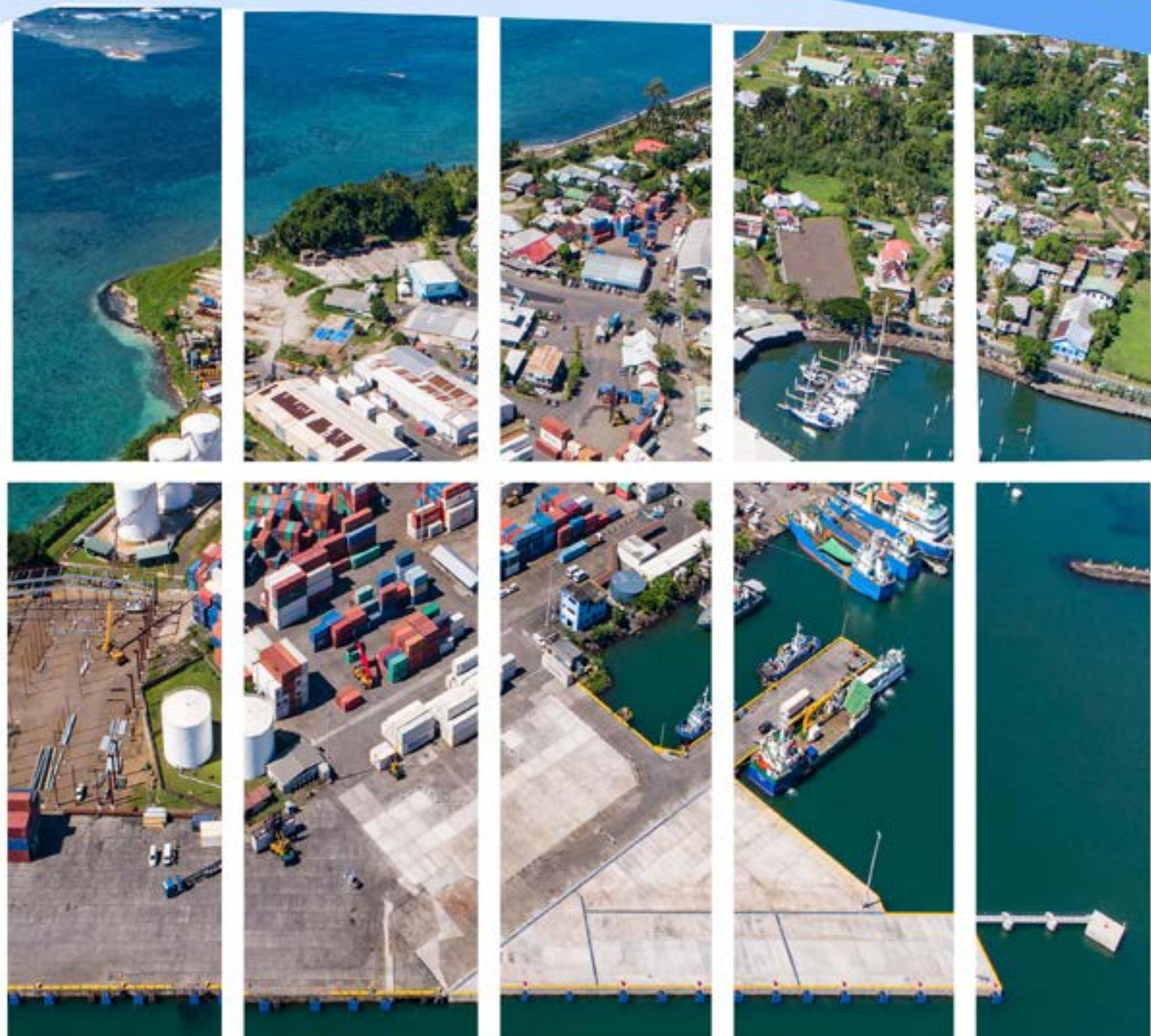


# SAMOA PORTS AUTHORITY



ANNUAL REPORT FOR YEAR  
ENDED 30 JUNE 2018



# Samoa Ports Authority Annual Report 2018



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# Samoa Ports Authority Annual Report 2018



## STATEMENT OF COMPLIANCE

31 October 2018

Hon. Papaliitele Unasa Toleafoa Tapunuu Niko LEE HANG  
Minister of Works, Transport & Infrastructure  
APIA

Dear Honourable Minister

**Re: Samoa Ports Authority Annual Report with Audited Financial Statements for  
Financial Year Ended 30 June 2018.**

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 2018 for your information and presentation to Parliament.

The Report consists of the following

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

Ma le faa'alo'alo tele lava.

So'alo Kuresa SO'OALO  
GENERAL MANAGER



# **Samoa Ports Authority** **Annual Report 2018**



## STATEMENT TO PARLIAMENT

Hon Speaker of the House  
Parliament of Samoa  
Tuanaimato  
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 2018.

I am pleased to announce that the Financial Year from 01 July 2017 to 30 June 2018 was another successful year for the Authority.

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

Ma le faa'alo'alo tele lava.



Papaliitele Unasa Niko Lee Hang

Hon. Papaliitele Unasa Toleafoa Tapunuu Niko LEE HANG  
MINISTER OF WORKS, TRANSPORT & INFRASTRUCTURE



# **Samoa Ports Authority**

## **Annual Report 2018**



### **Vision :**

“Aspire to be the BEST Provider of efficient and effective port services”

### **Mission Statement:**

“To develop and maintain Samoa’s Port Infrastructure:

“ To be in line with its Economic and Social Requirements,

“ In providing safe, secure, efficient, reliable and profitable port services, and In meeting international port standards”



# Samoa Ports Authority Annual Report 2018



## REVIEW YEAR HIGHLIGHTS

### Operation

- Total Revenue tonnage recorded – 2.4million
- Total Number of Containers handled[TEUs] – 37,091 increase by 6%.
- Container Vessels – 154

### Finance

- Net Profit – WST\$5.7million
- Long Term Loan of WST\$4.7million – reduced by 53% from WST\$10.1million in 2017.
- Declared Dividend of WST\$3.5million
- Cash Flow Balance of WST\$6.6million – increase by 12%.

### Development Projects

- Completion of Enhancement of Apia Port Project
  - o New berthage of 302 meters
  - o New channel markers
  - o Rehabilitated tug boats
  - o New leading light
- Commencement of ADB Samoa Ports Improvement Project
- Pre-technical Study of Vaiusu Port and Asau Channel.
- Commencement of Cable Warehouse Project



# Samoa Ports Authority Annual Report 2018



## CHAIRMAN'S REPORT



The Samoa Ports Authority [SPA/the Authority] has accomplished another strong annual performance despite the disruptions to services and revenue from the construction works to complete the Enhancement of Apia Port project and wharf extension which was successfully commissioned in the last month of the 2017/2018 financial year being reviewed.

### Major Activities and Overall Performance

- SPA delivered a net profit of WST\$5,671,921 for the review year which is 38% better than the annual budget of \$4,107,311.
- With the successful completion of the wharf extension and the ongoing ADB funded Samoa Port Improvement project, we expect the Authority to continue to meet and improve on operational and financial future targets.

### Capital Projects & Dividend Information

- During the year under review, SPA continued to apply excess cash-flow to accelerate repayment of the long outstanding term loan with UTOS. This long term commitment is expected to be fully paid in the 2018/2019 financial year.
- Another project to be funded by ADB, the Samoa Port Improvement Project, has started to take shape in the current financial year which will be the focus for this period.
- The Board declared and paid a dividend of WST\$3,492,691 representing 50% of its profits for the last financial

### SPA Directors

- I want to thank the Board of Directors for their commitment and leadership in the discharge of their responsibilities.
- A change in the Board chairmanship occurred in December 2017. With appreciation we commend the work and contribution of the former chairman, Reverend Elisaia Kolua.
- The following were the other Board Directors during the year under review:
  - o Luafau Leia Tuulima;
  - o Tuatagaloa Shane Wulf;
  - o Taua Paul Phillips;
  - o Afoa Raymond Pereira;
  - o Pisaina Leilua -Lei Sam;
  - o Rev Nuuausala Siaso.





# Samoa Ports Authority Annual Report 2018



## Acknowledgements

On behalf of SPA I thank the Hon Papaliitele Unasa Toleafoa Tapunuu Niko Lee Hang, Minister of Works, Transport & Infrastructure, for his unfailing support and counsel.

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.

On behalf of the Board I express particular thanks and appreciation to the SPA General Manager/CEO, So'oalo Kuresa So'oalo, and his Executive Management team and staff for their professional services, work-commitment and diligence in producing the considerable achievements as set out in this report.

Faafetai,

Tuiloma Neroni SLADE  
Chairman







## GENERAL MANAGER'S REPORT



I am pleased to report that Samoa Ports Authority has delivered another strong performance for the Financial Year ended 30 June 2018. During the year, the completion of the Enhancement of the Safety of Apia Port Project funded by the Government of Japan in June 2018 and the commencement of the ADB funded Samoa Ports Development Project signals the Authority's Development aspirations for the future. Operational and financial performance continued to be strong with a focus on operational excellence, financially self-reliant, innovation and continuous improvement.

The safety of staff, contractors and visitors to Samoa Ports Authority sites remains the top priority. During the reporting year, Samoa Ports Authority has introduced new requirements for all that enter the port to wear safety gears and must wear SPA approved Identification Cards. From a safety perspective the Lead Indicator is the level of compliance by SPA with the International Ships and Ports Security Code [ISPS].

### Operational Overview



There were 525 vessels calls to the Apia International Port for the review year compare to 528 in the previous year. The recorded number of port calls was dominated by Fishing Vessels at 42%, Container Vessels at 29% and General Cargo Vessels by 20% then the rest were Gas & Fuel Tankers, Cruise ships, Naval and Yachts.

The number of containers [TEUs] handled at the Apia International Ports during the review year rose by 6% from 34,950 in 2017 to 37,091 in 2018.

### Financial Performance

The Authority upon completion of it's annual financial audit recorded another good financial performance for the financial year under review.

