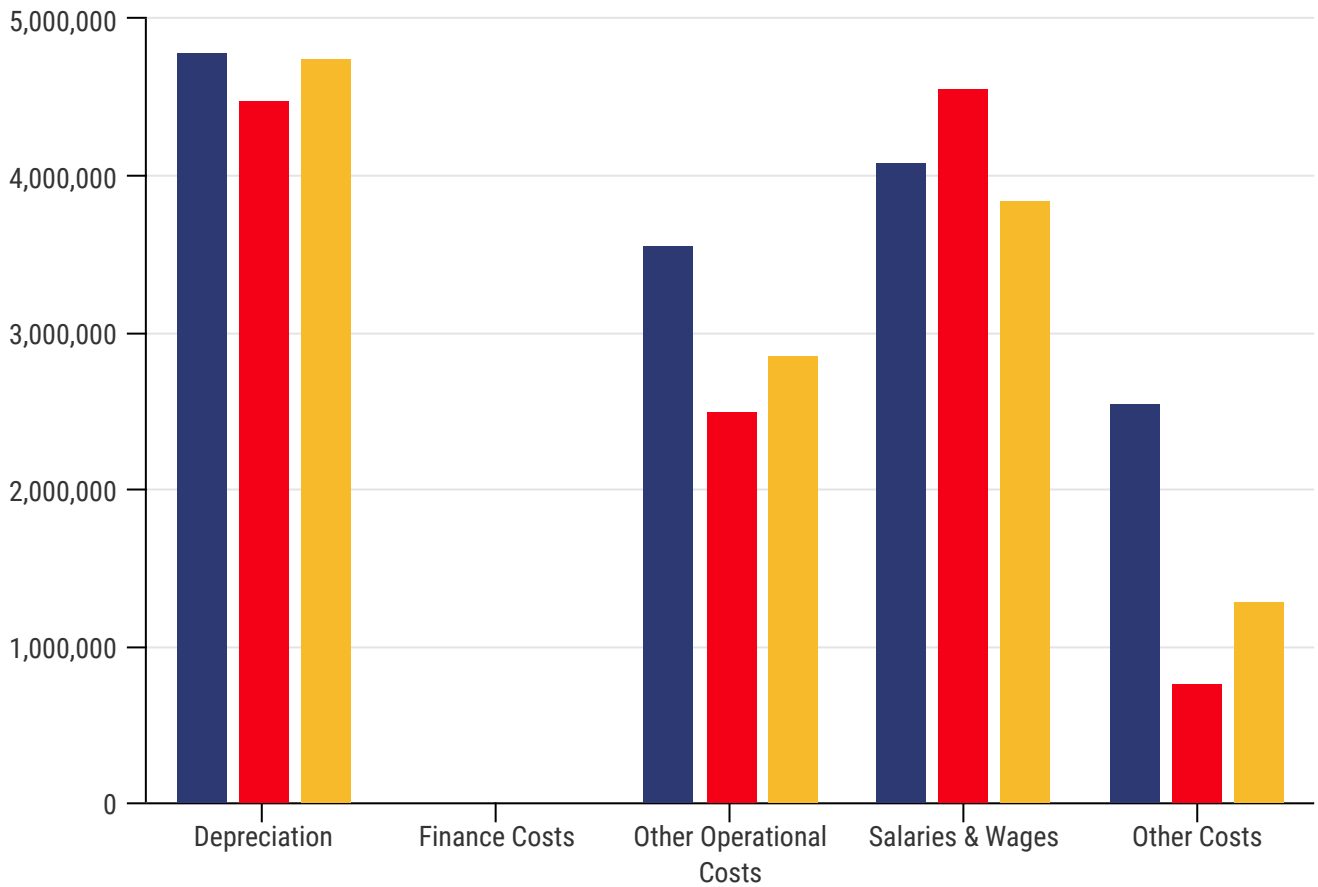
EXPENDITURE

	2021	2022	Budget
Depreciation	4,793,538	4,492,382	4,757,016
Finance Costs	4,128	3,224	3,096
Other Operational Costs	3,552,665	2,501,926	2,851,536
Salaries & Wages	4,092,137	4,566,924	3,854,932
Other Costs	2,556,385	822,934	1,282,406
Total Expenditure	14,998,853	12,387,390	12,748,986

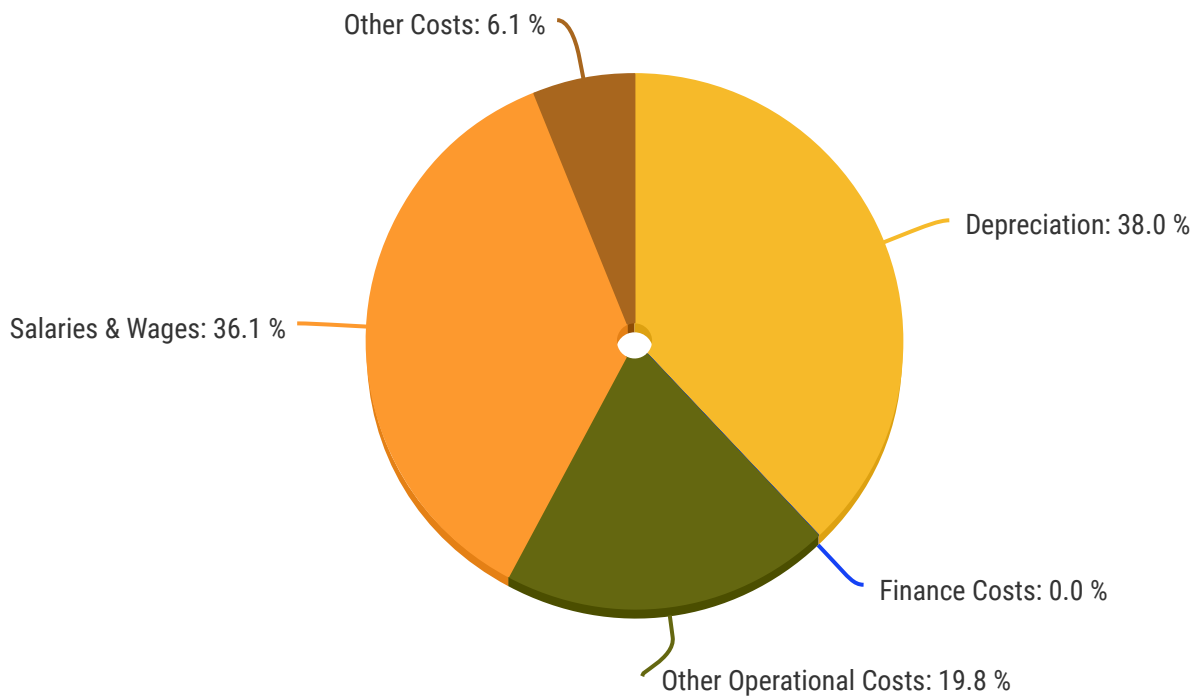
Total Expenditure decreased by 17.73% compare to the previous financial year and lower than annual budgeted total expenditure by 3.22%. Depreciation and Salaries and Wages dominates the cost structure at 37% each (2020/21: 32% & 27% respectively), followed by Other Operational Costs at 20% (2020/21:20%) and Other Costs at 6%.

