



SAMOA PORTS AUTHORITY



**ANNUAL REPORT
2022 /2023**



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Table of Contents

04	Statement of Compliance
05	Statement to Parliament
06	Vision and Mission Statements
07	Review Year Highlights
08	Chairman's Report
09	General Manager's Report
11	SPA Profile
13	Organizational Structure
14	Corporate Governance
15	Review of Operations
18	Apia Port Statistics
23	Review of Financial Results
30	Annual Audited Financial Statements





Statement of Compliance

31 October 2023

Hon. Olo Fiti Afoa VAAI
Minister of Works, Transport & Infrastructure
APIA

Dear Honourable Minister,

**Re: Samoa Ports Authority Annual Report and Audited Financial Statements for
Financial Year Ended 30 June 2023.**

In compliance with Section 35(1) a,b & c of the Ports Authority Act 1998, I submit herewith the Samoa Ports Authority's Annual Report with the Audited Financial Statements for the year ended 30 June 2023, for your information and presentation to Parliament.

The Report consists of the following:

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

Ma le faa'alo'alo tele lava.

So'alo Falelima 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 2023.

I am pleased to announce that the Financial Year from 01 July 2022 to 30 June 2023 was another successful financial year for the Authority despite the operational challenges it faced.

I extend my sincere gratitude 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 VAAI
MINISTER OF WORKS, TRANSPORT & INFRASTRUCTURE



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

Operation:



45% rise

Revenue Tonnage

- 3.6 million tons compared to 2.0 million tons last year; an increase of 45%.



2.2% drop

Number of Containers

- 44,676 compared to 45,680 in 2021/22; a slight drop of 2.2%.

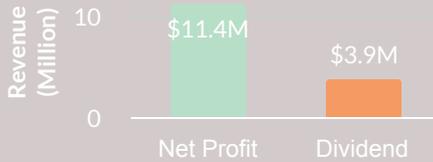


33% rise

Number Of Vessels

- 464 compared to 310 in 2021/22; an increase of 33%.

Finance



- Record Net Profit of ST\$11.4 million tala compared to ST\$10.6 million tala in 2021/22; a rise of 6.4%.

- Declared and Paid Cash Dividend of ST\$3.9 million tala to Government.

Major Development Projects



- Launch of new Tug Boat Sa'ulā-60.
- Official transfer of Domestic Ports from Samoa Shipping Corporation.
- Completion of second phase of Green Port Initiative as part of the ADB funded Enhancing Safety, Security and Sustainability of the Apia Port (ESSSAP) Project.
- ESSSAP- Ongoing construction Phase.



Chairman's Report



Tuiloma Neroni Slade

Chairman

Introduction

The Samoa Ports Authority (SPA) successfully concluded its operations for the period ending 30th June 2023 with another record in its annual financial performance.

Major activities, overall performance and dividend information.

SPA delivered a new record net profit of \$11.4 million for the reviewed financial year (FY 2022/23) which is an increase of 6.4% from last financial year. 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 paid for this financial year amounted to \$3.9 million tala.

This financial year also saw an increase in the number of vessel calls by 33% since the full opening of the borders on the 1st August 2022 following the Covid 19 lockdown. Total vessels revenue tonnage also increased by 45% compared to the previous financial year. Despite the increase in vessel calls, a reduction in the volume of transshipments by 37% as well as the number of containers in TEUs by 2.2% were noted during the financial year.

Capital projects

The initial stages of implementation of the ADB-funded Enhancing Safety, Security and Sustainability of Apia Port (ESSAP) project continues during the financial year by the main contractor, China Harbour Engineering Company, and Construction Supervision Firm, BECA of NZ.

Additionally, the second phase of the Samoa Green Port Initiative was completed by Royal Haskoning DHV, an independent, international engineering and project management consultancy. The Authority also launched its new tug boat Sa'ulā-60 in August 2022 as part of the ESSAP Project.

The official transfer of domestic ports at Mulifanua and Salelologa from the Samoa Shipping Corporation, to the Authority took effect on the 1st October 2022, including the management of operations and employees. Upgrade works on public and passenger facilities have started at the Mulifanua and Salelologa domestic ports.

SPA Directors

In September 2022 we welcomed Afioga Hon. Salā Vaimili II to the SPA Board of Directors. With gratitude I acknowledge the valued commitment and informed engagement of my fellow Directors with respect to their own responsibilities in the management and operations of the Authority.

Acknowledgement

On behalf of SPA we thank the Hon. Olo Fiti Afoa Vaa'i, Minister of Works, Transport & Infrastructure, for his leadership and guidance throughout this financial year; and acknowledge with appreciation the support of our Government partners, donor agencies, port users and all stakeholders who have contributed to the positive results of the year.

More especially, we express sincere faamalo and faafetai tele lava to the General Manager/CEO, Afioga So'oalo Falelima Kuresa So'oalo, Senior Management and staff for their dedication and performance and their sustained commitment to the purpose of the Authority in being one of the Pacific's leading and modernised operations in providing safe, efficient and effective port services.

Soifua ma ia manuia.

Tuiloma Neroni Slade

Chairman

SPA BOARD OF DIRECTORS



General Manager's Report



**So'oalo Falelima
Kuresa So'oalo**
General Manager

It is an honor to present the 24th Annual Report of the Samoa Ports Authority for the financial year ended 30 June 2023 noting the achievements and challenges during the financial year.

Significant Events

The official transfer of the management and operation of the domestic ports at Mulifanua and Salelologa on the 1st October 2022 from the Samoa Shipping Corporation, was a significant event during the financial year. The preparations for the official transfer included the approval by the Board of the revised organizational structure, which incorporated the Domestic Ports as a new division, to be under the leadership and management of a new Assistant General Manager, Domestic Ports.

The appointment of the new AGM was approved by Cabinet in late January with commencement of role in early February 2023. Furthermore, a total of twenty-two (22) employees were transferred of which eleven (11) are based at Mulifanua and eleven (11) at Salelologa. The Authority commenced renovation works for the Mulifanua Port towards the end of the financial year.

Operational Overview

With the full opening of borders during the financial year, the Authority's overall operation was back to normal. The number of vessels handled during the financial year increased by 33% from 310 vessels in the previous financial year, to 464 vessels in the review financial year. Revenue tonnage (Vessels GRT) increased by 45%. Container volumes dropped by 2.2% from 45,680 TEUs last year to 44,676 TEUs this year. The Authority welcomed to our shores a total of eighteen (18) cruise ships, in partnership with the Samoa Tourism Authority and responsible shipping agencies. This is a notable increase since the COVID 19 lockdown in 2020.

Financial Performance

The Authority recorded a new record Net Profit of \$11.4 million during the financial year, which is a 6.4% increase from previous financial year. As obligated, the Authority paid its prescribed 35% of Net Profit as dividend to the Government through the Ministry for Public Enterprises, which is a total of \$3.9 million tala.

It is another excellent financial year for the Authority as its net profit continues to surpass the \$10 million tala mark for the second year in a row.

Development Projects

The implementation of the Enhancing Safety, Security and Sustainability of the Apia Port Project (ESSSAP) continues and was the focus of the Authority during the financial year.

The ESSSAP Project is funded by the Asian Development Bank (ADB) and Civil Works Contract is implemented by the China Harbour Engineering Company (CHEC) and BECA NZ, as Construction Supervision Firm. The major components of the ESSSAP Project included the i) X-Ray Building and Customs, ii) Port Civil Works iii) Reconstruction of Breakwater and (iv) Green Port Initiative. Works for each component continued, although there has been a delay in implementation. The Authority is working together with the Project Team and responsible contractors to help mitigate the problems encountered.

The Green Port Initiative is undertaken by an overseas based consultancy firm, Royal HaskoningDHV, who had completed the second phase of the GPI during the financial year.

Furthermore, the Authority launched its new Tugboat Sa'u-la-60 in August 2022, to assist with our marine operations. The new tugboat will replace the two aging tugboats that have a collective age of about 50 years and currently operate well below potential efficiency and safety standards.

Community Service

The SPA Staff Social Club continued to uphold its annual charity donation to the Home of the Aged at Mapuifagalele, as witnessed on the 15th July 2023, which included a monetary donation of \$4,000 and variety of essential supplies. The initiative is part of the Authority's obligation to give back to the community.



General Manager's Report



So'oalo Falelima Kuresa
So'oalo
General Manager

Governance

The Authority farewelled one of its Board Directors, Rev. Nuuausala Siasoi, upon retirement, and welcomed new Director, Afioga Hon. Salā Vaimili II.

The Authority also welcomed on board, three newly appointed Assistant General Managers for Port Operations, Domestic Ports and Corporate Services.

Outlook

With the exceptional results during the financial year, it is anticipated that SPA's operations will continue to be successful, despite some major setbacks with the implementation of the ESSAP Project, encountered by the Authority during the financial year.

Acknowledgement

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

Sincere appreciation and faafetai tele lava to the Minister of Works, Transport & Infrastructure, Hon. Olo Fiti Afoa Vaai for his leadership and unfailing support rendered during the year.

Special thank you to the Board Chairman Tofa Tuiloma Neroni Slade and the Board Directors for their leadership and guidance during the year, your support and expertise advice resulted in the Authority achieved a new record financial year.

Finally, I would like to acknowledge the ongoing support and commitment of our Management and staff for driving this success. Malo tautua, faafetai lagolago.

Ma le faaaloalo tele lava.