Achieving a Net Profit of \$5.7 million is an excellent result considering the disruptions from the Extension project construction where cruise vessels bookings were cancelled and the major changes in the Senior Management positions took place during the period.



# Samoa Ports Authority Annual Report 2018



The result for the year is above annual budget by 38% but less than the previous year by 33%. The huge decline in Other Income by 71% was caused by the inclusion of the Reversal of a long term debt with the Ministry for Revenue of \$943,693 as Other Operational Income in last year's results. Income from Operation dropped by 10% due to the massive reduction in the number of cruise vessels calls from 14 in the previous year to only 5 during the financial year under review. For safety reasons, large cruise ships bookings were cancelled during the last phase of the construction work of the Japan funded Enhancement of Safety of Apia Port Project.

The Authority's Cash position continues to remain steadily healthy despite the drastic reduction in the Long Term Debt with UTOS by 53% from \$10.1 million in 2017 to \$4.7 million in 2018. Given the excess cash flow situation during the year, the Authority made additional repayments on top of the agreed \$400k monthly loan repayments

As per Cabinet Directive FK[18]11, the Board declared Dividend of \$3.5 million and made arrangements with the Ministry of Public Enterprises (MPE) for instalment monthly payments of \$500,000 per month and the Authority has to date paid \$3 million of this dividend to Government.

## Service Delivery

Engaging with key stakeholders and port users and facilitating two-way communication between Samoa Ports Authority and Port users on Port issues is important to us. Quarterly consultations are held between SPA Management and Port Users and Stakeholders to provide update on the Authority's work and its developments and to receive feedback and suggestions for improvements of service from the Port Users.

Samoa Ports Authority also has a key focus on meeting environmental requirements and delivering best practise over port controlled land and waters.

## Development Projects

The financial year ended with the successful completion of the Enhancement of Safety of the Apia Port Project funded by the Government of Japan through JICA. The Samoa Ports Development Project by ADB, the Cable Warehouse Project, the Vaiusu Port Project and the Asau Channel are the major development projects lining up for the Authority for the next financial year and the future.

## Acknowledgement

I would like to thank the Hon Minister of Works, Transport & Infrastructure Papaliitele Unasa Toleafoa Tapunuu Niko Lee Hang for your wisdom and unfailing support for the Samoa Ports Authority.

I would also like to thank the Chairman, Afoga Tuiloma Neroni Slade for his professional guidance and leadership, and SPA's Board of Directors for their advice, guidance and support during the year. I acknowledge the efforts, diligence and dedication of my senior management team, and hard work and professionalism of all staff who have contributed to another strong and successful financial year.

Ma lou faaaloalo tele lava.

So'oalo Kuresa SO'OALO  
GENERAL MANAGER



# Samoa Ports Authority Annual Report 2018



## 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 Vessel Regulations 1998
- Labour and Employment Act 2013
- Companies Act 2001
- Cabinet Directives

### 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.

SPA currently employs a total of 111 employees all based at Matautu-tai and specifically focus on the operations and management of the Apia International Port, Apia Fishery Port, Asau and the Aleipata Ports.

### 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 95% 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 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 marine 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 to enter the wharf must obtain prior approval for issuance of a Pass to gain entrance approval.

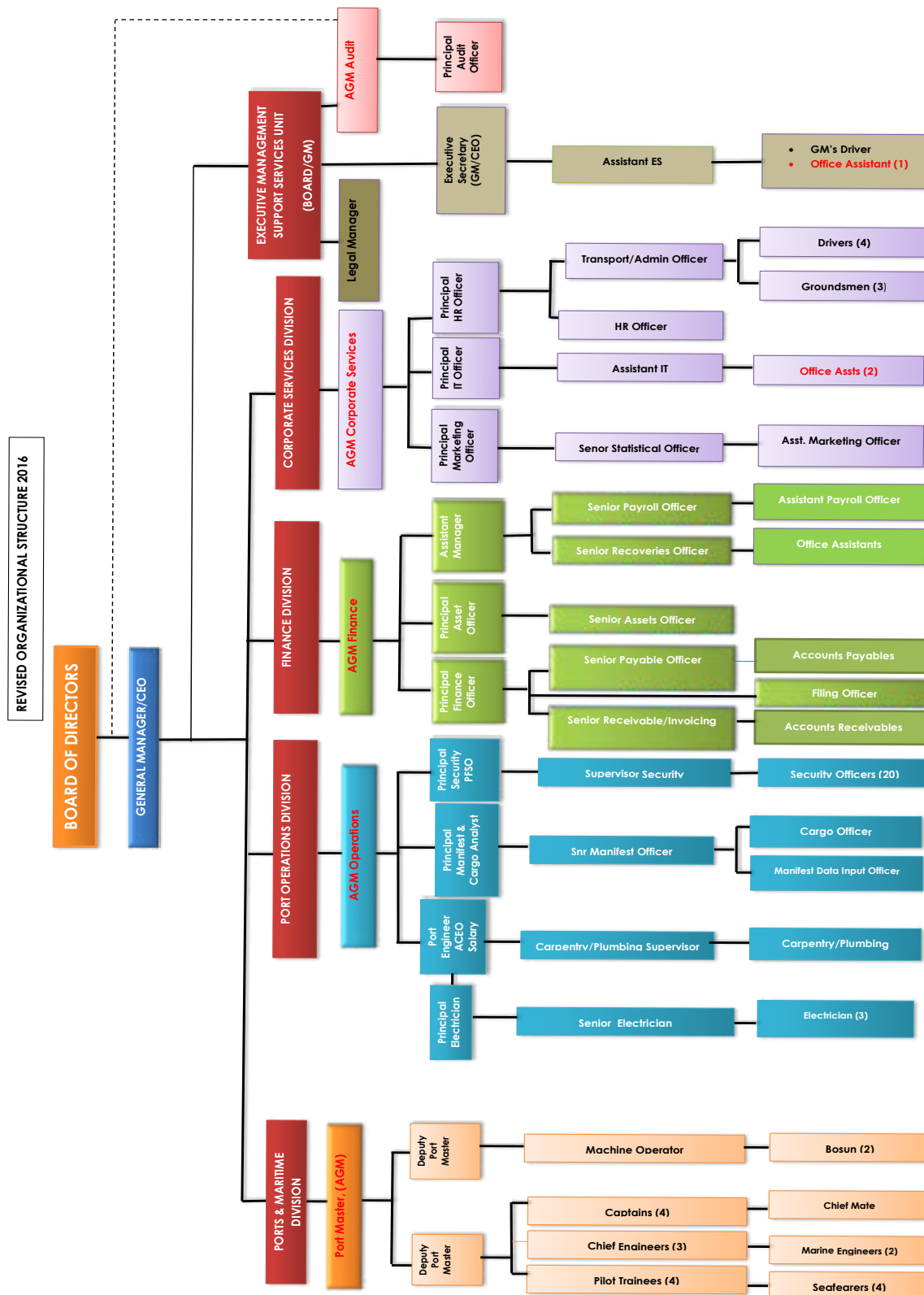




# Samoa Ports Authority Annual Report 2018



## ORGANISATIONAL STRUCTURE







# Samoa Ports Authority Annual Report 2018



## BOARD OF DIRECTORS



**Tuiloma Neroni Slade**  
Chairman

Board Chairman – Dec 2017: Tuiloma Neroni Slade was a Judge of the International Criminal Court in The Hague, The Netherlands. More recently he served as Secretary General of the Pacific Islands Forum Secretariat; and previously as Samoa's Ambassador/Permanent Representative to the United Nations based in New York. Prior to that, he was Assistant Director in the Legal Division of the Commonwealth Secretariat in London. In his earlier career he held office as Attorney-General of Samoa



**Luafau Leia Tuulima**  
Director

Afioga Luafau Leia Tuulima is the longest serving Board Director for SPA. Prior to joining the SPA Board, he served in other Government SOEs board like the Samoa Shipping Corporation Ltd.

Mr Tuulima is a successful commercial farmer and is currently the Government Representative (Pulenuu) for his village of Maagiagi.



**Tuatagaloa Shane Wulf**  
Director

Tuatagaloa is a lawyer by profession who has his own private law firm called Wulf Law Firm. He has been serving as a Board Director of SPA more than 6 years.



**Taua Paul Phillips**  
Director

Taua is a Civil Engineer by profession and is a registered member of the Institute of Professional Engineers in Samoa (IPES). He is a former Public Servant having served at the Ministry of Works, Transport & Infrastructure before setting up his own Engineering Consultancy Firm.





# Samoa Ports Authority Annual Report 2018



## BOARD OF DIRECTORS (Cont)



**Afoa Raymond Pereira**  
Director

Afoa was a Public Servant for many years served at the Customs Division of the Ministry for Revenue. He was an Assistant Chief Executive Officer when he retired from the service.



**Pisaina Leilua-Lei Sam**  
Director

"Pisaina Leilua-Lei Sam is an independent consultant in corporate governance, public economic policy development and practice; strategic planning, financial management and evaluation practices in the Pacific and Samoa with more than 25 years' experience in these areas. She worked in the Treasury Department [Ministry of Finance], when the Samoa Public Service embarked on its comprehensive public sector and financial management reforms in 1996. She held the position of Deputy Financial Secretary when she left the Treasury Department in July 1999 to join the Secretariat of the Pacific Regional Environment Programme [SPREP]. She later joined the Pacific Islands Forum Secretariat [PIFS], Fiji in 2004. In 2007, she became the Director of Finance/General Manager, Savings and Development Banks of the Government of Tokelau until 2011. Pisaina has extensive work experience in the Pacific Island Countries and in the Pacific Regional Organizations. "



**Rev Nuuausala Siaosi**  
Director

Rev Nuuausala was appointed as a Board Director in 2017. He is a Church Minister for the Protestant Church at Apia and is a graduate of the Malua Theological College.



# Samoa Ports Authority Annual Report 2018



## SENIOR MANAGEMENT TEAM



### **So'oalo Kuresa So'oalo**

General Manager

As a Chartered Accountant [CA], So'oalo has been in the maritime industry for fifteen years served as the Chief Financial Officer [CFO] for the Government owned Samoa Shipping Corporation Ltd [SSC]. Prior to SSC, So'oalo spent fourteen years at the ANZ Bank as a Senior Banker and had covered all facets of Banking. He holds a B.Com [Accounting] and a Master of Business Administration [MBA] Degrees and is a registered member of the Samoa Institute of Accountants.