	2021	2022	Budget
Total Revenue	24,092,420	23,014,626	23,929,488
Total Expenditure	14,998,853	12,334,701	12,748,986
Net Profit	9,093,567	10,679,925	11,180,502

Actual vs Budget - Expenditure 2022

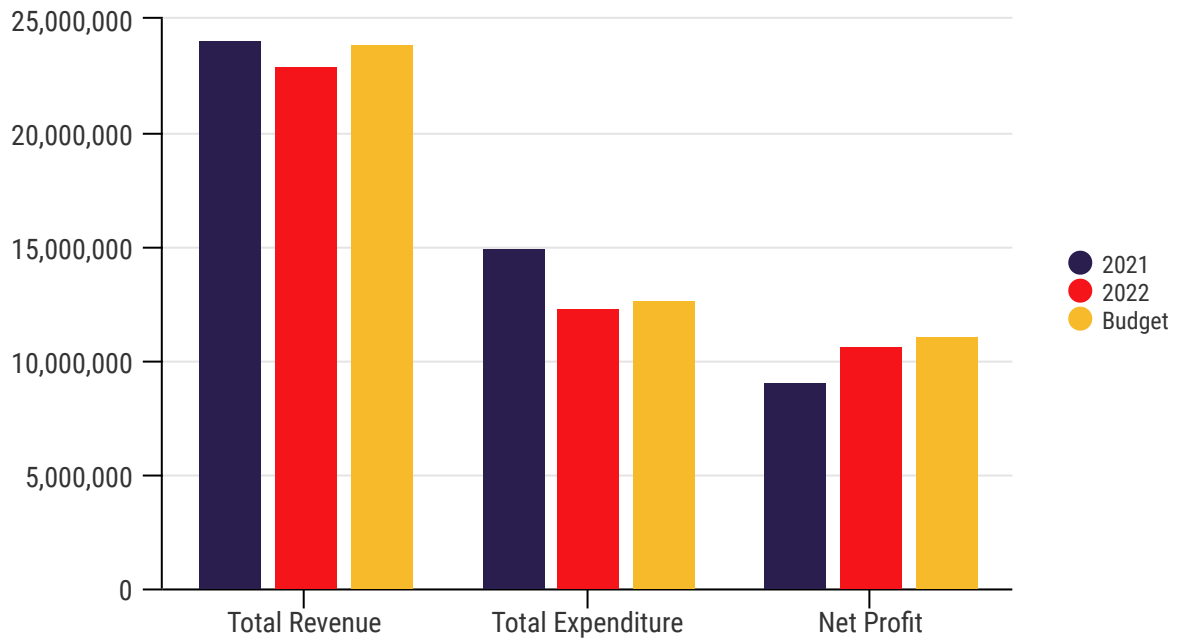


Expenditure - 2022



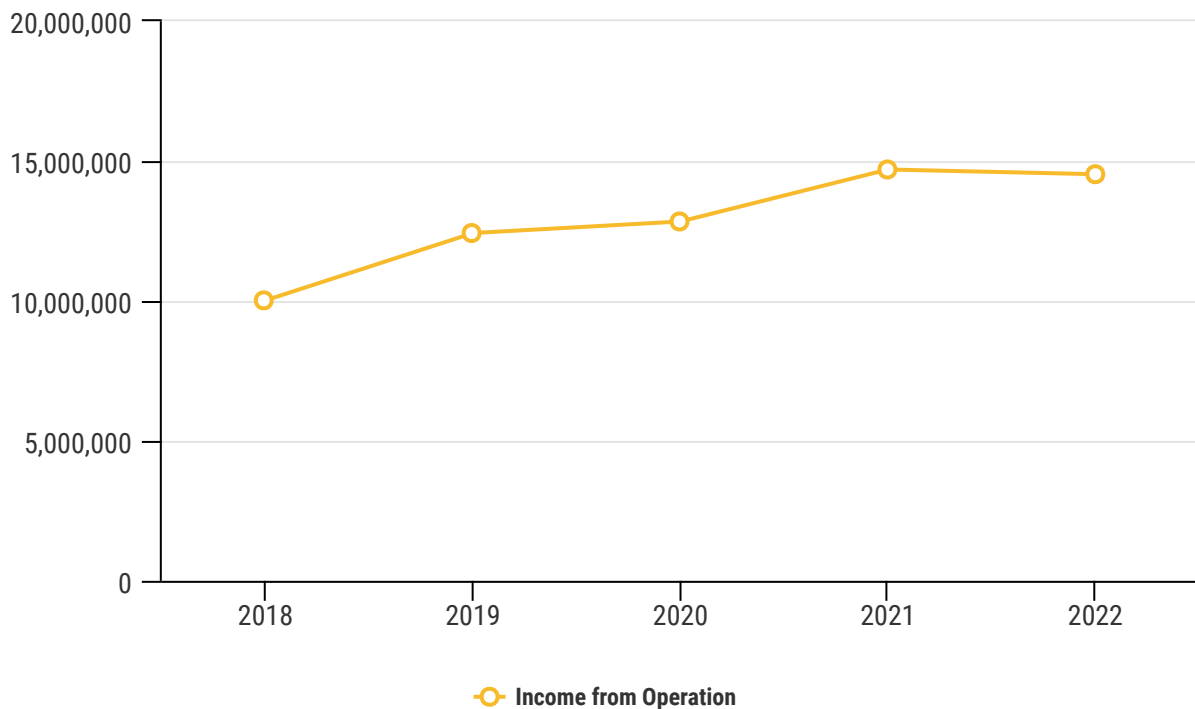


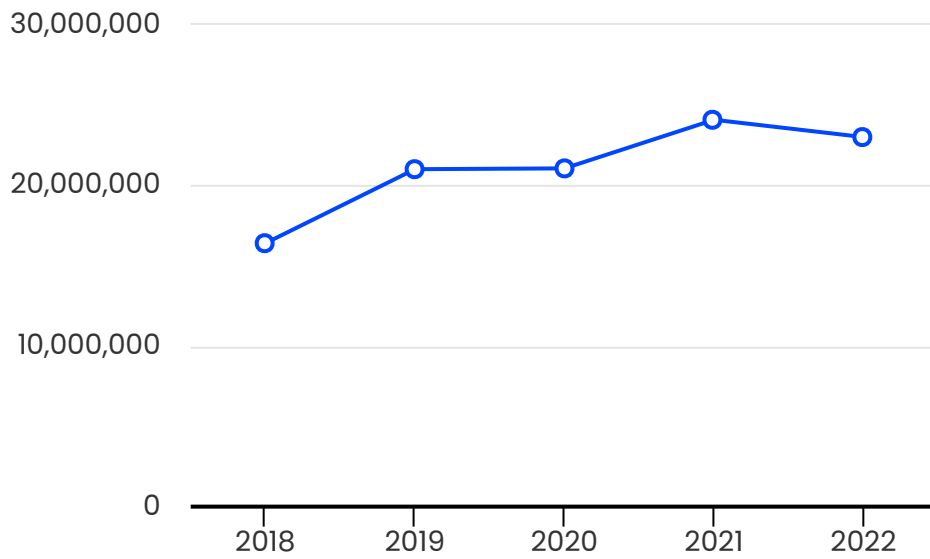
Profit & Loss - Budget vs Actual



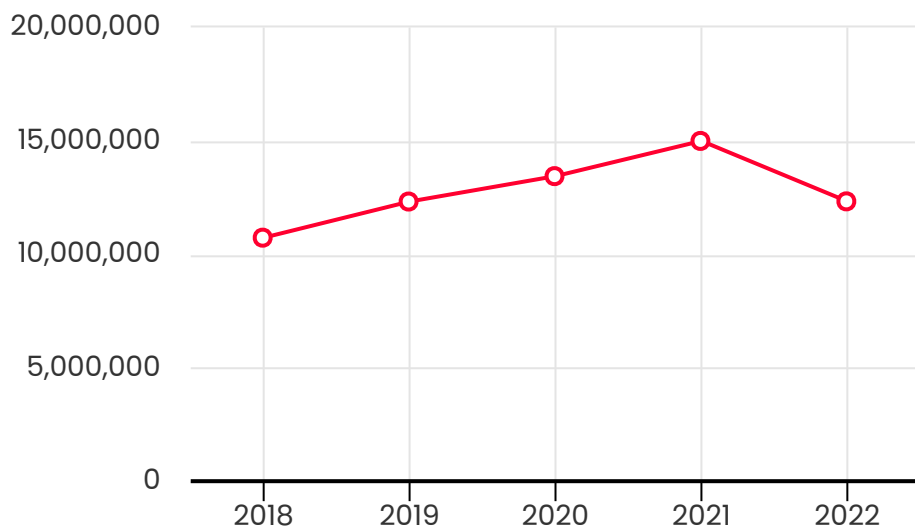
Overall, a new record Net Profit of \$10,679,925 was recorded for the 2021/22 financial period. This is a record net profit for the Authority since establishment 23 years ago and is higher