So'oalo Falelima 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

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. The return of domestic ports to SPA officially effected on 1st October 2022 after the amendment of the Act was passed in Parliament.

SPA currently employs a total of 142 as at end of June 2023, which is an increase of 23% from previous financial year. The increase included the employment of 22 employees transferred from Samoa Shipping Corporation on the 1st October 2022. Majority of employees are based at Matautu-tai and specifically focus on the operations and management of the Apia International Port, Apia Fisheries Port, and domestic ports at Mulifanua, Aleipata, Salelologa and Asau.





SPA Profile



Apia Port

Apia International Port is located at Matautu-tai at approximately 3km from the center of the Apia township. 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. The SPA received two (2) proposals from King Construction and Silva Group for the lease of the Satitua slipway. King Construction withdrew their interest and the Silva Group was awarded the lease for the operation and management of the Satitua slipway, which was finalised during the last quarter of the financial year.



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.



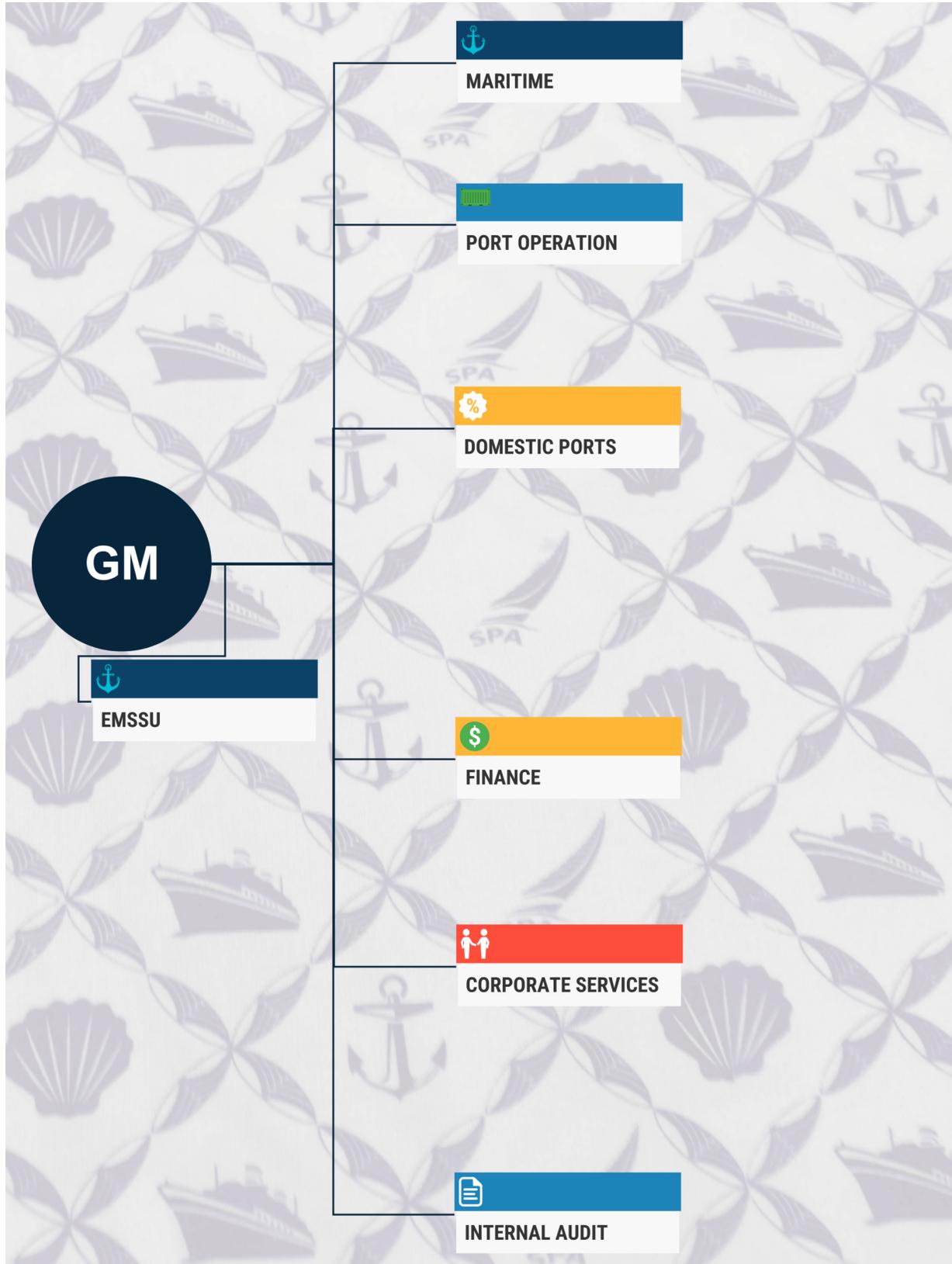
Port Security

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.





Organisational Structure





Corporate Governance

Board Of Directors



Tuiloma Neroni Slade
CHAIRMAN



Hon. Salā Vaimili II
Board Director



Marie Toalepaialii
Board Director



Seugamaalii Taito
Jammie Saena
Board Director



Tiufea Rudolf
Meredith
Board Director



So'oalo Falelima Kuresa
So'oalo
Board Secretary

Senior Management



So'oalo Falelima
Kuresa
SO'OALO
General Manager



Tuitama Nia
VAIFALE
Assistant GM-
Internal Audit



Moe LENE
Assistant GM-
Finance



Vavaemuitiiti
Samasoni -
FEPULEAI
Assistant GM-
Corporate Services



Papalii
Ausetalia
TANUVASA
Assistant GM-Port
Operation



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



Teleiai Steve
SCHWALGER
Assistant GM-
Domestic Ports



Review of Operations

Major Projects & Significant Events

Enhancing Safety, Security and Sustainability of the Apia Port Project

The implementation of the Enhancing Safety, Security and Sustainability of the Apia Port Project, commenced during the financial year, with the initial stage of construction. Funded by the Asian Development Bank and Samoa, the project aims to improve the climate resilience of our Apia Port by replacing the current breakwater infrastructure; civil improvements on port to ensure safety and sufficient capacity; enhance border security and trade by having a container x-ray scanner; and promoting gender sensitive green port initiatives, to address environmental issues. A number of meetings, consultations and site visits were conducted during the financial year.



L-R: Stakeholder Consultation, Site Visit to Breakwater, Existing Breakwater

Launch of New Tugboat – Sa’ulā-60

The Asian Development Bank (ADB) and the Government of Samoa on 9th August 2022 participated in an inauguration ceremony for a new tugboat funded by the ADB-supported Apia Port project.

Samoa Prime Minister Fiame Naomi Mata’afa led the inauguration ceremony joined by ADB Director General for the Pacific Leah Gutierrez, ADB Alternate Executive Director Karen Murray, and Minister of Works and Transport Infrastructure and the Samoa Port Authority, Hon. Olo Fiti Afoa Vaai.

“This project is transforming Apia Port into a safer, more secure, and greener international gateway,” said Ms. Gutierrez. “Resilient, efficient ports are critical elements of transportation links and supply chains in the Pacific and this new tugboat will assist vessels in Apia Port with fast, safe, and smooth berthing and unberthing operations.”

“Building resilience to climate change, strengthening border security, and boosting trade are all key components of the Apia Port Project,” said Mr. Olo Fiti Afoa Vaai. “We will continue working with ADB to make Apia Port a more secure, and greener international gateway.”

The new tugboat is named Sa’ulā-60, which combines the Samoan word for blue marlin with celebrations of Samoa’s 60th year of independence. It will replace two aging tugboats that have a collective age of about 50 years and currently operate well below potential efficiency and safety standards.





Review of Operations

New Structure for Domestic Ports

The Board approved the proposed organisational structure for the Authority where the Domestic Ports will be a separate division under the leadership and management of a new senior management position of Assistant General Manager Domestic Ports to be based at the Mulifanua port looking after both domestic ports operations.

The new structure includes a Principal Domestic Ports Officer to oversee the Salelologa port operations with a new Senior Domestic Ports Officer, based at Mulifanua reporting to the AGM Domestic Ports.

Domestic Ports under SPA Management.

After several months of preparatory works, the Parliament passed the amendment of the Ports Authority Act to transfer the domestic ports of Mulifanua and Salelologa back under the management and ownership of SPA. The change took effect on 1st October 2022 which also included the transfer of all staff previously worked under the Samoa Shipping Corporation Ltd.

The upgrade and repair works for the domestic ports started immediately and to continue until all the proposed works are being completed.

Senior Appointments

- **Assistant General Manager Corporate Service**

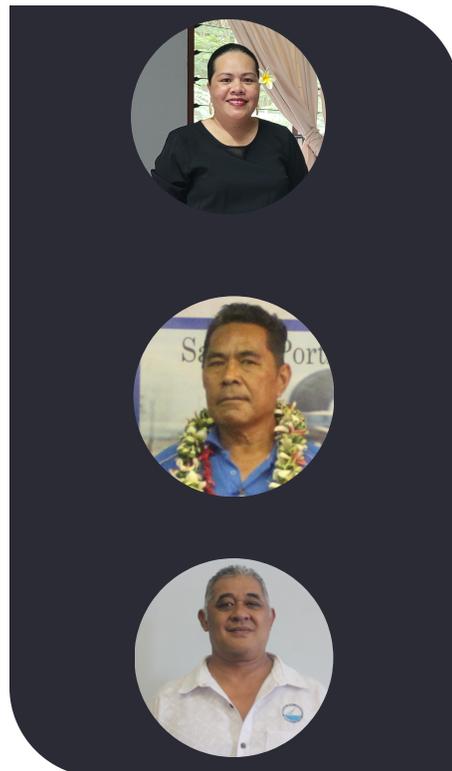
The Board in August 2022 endorsed the interviewing panel report and recommendation to appoint Ms Vavaemuitiiti Fuatino Samasoni-Fepuleai as the Assistant General Manager Corporate Service for three years. The appointment was approved by Cabinet on the 25th August 2022 and Ms. Fepuleai commenced her role on the 26th September 2022.