### **Seinafolava Capt Lotomau Tomane**

Port Master

Capt Tomane is an experienced Maritime Personnel having served in the Ministry of Transport for many years. He holds a Master certificate and has served on foreign vessels for many years before he became the Assistant CEO of Maritime for the Ministry of Works, Transport & Infrastructure. He left his ACEO Maritime position to take on the Port Master position for SPA in 2012.



### **Lealaiauloto Capt Toilolo**

Port Operations Manager

He Served as Master in Maritime and working on foreign Ship for 20 years. A former Senior Lecture at the Maritime School at National University of Samoa. He worked at the MWTI as a Principal Shipping and Maritime Examiner before joining SPA in 2016.



### **Moe Lene**

Finance Manager

Manager Finance – Moe Lene is a registered member of the Samoa Institute of Accountants as a Chartered Accountant [CA]. She holds a Bachelor of Commerce majoring Accounting and has been served in the sector [Works, Transport & Infrastructure] for six years as the Assistant Finance Manager and Credit Controller for the Electric Power Corporation. Moe has started her career as an accountant and auditor from the accounting firm of Betham & Co Ltd in 2006.



# Samoa Ports Authority Annual Report 2018



## SENIOR MANAGEMENT TEAM (Cont)



**Peter Lokeni**  
Corporate Service Manager

Reverend Peter Gafa Lokeni is Samoa Ports Authority's Manager for Corporate Services Division. He holds a Bachelor of Arts majoring in Management and Public Administration and a Bachelor of Divinity from Malua Theological College. He is a human resource executive with years of responsible and progressive experience in human resource management as well as manufacturing and operations management. His professional experiences include executive level management, strategic program management, training/employee development, resource and budget forecasting, organizational development and employee relations. He is also an ordained minister of the Congregational Christian Church of Samoa and is a graduate of the Malua Theological College.



**Tuitama Nia Vaifale**  
Audit Manager

Tuitama has worked in Samoa as well as in Australia in the Accounting and Taxation areas. She was the Director of Corporate Services at FESA prior to her role here at SPA. She holds a B.A. [Mathematics] from Auckland University, NZ and a B.Com [Accounting] from University of Southern Queensland, Australia. Tuitama is a member of the Samoa Institute of Accountants.





# REVIEW OF OPERATIONS

## MAJOR PROJECTS & SIGNIFICANT EVENTS

### **1. ENHANCEMENT OF SAFETY OF APIA PORT PROJECT**

June 2018

This Project was made possible through a grant aid by one of Samoa's friends and development partner; the Government and the People of Japan through the Japan International Cooperation Agency – JICA.

The successful completion of this Project has significantly improved the capacity of the Apia International Port to berth larger ships, as we witnessed in the morning of the official opening ceremony the arrival of the Cruise Ship; Pacific Jewel.

Apia Port will now be able to berth two cargo ships and additional space has been made available for container storage. In addition, this project also saw the replacement of channel lights including the leading light on Mount Vaea plus the rehabilitation of the two tug boats. This project is testimony to the close bilateral relationships between the Government of Samoa and the People and Government of Japan.

The Project Scope includes:

- Extension of the berthing area by 137 meters making up the total length for berthing of 302 meters, and the mooring dolphin with bridge of 35 meters
- Existing container yard rehabilitation of 1,300 square meters
- Existing jetty rehabilitation for 1,100 square meters
- Installation of One Leading Light and Five Navigational Buoys
- Rehabilitation of two tug boats – Atafa and Tafola

The contract for the construction was signed in Tokyo by the Hon Minister of Works, Transport and Infrastructure on 03rd June 2016 where the contract was awarded to the Wakachiku Construction Co Ltd at the cost of JPY¥3,477,000,000.00 which is equivalent to approximately WST\$80 million tala. The Supervision contract was awarded to the Oriental Consultants Global. The construction commenced on 14 July 2016 with the first concrete for precast block poured on 26 November 2016 and the last concrete poured on 15 May 2018 with scheduled completion date of June 2018.

This Project will greatly benefit all the people of Samoa and will improve the service of the Samoa Ports Authority for all the Port users. The completion of this important project is one step closer to the achievement of one of the pillars of the Government's Strategy for the Development of Samoa 2016/17 to 2019/20 ; Priority Area 3 –Key Outcome 10: To ensure we provide a sustainable, safe, secure and environmentally responsible transport network that supports Samoa's economic and social development.



Through His Excellency the Ambassador of Japan to Samoa Afioa Maugaoleatuolo Shinya Aoki, the Hon Prime Minister of Samoa Susuga Tuilaepa Lupesoliai Dr Sailele Malielegaoi extended Samoa's sincere thanks and heartfelt appreciation to the Government and People of Japan and JICA for their continued support and assistance for Samoa.



## 2. SAMOA PORTS DEVELOPMENT PROJECT

- ongoing

As a result of a feasibility study in 2014 funded by the ADB where several areas of the Apia International Port that needed upgrading / improvements were identified, the Samoa Ports Development Project was initiated to be funded by ADB.

The selection and recruitment of the Detailed Design Firm has been completed with the New Zealand based Beca International as the winning bidder.

The major component of this project includes:

- the proposed extension of the existing breakwater by 100 meters
- the acquisition of a customs x-ray scanner
- pavement of other unsealed sections of the wharf
- relocation and addition of reefer plugging facility
- improvement of underground cabling & lighting
- area for maintenance of stevedoring equipment

It is expected that the final detailed design will be finalised in early 2019 with the bidding for the construction phase to commence immediately thereafter.



# Samoa Ports Authority Annual Report 2018



## **3. CABLE WAREHOUSE PROJECT**

-March 2018

After months of negotiations between the Samoa Submarine Cable Company (SSCC) and SPA, the lease agreement was finally signed in March 2018. The agreement is for five years renewable for another five years.

The intention by SSCC which has been set up as a private firm with Government SOEs as shareholders, is to attract the US firm TE Subcom to set up in Samoa with the cable ship to make Apia International Port as it's home port. Under sea cable maintenance for the Asia Pacific region will be done by the TE Subcom cable ship; CS Reliance. The purpose of the 80 x 50 meters warehouse is to store the cable for repairs and related materials.

## **4. BITSOLUTION – COMPUTERISED CARGO SYSTEM**

-December 2017

A local IT company was awarded the contract to develop and install a computerised cargo and manifest system.

The first phase was completed and delivered in December 2017 for testing and further tests are needed to ensure all needs and security measures are fully addressed.

System is now operational and updates have been requested by Management to be delivered soon as fixes to issues raised in the first testing stage.

## **4. VAIUSU & ASAU PORTS PRE-TECHNICAL STUDY**

-September 2017

A study requested by the Ministry of Foreign Affairs was carried out in September 2017 for the proposed Vaiusu Port Project including the Asau Port channel.

The Ministry of Foreign Affairs (MFAT) is in contact with the Ministry of Commerce of China on progress of this Project. It is expected that the next step is the deployment of the Feasibility Study Team.

## **5. BOARD APPOINTMENT - CHAIRMAN.**

-December 2017

The Cabinet in December confirmed the appointment of Afioga Tuiloma Neroni Slade as the Chairman of the Samoa Ports Authority to replace the outgoing Chairman Rev Elisaia Kolua.

Tuiloma is a well known Samoan Public Servant who represented Samoa well in the International arena as the Head of the Pacific Forum Secretariat based in Suva Fiji, as a Judge in the International Court of Law based in La Hague Netherlands, and as a Representative for Samoa in the United Nations for many years. As a highly qualified lawyer, Tuiloma was the first Samoan to hold the position of Attorney General.

## **6. APPOINTMENT OF GENERAL MANAGER.**

-October 2017

The Board of Directors in September 2017 approved the panels results and recommend to Cabinet to accept the appointment of So'oalo Kuresa So'oalo as the new General Manager to replace the late Aiganaava Asofa Fereti.

As a Chartered Accountant (CA), So'oalo has been in the maritime industry for fifteen years served as the Chief Financial Officer (CFO) for the Government owned Samoa Shipping Corporation Ltd (SSC). Prior to SSC, So'oalo spent fourteen years at the ANZ Bank. He holds a B.Com (Accounting) and a Master of Business Administration (MBA) Degrees and is a Registered Member of the Samoa Institute of Accountants.





# Samoa Ports Authority Annual Report 2018

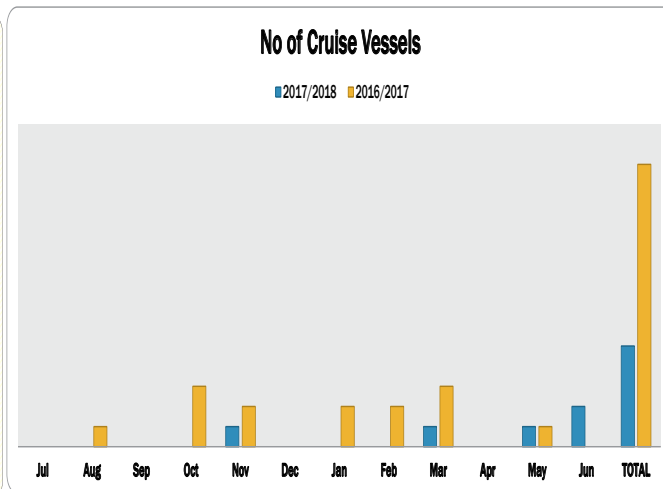
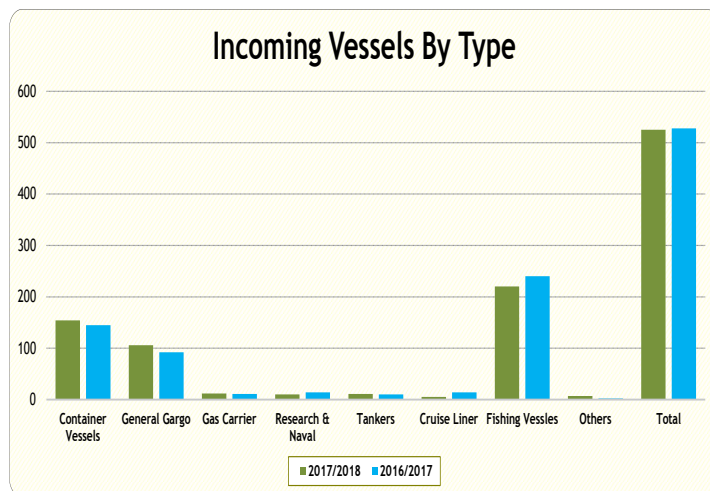




