



GOVERNMENT OF SAMOA
**MINISTER OF SAMOA TOURISM AUTHORITY,
PUBLIC TRUST, AUDIT, SAMOA TRUST ESTATE CORPORATION**



14 January 2020

The Honorable Speaker
Legislative Assembly of Samoa

Pursuant to the requirements of the Ministerial and Departmental Arrangements Act 2003 and Sections 17 & 22 of the Public Trust Office Act 1975, I have the honour to submit the Report of the Public Trust Office on its operations for the twelve months ended 30 June 2019.

With respect

A handwritten signature in black ink, appearing to be 'S. F. Pinati'.

Salā Fata Pinati
Minister of Public Trust Office

PUBLIC TRUST OFFICE

**Annual Report
For Financial Year Ending
30th June 2019**

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ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

INTRODUCTION

The Public Trust Office's ("the Office") Vision remains as "the first choice provider of estate and trustee services in Samoa".

It remains the Office's aim to achieve the following long term key objectives by 2022:

1. *Enhance revenues generated;*
2. *Continue to review and recover existing loan account balances;*
3. *Maintain high standard of estates administration services;*
4. *Continue to conduct training sessions to upskill its human resources; and*
5. *Target the implementation of appropriate computerized information systems.*

Inclusive in this report is a brief outline by the Board Chairman focusing on the strategic issues pertaining to the Office, as well as the Public Trustee's Report on the Office's corporate performance for the financial year then ended. The Report also contains the Controller and Auditor-General's Audit Opinion that is accompanied by the Annual Accounts for the financial year ending 30th June 2019.

08 October 2019.

BOARD CHAIRMAN'S REPORT

The Honourable Speaker
Legislative Assembly of Samoa
MULINUU

Pursuant to Sections 17 and 22 of the Public Trust Office Act 1975 ("the Act"), it is my obligation to lay before the Legislative Assembly the attached Annual Report and Audited Accounts of the Public Trust Office ("the Office") for the year ending 30th June 2019.

In doing so, I wish to comment briefly on several important strategic considerations which continue to be earmarked for further improvement of the Office.

The following three (3) key areas continue to be prioritized by the Office in the hope of achieving both financial self-sufficiency and a more effective estate administration approach:

(1) Enhancing Revenues

To achieve its long term aim of operating as a financially self-sufficient entity, the Office continues to prioritize prompt settlement of office fees by its clients, ie. estate beneficiaries, and has also undertaken other investment options.

(2) Continuous Review of Financial Structure

As mentioned in previous annual reports, the Office has deemed the continuous review of its current financial position a strategic necessity so that a more realistic and updated value of its assets and liabilities is determined at any point in time.

This need to be strategically positioned financially is vital for the Office to be able to survive on its own in the future.

(3) Human Resources

It is essential to continue to upskill the Office's staff so that performance and productivity meet the demands expected of them as laid out in the Corporate Plan and to meet and achieve its objectives and targets set therein.

The Office is in the process of recruiting qualified and competent employees to fill its current vacancies.

Ma le fa'aaloalo tele



October 8, 2019

.....
Tagaloa Fa'afouina Su'a
Chairman – Public Trust Office Investment Board

Please address all communications to-

THE PUBLIC TRUSTEE
P.O. BOX 2021
APIA, SAMOA



Public Trust Office

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Sogi, Samoa

08 October 2019.

Honourable Salā Fata Pinati Ah Leong
Minister for the Public Trust Office
FMFM II Building
Apia

Afioga e

Pursuant to Sections 17 and 22 of the Public Trust Office Act 1975, I respectfully present the Annual Report on the operations of the Public Trust Office for the twelve-month period ending 30th June 2019 for presentation to Parliament.

Faia ma lo'u ava tele



.....
Leaupepe Peleseuma Mata'utia F.S. Ropati
Public Trustee

PUBLIC TRUSTEE'S REPORT

Corporate Profile

The Public Trust Office ("the Office") was established by and operates under the Public Trust Office Act 1975 ("the Act"). The main functions for its establishment were and remain;

"to ensure the permanent availability for those seeking executorship or trusteeship assistance in estate matters, and to manage and administer estates in accordance with the law, at affordable rates."

Its primary functions as provided under the Act include:

1. *The administration of estates of deceased people;*
2. *The provision of trustee functions including the management of affairs of infants and people of unsound mind, etc.;*
3. *The provision of a Will-making service; and*
4. *The proper accounting and investment of estate and trust funds.*

Vision Statement

The Office's vision is to be the first choice provider of estate and trustee services in Samoa.

Mission Statement

The mission of the Office, as a Public Trading Body, is to offer professional, independent estate and trustee services to the Samoan community.

Values Statement

In seeking to achieve the vision and mission of the Office, the primary values of the Board of Directors and Staff are:

RESPECT - personal and professional respect for each other and our clients

SERVICE - a client service focus

INTEGRITY - open, honest and ethical service delivery

Business Vision

The general business direction of the Office for the forecast period is to perform its functions and exercise its powers so as to be a successful business by:

- i. operating in accordance with sound commercial practice;
- ii. operating efficiently and maximizing the net worth of the business;
- iii. performing, on behalf of Government, any community service obligations in an efficient manner.