- **Assistant General Manager Domestic Ports**

The Board in December 2022 endorsed the interviewing panel report and recommendation to appoint Mr Teleiai Steve Schwalger, to the new senior management position of Assistant General Manager Domestic Ports for three years. The appointment was approved by Cabinet on the 27th January 2023 and Mr. Teleiai commenced his role on the 6th February 2023.

- **Assistant General Manager Port Operations**

The Board on 06 April 2023 endorsed the interviewing panel report and recommendation to appoint Mr Papalii Ausetalia Tanuvasa, as the Assistant General Manager, Port Operations for three years. The appointment was approved by Cabinet on 11 April 2023 and Mr. Papalii commenced his role on the 13 April 2023.





Review of Operations

Silva Group Lease of Satittoa Slipway.

Silva Group lease for the operation and management of the Satittoa slipway was finalised and signed in May 2023. The lease arrangement is similar to the pilot project previously between SPA and SSC finalised in 2014 which was prematurely terminated by SSC in October last year.

The Authority received two proposals to lease the Satittoa slipway from King Construction and the Silva Group but the King Construction withdrew their interest and the Silva Group request was considered and approved.

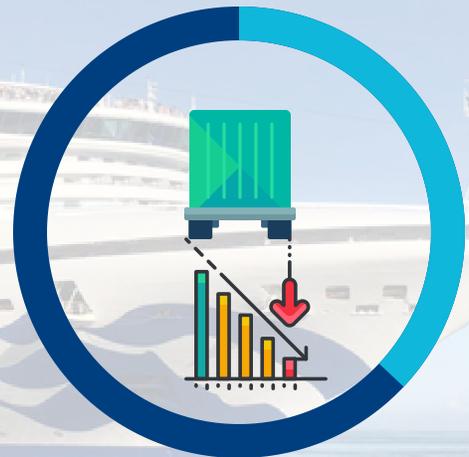


SPA General Manager in Tokyo for the 6th JICA Port Alumni

The Authority also approved and endorsed by Cabinet the attendance of the General Manager at the 6th JICA Port Alumni seminar in Tokyo from 19th to 24th February 2023. This invitation program targets the ports executives on the Pacific and ASEAN region and this is the fourth seminar SPA GM has been invited to participate.



APIA PORT STATISTICS



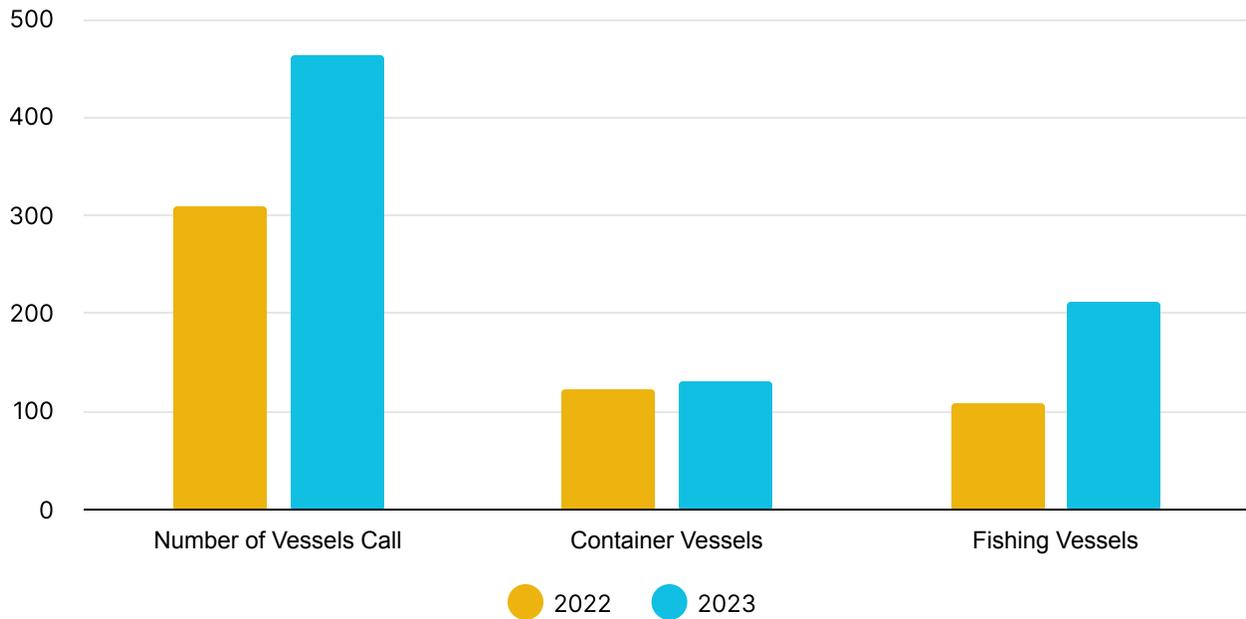


Apia Port Statistics

Number of Vessels

	2019	2020	2021	2022	2023
Number of Vessels	621	637	403	310	464
	2019	2020	2021	2022	2023
Container Vessels	169	148	125	124	132
	2019	2020	2021	2022	2023
Cruise Ship	17	2	-	-	18
	2019	2020	2021	2022	2023
Fishing Vessels	240	292	200	110	215
	2019	2020	2021	2022	2023
Vessels GRT	3,672,558	2,498,536	1,899,338	1,975,034	3,600,204
	2019	2020	2021	2022	2023
No of Containers (TEUs)	42,102	41,200	43,933	45,680	44,676

Vessels Calls-2022 vs 2023



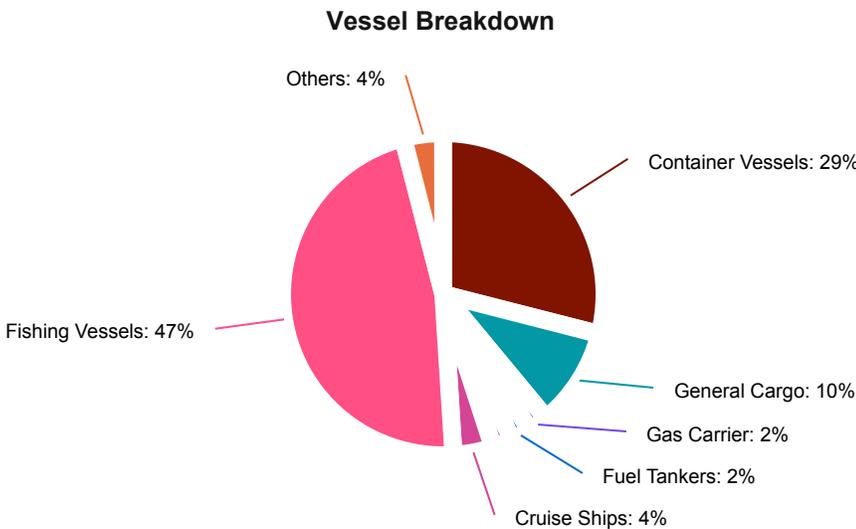
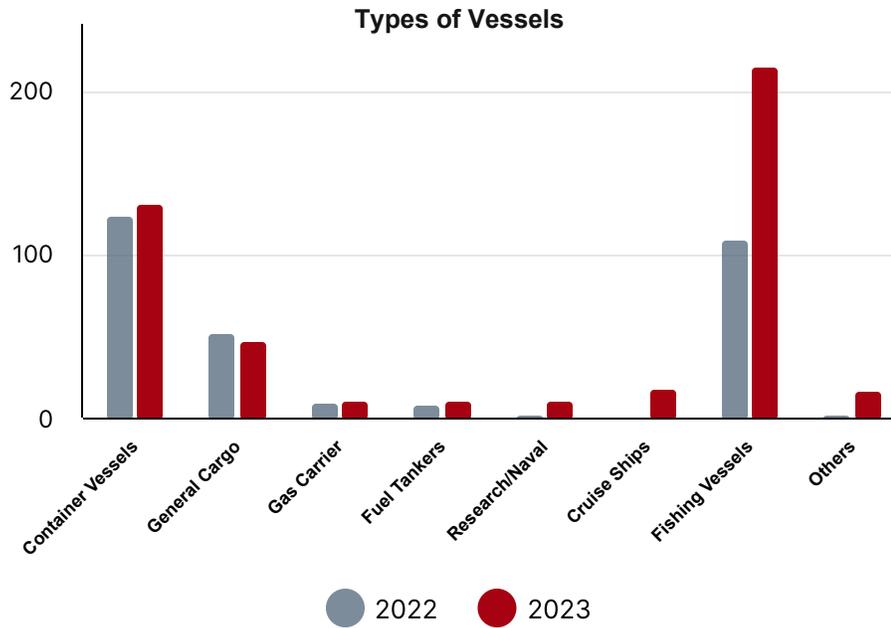


Apia Port Statistic

The number of vessels berthed at Apia Port rose by 33% from 310 in 2021/22 to 464 during the reviewed financial year. The increase is due to the full opening of borders in August 2022, allowing more vessels to berth at Apia Port.