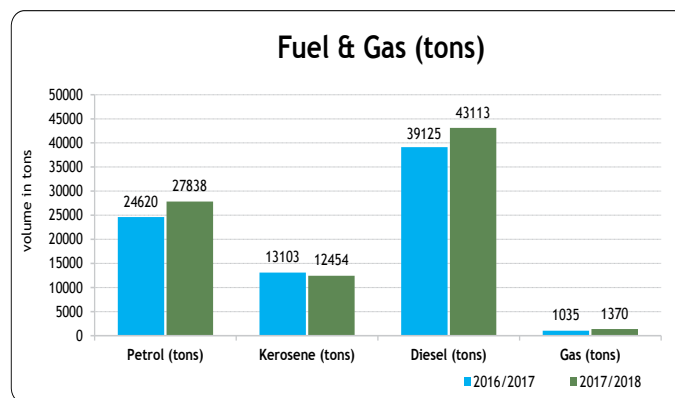
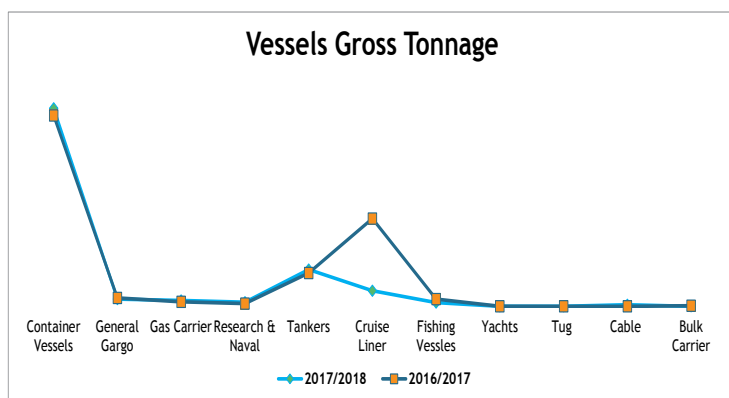
# Samoa Ports Authority Annual Report 2018



## PORTS STATISTICS



There were 525 vessels calls for the review year, three short of the previous year that recorded a total of 528. The notable change was a decline in the number of fishing vessels from 240 in 2017 to 220 in 2018 and Cruise ships from 14 in 2017 to only 5 in 2018. The disruption in the schedule of vessels was due to the construction of the Apia Port extension project funded by JICA which was successfully completed in the last month of the review year.

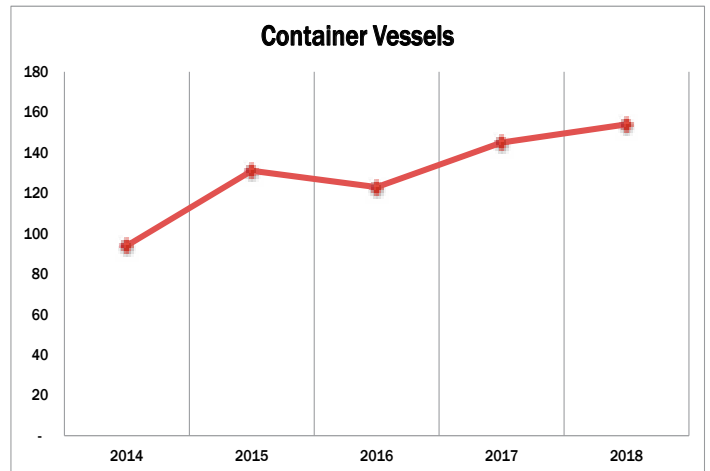
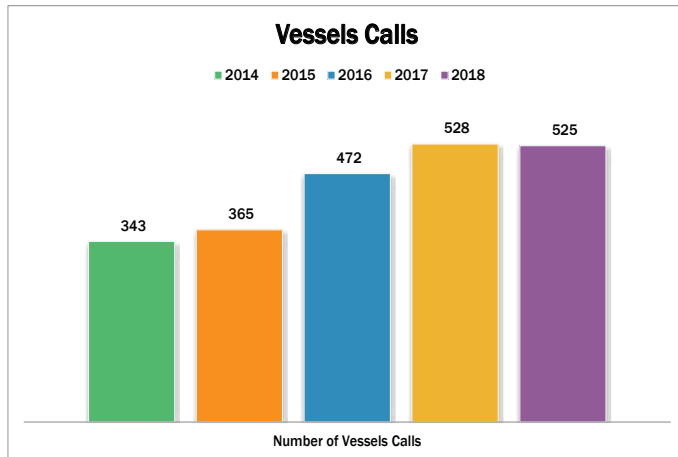


Vessels Gross Tonnage recorded a drop of 19% compare to 2017 attributed mainly to the massive drop in cruise liners GRT by 82%. This is shown in the above graph where all the other vessels GRT remains fairly close except for Cruise Liners.

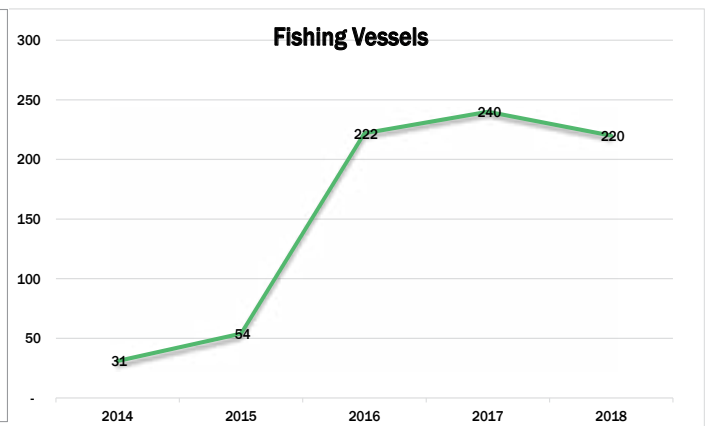
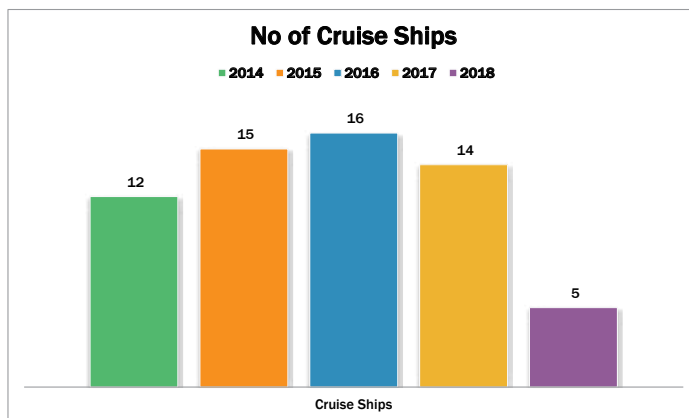
Both Petrol and Diesel imported in tons rose by 13% and 10% respectively compare to 2017. There were no significant movement in the volume of Kerosene and LPG Gas as shown above.



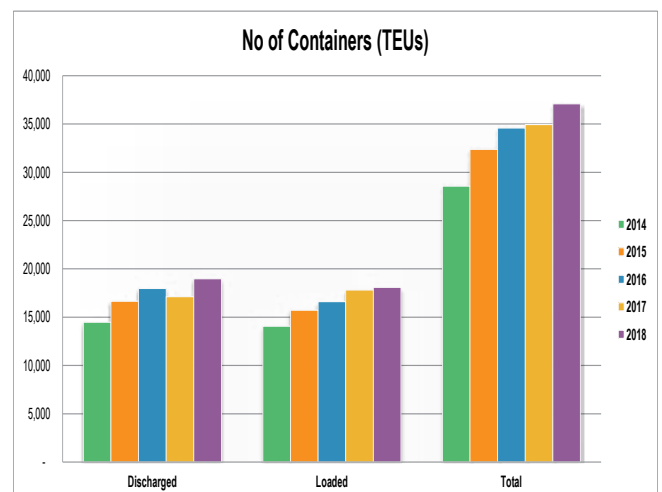
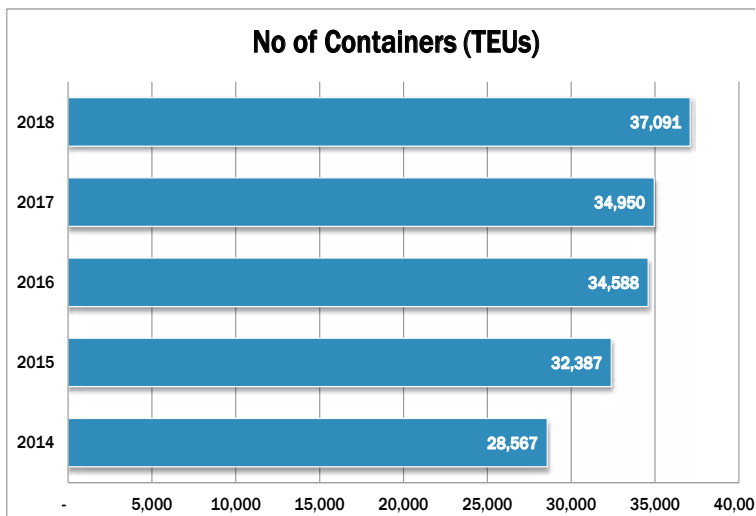
# Samoa Ports Authority Annual Report 2018



The number of vessels calls into the Apia International Port steadily rose over the last four years and remains steady during the review year due to the cancellation of cruise liners bookings for safety reasons during the construction of the extension project. The number of vessels calls rose by 53% in the last five [5] years.