than the previous financial year by 17.45% (2020/21: \$9,093,567), but lower than the mid-term revised annual budget of \$11,180,502 by 4.48%.

Financial Performance-Five Year Trend

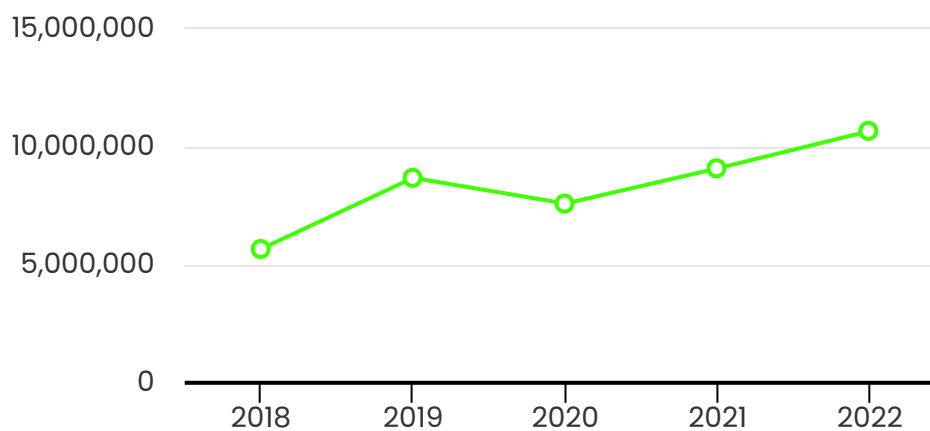




○ Total Revenue



○ Total Expenditures

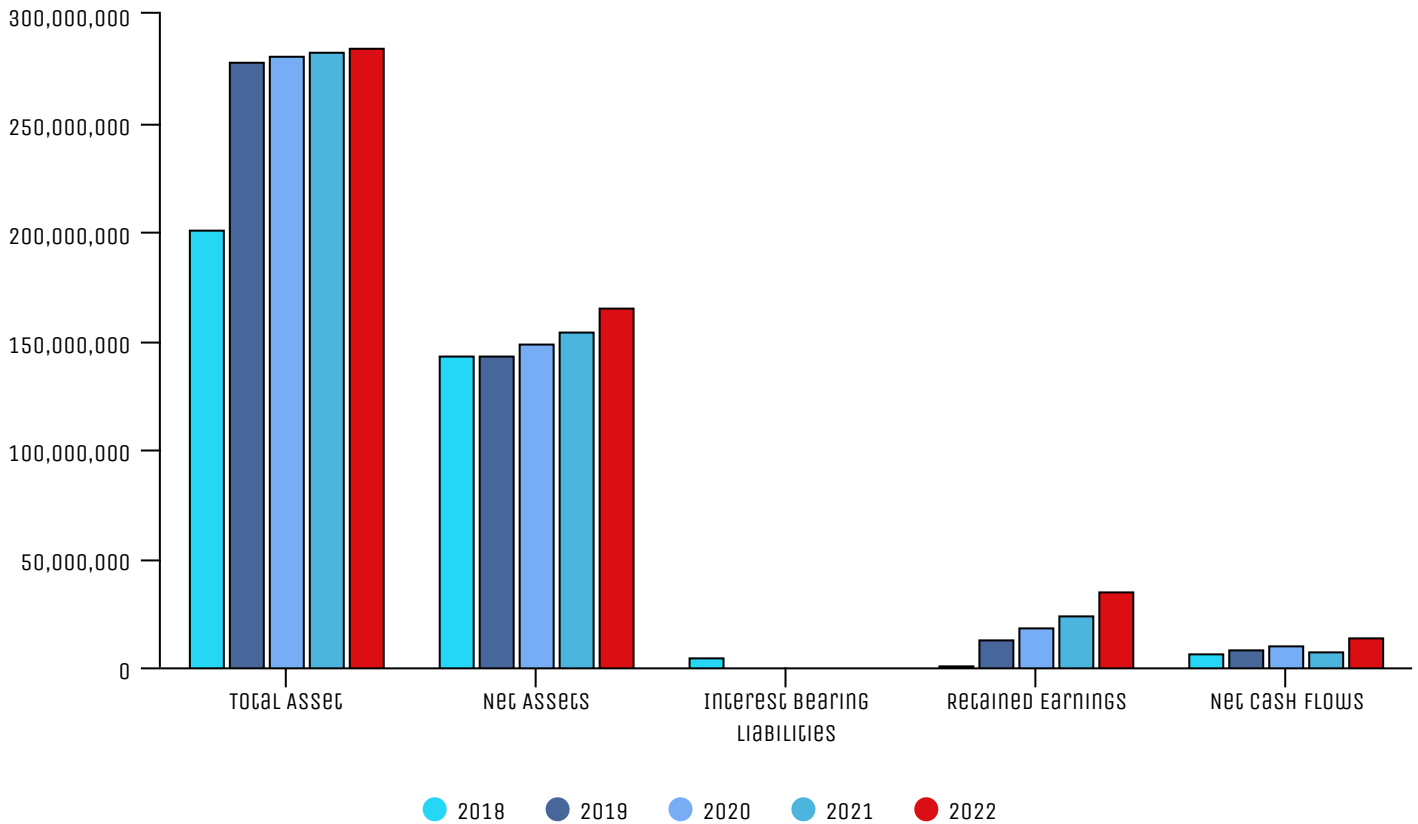


○ Net Profit(Loss)



Five Years - Financial Position

Five Years- Financial Position



The above graph illustrates a positive trend in the last five years. Notably to say that Interest Bearing Liabilities was eliminated in 2019 and the Authority has since maintained its debt –free status to date.