The big mover in vessel type were the fishing vessels which increased by 49% compared to the previous year (from 110 to 215). The number of container vessels increased by 6%, research/naval vessels increased by 82% and Other Vessels increased by 82% as well, including yachts, tug boat and cable vessels.

General Cargo marginally decreased by 10% from 52 last year to 47 during the reviewed financial year.

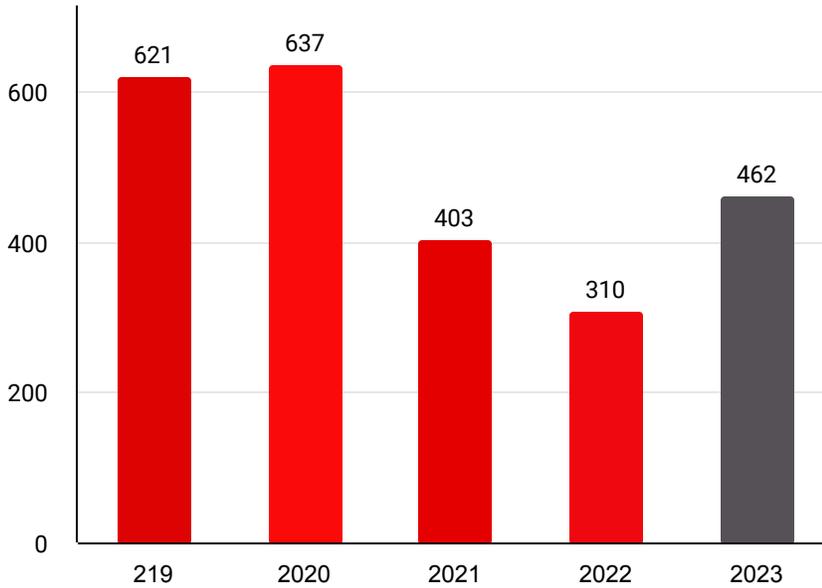


The container vessels represented 29% of the total number of vessels for the year; fishing vessels at 47%; general cargo at 10%; gas and fuel tankers at 2% per.



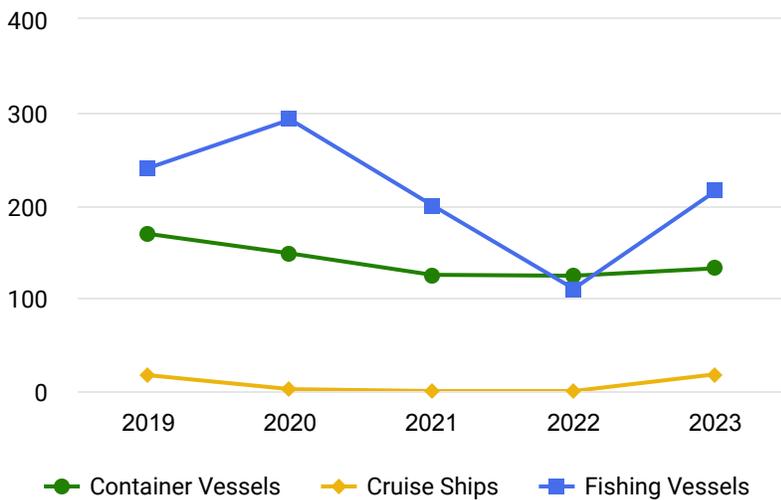
Apia Port Statistics

Vessels Calls - Five Years



The number of vessels berthed at the Apia Port over the last four years, fluctuated with a huge reduction of 52% from FY 2019/20 to FY 2021/22. The number rose again during this FY 2022/23, by 33%, following full opening of borders in August 2022.

Vessels Type - Five Years

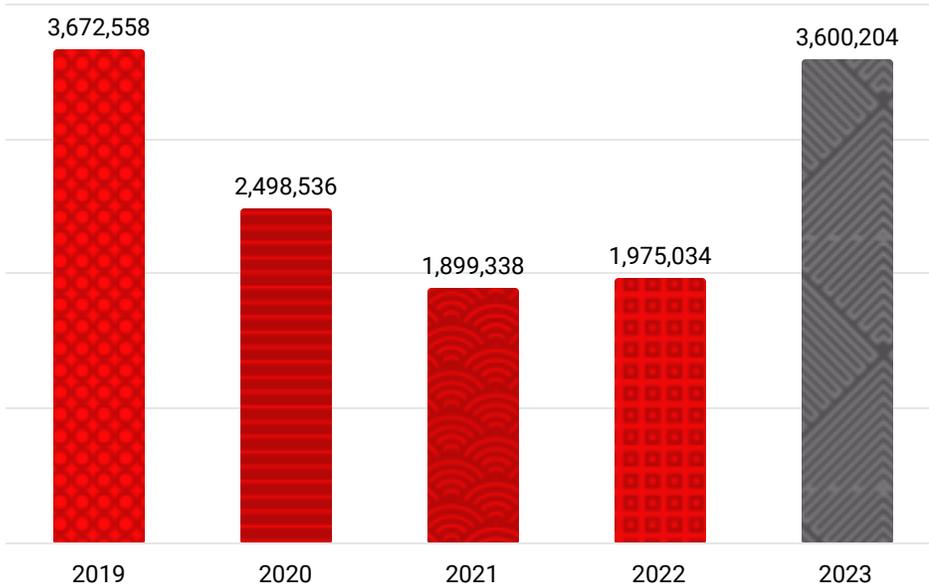


The three major type of vessels berthed at Apia Port included Container Vessels, Cruise Ships and Fishing Vessels. Over the five year period, the number of fishing vessels has always been higher than the other two types of vessel. Fishing vessels only dropped in FY 2021/22, below container vessels, and rose again in current FY.



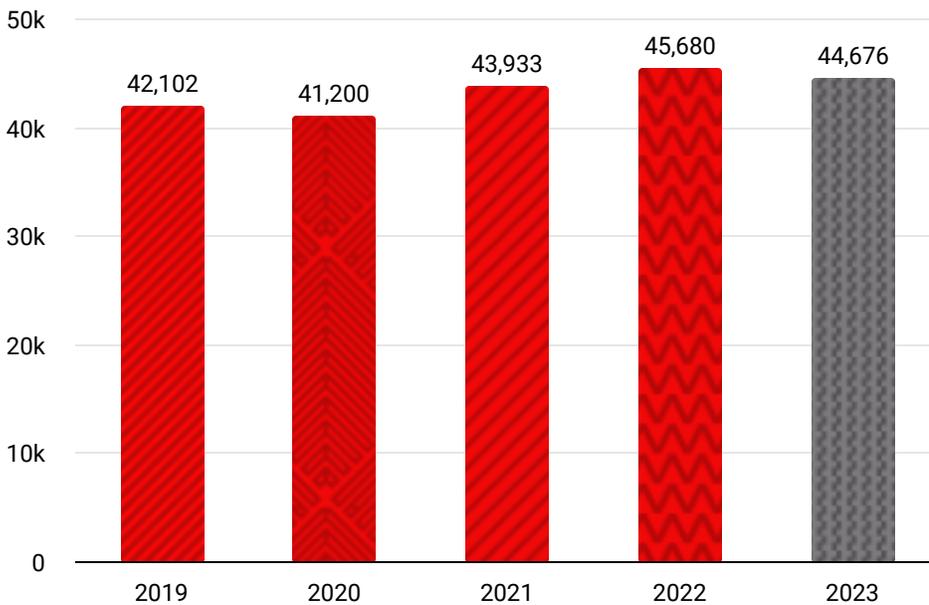
Apia Port Statistics

Vessels GRT - Five Years

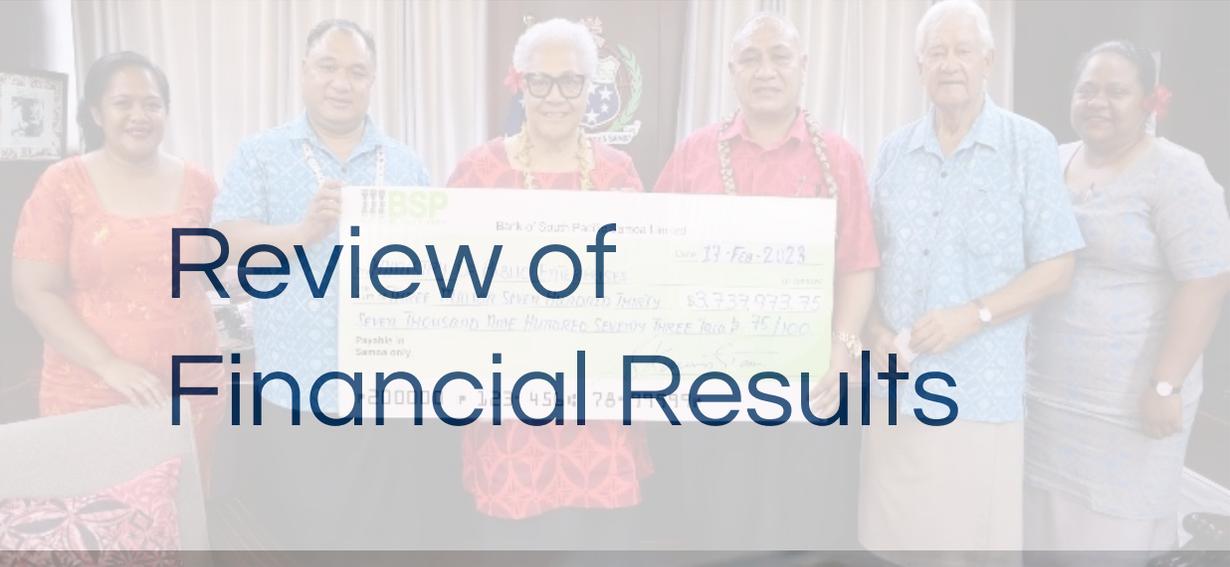


Vessels Gross Tonnage slightly rose by 45% from FY 2021/22 to current FY with a total of 3.6 million tons. Transshipped cargo tonnage dropped by 37% from 442,187 tons in FY 2021/22 to 279,128 tons in FY 2022/23.