The number of cruise liners calls rose from 2014 to 2016 and declined in 2017 with a huge drop in 2018 of 64% due to the cancellation of cruise liners bookings during the construction work for the Enhancement of Apia Port Project.







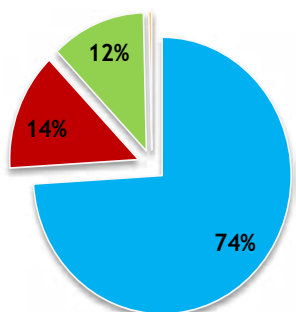
# Samoa Ports Authority Annual Report 2018



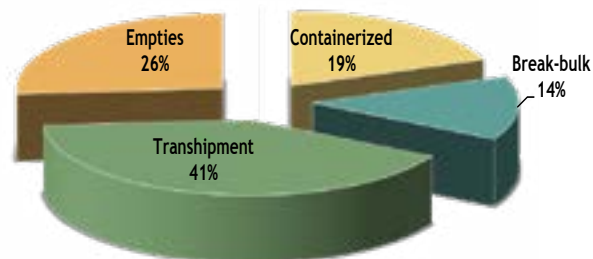
The number of containers [TEUs] handled at the Apia Port increased by 6% over the prior year but recorded a steady rise over the last five [5] years by 30%. This data is consistent with the number of container vessels trend for the same period.

## Discharged Tonnage

■ Containerized ■ Break-bulk ■ Transshipment ■ Empties



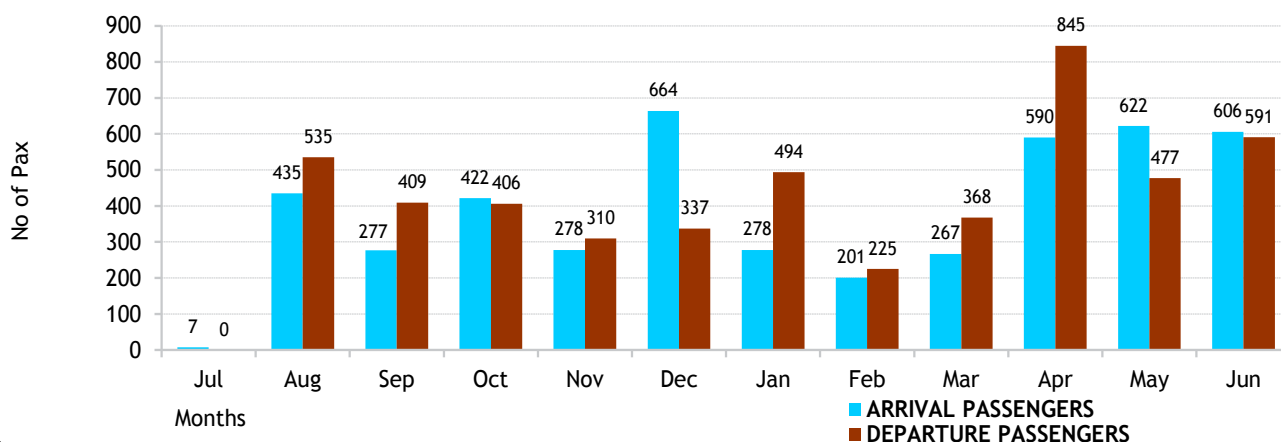
## LOADED TONNAGE



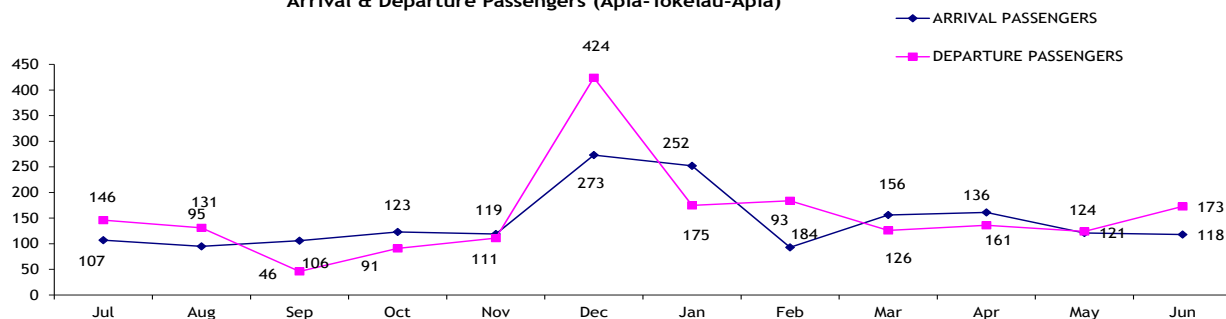
Total discharged (inward) tonnage recorded was 506,416 of which 74% were containerised goods, break-bulk cargoes at 14%, transshipment at 12% with a minimal amount of empty containers.

Total loaded (outward) tonnage was 129,491 of which 41% are transshipment cargoes, 26% are empty containers, 19% are containerised goods and 14% of Break-bulk cargoes.

## Passengers - Apia/Pago Pago / Apia



## Arrival & Departure Passengers (Apia-Tokelau-Apia)







# Samoa Ports Authority Annual Report 2018

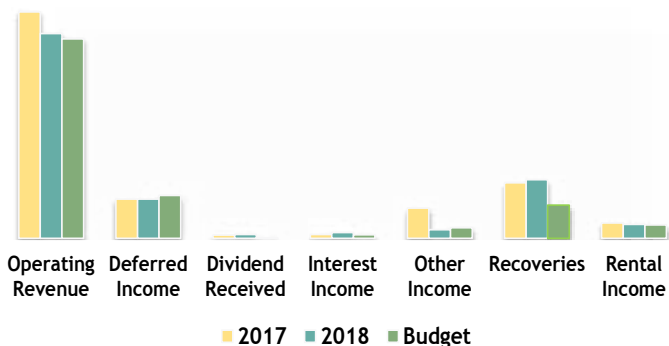


## REVIEW OF FINANCIAL PERFORMANCE

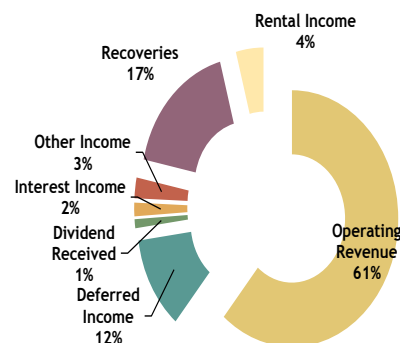
### REVENUE

	2017	2018	Budget
Operating Revenue	11,080,361	10,023,185	9,763,370
Deferred Income	1,923,432	1,923,432	2,103,064
Dividend Received	157,947	185,820	15,000
Interest Income	191,015	281,045	177,000
Other Income	1,485,261	427,052	524,940
Recoveries	2,719,029	2,877,864	1,623,700
Rental Income	761,487	687,537	663,000
<b>Total Revenue</b>	<b>18,318,532</b>	<b>16,405,935</b>	<b>14,870,074</b>

Total Revenue 2017 & 2018



Total Revenue 2018



Total Revenue earned of \$16.4 million was lower than the previous year by 10% attributed mainly to the massive drop in Other Income by 71%. The inclusion of a reversal of a long term debt of WST\$943,383 as Other Income last year is the main reason for the huge difference. In addition Operating Revenue also declined by 10% as a result of the cancellation of cruise ships bookings during the construction phase of the Enhancement of Safety of the Apia Port Project.

On the other hand, total Revenue earned for the review period rose above the annual budgeted total by 10%. Operating Revenue category accounts for 61% of the total revenue.

### EXPENDITURE

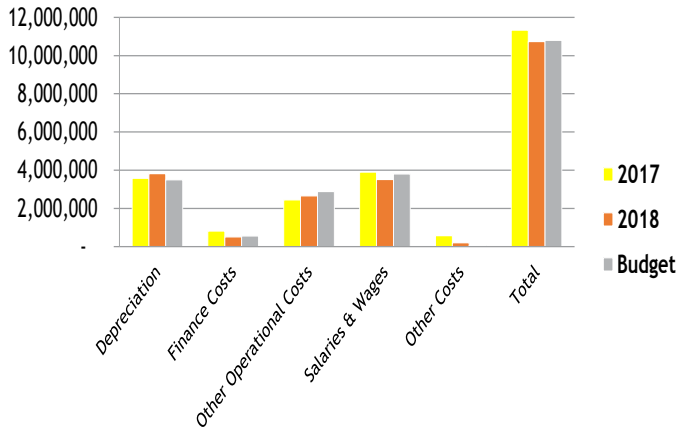
	2017	2018	Budget
Depreciation	3,583,940	3,829,033	3,500,000
Finance Costs	817,687	513,213	560,671
Other Operational Costs	2,448,218	2,659,062	2,878,787
Salaries & Wages	3,902,227	3,520,617	3,799,685
Other Costs	581,078	212,090	58,620
<b>Total</b>	<b>11,333,150</b>	<b>10,734,015</b>	<b>10,797,763</b>



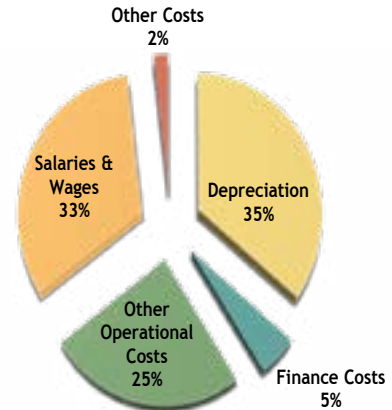
# Samoa Ports Authority Annual Report 2018