Business Mission

The scope of the principal commercial activities undertaken by the Office is:

- i. to provide the public with access to professional advice and service in relation to trustee services including wills, estate administration and trust management;
- ii. to protect the financial interests of individuals under a legal, physical or intellectual disability where the Public Trustee is appointed to act on their behalf or no person is authorized to give a valid discharge for payment of any money or to deliver property to any such person;
- iii. to administer estates and trusts, irrespective of their value;
- iv. act as agent for Government in managing compensation funds/unclaimed monies/trust funds for which beneficiaries are yet to be determined and confirmed.

Financial Performance as at 30th June 2019

The operations for the financial year ending 30th June 2019 generated a net profit of \$517,842 tala compared to a net profit of \$753,832 tala for the previous year.

Total funds invested with Unit Trust of Samoa (UTOS) as at 30th June 2018 was \$6,518,741 tala compared to \$7,019,259 tala for the financial year ended 30th June 2019. The increase in UTOS investments was mainly due to the additional units of 237,933 purchased with UTOS during the financial year valued at \$383,072 as well as the increase in the fair value unit price from \$1.54 as at 30 June 2018 to \$1.63 as at 30 June 2019.

In terms of Loans and Interest, net loans receivables as at 30th June 2019 amounted to \$282,985 tala. When compared to net loans receivables for the previous year of \$317,244 tala, it is evident that the net value has decreased by \$34,259 tala due to loan repayments received during the financial year. The reserve for doubtful debts of \$1,233,944 tala remains the same from the previous year. The Office continues to recover the outstanding amount of loans totaling \$1,516,930 tala.

The budgeted income for the twelve-month period of \$622,800 tala was achieved by \$886,639 tala given the actual income of \$1,509,439 tala for the financial year ending 30th June 2019.

The Office's total actual expenditure of \$991,597 tala was \$280,829 tala less than the budgeted amount of \$1,272,426 tala and therefore reflecting good controls. The overall profit for the financial year in report is approximately \$517,842 tala (actual income of \$1,509,439 tala less actual expenditure of \$991,597 tala).

Non-current liabilities (being funds belonging to Estates, Compensations, Trust Accounts and Unclaimed Funds) as at 30th June 2019 amounted to \$3,783,479 tala in comparison to the 2018 figure of \$3,914,104 tala. This decrease of \$130,625 tala in non-current liabilities is mainly due to the withdrawal of estate and trust funds during the financial year.

The non-current liabilities are:

	2019	2018
	\$	\$
Funds – Estates, Compensations, Trust Accounts and Unclaimed Funds	\$3,783,479	\$3,914,104

Loans Recovery

Recovery of outstanding loan balances by the Office is by way of regular monitoring and follow ups (where necessary) or arrangements with borrowers and through legal proceedings. Income from

interest earned on loans of \$1,082 tala for the financial year ended 30th June 2019 reflected a decrease of \$341 tala when compared to the amount of \$1,423 tala earned in the previous year. This is mainly due to diminished loan repayments during the financial year in report.

Estates Administration

The total number of estate files under administration at the beginning of the financial year was four hundred and eighty nine (489). Instructions for the administration of thirty four (34) new estates were received during the year whilst a total of thirty eight (38) estates were finalized and closed during the financial year. As at 30th June 2019, the total number of estates was four hundred and eighty five (485).

At the beginning of the financial period, the total cash value of funds belonging to estates was approximately \$870,725 tala. The income earned by the Estates and Trusts Section during the financial period of \$635,360 tala exceeded its budgeted target of \$572,300 tala. At the end of the financial year, total funds belonging to estates amounted to \$649,877 tala.

The Office continues to prioritize its estates administration work being its core function. At the same time, it has and continues to address several factors that had hindered the progress and finalization of old estates in past years. These factors include the non-provision of administration requirements by estate beneficiaries/claimants, unknown identities and whereabouts of estate beneficiaries as well as estates involving legal proceedings.

Trust Management

At the beginning of the financial year, eighty six (86) trust accounts with a corresponding monetary value of \$282,093 tala were held under trust management. Three (3) trust accounts were opened during the financial year, with three (3) trust accounts closed. The total number of trust accounts at the end of the financial year was eighty six (86) with a corresponding monetary value of \$313,553 tala.

Wills

One thousand two hundred and nine (1,209) Wills were recorded with the Office at the beginning of the financial year. Thirty four (34) new Wills were prepared and registered during the year, making a total of one thousand two hundred and forty three (1,243) Wills at the close of the financial year. A total of three (3) Wills were amended during the financial year.

RECONCILIATION SCHEDULE

Last Year		Actual YTD	Budget YTD
\$1,170,554	Revenue	\$1,509,439	\$622,800
-	Gross Profit	-	-
-	Gross Profit %	-	-
\$956,723	Expenditure	\$991,597	\$1,272,426
\$753,832	Net (Loss)/ Profit before tax	\$517,842	(\$649,626)
\$753,832	Net (Loss)/Profit after tax	\$517,842	
\$7,332,949	Current Assets	\$7,608,710	

\$8,920,603	Total Assets	\$9,185,341	
\$180,352	Current Liabilities	\$502,958	
\$4,094,456	Total Liabilities	\$4,286,437	
\$4,826,147	Equity	\$4,898,904	
\$263,841	Dividend	\$181,244	
\$6,907,306	Cash Flow	\$7,174,605	
44.07%	Net (loss)/profit before tax %	34.31%	
40.66 : 1	Current Ratio	15.13 : 1	
0.85 : 1	Debt/Equity	0.87 : 1	
15.62%	Return on Equity %	10.57%	
8	No of employees	7	

PERFORMANCE MEASURES OUTLINED IN THE OFFICE'S CORPORATE PLAN 2017-2020

The tables below indicate the achievements by the Office of measures contained in its Corporate Plan during the financial period in report.