The Cash Flow position of the Authority has steadily improved from \$6.58 million in 2017/18 FY to \$10.39 million in 2019/20 then dropped to \$7.07 million in 2020/21 FY and to \$13.35 million in 2021/22 FY; an increase of 102.89% over five years. The reduction in 2020/21 was due to the reclassification of cash investments where cash investments due outside 12 months period have been reclassified as long-term investments.

Retained Earnings rose sharply by 44.30% from last year; from \$24.09 million to \$34.76 million, attributed mainly to the record profit of \$10.7million for the year. Retained Earnings has improved from 0.99 million in 2017/18 to \$34.76 million in 2021/22; a massive improvement by 3,411% over the last five years,

The Authority consistently achieved positive Return on Equity (ROE) percentages for the last five years: 4% in 2017/18; 6% in 2018/19; 5% in 2019/20; 6% last year 2020/21and 7% this financial year. The 7% ROE for this year meets the 7% benchmark for State Owned Enterprises.



SAMOA PORTS AUTHORITY
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022



SAMOA PORTS AUTHORITY
Certification by directors
For the year ended 30 June 2022

We certify that the attached financial statements for Samoa Ports Authority comprising the statement of financial position, statement of financial performance, statement of changes in equity, statement of cash flows and notes to financial statements for the year ended 30 June 2022;

- a. give a true and fair view of the matters to which they relate; and
- 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 Finance Management Act 2001, Public Bodies (Performance and Accountability) Act 2001 and Ports Authority Act 1998.

Directors

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

1. Tuiloma Neroni Slade (Chairman)
2. Reverend Nuuausala Siaosi
3. Tiufea Rudolph Meredith (Appointed since April 2022)
4. Marie Bentin – Toalepaialii (Appointed since April 2022)
5. Seugaamalii Taito J Saena (Appointed since April 2022)
6. Tuatagaloa Shane Wulf (End of Contract – April 2022)
7. Luafau Leia Tuulima Aimaasu (End of Contract – April 2022)
8. Afoa Raymond Pereira (End of Contract – April 2022)
9. Tevaga Pisaina Leilua-Lei Sam (End of Contract – April 2022)

Operating results

The net profit for the year 2022 is **10,679,925** (2021: **\$9,093,567**).

Principal activities

The principal activity of the Authority is the provision and management of port services and cargo handling facilities on the islands of Upolu and Savaii. Its main office is located at Mafautu-tai.

Dividends

The Directors approved payment of dividend of **WST \$3,737,973.75** based on the rate of 35% established by Cabinet directive FK (18) 11 upon net profit earned for the financial year ended 30 June 2022.

The Authority has paid **WST \$3,682,748** during the financial year ended 30 June 2022.



SAMOA PORTS AUTHORITY
Certification by directors
For the year ended 30 June 2022

Going concern

The financial statements of the Authority have been prepared on a going concern basis. We consider the application of such basis to be appropriate in the preparation of these financial statements as we believe the Authority has sufficient funds to settle its obligations over the next 12 months from the date of the Certification by Directors report.

Related party

All related party transactions are adequately disclosed in the notes to financial statements.

Events subsequent to balance sheet date

Directors are not aware of any matters or circumstances that would have a major adjustment or disclosure in the financial statements succeeding 30th June 2022.

However, the effect of COVID-19 pandemic does not have a significant financial impact or year-end adjustments in the financial statements of the Authority. The Directors completed an assessment on the consequence of the pandemic on the Authority and has determined it may not significantly influence the Authority for the time being. Given that the Authority is still able to earn profits at year end from collection of revenues.

Apart from the entry mentioned above, it has not in the opinion of the Directors any item or event of a material and unusual nature at year-end results and up to the date of this report, other than those disclosed in the financial statements.

Dated at Apia: 27 Oct 22

Signed in accordance with a resolution of the Directors.


CHAIRMAN


DIRECTOR



AUDIT OFFICE

Please address all correspondences
to the Controller and Auditor General

REPORT OF THE AUDIT OFFICE

TO THE GOVERNING BODY IN CHARGE OF GOVERNANCE – SAMOA PORTS AUTHORITY

Audit Opinion

We have audited the accompanying Financial Statements of the Samoa Ports Authority, which comprise the Statement of Financial Position as at 30 June 2022, the Statements of Financial Performance, Changes in Equity and Cash Flows for the year then ended, a Summary of Significant Accounting Policies and Other Explanatory Notes. The Accounting Firm of BDO Chartered Accountants, assisted in the audit. The Engagement Partner on the audit resulting in this Independent Auditor's Report is Taimalie Ernest Betham.

In our opinion, the financial statements give a true and fair view of the financial position of the Samoa Ports Authority 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 (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the Samoa Ports Authority in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together 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.

Responsibilities of 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 such internal control as directors and management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Authority'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 either intends to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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

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APIA, SAMOA



AUDIT OFFICE

*Please address all correspondences
to the Controller and Auditor General*

material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the 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 Authority'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 Authority 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 and Regulatory Requirements


In our opinion the financial statements have been prepared in accordance with and comply with the requirements of:

- i. Public Bodies (Performance and Accountability) Act 2001; and the
- ii. Public Finance Management Act 2001

We also confirm that we have been given all information, explanations and assistance necessary for the conduct of the audit and the Office has kept financial records sufficient to enable the financial statements to be prepared and audited.

Our audit was completed on the 27th October 2022 and our opinion is expressed as at that date.

Apia, Samoa
28 October 2022


Mua'ausā Marshall Maua
ASSISTANT CONTROLLER AND AUDITOR GENERAL



SAMOA PORTS AUTHORITY
Statement of financial performance
For the year ended 30 June 2022

	Notes	2022 \$	2021 \$
REVENUE			
Operating income	3	14,531,951	14,700,517
Recoveries	4	3,138,322	3,713,485
Amortization income	19(a)	2,931,324	3,195,800
Dividend received from UTOS		838,534	636,666
Interest income		236,408	383,729
Other income	5	413,141	675,278
Gain on sales of fixed assets		190	72,398
Rental income		924,756	714,547
Total revenue		23,014,626	24,092,420
EXPENDITURES			
Operating costs	6	2,089,268	2,178,940
Administration costs	7	626,948	518,731
Personnel costs	8	4,626,188	4,503,930
Finance costs		3,224	4,128
Depreciation	17	4,492,382	4,793,538
Professional fees		68,965	217,000
Employee benefits	18(b)	195,858	99,328
Loss on disposal of fixed assets		-	781
Provision on impairment of fixed assets	22	-	2,292,067
Community support	9	113,161	263,537
Board expenditures	23(a)	118,707	126,873
Total expenditures		12,334,701	14,998,853
NET PROFIT		10,679,925	9,093,567

The accompanying notes form an integral part of the above financial statement.