## Expenditure 2017 & 2018



## Expenditure - 2018

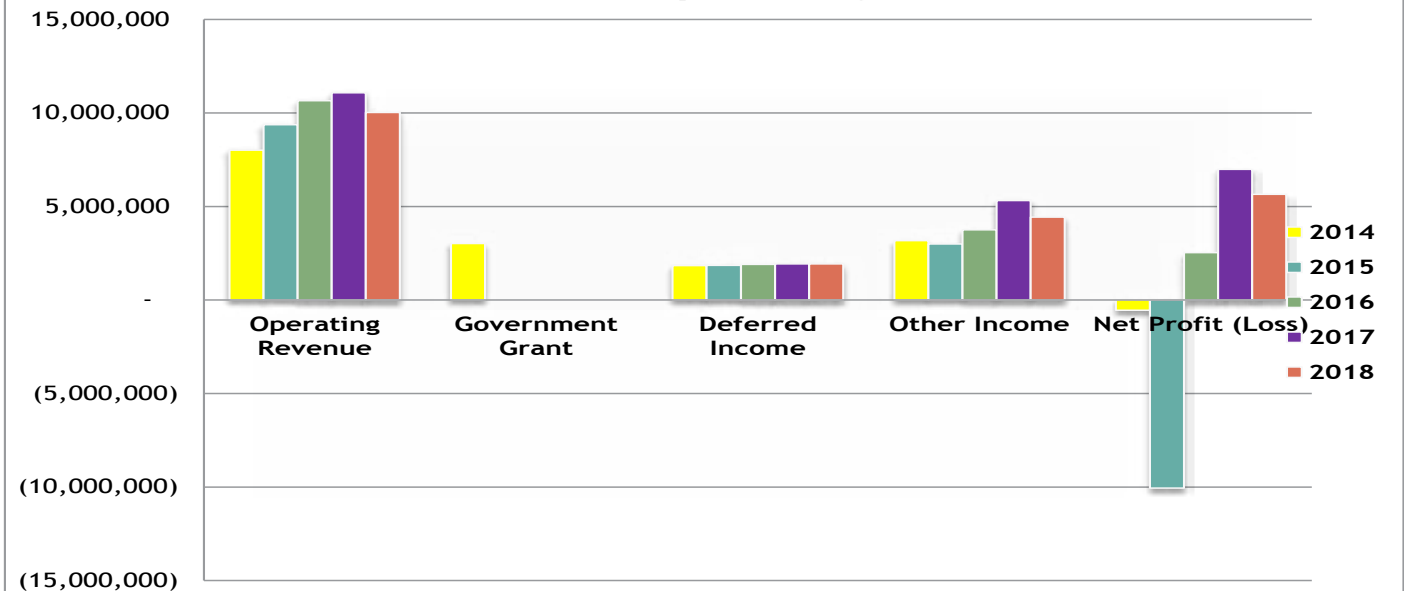


Total Expenditure dropped by 5% compare to the previous financial year and slightly below annual budgeted total by a minimal 1%. Depreciation dominates the cost structure at 35%, closely followed by Salaries & Wages at 33%, Other Operational Costs at 25%, Finance Costs at 5% and Other Costs at 2%.

	2017	2018	Budget
Total Revenue	18,318,532	16,405,935	14,870,074
Total Expenditure	11,333,150	10,734,015	10,797,763
<b>Net Profit</b>	<b>6,985,382</b>	<b>5,671,920</b>	<b>4,072,311</b>

Overall, a Net Profit of WST\$5,671,920 was recorded for the review financial period. The result is 19% lower than the previous year but better than the annual budget by 39%.

## Five Years - Operating Results





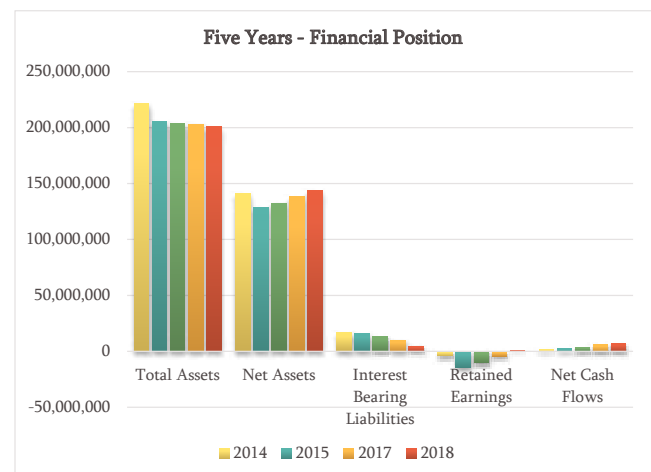
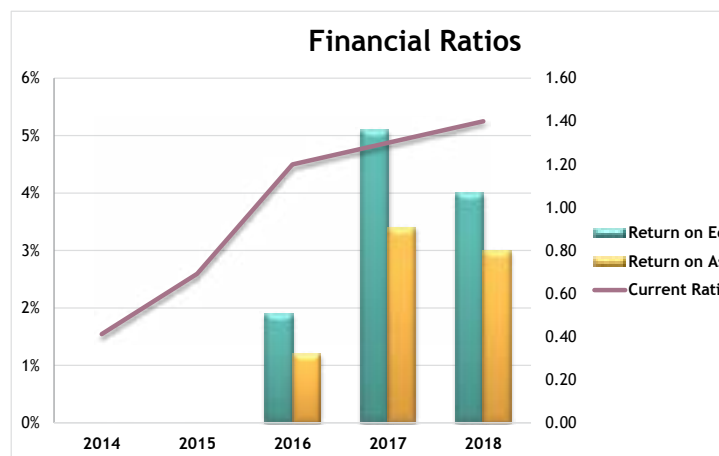
# Samoa Ports Authority Annual Report 2018



## FINANCIAL POSITION

	2014	2015	2016	2017	2018
Total Assets	221,209,896	205,274,748	203,246,990	202,838,967	200,724,340
Net Assets	140,899,334	128,271,913	132,230,712	138,210,891	143,362,971
Interest Bearing Liabilities	16,544,069	15,840,799	13,385,628	10,117,939	4,699,055
Retained Earnings	-4,057,734	-14,117,146	-10,158,347	-4,178,169	993,752
Net Cash Flows	1,436,067	2,281,064	3,799,479	5,908,604	6,576,417

	2014	2015	2016	2017	2018
Return on Equity (ROE)	0%	0%	2%	5%	4%
Return on Assets (ROA)	0.0%	0.0%	1%	3%	3%
Current Ratio	0.41	0.69	1.20	1.30	1.40



The above figures reveal a positive trend in the last five years. Notably to say that Interest Bearing Liabilities totalled WST\$16.5million in 2014 has been drastically reduced to WST\$4.7million in this financial year, a reduction of 72% over five years, or 53% reduction from last year. At the same time, Cash Flow position of the Authority has steadily improved from WST1.4million in 2014 to WST\$6.6million in 2018, a massive increase of 371%.

Retained Earnings has improved tremendously from a negative [WST\$4.1million] to WST\$994k this financial year.

Return on Equity [ROE] achieved a positive 2% in 2016, 5% in 2017 and 4% in 2018 which is a notable improvement from the last ten years of operation. For computation of the ROE, it is worth to note that a Land Revaluation amount of WST\$106,803,002 posted in 2014 makes up 75% of the Total Equity amount.





# FINANCIAL STATEMENTS



***Financial Statements for year  
ended 30 June 2018***

**Samoa Ports Authority**  
**AUDITORS REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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 2018;

- 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:

- Tuiloma Neroni Slade (Chairman)
- Luafau Leia Tuulima
- Tuatagaloa Shane Wulf
- Taua Paul Phillips
- Pisaina Leifua Lei Sam
- Afoa Raymond Pereira
- Rev Nuuaalsala Siaosi

**Operating Results**

The net profit for the year is \$5,671,921

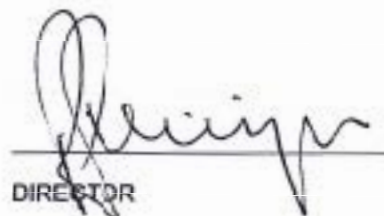
**Dividends**

The Directors approved the payment of dividend of WST\$3,492,691 based on the rate established by Cabinet directive FK(18)11. Of the above amount, the Authority has paid WST\$500,000 during the financial year ended 30 June 2018.

Dated at Apia this:

Signed in accordance with a resolution of the Directors,

  
DIRECTOR

  
DIRECTOR

# SAMOA PORTS AUTHORITY INDEPENDENT AUDIT REPORT For the year ended 30 JUNE 2018

Telephone: 27751  
Fax: 24167  
Email: [info@audit.gov.ws](mailto:info@audit.gov.ws)  
Website: [www.audit.gov.ws](http://www.audit.gov.ws)

Please address all correspondence  
to the Controller and Auditor General



AUDIT OFFICE

P.O Box 13  
APM, SAMOA

## 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 Samoa Ports Authority, which comprise the Statement of Financial Position as at 30 June 2018, and Statements of Financial Performance, Changes in Equity and Cash Flows for the year then ended, and a Summary of Significant Accounting Policies and Other Explanatory Notes. The Accounting Firm of Lesā ma Penē, Chartered Accountants, assisted in the audit. The Engagement Partner on the audit resulting in this Independent Auditor's Report is Matataualitia Afa Lesa.

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 2018, and of its financial performance, changes in equity and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs), Public Finance Management Act 2001, Public Bodies (Performance and Accountability) Act 2001, and Ports Authority Act 1998.

#### 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 the Financial Statements section of our report. We are independent of the Authority 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.

#### 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, Public Finance Management Act 2001, Public Bodies (Performance and Accountability) Act 2001, and Ports Authority Act 1998, and such internal control as 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 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 intend 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



**SAMOA PORTS AUTHORITY**  
**INDEPENDENT AUDIT REPORT**  
For the year ended 30 JUNE 2018

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to the Controller and Auditor General



**AUDIT OFFICE**

P.O Box 13  
APIA, SAMOA

- 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 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 the management regarding, among other matters, the significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the management with a Statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

Our audit was completed on the 8<sup>th</sup> January 2019 and our opinion is expressed as at that date.