GOVERNANCE:

Performance Measures
➤ 100% increase in net profit by FY2020. Achieved
➤ 100% compliance with payment of dividend in November every year. Achieved
➤ Conduct assessment of goals/targets/measures at end of every financial year. Achieved
➤ 100% compliance on meeting reporting dates/deadlines. Achieved
➤ 100% compliance with Government policies and instructions. Achieved

ESTATES & TRUSTS DIVISION:

Performance Measures
➤ 60% increase in fees generated from estates administration services by FY2020. Achieved
➤ Complete review of estates administration legislative framework by June every year. Achieved
➤ Complete review and update of estates portfolio as well as target assessments at the beginning of every month. Achieved
➤ Complete administration of at least 35 estates every year. Partially Achieved
➤ Complete review of estates administration policies and procedures by June every year. Achieved
➤ 1% increase in number of wills written and amended by June every year. Achieved
➤ Finalise administration of 20% of 'old' estates by FY2020. Achieved

FINANCE & INVESTMENT DIVISION:

Performance Measures
➤ Daily processing to complete monthly, quarterly and annual reporting requirements.

<p>Achieved</p> <ul style="list-style-type: none"> ➤ Complete review of current processes in financial systems by April every year. Achieved
<p>Achieved</p> <ul style="list-style-type: none"> ➤ Cash flow ought to be sustainable. Achieved
<ul style="list-style-type: none"> ➤ Complete review of current systems and policies for proper internal control systems by December every year. Achieved ➤ No issue of non-compliance in external auditors report by 31st October every year. Achieved
<ul style="list-style-type: none"> ➤ Fixed assets register is updated and completed every year. Achieved ➤ Full compliance with IFRS guidelines and no audit issue at end of every year. Partially Achieved
<ul style="list-style-type: none"> ➤ Prepare and submit quarterly reports by the 30th of every following month after every quarter to MPE. Achieved ➤ Submit Annual Report to Parliament by 31st October every year. Achieved ➤ Prepare and submit VAGST returns by 21st of every following month after every two month period to MfR. Achieved
<ul style="list-style-type: none"> ➤ Continue to review and adjust (if necessary) loans portfolio by 30th June every year. Achieved ➤ Complete review of policies and procedures for debt recovery by 31st July every year. Achieved ➤ Arrears level at 50% of portfolio by FY2020. Achieved
<ul style="list-style-type: none"> ➤ 5% growth in investments by June every year. Achieved ➤ Complete assessment/comparison of investment options by December and June of every year. Achieved
<ul style="list-style-type: none"> ➤ Loan repayments collected of \$46,000 by FY2019. Achieved
<ul style="list-style-type: none"> ➤ Implement PMA on an annual basis. Achieved ➤ Continue to review job descriptions for all staff positions and amend as appropriate by July every year. Achieved
<ul style="list-style-type: none"> ➤ Complete review of Personnel Manual of Instructions by August every year. Achieved

PERFORMANCE MEASURES OUTLINED IN THE OFFICE'S CORPORATE PLAN 2017 -2020

The tables below indicate performance measures contained in the Office's Corporate Plan for the financial year 2019/2020:

GOVERNANCE:

Performance Measures
➤ 100% increase in net profit by FY2020.
➤ 100% compliance with payment of dividend in November every year.
➤ Conduct assessment of goals/targets/measures at end of every financial year.
➤ 100% compliance on meeting reporting dates/deadlines.
➤ 100% compliance with Government policies and instructions.

ESTATES & TRUSTS DIVISION:

Performance Measures
➤ 60% increase in fees generated from estates administration services by FY2020.

➤ Complete review of estates administration legislative framework by June every year.
➤ Complete review and update of estates portfolio as well as target assessments at the beginning of every month.
➤ Complete administration of at least 35 estates every year.
➤ Complete review of estates administration policies and procedures by June every year.
➤ 1% increase in number of wills written and amended by June every year.
➤ Finalise administration of 20% of 'old' estates by FY2020.

FINANCE & INVESTMENT DIVISION:

Performance Measures
<ul style="list-style-type: none"> ➤ Daily processing to complete monthly, quarterly and annual reporting requirements. ➤ Complete review of current processes in financial systems by April every year. ➤ Cash flow ought to be sustainable.
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<ul style="list-style-type: none"> ➤ Loan repayments collected of \$30,000 by FY2020.
<ul style="list-style-type: none"> ➤ Implement PMA on an annual basis. ➤ Continue to review job descriptions for all staff positions and amend as appropriate by July every year.
<ul style="list-style-type: none"> ➤ Complete review of Personnel Manual of Instructions by August every year.

STAFF LIST AS AT 30th JUNE 2019

At the end of the financial year, seven (7) staff was employed by the Office consisting of two (2) staff on contractual appointments and five (5) staff on a permanent basis.