No of Containers (TEUs) - Five Years



The number of containers in TEUs dropped by 2.2% from 45,680 TEUs last FY to 44,676 TEUs during the reviewed FY.



Review of Financial Results

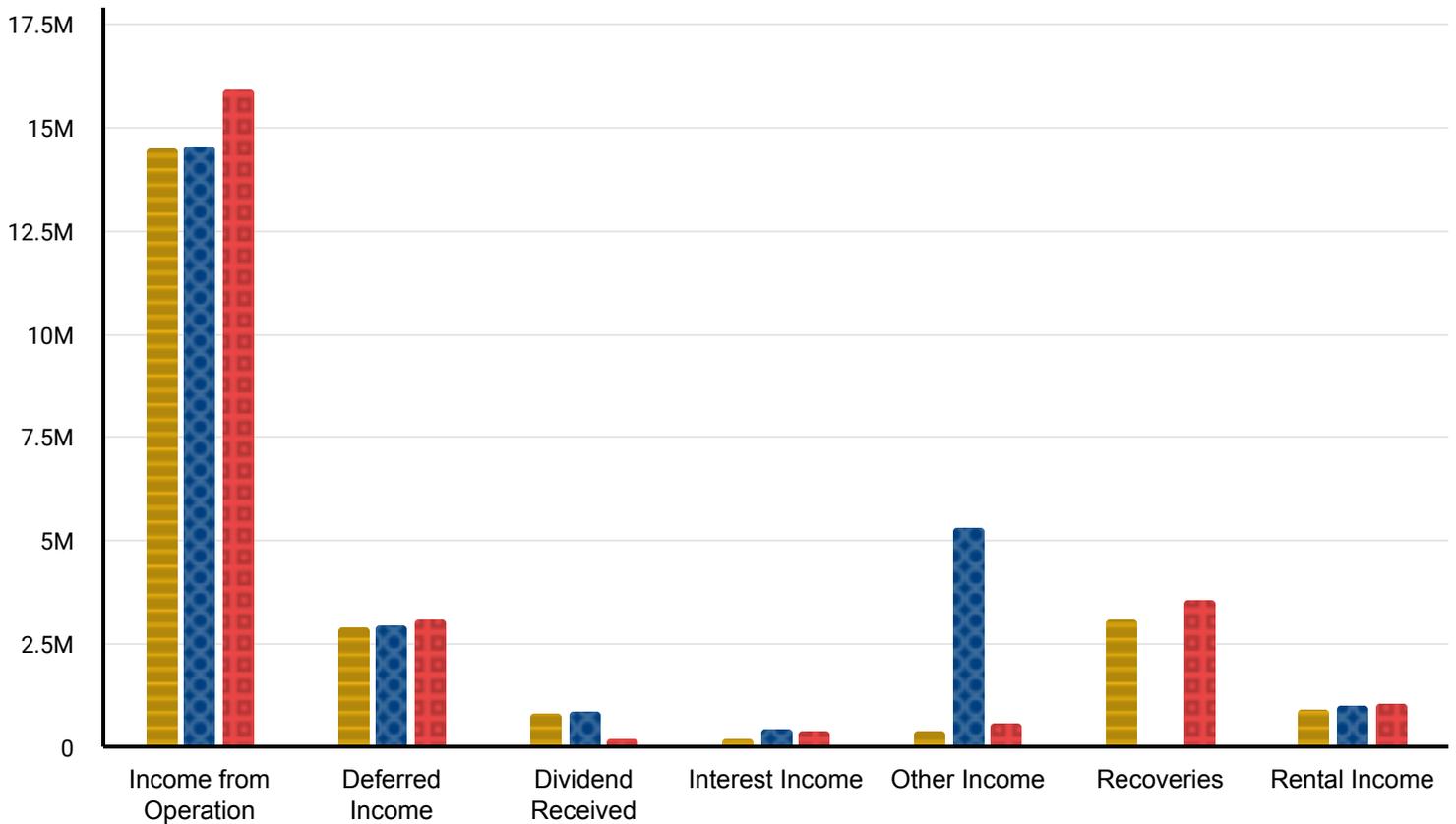




Review of Financial Results

REVENUE

	2022	2023	Budget
Income from Operation	14,531,951	14,549,868	15,959,988
Deferred Income	2,931,324	2,985,937	3,099,996
Dividend Received	838,534	893,219	240,000
Interest Income	236,408	470,130	429,996
Other Income	413,331	5,330,885	616,236
Recoveries	3,138,322	-	3,579,324
Rental Income	924,759	1,029,811	1,092,708
Total Revenue	23,014,629	25,259,850	25,018,248



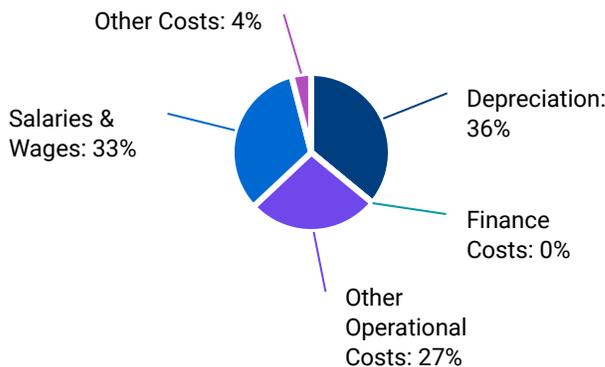
Total Revenue earned for the FY rose by 9.76% from \$23.01 million tala in 2021/22 FY to \$25.26 million tala during the 2022/23 FY and marginally better than the annual budget estimate of \$25.02 million tala by 0.97%. Income from Operations made up 58% of the total revenue and recorded a slight increase of 0.12% higher than the prior year results, but lower than the annual budget by 8.84%.



Review of Financial Results

EXPENDITURE

	2022	2023	Budget
Depreciation	4,492,382	5,034,794	5,902,584
Finance Costs	3,224	3,113	3,096
Other Operational Costs	3,544,684	3,797,791	4,490,278
Salaries & Wages	4,181,250	4,535,931	3,433,442
Other Costs	113,161	484,083	3,582,406
Total Expenditure	12,334,701	13,855,712	17,411,806

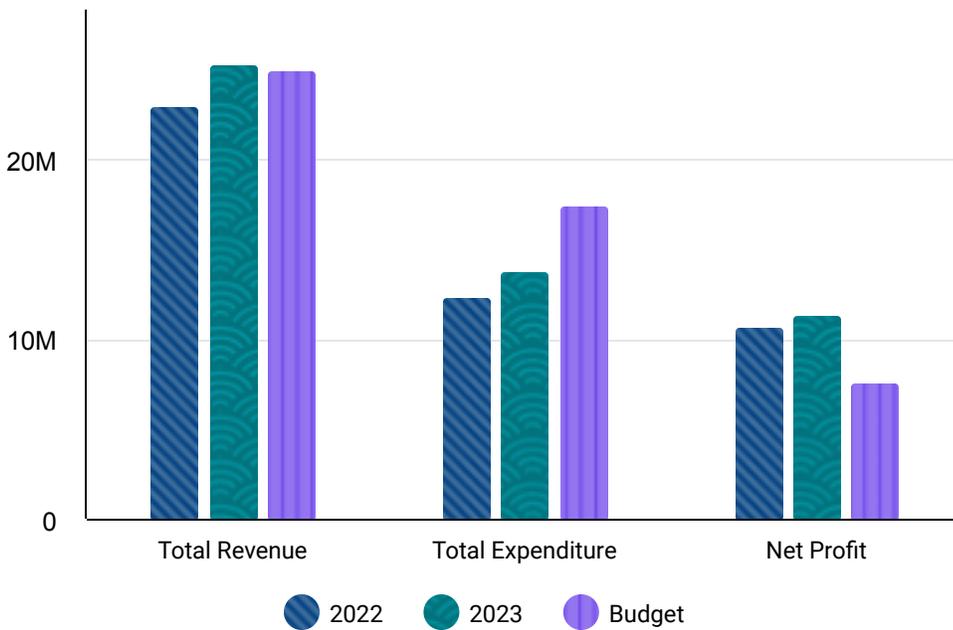


Total Expenditure increased by 12.33% compare to the previous financial year but lower than annual budgeted total expenditure by 20.42%. Depreciation and Salaries and Wages dominates the cost structure at 36% and 33% respectively (2021/22 FY: 37% each), followed by Other Operational Costs at 27% (2021/22 FY:20%) and Other Costs at 4%.