Apia, Samoa  
22 January 2019

*C. A. Afele*  
Fulmaono Mata'afa Papali'i C.G. Afele  
CONTROLLER AND AUDITOR GENERAL

**SAMOA PORTS AUTHORITY**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
For the year ended 30 JUNE 2018

		<b>2018</b>	<b>2017</b>
<b>REVENUE</b>	<b>Notes</b>	<b>WST\$</b>	<b>WST\$</b>
Income from operation		10,023,185	11,080,361
Deferred revenue/amortised income	<b>14(a)</b>	1,923,432	1,923,432
Dividend received		185,820	157,947
Interest income		281,045	191,015
Other income	<b>18</b>	427,052	1,485,261
Recoveries overtime and others		2,877,864	2,719,029
Rental income		687,537	761,487
<b>Total Revenue</b>		<b>16,405,935</b>	<b>18,318,532</b>
<b>EXPENDITURES</b>			
Audit fees		57,000	50,000
Audit fees - Audit Office		-	2,000
Board expenditure	<b>21(i)</b>	145,947	153,107
Depreciation	<b>10</b>	3,829,033	3,583,940
Employee benefit	<b>11(b)</b>	230	76,258
Finance costs	<b>20</b>	513,213	817,687
Loss on disposal of fixed assets		-	317,344
Other operational expenditures	<b>19</b>	2,659,062	2,448,218
Other professional fees		9,143	58,627
Salaries and wages		3,520,387	3,825,969
<b>Total Expenditures</b>		<b>10,734,014</b>	<b>11,333,150</b>
<b>Net profit</b>		<b>5,671,921</b>	<b>6,985,382</b>

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

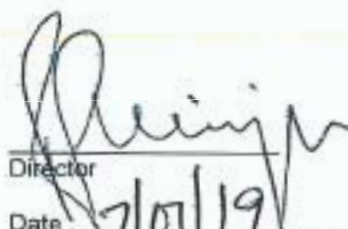
**SAMOA PORTS AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 30 JUNE 2018**

<b>ASSETS</b>	<b>Notes</b>	<b>2018 WST\$</b>	<b>2017 WST\$</b>
<b>Current Assets</b>			
Cash and cash equivalents	3	1,754,615	1,324,822
Term deposits	4	4,821,802	4,583,782
Trade and other receivables	5	1,329,648	1,057,789
Investment	6	2,861,626	2,649,007
Withholding Tax Receivable	15	23,666	-
<b>Total Current Assets</b>		<b>10,791,357</b>	<b>9,615,400</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	10	189,959,781	193,223,568
<b>Total Non-Current Assets</b>		<b>189,959,781</b>	<b>193,223,568</b>
<b>TOTAL ASSETS</b>		<b>200,751,138</b>	<b>202,838,968</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Capital and Reserves</b>			
Capital		35,570,307	35,570,307
Land revaluation	8	106,803,002	106,803,002
Reserves	7	15,750	15,750
Retained earnings		993,752	(4,178,169)
<b>Total Equity</b>		<b>143,382,811</b>	<b>138,210,891</b>
<b>Current Liabilities</b>			
Trade and other payables	9	418,030	312,189
Provision for employee benefits	11(a)	35,688	261,491
Other provisions	12	59,000	34,000
Term loan - current portion	13	4,725,488	4,246,829
Deferred revenue-current portion	14(b)	1,923,433	1,923,432
Retention	16	27,548	30,128
Withholding Tax	15	-	14,674
VAGST payable	17	847,834	679,486
<b>Total Current Liabilities</b>		<b>8,037,021</b>	<b>7,502,229</b>
<b>Non-Current Liabilities</b>			
Term loans - non current portion	13	-	5,871,110
Deferred revenue- non current portion	14(b)	49,331,306	51,254,738
<b>Total Non-Current Liabilities</b>		<b>49,331,306</b>	<b>57,125,848</b>
<b>Total Liabilities</b>		<b>57,368,327</b>	<b>64,628,077</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>200,751,138</b>	<b>202,838,967</b>

Signed on behalf of the Board:

  
 Director

Date :

  
 Director  
 Date : 27/07/19

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 2018**

	<b>Share Capital WST\$</b>	<b>Revaluation WST\$</b>	<b>Reserves WST\$</b>	<b>Retained Earnings WST\$</b>	<b>Total WST\$</b>
<b>Balance as at 30 June 2016</b>	35,570,307	106,803,002	15,750	(10,158,347)	<b>132,230,712</b>
Net profit for the year ended 30 June 2017	-	-	-	6,985,382	<b>6,985,382</b>
Dividend paid	-	-	-	(1,005,204)	<b>(1,005,204)</b>
<b>Balance as at 30 June 2017</b>	<b>35,570,307</b>	<b>106,803,002</b>	<b>15,750</b>	<b>(4,178,169)</b>	<b>138,210,890</b>
Net profit for the year ended 30 June 2018	-	-	-	5,671,921	<b>5,671,921</b>
Dividend paid	-	-	-	(500,000)	<b>(500,000)</b>
<b>Balance as at 30 June 2018</b>	<b>35,570,307</b>	<b>106,803,002</b>	<b>15,750</b>	<b>993,752</b>	<b>143,382,811</b>

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



**SAMOA PORTS AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
For the year ended 30 JUNE 2018

	<b>2018 WST\$</b>	<b>2017 WST\$</b>
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	13,369,658	14,829,836
Cash paid to employees and suppliers	(6,761,157)	(7,069,240)
Withholding tax paid	-	(8,952)
Interest received on term deposits	264,798	92,662
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>6,873,298</b>	<b>7,844,306</b>
<b>Cash Flows to Investing Activities</b>		
Purchase of property, plant and equipment	(632,134)	(761,826)
Proceeds from sales of assets	69,100	-
Proceeds from disposal of wharves	250,000	250,000
Dividend paid to Government of Samoa	(500,000)	(1,005,204)
ANZ Investment	-	-
ANZ fixed deposit matured	-	1,034,246
Bank South Pacific term deposit	-	(3,034,245)
National Bank of Samoa term deposit	-	(1,500,000)
Bank South Pacific term deposit - reinvest	-	1,016,068
National Bank of Samoa term deposit - reinvest	-	1,533,469
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>	<b>(813,034)</b>	<b>(2,467,492)</b>
<b>Cash Flows from Financing Activities</b>		
Proceed from loan	-	13,455,179
Loan repayments	(5,392,451)	(16,722,869)
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>	<b>(5,392,451)</b>	<b>(3,267,690)</b>
<b>Net increase/ (decrease)</b>	<b>667,813</b>	<b>2,109,124</b>
Cash and cash equivalents at beginning of year	5,908,604	3,799,479
<b>Cash and Cash Equivalents at Year End</b>	<b>6,576,417</b>	<b>5,908,604</b>
<b>Represented by :</b>		
Cash on hand	1,300	1,300
Cash at Bank - ANZ Bank (Samoa) Ltd	1,753,315	1,323,522
Term deposits	4,821,802	4,583,782
<b>Total Cash on Hand and at Bank</b>	<b>6,576,417</b>	<b>5,908,604</b>

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

# **SAMOA PORTS AUTHORITY**

## **NOTES TO FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 JUNE 2018**

#### **1. General information**

The Authority was established on 1st July 1999 under the 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 and its main Office is located at Matautu-tai.

#### **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 cost basis unless otherwise stated. The principal accounting policies are stated to assist in a general understanding of these financial statements. Reporting financial statements statement 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 defer from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period and future periods.

##### **c. Comparative Information**

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

##### **d. Functional and Presentation Currency**

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

##### **e. Foreign Currency**

Transactions in foreign currency are translated to Samoa 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 recognized in the statement of financial performance.

f.

# **SAMOA PORTS AUTHORITY**

## **NOTES TO FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 JUNE 2018**

#### **f. Bad and doubtful 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.

#### **g. Revenue Recognition**

Revenue from various operational services is recognised in the statement of financial performance when the service is performed. Revenue from the sale of goods is recognised in the statement of financial performance when the significant risks and rewards of ownership have been transferred to the customer. No revenue is recognised if there are significant uncertainties regarding collection of the revenue due or on the possibility of goods being returned.

#### **h. Expense Recognition**

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

#### **i. 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 90 days.

#### **j. Trade and other receivables**

Accounts 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 accounts and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately recoverable. If so, an impairment loss is recognised immediately in the statement of financial performance.

#### **k. 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.

#### **l. Trade and other payables**

Accounts 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.

# SAMOA PORTS AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

#### **m. 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 is 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.

Lands	Nil
Wharves	30 - 60 years
Buildings	10 - 30 years
Breakwaters	60 years
Workboats	10 - 30 years
Motor Vehicles	4 - 10 years
Office Equipment	7 years
Office Furniture's	4 - 10 years
Wharf furniture's, equipment and others	3 - 5 years
Machineries	5 - 20 years

#### **n. 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).

#### **o. Income tax**

The Authority is not subject to income tax.

#### **p. Dividends**

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.

#### **q. Borrowing costs**

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 2018

#### r. 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

#### s. Grants, aids in assistance, donations and capitalization

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.

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

#### t. Investment Unit Trust of Samoa (UTOS)

Units held at the Unit Trust of Samoa are stated at fair value based on monthly unit price.

### 3. Cash and cash equivalent

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

#### o. Income tax

	2018 WST\$	2017 WST\$
Petty Cash Imprest	1,000	1,000
Cashier's Float	100	100
Lady Naomi's Float	200	200
ANZ Bank General Account	1,753,315	1,323,522
	<b>1,754,615</b>	<b>1,324,822</b>

**SAMOA PORTS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**4. Term Deposits**

	2018 WST\$	2017 WST\$
Total term deposits	<u>4,821,802</u>	<u>4,583,781</u>

The short term deposits have an average maturity of 180 days [2016: 180 days] and a weighted average interest rate of 5.40% [2017: 5.40%] per annum. The carrying value of the term deposits equal their fair value.