No.	NAME	DESIGNATION	YEARS OF SERVICE	CLASSIFICATION OF EMPLOYMENT
1	Leaupepe Peleseuma Mata'utia F.S. Ropati	Public Trustee	26.5	Contract
2	Mao Paniani Va'a	Assistant Public Trustee-Estates & Trusts	19.2	Contract

3	Malielegaoi Pogi Muliau	Principal Finance & Investment Officer	0.1	Permanent
4	Patisepa Failauga	Administration Officer	11.1	Permanent
5	Easter Pele Fuimaono	Estates & Trusts Officer	1.5	
6	Eteline Otto Isaia	Accounts Officer	2.4	Permanent
7	Iosefa Maugatai	Driver	12	Permanent

Organisation and Staff

Christina Fajtele, who was initially employed as an Estates & Trusts Officer in December 2002, resigned as Principal Estates & Trusts Officer in September 2018.

Benitto Krieg, who was recruited as an Estates & Trusts Officer in November 2017, resigned in March 2019.

In July 2018, Su'e Aualiitia and Maotaoalii Fritz Afoa were recruited as the Records Officer and Principal Finance & Investment Officer. In September 2018, however, Su'e Aualiitia's employment was terminated whilst Maotaoalii Fritz Afoa resigned in November 2018.

In May 2019, Malielegaoi Pogi Muliau was recruited as the Principal Finance & Investment Officer.

As in previous years, our concentration continued to focus on enhancing the standards of estates administration work and the timely and effective processing of the old estates backlog; recovery of funds from a diminishing loans portfolio (as the office's lending scheme ceased to operate in 1997) and ensuring that proper management systems, internal controls and operational policies were regularly reviewed to safeguard trust funds.

Client contentment and swift turnover of estates under the office's administration remain the vital measures of assessing staff performance.

Conclusion

My sincerest gratitude to all parties, individuals and organizations both in the private and public sectors that have assisted in rendering the service for which we are duty bound to provide to the public.

I also acknowledge with thanks the individual efforts and contributions of Management and staff which made the overall organizational results and achievements for the year a direct reflection of teamwork.

Ma le fa'aaloalo tele



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Leaupepe Peleseuma Mata'utia F.S. Ropati
Public Trustee

Public Trust Office
Directors' Report
For the year ended 30 June 2019

The Directors present their report together with the Public Trust Office's Financial Statements for the year ended 30 June 2019 as set out on the accompanying pages and the Auditors' Report thereon in accordance with the Public Finance Management Act 2001 and the Public Bodies (Performance and Accountability) Act 2001.

Directors

The Directors of the Public Trust Office Investment Board at the date of this report are:

Tagaloa Fa'afouina Su'a	(Chairperson)
Asi Tuiataga James Faafili Blakelock	(Director)
Monica Sio	(Director)
Toleaoa Vaega Lei Sam	(Director)
Hon. Tuu'u Leota Anasii Leota	(Director)

Principal Activity

The principal activity of the Public Trust Office is to provide the public with access to professional advice and service in relation to Trustee services including Wills, Estate Administration and Trust Management; protect the financial interests of individuals under a legal, physical or intellectual disability where the Public Trustee is appointed to act on their behalf or no person is authorized to give a valid discharge for payment of any money or to deliver property to any such person; and to act as agent for Government in managing compensation funds/unclaimed monies/trust funds for which beneficiaries are yet to be determined and confirmed. There has been no change in the principal activity of the Public Trust Office during the year.

State of Affairs

In the opinion of the Directors:

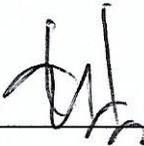
- (i) the accompanying Statement of Financial Performance, Statement of Changes in Equity and Reserves and Statement of Cash Flows are drawn up so as to give a true and fair view of the operations and results of the Public Trust Office for the year ended 30 June 2019;
- (ii) the accompanying Statement of Financial Position is drawn up so as to give a true and fair view of the state of affairs of the Public Trust Office as at 30 June 2019.

Operating Results

The net profit for the year is \$517,842 (2018: a net profit of \$753,832).

Dated at Apia this 8th day of October 2019.

Signed in accordance with a resolution of the Directors.



DIRECTOR



DIRECTOR



AUDIT OFFICE

Please address all correspondences
to the Controller and Auditor General

REPORT OF THE AUDIT OFFICE

TO THE GOVERNING BODY IN CHARGE OF GOVERNANCE – PUBLIC TRUST OFFICE

Audit Opinion

We have audited the accompanying Financial Statements of the Public Trust Office which comprises the Statement of Financial Position as at 30 June 2019, and Statements of Financial Performance, Cash Flows and Changes in Equity for the year then ended, a Summary of Significant Accounting Policies and Other Explanatory Notes. The Accounting Firm of Lesā ma Penn, Chartered Accountants, assisted in the audit. The Engagement Partner on the audit resulting in this Independent Auditor's Report is Matata'ual'i'itia Afa Lesa.

In our opinion, the financial statements give a true and fair view of the financial position of the Public Trust Office as at 30 June 2019, and of its financial performance, and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the Public Trust 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. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances.

In preparing the financial statements, the Directors are responsible for assessing the Public Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.

The Directors are responsible for overseeing the Public Trust 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 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.