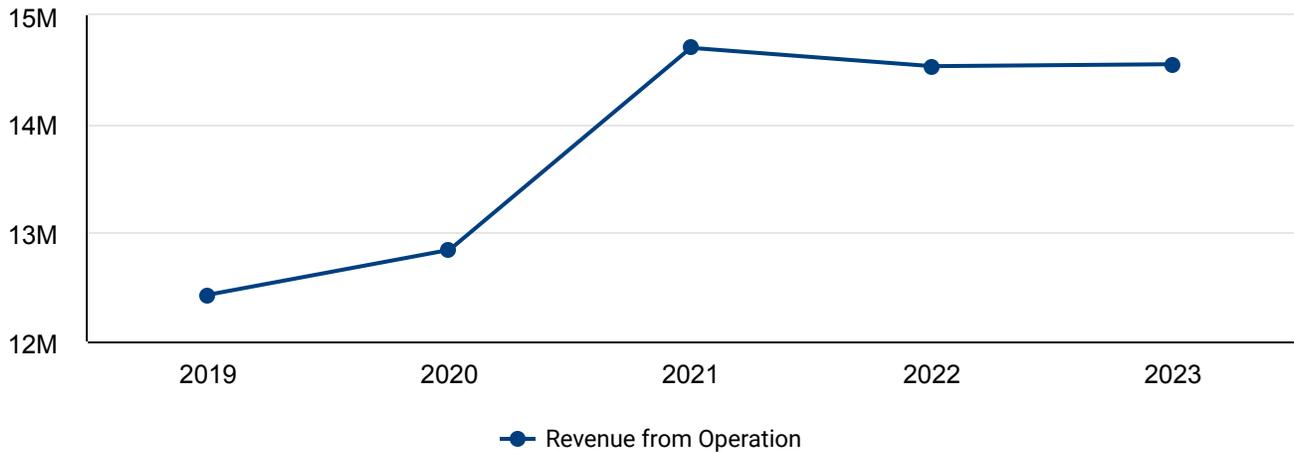
Review of Financial Results

	2022	2023	Budget
Total Revenue	23,014,629	25,259,850	25,018,248
Total Expenditure	12,334,701	13,855,712	17,411,806
Net Profit	10,679,928	11,404,138	7,606,442



Overall, a new record Net Profit of \$11,404,138 was recorded for the 2022/23 financial period. This is a new record net profit for the Authority since establishment 24 years ago and is higher than the previous financial year by 6.78% (2021/22 FY: \$10,679,928) likewise higher than the annual budgeted NP of \$7,606,442 by 49.93%.

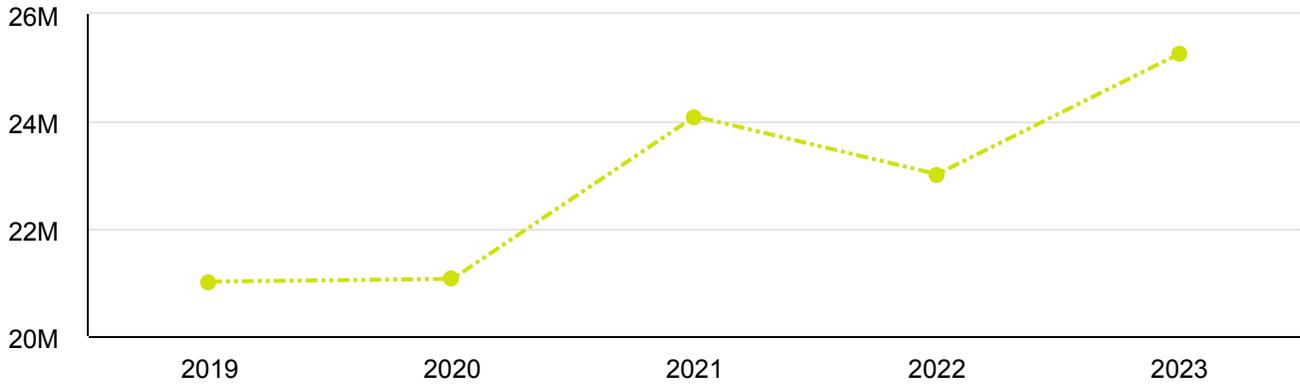
Revenue from Operations - Five Year Trend



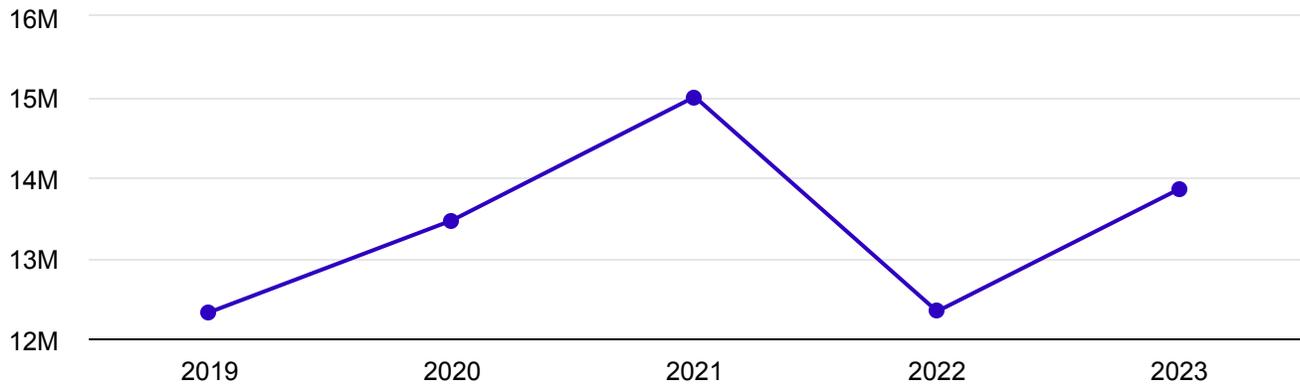


Review of Financial Results

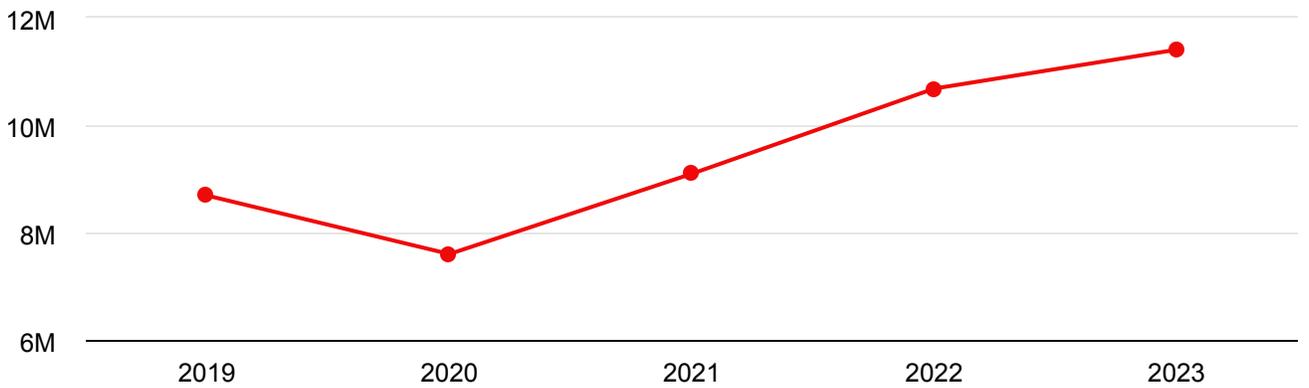
Financial Performance - Five Year Trend



—●— Total Revenue



—●— Total Expenditure

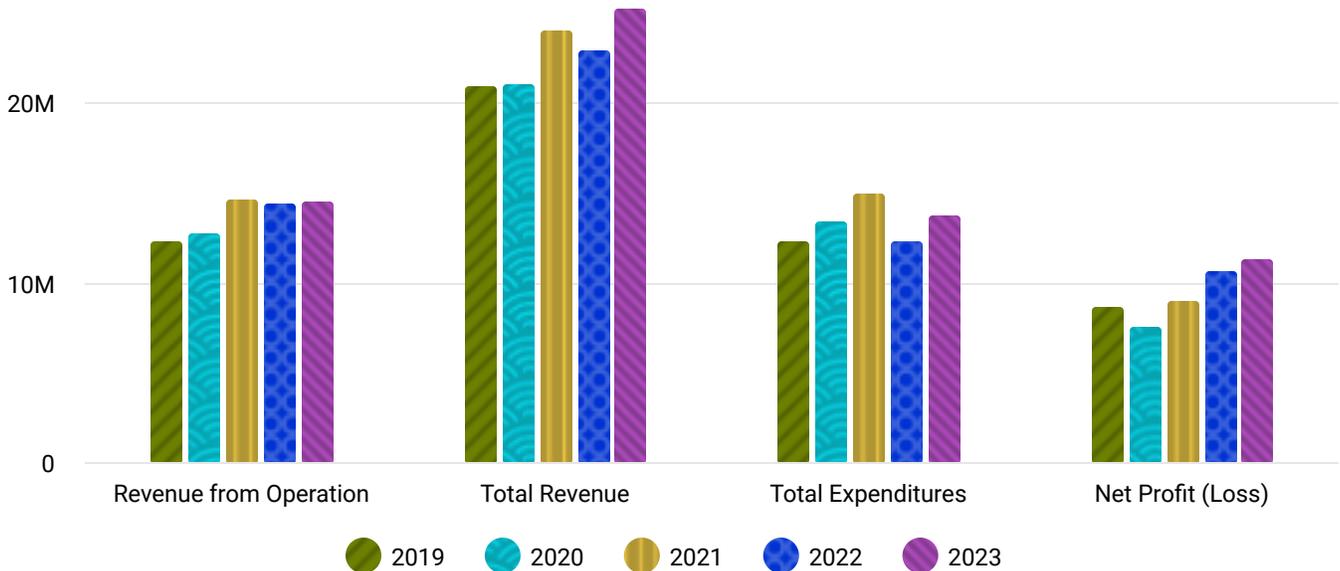


—●— Net Profit (Loss)



Review of Financial Results

FINANCIAL PERFORMANCE – FIVE YEAR TREND



SPA Total Revenue steadily rose from the 2018/19 FY to 2020/21 FY then a slight drop in 2021/22 FY then a huge increase was noted for the 2022/23 FY. Overall, total revenue rose by 20.20% over the last five years from \$21.02 million to \$25.26 million.