**5. Trade & Other Receivables**

	2018 WST\$	2017 WST\$
Accounts receivables	1,202,669	873,584
Debtors pending legal action	1,796	9,051
Other debtors - Others	5,425	-
Less: Provision for doubtful debts	<u>(138,205)</u>	<u>(120,459)</u>
	<b>1,071,686</b>	<b>762,176</b>
Dividend receivable	185,820	157,947
Other receivables & Prepayments	<u>72,143</u>	<u>137,667</u>
	<b>1,329,648</b>	<b>1,057,789</b>

**6. Investment**

	2018 WST\$	2017 WST\$
Unit Trust of Samoa	<u>2,861,626</u>	<u>2,649,007</u>

**7. Reserves**

	2018 WST\$	2017 WST\$
Reserve Oil Spillage	<u>15,750</u>	<u>15,750</u>

**SAMOA PORTS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**8. Land Revaluation**

	<b>2018</b>	<b>2017</b>
	<b>WST\$</b>	<b>WST\$</b>
Matautu	105,328,685	105,328,685
Aleipata	266,317	266,317
Asau	1,208,000	1,208,000

**9. Trade & Other Payables**

	<b>2018</b>	<b>2017</b>
	<b>WST\$</b>	<b>WST\$</b>
Accounts payable	138,735	105,120
Other Payables	122,294	124,829
Accruals	157,002	82,240
	<b>418,030</b>	<b>312,189</b>

**10. Employees Benefits**

	<b>2018</b>	<b>2017</b>
	<b>WST\$</b>	<b>WST\$</b>
<b>(a) Provisions</b>		
Provision for long service leave	35,688	32,498
Provision for staff 30% sick leave entitlements	-	28,768
Provision for early retirement entitlements	-	200,225
	<b>35,688</b>	<b>261,491</b>
<b>(b) Employees entitlements for the year</b>		
Staff 30% sick leave & long service leave	230	204,616
Long service leave - over-accrued	-	(128,358)
	<b>230</b>	<b>204,616</b>

# SAMOA PORTS AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

#### 11. Property, Plant & Equipment

	Wharves	Lands	Buildings	Br'kwater	Workboats	Office Fur'tures	Office Equip'ts	Motor vehicles	Wharf furniture s & equipme nts	Machinr's	Totals
Cost	WST\$	WST\$	WST\$	WST\$	WST\$	WST\$	WST\$	WST\$	WST\$	WST\$	WST\$
Balance as at 1 July 2016	88,194,233	111,447,995	14,438,589	6,585,012	15,657,638	254,299	703,889	1,057,862	465,275	8,882,734	247,687,526
Additions	620,474	-	155,754	-	-	3,287	58,919	-	64,007	-	902,441
Disposals	-	-	-	-	-	-	-	12,258	5,798	816,371	834,427
<b>Balance as at 30 June 2017</b>	<b>88,814,707</b>	<b>111,447,995</b>	<b>14,594,343</b>	<b>6,585,012</b>	<b>15,657,638</b>	<b>257,586</b>	<b>762,808</b>	<b>1,045,604</b>	<b>523,484</b>	<b>8,066,363</b>	<b>247,755,540</b>
Balance as at 1 July 2017	88,814,707	111,447,995	14,594,343	6,585,012	15,657,638	257,586	762,808	1,045,604	523,484	8,066,363	247,755,540
Additions	95,611	-	76,020	-	54,316	4,609	203,795	183,621	10,859	3,304	632,134
Disposals	-	-	-	-	-	-	-	226,792	66,888	-	293,680
<b>Balance as at 30 June 2018</b>	<b>88,910,318</b>	<b>111,447,995</b>	<b>14,670,363</b>	<b>6,585,012</b>	<b>15,711,954</b>	<b>262,195</b>	<b>966,603</b>	<b>1,002,433</b>	<b>467,455</b>	<b>8,069,667</b>	<b>248,093,994</b>
<b>Accumulated depreciation</b>											
Balance as at 1 July 2016	24,825,232	-	5,626,328	2,605,461	11,387,189	186,889	634,010	992,888	183,742	5,023,373	51,465,112
Depreciation	1,613,937	-	427,470	109,751	786,017	18,419	41,564	25,557	66,274	494,952	3,583,940
Disposals	-	-	-	-	-	-	-	12,258	3,549	501,273	517,080
<b>Balance as at 30 June 2017</b>	<b>26,439,169</b>	<b>-</b>	<b>6,053,798</b>	<b>2,715,212</b>	<b>12,173,206</b>	<b>205,308</b>	<b>675,574</b>	<b>1,006,187</b>	<b>246,467</b>	<b>5,017,052</b>	<b>54,531,972</b>
Balance as at 1 July 2017	26,439,169	-	6,053,798	2,715,212	12,173,206	205,308	675,574	1,006,187	246,467	5,017,052	54,531,973
Depreciation	1,655,655	-	440,708	109,751	784,579	23,046	238,251	39,689	74,063	463,290	3,829,032
Disposals	-	-	-	-	-	-	-	226,792	-	-	226,792
<b>Balance as at 30 June 2018</b>	<b>28,094,824</b>	<b>-</b>	<b>6,494,506</b>	<b>2,824,962</b>	<b>12,957,785</b>	<b>228,354</b>	<b>913,825</b>	<b>819,084</b>	<b>320,530</b>	<b>5,480,342</b>	<b>58,134,213</b>
<b>Carrying amount</b>											
30 June 2017	62,375,538	111,447,995	8,540,545	3,869,801	3,484,432	52,278	87,234	39,417	277,017	3,049,311	193,223,567
30 June 2018	60,815,494	111,447,995	8,175,857	3,760,050	2,754,169	33,841	52,777	183,349	146,925	2,589,325	189,959,781

#### 12. Other Provisions

	2018 WST\$	2017 WST\$
Provision for audit fees	59,000	34,000



**SAMOA PORTS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**13. Term Loan**

	2018 WST\$	2017 WST\$
<b>(a) Due within 12 months</b>		
Unit Trust of Samoa - term loan	4,725,488	4,246,829
	<b>4,725,488</b>	<b>4,246,829</b>
<b>(b) Due after 12 months</b>		
Unit Trust of Samoa - term loan	-	5,871,110
	<b>-</b>	<b>5,871,110</b>
	<b>4,725,488</b>	<b>10,117,938</b>

**14. Deferred Revenue**

	2018 WST\$	2017 WST\$
<b>(a) Deferred revenue amortised during the year</b>		
Deferred revenue	1,923,432	1,923,432
	<b>1,923,432</b>	<b>1,923,432</b>
<b>(b) Deferred revenue</b>		
Current portion	1,923,433	1,923,433
Non current portion	49,331,306	51,254,738
	<b>51,254,739</b>	<b>53,178,170</b>

<u>Donated Assets</u>	<u>Costs</u>	<u>Years</u>	<u>Yearly Depn</u>
UNSIDIS	271,003	3-10	82,397
Wharf Extension - 2004	68,000,000	60	1,062,922
Atafa - 2002	13,757,872	20	687,894
Tafola - 2000	1,804,400	20	90,220

**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.

**SAMOA PORTS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**15. Withholding Taxes**

	2018 WST\$	2017 WST\$
Withholding tax 10%	<u>23,666</u>	<u>14,674</u>

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.

**16. Retention**

	2018 WST\$	2017 WST\$
Retention 10%	<u>27,548</u>	<u>30,128</u>

For work contracts, a retention sum will be withheld to ensure compliance by the contractor with its warranty or maintenance obligations for the period of six to twelve months after 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

**17 VAGST Payable**

	2018 WST\$	2017 WST\$
VAGST 15%	<u>847,834</u>	<u>679,486</u>

**18 Other Income**

	2018 WST\$	2017 WST\$
Advice fee	38,169	44,993
Devanning	1,119	2,211
Doubtful debt recoveries	-	30,261
Proceeds from disposal of wharves	250,000	250,000
Reversal of long term liability/bond	-	943,383
Other income	<u>137,764</u>	<u>214,413</u>
	<b><u>427,052</u></b>	<b><u>1,485,261</u></b>

# SAMOA PORTS AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

#### 19. Other Operational Expenditure

	2018 WST\$	2017 WST\$
Administration and operational costs	1,087,653	1,132,540
Repairs and maintenance	238,288	162,579
Utilities	1,268,601	1,078,705
Amenities	61,617	48,242
Promotion	2,904	26,152
	<u>2,659,062</u>	<u>2,448,218</u>

#### 20 Finance Costs

	2018 WST\$	2017 WST\$
Interest on loan	507,549	810,040
Bank charges	5,664	7,647
	<u>513,213</u>	<u>817,687</u>

#### 21. Related Party Transactions

##### I. Directors' compensation

The Directors of the Authority during the financial period were;

- Tuiloma Neroni Slade [Chairman], appointed in December 2017
- Pisaina Leilua Lei Sam
- Afoa Ray Pereira
- Taua Paul Phillips
- Rev Nuuausala Siaosi
- Leia Tuulima Aimaasu
- Tuatagaloa Shane Wulf
- Rev. Elisaia Fiu Koria [ended his term as Chairman in December 2018]

# SAMOA PORTS AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

#### Directors and executive management compensation

	2018 WST\$	2017 WST\$
Directors' fees	123,875	119,830
Meeting & supplies expenses	12,932	8,265
Membership fees	6,387	10,265
Travelling allowance	2,753	14,948
	<b>145,947</b>	<b>153,108</b>

#### II. Management Personnel costs

The remuneration of personnel during the year were as follows:

	2018 WST\$	2017 WST\$
Salaries and short term employment benefits	<b>458,000</b>	<b>525,661</b>

#### III. 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 term

#### 23. Financial Instruments

This section outlines the Authority's exposure to financial risks and describes the methods used by management to control and monitor these risks. The major risks are credit risk, liquidity risk and market risk of interest rate and foreign exchange 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 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 reviews designed to test the quality of credit exposure and to ensure compliance with the Authority policies.

##### 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 2018**

**24. Capital Commitments**

**a) Major capital commitment**

The major commitment of the Authority is the infrastructure developments to enhance port services, and geared towards meeting stakeholder's expectation of the Authority's service delivery. This project was carried out for two [2] years and completed in June 2018.

**b) Other capital commitment**

The Directors are not aware of any other capital commitments and not provided for the year end. (2017: WST\$ \$230,000)

**25. Contingent Liabilities**

The Directors are not aware of any other contingent liabilities at year end. (2017: NIL)

**26. Approval of Financial Statements**

These financial statements were approved by the board of directors and authorised for issue on the \_\_\_\_\_.