AUDIT OFFICE

Please address all correspondences
to the Controller and Auditor General

- 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 the directors.
- Conclude on the appropriateness of the directors and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Public Trust'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.
- 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 planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Public Trust Act 1975,

In our opinion:

- (a) Proper books of account have been kept by the Public Trust, so far as it appears from our examination of those books; and
- (b) The financial statements are in agreement with the books of account; and
- (c) To the best of our knowledge and according to explanations given to us the financial statements give the information required by the Public Trust Act 1975 in the manner so required.

Our audit was completed on the 31st October 2019 and our opinion is expressed as at that date.

Apia, Samoa
08 October 2019

Jaslyn T. Mariner Leota

ASSISTANT CONTROLLER AND AUDITOR GENERAL

PUBLIC TRUST OFFICE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2019

**PUBLIC TRUST OFFICE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

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Public Trust Office
Statement of Financial Performance
For the year ended 30 June 2019

INCOME	Notes	2019	2018
		\$	\$
Administration fees		440,693	348,580
Commission earned		193,726	223,372
Interest from loans		1,082	1,423
Dividend Income		250,726	254,861
Service fees		-	575
Doubtful debts recovered		-	229,544
Other income		1,162	12,786
Government Grant		398,410	493,052
Total Income		<u>1,285,799</u>	<u>1,564,193</u>
EXPENDITURES			
Administration expenses	3	482,412	441,242
Finance costs		984	1,520
Directors fees and allowances	4	105,784	110,192
Depreciation	11	30,686	21,715
Salaries and wages		371,731	382,055
Total Expenditures		<u>991,597</u>	<u>956,723</u>
OTHER GAINS(LOSSES)			
Gain/(loss) on UTOS investments		223,640	146,361
Total other gains/(losses)		<u>223,640</u>	<u>146,361</u>
Net profit/(loss)		<u>517,842</u>	<u>753,832</u>

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

Public Trust Office
Statement of Financial Position
As at 30 June 2019

	Notes	2019 \$	2018 \$
Non current assets			
Loans receivable	10	282,985	317,244
Fixed assets	11	78,283	100,814
Estates with debit balances		1,215,363	1,169,597
Total non current assets		<u>1,576,631</u>	<u>1,587,654</u>
Current assets			
Cash and Cash equivalents	5	155,346	388,565
Investments	6	7,019,259	6,518,741
Other debtors and prepayments	7	434,105	425,643
Total current assets		<u>7,608,710</u>	<u>7,332,949</u>
TOTAL ASSETS		<u>9,185,341</u>	<u>8,920,603</u>
EQUITY AND LIABILITIES			
Non current liabilities			
Compensation	8	3,336,379	3,450,155
Unclaimed monies	13	447,100	463,949
Total non current liabilities		<u>3,783,479</u>	<u>3,914,104</u>
Current liabilities			
Dividend Payable		181,244	-
Other creditors and accruals	9	321,714	180,352
Total current liabilities		<u>502,958</u>	<u>180,352</u>
Equity and Reserves			
Government equity	12	18,780,650	18,780,650
Assurance and reserve deficit		(8,628,331)	(8,628,331)
Accumulated loss		(5,263,415)	(5,336,172)
Reserve for legal expenses		10,000	10,000
Total Equity and Reserves		<u>4,898,904</u>	<u>4,826,147</u>
TOTAL EQUITY AND LIABILITIES		<u>9,185,341</u>	<u>8,920,603</u>

For and on behalf of the Board:



Public Trustee

Date

08/10/2019



Chairman

Date

08/10/2019

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

Public Trust Office
Statement of Changes in Equity and Reserves
For the year ended 30 June 2019

	Government Equity	Reserve for legal expenses	Assurance and Reserve Fund	Accumulated profit / (loss)	Total
	\$	\$	\$	\$	\$
Balance as at 30 June 2017	18,780,650	10,000	(8,628,331)	(6,090,004)	4,072,315
Net profit/(loss) for the year				753,832	753,832
Balance as at 30 June 2018	18,780,650	10,000	(8,628,331)	(5,336,172)	4,826,147
Net profit/(loss) for the year				517,842	517,842
Dividend paid to Government FY 2017-2018				(263,841)	(263,841)
Dividend payable				(181,244)	(181,244)
Balance as at 30 June 2019	18,780,650	10,000	(8,628,331)	(5,263,415)	4,898,904

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

Public Trust Office
Statement of Cash Flows
For the year ended 30 June 2019

		2019	2018
	Notes	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from administration & commission		634,270	571,952
Cash received from other income		2,393	3,784
Cash received from estates		1,718,850	1,613,706
Cash paid to suppliers and employees		(908,321)	(938,273)
Cash paid out to estates		(1,966,950)	(1,375,650)
Net cash from operating activities		<u>(519,758)</u>	<u>(124,481)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Cash received on loan repayments		30,127	79,449
Dividend received from UTOS		250,726	254,861
Investments with UTOS	6	384,005	262,407
Cash withdrawn from UTOS	6	(266,559)	(118,237)
Purchases of fixed assets	11	(9,652)	(107,947)
Gain on disposal of fixed assets		-	11,000
Net cash from investing activities		<u>388,648</u>	<u>376,991</u>
Cash flows from financing activities			
Grants from Ministry of Finance		398,410	493,052
Net cash from financing activities		<u>398,410</u>	<u>493,052</u>
Net increase/(decrease) in cash balances		267,299	745,562
Add: Opening balance		6,907,306	6,161,744
Net cash balances		<u><u>7,174,605</u></u>	<u><u>6,907,306</u></u>
Represented by:			
Cash and Cash Equivalents	5	155,346	388,565
Investments	6	7,019,259	6,518,741
Total cash and cash equivalents		<u><u>7,174,605</u></u>	<u><u>6,907,306</u></u>

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

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2019

1. General information

The Public Trust Office's main activities are the administration of estates of deceased persons; management of trust funds for minors; drafting, executing and safekeeping of wills; and other trustee services.