Signed for and on behalf of the Board on 27 Oct 2022.


 Chairman


 Director



SAMOA PORTS AUTHORITY
Statement of financial position
As at 30 June 2022

	Notes	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	10	2,009,540	1,934,578
Term deposits	11	11,339,629	8,080,566
Trade receivables	13	2,117,680	1,705,508
Other receivables and prepayments	14	335,566	334,179
Dividend receivable from UTOS		838,534	636,666
Accrued revenue on wharfares		15,404	46,931
Total current assets		16,656,353	12,738,428
Non-current assets			
Investments	12	18,342,940	13,847,484
Property, plant and equipment's	17	249,708,307	253,992,359
Total non-current assets		268,051,247	267,839,843
TOTAL ASSETS		284,707,600	280,578,271
EQUITY AND LIABILITIES			
Capital and reserves			
Capital		23,479,487	23,479,487
Land revaluation	15	106,803,002	106,803,002
Reserve – oil spillage		15,750	15,750
Retained earnings		31,022,423	24,088,302
Total equity		161,320,662	154,386,541
Current liabilities			
Trade payables		179,260	189,895
Other payables and accruals	16	371,358	353,230
Dividend payable to Government of Samoa		3,237,974	3,182,748
Provision for employee benefits	18(a)	161,064	128,943
Provision for audit fees		57,500	57,500
Other provisions		-	72,271
Deferred revenue – 12months	19(a)	2,931,324	3,195,800
Retention	20	16,680	13,510
VAGST payable	21	371,389	270,995
Total current liabilities		7,326,549	7,464,892
Non-current liabilities			
Deferred revenue – over 12months	19(b)	116,060,389	118,726,838
Total non-current liabilities		116,060,389	118,726,838
Total liabilities		123,386,938	126,191,730
TOTAL EQUITY AND LIABILITIES		284,707,600	280,578,271

The accompanying notes form an integral part of the above financial statement.



SAMOA PORTS AUTHORITY
Statement of changes in equity
For the year ended 30 June 2022

	Share capital \$	Revaluation \$	Reserves \$	Retained earnings \$	TOTAL \$
Balance as at 1 July 2020	23,479,487	106,803,002	15,750	18,177,483	148,475,722
Net profit for the year ended 30 June 2021	-	-	-	9,093,567	9,093,567
Dividend payable FY2021	-	-	-	(3,182,748)	(3,182,748)
Balance as at 30 June 2021	23,479,487	106,803,002	15,750	24,088,302	154,386,541
Balance as at 1 July 2021	23,479,487	106,803,002	15,750	24,088,302	154,386,541
Net profit for the year ended 30 June 2022	-	-	-	10,679,925	10,679,925
Dividend payable FY2022	-	-	-	(3,737,974)	(3,737,974)
Balance as at 30 June 2022	23,479,487	106,803,002	15,750	31,030,253	161,328,492

The accompanying notes form an integral part of the above financial statement.



SAMOA PORTS AUTHORITY
Statement of cash flow
For the year ended 30 June 2022

	2022	2021
	\$	\$
Cash flows from operating activities		
Cash received from customers	22,627,041	19,713,884
Cash paid to employees and suppliers	(9,990,449)	(10,058,944)
Interest received from cash at bank	20,392	28,319
Dividend received from UTOS	636,666	227,207
Net cash inflow from operating activities	13,293,650	9,910,467
Cash flow to investing activities		
Purchase of property, plant and equipment	(231,393)	(414,988)
Proceeds from sales of fixed assets	190	72,398
Dividend paid to Government of Samoa	(3,682,748)	(5,216,116)
New term deposits (BSP,NBS,SCB)	(6,244,737)	(1,300,000)
UTOS investments	(3,060,000)	(3,840,000)
Net cash outflow to investing activities	(13,218,688)	(10,698,706)
Net increase/(decrease) in cash and cash equivalents	74,962	(788,239)
Cash and cash equivalents at the beginning of the year	1,934,578	2,722,817
Cash and cash equivalents at year end	2,009,540	1,934,578
Represented by:		
Cash on hand	1,300	1,300
Cash at Bank – ANZ Bank (Samoa) Ltd	330,477	461,152
Cash at Bank – Bank South Pacific	1,677,085	1,471,838
Cash at Bank – National Bank of Samoa	678	288
Total cash on hand and at bank	2,009,540	1,934,578

The accompanying notes form an integral part of the above financial statement.



1. General information

The Authority was established on 1st July 1999 under the Samoa Ports Authority Act 1998. The main functions and powers of the Authority are stipulated in section 8 of the Ports Authority Act. Samoa Ports Authority is a Statutory Authority domiciled in Samoa and is involved in the provision and management of port services and cargo handling facilities on the island of Upolu and Savaii. Its main Office is located at Matautu-tai, Upolu.

2. Statement of significant accounting policies

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

(a) Statement of compliance

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

(b) Basis of preparation

The financial statements have been prepared on the historical costs basis unless otherwise stated. The principal accounting policies are stated to assist in a general understanding of these financial statements. Reporting financial statements in accordance with International Financial Reporting Standards (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) Going concern

The Authority's going concern is assured by the Directors based on the grounds that the Authority will be able to settle its obligations as and when they fall due.

(e) Functional and presentation currency

The financial statements are presented in Samoan Tālā (WST\$), which is the Authority's functional currency and all values presented in Samoan Tālā have been rounded to its nearest tālā.

(f) Foreign currency

Transactions in foreign currency are translated to Samoan tālā at the foreign exchange rate 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.



SAMOA PORTS AUTHORITY
Notes to financial statements
For the year ended 30 June 2022

(g) Bad and doubtful debts provision

Collectability of trade receivables is reviewed on an ongoing basis. A provision is raised for any doubtful debt based on a general review of the outstanding amounts at the end of the reporting period. Bad debts are written off against the provision for doubtful debts in the period in which they are identified as unrecoverable.

(h) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Authorities' activities. Standard credit terms are a month following invoice with any rebate variable component calculated at the client's financial year end. Revenue is shown, net of GST.

Revenue is recognised as follows:

- *Revenue from port operations and services:* are recognised when the related service is performed. If at reporting date, the service is in progress, then the portion performed, determined using the percentage completion method, is recognised in the current year.
- *Revenue from lease/rent:* from property leased under operating leases is recognised in the income statement on a straight line basis over the term of the lease. Lease incentives provided are recognised as an integral part of the total lease income, over the term of the lease.

(i) Interest income

Interest income is recognised as interest accrues from term deposits using the effective interest method. It is also including interest received from cash at banks which is recognised and earned at the end of the month.

(j) Dividend income

Dividend income is recognised only when certain declaration received from the investee (Unit Trust of Samoa) for the 'sene' to be distributed upon total units receivable as at the end of the financial year.

(k) Expense recognition

Operating expenses according to the statement of financial performance consist of selling and advertising costs, administrative, occupancy and other costs.