Total Expenditure also rose in the last five years by 12.40% from \$12.33 million in 2018/19 FY to \$13.86 million in 2022/23 FY.

Net Profit noted a slight reduction in 2019/20 FY but consistently increased in the last four years with a record Net Profit for the review FY of \$11.40 million. The Authority Profitability has improved immensely in the last five years by 31.26% from \$8.69 million in 2018/19 FY to \$11.40 million in 2022/23 FY.





Review of Financial Results

FINANCIAL POSITION – FIVE YEAR TREND



The Cash Flow position of the Authority has steadily improved from \$8.02 million in 2018/19 FY to \$10.39 million in 2019/20 then dropped to \$7.07 million in 2020/21 FY, rose again to \$13.35 million in 2021/22 FY and to \$20.93 million in the 2022/23 FY; an increase of 161.09% 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 by 23.89% from last year; attributed mainly to the record profit of \$11.40 million for the year. Retained Earnings has improved from \$13.24 million in 2018/19 FY to \$38.44 million in 2022/23; a huge improvement by 190.33% over the last five years.

SPA has maintained its debt-free status to date since its Long term Interest Bearing Liabilities were fully retired in 2019. The Authority continued to honour its obligation as a State Owned Entity by consistently returning prescribed Dividend to the Government in the last five years.





SPA AUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2023





SAMOA PORTS AUTHORITY
Certification by directors
For the year ended 30 June 2023

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 2023;

- 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) (Reappointed since June 2023)
2. Tiufea Rudolph Meredith (Appointed since April 2022)
3. Marie Bentin – Toalepaialii (Appointed since April 2022)
4. Seugaamalii Taito J Saena (Appointed since April 2022)
5. Salā Vaimili II (Appointed since September 2022)

Operating results

The net profit for the year 2023 is **\$11,404,138** (2022: **\$10,679,925**).

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 Matautu-tai.

Dividends

The Directors approved payment of dividend of **WST \$3,991,448.37** based on the rate of 35% established by Cabinet directive FK (18) 11 upon net profit earned for the financial year ended 30 June 2023.

The Authority has paid **WST \$3,237,973.75** during the financial year ended 30 June 2023.



SAMOA PORTS AUTHORITY
Certification by directors
For the year ended 30 June 2023

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 2023.

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: 24 Oct 2023

Signed in accordance with a resolution of the Directors.


CHAIRMAN


DIRECTOR



Telephone: 27751
Fax: 24167
Email: Info@audit.gov.ws
Website: www.audit.gov.ws

P.O Box 13
APIA, SAMOA



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 2023, the Statements of Financial Performance, Changes in Equity and Cash Flows for the year ended 30 June 2023, 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 accompanying financial statements give a true and fair view of the financial position of the Samoa Ports Authority as at 30 June 2023, and of its financial performance, changes in equity and cash flows for the year then ended, in accordance with International Financial Reporting Standards (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 and Management, 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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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 (and amendments)

Our audit was completed on the 19th October 2023 and our opinion is expressed as at that date.

Apia, Samoa
30 October 2023

Vaofusi Terence Su'a

ASSISTANT CONTROLLER AND AUDITOR GENERAL



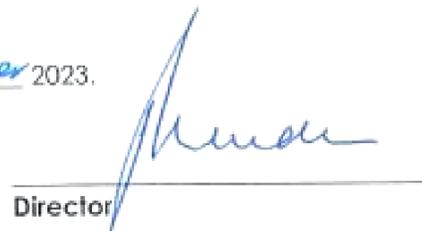
SAMOA PORTS AUTHORITY
Statement of financial performance
For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
REVENUE			
Operating income	3	19,487,045	17,724,097
Amortization income	17(a)	2,985,937	2,931,324
UTOS dividend income		893,219	838,534
Other income	4	1,893,650	1,520,670
Total revenue		25,259,850	23,014,626
EXPENDITURES			
Operating costs	5	2,809,490	2,089,268
Administration costs	6	988,301	809,074
Personnel costs	7	5,020,015	4,940,753
Bank charges		3,113	3,224
Depreciation	15	5,034,794	4,492,382
Total expenditures		13,855,712	12,334,701
NET PROFIT		11,404,138	10,679,925

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

Signed for and on behalf of the Board on 24 October 2023.


Chairman


Director



SAMOA PORTS AUTHORITY
Statement of financial position
As at 30 June 2023

	Notes	2023 \$	2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	8	3,963,838	2,009,540
Term deposits	9	16,964,696	11,339,629
Trade receivables	11	2,400,021	2,117,680
Other receivables and prepayments	12	496,008	335,566
Dividend receivable from UTOS		893,219	838,534
Accrued revenue on wharfages		81,947	15,404
Total current assets		24,799,729	16,656,353
Non-current assets			
Investments	10	19,874,129	18,342,940
Property, plant and equipment's	15	274,083,092	249,708,307
Total non-current assets		293,957,221	268,051,247
TOTAL ASSETS		318,756,950	284,707,600
EQUITY AND LIABILITIES			
Capital and reserves			
Capital	21	38,081,761	23,479,487
Land revaluation	13	106,803,002	106,803,002
Reserve – oil spillage		15,750	15,750
Retained earnings		38,435,116	31,022,423
Total equity		183,335,630	161,320,662
Current liabilities			
Trade payables		676,252	179,260
Other payables and accruals	14	634,574	371,358
Dividend payable to Government of Samoa		3,991,448	3,237,974
Provision for employee benefits	16	143,379	161,064
Provision for audit fees		57,500	57,500
Deferred revenue – 12months	17(a)	2,985,937	2,931,324
Retention	18	13,510	16,680
VAGST payable	19	460,144	371,389
Total current liabilities		8,962,745	7,326,549
Non-current liabilities			
Deferred revenue – over 12months	17(b)	126,458,574	116,060,389
Total non-current liabilities		126,458,574	116,060,389
Total liabilities		135,421,320	123,386,938
TOTAL EQUITY AND LIABILITIES		318,756,950	284,707,600

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 2023

	Share capital \$	Revaluation \$	Reserves \$	Retained earnings \$	TOTAL \$
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
Balance as at 1 July 2022	23,479,487	106,803,002	15,750	31,022,423	161,320,662
Transfer of Domestic Ports	15,602,274	-	-	-	15,602,275
Fair compensation value for Transfer of Domestic Ports	(1,000,000)	-	-	-	(1,000,000)
Net profit for the year ended 30 June 2023	-	-	-	11,404,138	11,404,138
Dividend payable FY2023	-	-	-	(3,991,448)	(3,991,448)
Balance as at 30 June 2023	38,081,761	106,803,002	15,750	38,435,116	183,335,630

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 2023

	2023	2022
	\$	\$
Cash flows from operating activities		
Cash received from customers	22,964,564	22,627,041
Cash paid to employees and suppliers	(11,818,082)	(9,990,449)
Interest received from cash at bank	19,779	20,392
Dividend received from UTOS	838,534	636,666
Net cash inflow from operating activities	12,004,796	13,293,650
Cash flow to investing activities		
Purchase of property, plant and equipment's	(353,929)	(231,393)
Proceeds from sales of fixed assets	41,405	190
Dividend paid to Government of Samoa	(3,237,974)	(3,682,748)
New term deposits (BSP,NBS,SCB)	(5,300,000)	(6,244,737)
UTOS investments	(1,200,000)	(3,060,000)
Net cash outflow to investing activities	(10,050,497)	(13,218,688)
Net increase/(decrease) in cash and cash equivalents	1,954,298	74,962
Cash and cash equivalents at the beginning of the year	2,009,540	1,934,578
Cash and cash equivalents at year end 30th June 2023	3,963,838	2,009,540
Represented by:		
Cash on hand	1,300	1,300
Cash at Bank – ANZ Bank (Samoa) Ltd	351,937	330,477
Cash at Bank – Bank South Pacific	3,609,483	1,677,085
Cash at Bank – National Bank of Samoa	1,118	678
Total cash on hand and at bank	3,963,838	2,009,540

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 2023

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 2023

(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 2023

(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 2023

(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:

	2023	2022
	\$	\$
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
	<u>7,252,111</u>	<u>7,252,111</u>

(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 2023

3. Operating income

	2023	2022
	\$	\$
Container terminal revenue	14,549,868	14,115,111
Marine services revenue	3,622,452	2,748,523
Domestic ports revenue	157,906	-
Miscellaneous revenue	1,156,819	860,463
Total operating income	19,487,045	17,724,097

4. Other income

	2023	2022
	\$	\$
Gain on foreign exchange	3,772	-
Fair value gain on UTOS investment	331,189	195,353
Interest income	470,130	236,408
Gain on sales of fixed assets	41,405	190
Rental income	1,029,811	1,059,513
Sundry income	17,342	29,206
Total other income	1,893,650	1,520,670

5. Operating costs

	2023	2022
	\$	\$
Allowances	132,291	73,691
Fuel and oil	524,352	167,858
Insurance expenses	161,315	41,132
License and permits	44,277	22,953
Repairs and maintenance	452,169	262,267
Utilities	1,402,971	1,502,349
Waste disposals	92,115	19,018
Total operating costs	2,809,490	2,089,268

6. Administration costs

	2023	2022
	\$	\$
Office expenses	598,871	571,909
Professional fees	210,405	68,965
Loss on disposal of fixed assets	1,307	121
Community support	75,292	113,161
Project Management Unit expenses	-	18,840
Ministerial support	31,714	16,977
Other expenses	70,712	19,101
Total administration costs	988,301	809,074



SAMOA PORTS AUTHORITY
Notes to financial statements
For the year ended 30 June 2023

7. Personnel costs

	2023	2022
	\$	\$
Accident Compensation Corporation	43,818	40,362
Ministry of Customs and Revenue (PAYE)	643,445	622,038
Samoa National Provident Fund	440,266	404,576
Salary and wages	3,615,436	3,263,525
Staff training and appraisal	72,607	295,687
Employee benefits	101,121	195,858
Board salary and benefits	103,323	118,707
Total personnel costs	5,020,015	4,940,753

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.