The Public Trust Office is incorporated as a corporation sole under the Public Trust Office Act 1975. The Public Trust Office Investment Board currently comprises of five independent Directors.

The Public Trust Office main office premises are located on the 5th floor of the Tui Atua Tupua Tamasese Efi building.

The Public Trust Office is designated as a Public Trading Body under the Public Bodies (Performance and Accountability) Act 2001. As a Public Trading Body, the Corporation is required to follow the requirements of the Public Finance Management Act 2001.

These financial statements were authorized for issue by the Board of Directors on 8th October 2019.

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. Basis of Preparation

These financial statements have been prepared in accordance with the requirements of the Companies Act 2001 and the *International Financial Reporting Standards (IFRS)* issued by the International Accounting Standards Board (IASB). The financial statements have been prepared on the historical cost basis as modified by the revaluation of certain financial assets and liabilities. The principal accounting policies are stated to assist in a general understanding of these financial statements. The financial statements are prepared in Samoan Tala.

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Standards, interpretations and amendments issued but not yet effective

The following standards, amendments and interpretations to existing standards have been published and are mandatory for accounting periods beginning on or after 1 July 2011 or later periods as stated, but the office had not adopted them earlier. Adoption of these standards and interpretations will not have any significant impact on the Public Trust Office's financial statements.

IFRS 1
Amendment

First-time adoption: Exemption for severe
hyperinflation and removal of fixed dates

1 July 2011

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2019

IFRS 7 Amendment	Financial instruments: Disclosures on transfer of financial assets	1 July 2011
IAS 12 Amendment	Income taxes: Deferred tax	1 January 2012
IAS 1 Amendment	Financial statement presentation regarding other comprehensive income accounting for investment properties	1 July 2012
IFRS 9 Amendment	Financial instruments: Classification and measurement	1 January 2013
IAS 19 Amendment	Employee benefits	1 January 2013
IFRS 10	Consolidated financial instruments	1 January 2013
IFRS 11	Joint Arrangements	1 January 2013
IFRS 12	Disclosures of interests in other entities	1 January 2013
IFRS 13	Fair value measurement	1 January 2013
IAS 27 (Revised)	Separate financial statement	1 January 2013
IAS 28 (Revised)	Associates and joint ventures	1 January 2013
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 16	Leases	1 January 2019

b. Principles underlying the conduct of estates, trusts, administration & loans portfolio

- **Estates, Trusts and Administration segment:**

The Estates, Trusts and Administration segment of the Office represents the core functions of the Office that deal directly with estates administration, trusts management as well as the daily administration of the Office's operations. The grouping together of these core functions under segment reporting is necessary to determine the allocation of costs between the Office's current operations, being the segment noted above, and that of its diminishing loans portfolio.

- **Loans portion segment:**

The loans division of the Public Trust Office is a diminishing portfolio given that it no longer provides lending services. As such, the office is dealing with the recovery of outstanding loan balances.

c. Interest on mortgages and unsecured loans

Interest on loans is calculated monthly and charged to loan accounts on a quarterly basis.

d. Commission and other income

Commission and other revenues from clients are recognized in terms of the Public Trust Office Regulations when cash is received from clients.

e. Reserve for doubtful loans

Loans are stated at expected net realizable value. A reserve has been set up from assessments of the loan portfolios.

f. Special funding (Government support)

Pursuant to Section 20 of the Public Trust Office Act 1975, if office funds are at any time insufficient to meet the Office's liabilities and commitments, such funds as may be necessary to meet those liabilities and commitments shall be charged on the Treasury Fund as statutory expenditure, and be

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2019

granted by the Minister of Finance out of the Treasury Fund to the Public Trustee. If the Minister of Finance determines that any money granted to the Office shall be repaid to the Treasury Fund, the Office shall reply with such determination as soon as there are Office funds available for such repayment.

g. Assurance and reserve funds

The reserve for loan losses as part of the Assurance and Reserve balance is a requirement under Section 17 of the Public Trust Office Act 1975. The reserve for loan losses is now disclosed or offset against the gross loans balance per Note 10 and no longer appears on the face of the financial position as part of the Assurance and Reserve accounts.

h. Estate assets

Estate assets other than cash held by the Public Trustee on behalf of estates are not incorporated in the financial statements. Interest is calculated, where necessary, on estate accounts as well as trust and compensation accounts with credit balances at 1% per annum.

i. Funds – Estate, Trust and Compensation Accounts

Funds – Estate, Trust and Compensation Accounts are funds for cash balances only of individual estate, trust and compensation accounts held in the Common Fund.

j. Advances to estates and beneficiaries

By virtue of Sections 32 and 33 of the Public Trust Office Act 1975, advances may be allowed to estates as well as estate beneficiaries.

k. Income tax

The Public Trust Office is exempted from taxation under Section 7(a) of the Income Tax Act 1974.

l. Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and on hand.

m. Receivables

Receivables are recognized initially at fair value. Due to the short term nature of these assets, the recoverable value, i.e. allowable for doubtful debts, will be the fair value.

n. Fixed assets are measured at cost less accumulated depreciation and impairment losses.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful life of each fixed asset. The rates at which depreciation is charged are as follows:

• Computers	25%
• Motor vehicles	25%
• Office furniture, equipment and library	20%
• Leasehold improvements	2.5%

The residual value is reassessed annually.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2019

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within other (losses)/gains – net, in the income statement.

o. Payables

Accounts payable and other accounts payable are recognized when the Office becomes obliged to make future payments resulting from the purchase of goods and services.