(l) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise of cash at bank and on hand and term deposits with maturities of less than 365 days.

(m) Trade and other receivables

Trade and other receivables are recorded at expected realization value after providing for bad and doubtful debts. At the end of each reporting period, the carrying amounts of trade 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 recoverable. If so, an impairment loss is recognised immediately in the statement of financial performance.

SAMOA PORTS AUTHORITY
Notes to financial statements
For the year ended 30 June 2022

(n) Provisions

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

(o) Trade and other payables

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

(p) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses except for land cost which measured at revaluation method. Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment.

Buildings	10–40 years
Breakwaters	40–50 years
Land	NIL
Machineries	5–20 years
Motor vehicle	4–5 years
Office equipments	7 years
Office furnitures	5–7 years
Wharves	10–60 years
Wharf – furnitures, equipments and others	3–7 years
Workboats	10–20 years

(q) Value added goods and services tax (VAGST)

All amounts are shown exclusive of VAGST, except for accounts receivables and payables which are stated inclusive of VAGST (where applicable).

(r) Income tax

The Authority is not subject to income tax as it is not registered under Companies Act 2001 (amended 2006).

(s) Dividend payable

Dividends are recognised as a liability in the period in which they are due and payable pursuant to the Public Bodies (Performance & Accountability) Regulations 2001.

(t) Borrowing cost

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



SAMOA PORTS AUTHORITY
Notes to financial statements
For the year ended 30 June 2022

(u) Employee entitlements

Liabilities for employees' entitlements to salaries and wages, annual leave, long service leave and other current employee entitlements (that are expected to be paid within twelve months) are accrued at undiscounted amounts, and calculated at amounts expected to be paid as at reporting date.

Liabilities for other employees' entitlements, which are not expected to be paid or settled within twelve months of reporting date, are accrued in respect of all employees at the present value of future amounts expected to be paid

(v) Leases

The Authority is leasing out its properties, including land, office space/units, anchorage area for fishing boats and warehouse, at Mata'utu wharf to several Shipping Agents and Government ministries, it allows lessee's to use the Authority's properties but they do not convey ownership rights of the assets at the end of the lease term.

The Authority's assets held for operating leases are presented in the statement of financial position under Property, plant and equipment's; and the lease income recognised over the lease term on a straight-line basis in accordance with IAS 17.

Minimum lease commitments receivable but not recognized in the financial statements:

	2022	2021
	\$	\$
Between 1 and 5 years	347,735	347,735
Between 5 and 10 years	1,909,899	1,909,899
Over 10 years	4,994,477	4,994,477
	7,252,111	7,252,111

(w) Grants, aids in assistance, donations and capitalisation

The above are treated in the accounts in accordance with their nature and the form in which they are received;

- i. All items which are intended for the support of the Authority's operations and received in cash are taken to income on receipt.
- ii. All items which are received in the form of depreciable assets are taken to income in the year of receipt.



SAMOA PORTS AUTHORITY
Notes to financial statements
For the year ended 30 June 2022

3. Operating income

	2022	2021
	\$	\$
Bond fees	1,098,454	494,088
Bunkering fees and berthage	590,862	582,439
Cleaning fees, water and others	92,782	92,798
Devanning and dockage	308,744	315,555
Dues from light, port and cargos	613,920	583,437
Environmental charges	130,092	124,105
Empty containers and gears storage	1,738,064	1,557,322
International securities ports	328,168	290,977
Port service charges	4,102,788	5,627,027
Restow	231,657	193,786
Stevedoring license	92,986	72,930
Transhipments and weighbridge	1,127,557	491,383
Wharfages	2,662,228	2,919,610
Workboat and pilotage	1,413,649	1,355,060
Total operating income	14,531,951	14,700,517

4. Recoveries

	2022	2021
	\$	\$
Utilities recovery	2,661,799	3,201,142
Overtime	466,952	502,562
Other recoveries	9,571	9,781
Total recoveries	3,138,322	3,713,485

5. Other income

	2022	2021
	\$	\$
Advice fees	40,231	49,419
20% regulation (overtime)	144,812	138,284
Fair value gain on UTOS investment	195,353	464,812
Miscellaneous income	32,745	22,763
Total other income	413,141	675,278



SAMOA PORTS AUTHORITY
Notes to financial statements
For the year ended 30 June 2022

6. Operating costs

	2022	2021
	\$	\$
Allowances	73,691	88,108
Fuel and oil	167,858	124,734
Insurance expenses	41,132	189,732
License and permits	22,953	25,546
Repairs and maintenance	262,267	234,961
Utilities	1,502,349	1,493,563
Waste disposals	19,018	22,296
Total operating costs	2,089,268	2,178,940

7. Administration costs

	2022	2021
	\$	\$
Advertising	13,050	26,762
PMU expenses	18,840	11,206
Amenities	130,422	138,944
Hirage	86,032	19,300
Ministerial support	16,977	12,688
Office expenses	166,695	158,246
Other expenses	19,101	2,262
Printing and production	18,444	12,761
Promotion	-	4,860
Subscription	5,779	6,184
Telephone, fax, mobiles and internet	151,608	125,518
Total administration costs	626,948	518,731

8. Personnel costs

	2022	2021
	\$	\$
Accident Compensation Corporation	40,362	41,299
Ministry of Customs and Revenue (PAYE)	622,038	590,018
Samoa National Provident Fund	404,576	370,494
Salary and wages	3,263,525	3,320,304
Staff training and appraisal	295,687	181,815
Total personnel costs	4,626,188	4,503,930

Personnel costs comprises principally net base salary for staff holding permanent positions. In exception to Staff training and appraisal, combined these represents 60% of operational salary for Port Operation and Maritime divisions while 40% of administration salary for EMSSU, Corporate Service and Finance divisions.



SAMOA PORTS AUTHORITY
Notes to financial statements
For the year ended 30 June 2022

9. Community support

	2022	2021
	\$	\$
Discount allowed	86,016	50,231
Other assistance	27,145	213,306
	113,161	263,537

10. Cash and cash equivalent

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

	2022	2021
	\$	\$
Petty cash imprest	1,000	1,000
Cashier's float	100	100
Lady Naomi's float	200	200
National Bank of Samoa	678	288
ANZ Bank	330,477	461,152
Bank of South Pacific	1,677,085	1,471,838
	2,009,540	1,934,578

11. Term deposits

Short-term deposits have an average of 180 days to 365 days; and a weighted average interest rate of 5.00% per annum for brought forward balances then dropped to 3% when rolled over during the financial year. The carrying value of the term deposits equal their fair value.

	2022	2021
	\$	\$
Bank of South Pacific	8,061,939	4,930,977
National Bank of Samoa	2,777,690	3,149,589
Samoa Commercial Bank	500,000	-
	11,339,629	8,080,566

12. Investments

Units held at the Unit Trust of Samoa are stated at fair value based on the exit unit price as of 30 June.