8. 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:

	2023	2022
	\$	\$
Petty cash imprest	1,000	1,000
Cashier's float	100	100
Lady Naomi's float	200	200
National Bank of Samoa	1,118	678
ANZ Bank	351,937	330,477
Bank of South Pacific	3,609,483	1,677,085
Total cash and cash equivalent	3,963,838	2,009,540

9. 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.

	2023	2022
	\$	\$
Bank of South Pacific	9,287,187	8,061,939
National Bank of Samoa	3,862,384	2,777,690
Samoa Commercial Bank	3,815,125	500,000
Total term deposits	16,964,696	11,339,629



SAMOA PORTS AUTHORITY
Notes to financial statements
For the year ended 30 June 2023

10. Investments

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

	2023	2022
	\$	\$
UTOS port repairs and maintenance	7,049,042	6,930,238
UTOS self insurance investments	4,765,980	3,489,423
UTOS future capital projects	3,870,247	3,805,018
UTOS other investments	4,188,860	4,118,261
Total investments	19,874,129	18,342,940

11. Trade receivables

	2023	2022
	\$	\$
Trade receivables	2,648,954	2,367,045
Less: Allowance for expected credit losses	(249,534)	(249,534)
	2,399,419	2,117,511
Other receivables	602	169
Total account receivables	2,400,021	2,117,680

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

	2023	2022
	\$	\$
Current (not overdue)	1,158,190	690,115
1 to 30 days overdue	484,049	888,671
31 to 60 days overdue	356,952	88,964
61 to 90 days overdue	95,733	120,811
Over 91 days overdue	554,030	578,484
Total gross trade receivables	2,648,954	2,367,045
Allowance for expected credit losses	(249,534)	(249,534)
Total net trade receivables	2,399,419	2,117,511

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

	2023	2022
	\$	\$
Opening balance	249,534	249,534
Receivable written off during the year	-	-
Closing balance	249,534	249,534



SAMOA PORTS AUTHORITY
Notes to financial statements
For the year ended 30 June 2023

12. Other receivable and prepayments

	2023	2022
	\$	\$
Interest income receivable	253,418	161,749
Prepayments (insurance, licenses, subs, other)	69,734	37,277
Withholding tax receivable	172,857	136,540
Total other receivables and prepayments	496,008	335,566

13. Land revaluation

	2023	2022
	\$	\$
Maiautu	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.

14. Other payables and accruals

	2023	2022
	\$	\$
Accrued payroll	198,888	160,592
Accrued expenses (utilities, telephone and internet, others)	58,612	21,646
Bond fees	23,919	3,919
Lease and stevedoring license payable	111,158	58,042
Other payables	6,958	7,613
Project Suspense account	225,726	113,204
*Withholding tax payable	9,313	6,342
Total other payables and accruals	634,574	371,358

*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.



SAMOA PORTS AUTHORITY
Notes to financial statements
For the year ended 30 June 2023

15. Property, Plant and Equipment

	Wharves	Lands	Buildings	Breakwater	Workboats	Office Furnitures	Office Equipments	Motor vehicles	Machine & Tools	TOTAL
	WSTS	WSTS	WSTS	WSTS	WSTS	WSTS	WSTS	WSTS	WSTS	WSTS
COST										
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	8,446,000	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
Balance as at 1 July 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
Additions	6,691,175	4,979,030	3,932,070	-	13,438,735	41,652	113,424	194,783	6,043	29,396,911
Disposals	-	-	-	-	-	-	1,305	-	-	1,305
Balance as at 30 June 2023	174,050,966	116,427,025	18,901,052	6,585,012	29,150,689	361,997	1,233,839	1,209,864	8,453,695	356,374,139
LESS: ACCUMULATED DEPRECIATION										
Balance as at 1 July 2021	35,654,353	-	7,726,789	3,197,221	15,300,507	261,107	942,461	592,521	6,810,816	70,485,775
Depreciation	2,944,344	-	335,694	135,737	408,248	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	74,978,157
Balance as at 1 July 2022	38,598,697	-	8,062,483	3,332,958	15,708,755	270,638	1,015,526	718,192	7,270,908	74,978,157
Depreciation	3,281,413	-	509,800	135,737	473,537	14,446	74,296	107,732	437,834	5,034,794
Disposals	-	-	-	-	-	2,083	-	-	-	-
Balance as at 30 June 2023	41,880,110	-	8,572,283	3,468,695	16,182,292	283,001	1,089,822	825,924	7,708,742	80,012,951
LESS: PROVISION ON IMPAIRMENT OF FIXED ASSETS										
Balance as at 1 July 2021	2,292,067	-	-	-	-	-	-	-	-	2,292,067
Additions	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2022	2,292,067	-	-	-	-	-	-	-	-	2,292,067
Balance as at 1 July 2022	2,292,067	-	-	-	-	-	-	-	-	2,292,067
Additions	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2023	2,292,067	-	-	-	-	-	-	-	-	2,292,067
PLUS: WORK IN PROGRESS										
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)	-	-	(97278)
Balance as at 30 June 2022	-	-	-	-	-	-	-	-	-	-
Balance as at 1 July 2022	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	2,026	11,945	-	-	13,971
Transfer to Fixed assets	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2023	-	-	-	-	-	2,026	11,945	-	-	13,971
CARRYING AMOUNT										
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
30 June 2023	129,878,789	116,427,025	10,328,768	3,116,317	12,968,397	81,022	155,962	383,941	744,953	274,083,092



SAMOA PORTS AUTHORITY
Notes to financial statements
For the year ended 30 June 2023

16. Provision for employee benefits

	2023	2022
	\$	\$
(a) Provision for employee benefits SL(30%), AL, LSL and Retirement	143,379	161,064
(b) Employee entitlements for the year	101,121	195,858

17. Deferred revenue

	2023	2022
	\$	\$
(a) Deferred revenue amortised during the year	2,985,937	2,931,324
(b) Deferred revenue		
Current portion	2,985,937	2,931,324
Non current portion	126,458,574	116,060,389
	129,444,511	118,991,713

<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
Tug Boat Sa'ula-60 – 2022	\$13,757,872	20 years	\$671,937

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.

18. Retention

	2023	2022
	\$	\$
Retention (10%)	13,510	16,680

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.

19. VAGST payable

	2023	2022
	\$	\$
VAGST on sales/receipts	2,971,534	2,592,930
VAGST on purchases/payments	2,511,390	2,221,541
Total VAGST payable	460,144	371,389



SAMOA PORTS AUTHORITY
Notes to financial statements
For the year ended 30 June 2023

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.

20. 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 (Safitoo) 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)

21. Capital

In October 2022, a cabinet directive FK approved the official transfer back of Domestic Wharves at Mulifanua and Salelologa from Samoa Shipping Corporation to Samoa Ports Authority. These wharves have net asset value of \$15,602,274 at the time and are to added back to the Government Share Capital where it was initially with Samoa Ports Authority. The net effect of change is increasing of Property, Plant and Equipment and Capital by the same amount.

Further with the transfer back of the Domestic Wharves, the Authority is to be paid a fair compensation value to the Samoa Shipping Corporation of \$1,000,000 million tala. Hence, a decrease from the Capital value of the Authority by the same amount.

22. Related parties transactions

(a) Directors compensation

1. Tuiloma Neroni Slade (Chairman) (Reappointed since June 2023)
2. Tiufea Rudolph Meredith (Appointed since April 2022)
3. Marie Bentin – Toalepaialii (Appointed since April 2022)
4. Seugaamalii Taito J Saena (Appointed since April 2022)
5. Salā Vaimili II (Appointed since September 2022)

Directors and executive management compensation:

	2023	2022
	\$	\$
Directors fees	85,165	107,050
Meeting and supplies expenses	6,308	11,457
Membership and other expenses	10,500	-
Travelling allowance	1,350	200
Total directors compensation	103,323	118,707



SAMOA PORTS AUTHORITY
Notes to financial statements
For the year ended 30 June 2023

(b) Management personnel cost

	2023	2022
	\$	\$
Salaries and short-term employment benefits	714,810	579,474

(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.

23. 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.

24. 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.

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.