	2022	2021
	\$	\$
UTOS self insurance investments	6,930,238	6,375,844
UTOS port repairs and maintenance	3,489,423	1,893,957
UTOS future capital projects	3,805,018	1,482,953
UTOS other investments	4,118,261	4,094,730
	18,342,940	13,847,484



SAMOA PORTS AUTHORITY
Notes to financial statements
For the year ended 30 June 2022

13. Trade receivables

	2022	2021
	\$	\$
Trade receivables	2,367,045	1,954,083
Less: Allowance for expected credit losses	(249,534)	(249,534)
	<u>2,117,511</u>	<u>1,704,549</u>
Other receivables	169	959
	<u>2,117,680</u>	<u>1,705,508</u>

The ageing of the trade receivables and allowance for expected credit losses for the above are as follow:

	2022	2021
	\$	\$
Current (not overdue)	690,115	719,928
1 to 30 days overdue	888,671	752,938
31 to 60 days overdue	88,964	142,586
61 to 90 days overdue	120,811	130,247
Over 91 days overdue	578,484	208,384
Total gross trade receivables	2,367,045	1,954,083
Allowance for expected credit losses	(249,534)	(249,534)
Total net trade receivables	2,117,680	1,704,549

Movements in the allowance for expected credit losses are as follows:

	2022	2021
	\$	\$
Opening balance	249,534	251,824
Receivable written off during the year	-	(2,290)
Closing balance	<u>249,534</u>	<u>249,534</u>

14. Other receivable and prepayments

	2022	2021
	\$	\$
Interest income receivable	161,749	213,250
Prepaid insurances	37,277	16,968
Withholding tax receivable	136,540	103,961
Total other receivables and prepayments	335,566	334,179



SAMOA PORTS AUTHORITY
Notes to financial statements
For the year ended 30 June 2022

15. Land revaluation

	2022	2021
	\$	\$
Matautu	105,328,685	105,328,685
Aleipata	266,317	266,317
Asau	1,208,000	1,208,000
Total land revaluation	106,803,002	106,803,002

Revaluation of lands took place during 2014 and became effective in 2015/2016 financial year ended. The Central Property Valuers, an independent valuer, made critical judgement in determining the remaining useful life of lands by taken into consideration the comparable sale evidence and the current market situations that would accurately reflect the current market value of each particular location of the lands. The total carrying amount of the lands before revalued cost was at \$4,644,993, hence, a recorded revaluation surplus of \$106,803,002.

16. Other payables and accruals

	2022	2021
	\$	\$
Accrued payroll	160,592	150,681
Accrued utilities, telephone and internet, others	21,646	18,805
Bond fees	3,919	9,871
Lease and stevedoring license payable	58,042	168,168
Other payables	7,613	1,347
Payable to BECA Construction	113,204	-
*Withholding tax payable	6,342	4,358
Total other payables and accruals	371,358	353,230

*The Authority is to deduct 10% withholding tax from payments made to their suppliers for services provided so as to comply with the section 95 on the Income Tax Act 2012.

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Notes to financial statements
For the year ended 30 June 2022

17. Property, plant and equipments

	Wharves	Lands	Buildings	Breakwater	Workboats	Office Furnitures	Office Equipments	Motor vehicles	Machine & Tools	TOTAL
	WST\$	WST\$	WST\$	WST\$	WST\$	WST\$	WST\$	WST\$	WST\$	WST\$
COST										
Balance as at 1 July 2020	167,245,828	111,447,995	14,716,170	6,585,012	15,711,954	277,438	1,114,581	738,922	8,555,361	326,393,261
Additions	178,613	-	172,880	-	-	16,325	67,238	217,528	259,879	912,464
Disposals	(64,649)	-	-	-	-	-	(134,588)	(58,326)	(369,240)	(626,803)
Balance as at 30 June 2021	167,359,792	111,447,995	14,889,050	6,585,012	15,711,954	293,763	1,047,232	898,124	8,444,000	326,678,922
Balance as at 1 July 2021	167,359,792	111,447,995	14,889,050	6,585,012	15,711,954	293,763	1,047,232	898,124	8,444,000	326,678,922
Additions	-	-	79,932	-	-	26,582	74,487	116,957	1,652	299,610
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2022	167,359,792	111,447,995	14,968,982	6,585,012	15,711,954	320,345	1,121,719	1,015,081	8,447,652	326,978,532
LESS: ACCUMULATED DEPRECIATION										
Balance as at 1 July 2020	32,779,500	-	7,357,329	3,061,486	14,529,261	252,351	1,011,254	551,388	6,772,578	66,315,147
Depreciation	2,939,502	-	369,460	135,735	771,246	8,756	61,903	99,459	407,478	4,793,539
Disposals	(64,649)	-	-	-	-	-	(130,696)	(59,326)	(369,240)	(622,911)
Balance as at 30 June 2021	35,454,353	-	7,726,789	3,197,221	15,300,507	261,107	942,461	892,521	6,810,816	70,485,775
Balance as at 1 July 2021	35,454,353	-	7,726,789	3,197,221	15,300,507	261,107	942,461	892,521	6,810,816	70,485,775
Depreciation	2,944,344	-	335,694	135,737	409,248	9,531	73,065	125,671	460,092	4,492,382
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2022	38,598,697	-	8,062,483	3,332,958	15,708,755	270,638	1,015,526	718,192	7,270,908	74,978,167
LESS: PROVISION ON IMPAIRMENT OF FIXED ASSETS										
Balance as at 1 July 2020	-	-	-	-	-	-	-	-	-	-
Additions	2,292,067	-	-	-	-	-	-	-	-	2,292,067
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2021	2,292,067	-	-	-	-	-	-	-	-	2,292,067
Balance as at 1 July 2021	2,292,067	-	-	-	-	-	-	-	-	2,292,067
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2022	2,292,067	-	-	-	-	-	-	-	-	2,292,067
PLUS: WORK IN PROGRESS										
Balance as at 1 July 2020	-	-	41,681	-	-	-	-	-	-	41,681
Additions	-	-	148,472	-	-	7,896	18,000	-	-	174,368
Transfer to Fixed assets	-	-	(124,771)	-	-	-	-	-	-	(124,771)
Balance as at 30 June 2021	-	-	65,382	-	-	7,896	18,000	-	-	91,278
Balance as at 1 July 2021	-	-	65,382	-	-	7,896,000	18,000	-	-	91,278
Additions	-	-	6,000	-	-	-	-	-	-	6,000
Transfer to Fixed assets	-	-	(71,382)	-	-	(7896)	(18000)	-	-	(97,278)
Balance as at 30 June 2022	-	-	-	-	-	-	-	-	-	-
CARRYING AMOUNT										
30 June 2021	129,413,371	111,447,995	7,227,643	3,387,791	411,447	40,552	122,771	305,603	1,635,184	253,992,359
30 June 2022	126,469,027	111,447,995	6,906,499	3,252,054	3,199	49,707	106,193	296,889	1,176,744	249,708,307





SAMOA PORTS AUTHORITY
Notes to financial statements
For the year ended 30 June 2022

18. Provision for employee benefits	2022	2021
	\$	\$
(a) Provision for employee benefits		
30% sick leave and long service leave	161,064	128,943
	<hr/>	<hr/>
(b) Employee entitlements for the year	195,858	99,328
	<hr/>	<hr/>
19. Deferred revenue	2022	2021
	\$	\$
(a) Deferred revenue amortised during the year	2,931,324	3,195,800
(b) Deferred revenue		
Current portion	2,931,324	3,195,800
Non current portion	116,060,389	118,726,838
	<hr/>	<hr/>
	118,991,713	121,922,638
	<hr/>	<hr/>

<u>Donated assets</u>	<u>Costs</u>	<u>Useful life</u>	<u>Yearly amortization</u>
Wharf extension – 2004	\$68,000,000	60 years	\$1,062,922
Wharf extension – 2018	\$80,000,000	60 years	\$1,333,333
Oil spill equipments – 2021	\$257,188	3 years	\$85,729

Accounting for Government Grants

The Authority has adopted IAS 20 in the presentation of donated assets by setting up the grant as deferred revenue and writing it off as income to the statement of financial performance on a rational and systematic basis over the useful life of the donated assets.

20. Retention	2022	2021
	\$	\$
Retention (10%)	16,680	13,510
	<hr/>	<hr/>

For the work contracts, a retention sum will be withheld to ensure compliance by the contractor with its warranty or maintenance obligations for a period of 6 to 12 months after the completion of the contract in an amount of not more than 10% of the total contract price as per Section B14: Guidelines for Government procurement and contracting.

21. VAGST payable	2022	2021
	\$	\$
VAGST on sales/receipts	2,592,930	2,189,285
VAGST on purchases/payments	2,221,541	1,918,290
	<hr/>	<hr/>
Total VAGST payable	371,389	270,995
	<hr/>	<hr/>



SAMOA PORTS AUTHORITY
Notes to financial statements
For the year ended 30 June 2022

The Authority's VAGST payable as at 30 June 2021 has been adjusted to be in agreement with tax on goods and services due to Ministry of Customs and Revenue at the end of the audited financial year. The adjustment raised as a result of paid invoices from customers in the prior years had been already settled to the tax office but was still in the Authority's books.

22. Impairment loss on fixed assets

For the financial year ended 30th June 2021, the Authority recorded a provision on impairment loss of \$2,292,067 on Asau and Aleipata (Satitua) wharves. The impairment provision charged with respect to the Authority's major fixed assets that is not operating for the time being and may caused a potential loss on its carrying values. The recoverable amount for the wharves are based on its present value using interest rate of 12% on the cash flow from dry docking operation at the Aleipata wharf and leasing estimation of Asau wharf.

	Present value	Carrying amount	Impairment loss
Asau wharf	\$679,139	\$1,344,268	(\$665,129)
Aleipata wharf	\$867,067	\$2,494,005	(\$1,626,938)
TOTAL	\$1,546,206	\$3,838,273	(\$2,292,067)

23. Related parties transactions

(a) Directors compensation

10. Tuiloma Neroni Slade (Chairman)
11. Reverend Nuuausala Siaosi
12. Tiufea Rudolph Meredith (Appointed since April 2022)
13. Marie Bentin – Toalepaialii (Appointed since April 2022)
14. Seugaamalii Taito J Saena (Appointed since April 2022)
15. Tuatagaloa Shane Wulf (End of Contract – April 2022)
16. Luafau Leia Tuulima Aimaasu (End of Contract – April 2022)
17. Afoa Raymond Pereira (End of Contract – April 2022)
18. Tevaga Pisaina Leilua-Lei Sam (End of Contract – April 2022)

Directors and executive management compensation:

	2022	2021
	\$	\$
Directors fees	107,050	109,767
Meeting and supplies expenses	11,457	10,102
Membership and other expenses	-	1,061
Travelling allowance	200	5,943
Total directors compensation	118,707	126,873

(b) Management personnel cost

	2022	2021
	\$	\$
Salaries and short-term employment benefits	579,474	579,474



SAMOA PORTS AUTHORITY
Notes to financial statements
For the year ended 30 June 2022

(c) Terms and conditions of transactions with related parties

Sales to and purchase from related parties are made through arm's length transactions both at normal markets and on normal commercial terms.

24. Events after reporting date

After the balance date, a Cabinet Directive was received of the official handover of Domestic Ports (Mulifanua and Salelologa) from Samoa Shipping Corporation to be under the control of the Authority effective on October 2022.

In addition is the continuation of the Authority's dividend obligation to the Government of Samoa as disclosed in the Certification by director's report.

The Board and Management of the Authority is continuing to monitor the impact of the global situation through our operations monthly updates on its financial condition, liquidity, operations, suppliers, industry, and workforce. For the time being, it has been determined that it will not significantly influence the Authority; and this is reflected from an increase in the net profit of the current year compare to the prior year.

25. Financial risk management

This section outlines the Authority's exposure to financial risk and describes the methods used by management to control and monitor these risks. The major risks are credit risk and liquidity risk.

a. Credit risk management

Credit risk refers to the risk that a customer will default on its contractual obligations resulting in financial loss to the Authority.

The Authority has adopted a policy of only dealing with creditworthy customers and obtaining sufficient collateral where appropriate, as a means of mitigating the risks of financial loss from defaults. The Authority's exposure and the credit ratings of its customers are continuously monitored and the aggregate value of transactions concluded is spread amongst approved customers. Credit risk is closely monitored by finance division through regular independent review designed to test the quality of credit exposure compliance with the Authority policies.

Sales to credit customers are settled in either cash cheque or direct transfers into the Bank. The Authority's net exposure to credit risk is limited to the carrying amounts presented in the statement of financial position. The Authority uses an allowance matrix to measure the ECLs of trade receivables. The Authority uses its historical credit loss experience for trade receivables to estimate the 12 month expected credit losses or the lifetime expected credit losses.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 30 June 2021. The movement in the allowance for impairment in respect to trade receivables during the year is disclosed in Note 13.

b. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors which has built an appropriate liquidity risk management framework for the management of the Authority's short, medium and long-term funding and liquidity management requirements.



SAMOA PORTS AUTHORITY
Notes to financial statements
For the year ended 30 June 2022

26. Capital commitments

a. Major capital commitment

The major commitment of the Authority is the infrastructure development to upgrade breakwater and enhance port services and geared towards meeting stakeholders expectation of the Authority' service delivery. This project will be carried out for 2 – 4 years and commenced 2019. The approved budget is funded by the Asian Development Bank as a grant to the worth of USD\$75 million to be completed in 2023. The total cost incurred for the project as at 30 June 2022 is \$13,514,989 USD equivalent to \$35,472,412 WST.

b. Other capital commitment

The Directors are not aware of any other capital commitments and not provided for the year ended 30th June 2022.

27. Contingent liabilities

The Authority terminated the lease to Tanoa Hotel (Samoa) due to potential breach of the lease agreement of the amount of rent it has paid since the lease was finalised.

As the date of signing the financial statements, this claim has not progressed any further. Legal proceedings and both parties are working through options for settlement given the reopening of borders in August 2022 as Tanoa representatives are based in New Zealand.

28. Approval of financial statements

These financial statements were approved by the Board of Directors and authorised for issue on the 27 Oct 2022.