Payables are recognized at cost which is the fair value of the consideration to be paid in the future for goods and services received. Given the short term nature of most payables, the carrying amounts approximate fair value.

p. Provisions

A provision is recognized in the balance sheet when the Public Trust Office has a present legal or constructive obligation as a result of a past event, and it is more likely than not that an outflow of economic benefits will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

q. Employee benefits

The Public Trust Office contributes towards the Samoa National Provident Fund (SNPF), a defined contribution plan, in accordance with local legislation and to which it has no commitment beyond the payment of contributions.

Obligations for contributions to the defined contribution plan are recognized immediately in profit or loss.

r. Comparatives

Where necessary, previous periods' comparatives have been changed to conform with the presentation of financial information for the current year.

s. Valuation of UTOS investments

International Accounting Standards (IAS) has updated its standard on disclosure of financial instruments whereby UTOS investments are classified and measured either under the amortised cost basis or the fair value basis.

UTOS convertible notes and UTOS promissory notes are measured using the amortised cost basis.

However, UTOS unit investments are measured using the fair value method with any gains/losses recorded in the Statement of Financial Performance.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Therefore, fair value is the repurchase price less the withdrawal price.

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2019

3. Administration expenses

Details of administration expenses are specified as follows:

	2019	2018
	\$	\$
ACC levy	3,717	3,632
Advertising	24,017	18,960
Audit fees	50,384	50,384
Donations	800	100
Insurance	3,965	7,028
Interest on estates	159	334
Legal fees	2,300	
SNPF subsidies	26,022	27,220
Office expenses	3,462	1,396
Printing and stationery	14,144	11,130
Rent	260,788	260,788
Repairs and maintenance	15,045	24,297
Staff training	21,309	2,412
Telephone and postage	15,276	16,610
Transport and travelling	16,288	16,951
Other staff cost	15,000	
Other Expenses	8,271	
Loss on Disposal of Fixed Assets	1,463	
Total administration expenses	<u>482,412</u>	<u>441,242</u>

4. Directors' fees and allowances

Directors' fees and allowances are specified as follows:

	2019	2018
	\$	\$
Board expenses	11,285	15,759
Directors' fees and allowances	94,500	94,433
Total Directors' fees and allowances	<u>105,784</u>	<u>110,192</u>

In September 2015 and pursuant to a Cabinet Directive FK(15)31, Directors fees were increased to \$18,000 per annum per member and \$22,500 per annum for the Chairman.

5. Cash and cash equivalents

Details of cash and cash equivalents are specified as follows:

	2019	2018
	\$	\$
Petty Cash	100	100
ANZ Bank (Samoa) Ltd	114,300	352,946
ANZ Bank Operating Account	(2)	(2)
Bank South Pacific	8,608	9,503
National Bank of Samoa	32,341	26,019
National Bank of Samoa Savings	-	-
Total cash and cash equivalents	<u>155,346</u>	<u>388,565</u>

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2019

6. Investments

Details of investments are specified as follows:

	2019	2018
	\$	\$
UTOS units investment movement as follows:		
Beginning balance is:	6,518,741	6,127,947
Additional 237,933 units during the year valued \$1.61 average	383,072	262,407
Increase (decrease) in fair value	384,005	246,625
Withdrawal of 789 units at withdrawal price \$1.55	(1,223)	(12,237)
Withdrawal of 162,865 units at withdrawal price \$1.62	(263,841)	(106,000)
Withdrawal of 934 units at withdrawal price \$1.60	(1,494)	-
Ending balance at 4,306,294 units valued at \$1.63	<u>7,019,259</u>	<u>6,518,741</u>

Investments with UTOS consist of Office funds as well as funds from Estate, Trust and Compensation accounts as detailed below:

	2019	2018
	\$	\$
Estate, Trust and Compensation Accounts	2,932,430	2,593,875
Office Funds	4,086,829	3,924,866
Total investments with UTOS	<u>7,019,259</u>	<u>6,518,741</u>

7. Other debtors and prepayments

Details of other debtors and prepayments are specified as follows:

	2019	2018
	\$	\$
Dividend receivable	430,629	423,295
Prepayment	3,476	2,348
Total other debtors and prepayments	<u>434,105</u>	<u>425,643</u>

8. Funds - Estate, Trust and Compensation accounts

Details of the above accounts are specified as follows:

	2019	2018
	\$	\$
Estate funds	649,877	870,725
Trust Funds	313,553	282,093
Compensation funds	1,803,967	1,887,733
Unrealised gain & losses on UTOS investment	568,982	409,604
Total Estate, Trust and Compensation accounts	<u>3,336,379</u>	<u>3,450,155</u>

9. Other creditors and accruals

Details of other creditors and accruals are specified as follows:

	2019	2018
	\$	\$
Accrued expenses	248,037	150,020
VAGST	72,554	29,715
Other creditors	1,123	617
Total other creditors and accruals	<u>321,714</u>	<u>180,352</u>

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2019

10. Loans receivable

Details of loans receivable are specified as follows:

	Mortgage \$	Unsecured \$	2019 Totals \$	2018 Totals \$
Gross loans	122,805	1,394,125	1,516,930	1,551,188
Reserve for doubtful loans	-	(1,233,944)	(1,233,944)	(1,233,944)
	<u>122,805</u>	<u>160,181</u>	<u>282,985</u>	<u>317,244</u>
Movement of reserve for doubtful loans:				
Opening balance	-	(1,233,944)	(1,233,944)	(1,513,717)
Less: Bad debts recovered	-	-	-	279,773
Closing balance	<u>-</u>	<u>(1,233,944)</u>	<u>(1,233,944)</u>	<u>(1,233,944)</u>

11. Fixed assets

Details of fixed assets are specified as follows:

Cost	Computers	Motor Vehicles	Office Furniture and Equipment	Total
Opening balance as at 30 June 2018	133,352	272,662	187,304	593,318
Additions	4,140		5,511	9,651
Disposal	(92,314)	(2,137)	(142,094)	(236,545)
Balance as at 30 June 2019	<u>45,178</u>	<u>270,525</u>	<u>50,721</u>	<u>366,423</u>
Depreciation				
Opening balance as at 30 June 2018	127,188	193,525	171,790	492,503
Depreciation charged	2,271	23,043	5,372	30,686
Disposal	(92,241)	(2,137)	(140,672)	(235,050)
Balance as at 30 June 2019	<u>37,218</u>	<u>214,431</u>	<u>36,490</u>	<u>288,140</u>
Net Book Value				
Balance as at 30 June 2018	<u>6,164</u>	<u>79,137</u>	<u>15,514</u>	<u>100,814</u>
Balance as at 30 June 2019	<u>7,960</u>	<u>56,094</u>	<u>14,231</u>	<u>78,283</u>

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2019

Cost	Computers	Motor Vehicles	Office Furniture and Equipment	Total
Opening balance as at 30 June 2017	126,236	280,486	178,647	585,369
Additions	7,116	92,174	8,657	107,947
Disposal		(99,999)		(99,999)
Balance as at 30 June 2018	<u>133,352</u>	<u>272,661</u>	<u>187,304</u>	<u>593,317</u>
Depreciation				
Opening balance as at 30 June 2017	123,514	280,486	166,786	570,786
Depreciation charged	3,674	13,037	5,004	21,715
Disposal		(99,999)		(99,999)
Balance as at 30 June 2018	<u>127,188</u>	<u>193,524</u>	<u>171,790</u>	<u>492,502</u>
Net Book Value				
Balance as at 30 June 2017	<u>2,722</u>	-	<u>11,861</u>	<u>14,583</u>
Balance as at 30 June 2018	<u>6,164</u>	<u>79,137</u>	<u>15,514</u>	<u>100,814</u>

12. Government equity

Details of Government equity are specified as follows:

	2019	2018
	\$	\$
Opening equity	18,780,650	18,780,650
Additional grant		
Total Government equity	<u>18,780,650</u>	<u>18,780,650</u>

13. Unclaimed funds

Details of unclaimed funds are specified as follows:

	2019	2018
	\$	\$
Unclaimed monies	<u>447,100</u>	<u>463,949</u>

The above amount represents compensation funds as well as other estate and trust funds that have been with the office for a significant number of years and as such, have been classified as 'unclaimed' pursuant to the Public Finance Management Act 2001 and which are payable to the Ministry of Finance (MoF).

14. Capital commitments and contingent liabilities

There are several pending claims/cases filed against the Office throughout the financial year.

This includes an eviction claim filed in the financial year ending 30 June 2010 where the Supreme Court ruled that the squatter was not entitled to this property by way of adverse possession but at the same time ordered the Public Trustee and the Defendant (claiming compensation of \$100,000) to negotiate and finalize a settlement amount. This amount is yet to be finalized as both parties have yet to reach an agreement.

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2019

Other cases are yet to be heard in court. This includes a counter-claim of \$300,000 against a particular estate which will be paid for by the beneficiaries of that estate if said counter-claim is successful. The office is awaiting the pursuance of this matter in court by the Defendant.

15. Contingent asset

There are two estate matters involving outstanding fees owed to the Office of \$110,359.65 and which are pending before the courts.

16. Change in Accounting Policy IAS 20

The Public Trust Office until 30 June 2018 has accounted for annual Appropriation from Government as Capital in terms of IAS 20. However, a further review of the nature of this Appropriation pursuant to Section 18 (3) of the Public Trustee Office Act 1975 indicated that said Appropriation is to assist the Office in meeting its operating costs. It followed therefore that the Appropriation should be accounted for through the Profit and Loss rather than being credited to Equity.

The change was effective for the financial year ended 30 June 2018 and comparative figures for the year ended 30 June 2017 were changed accordingly for comparison purposes.

The effect of this Change in Accounting Policy is the increase in income by \$493,000 for the year ended 30 June 2018 and \$502,000 for the year ended 30 June 2017.

Statement of Changes in Equity for the year ended 30 June 2018

The following are extracts of the Public Trust Office financial statements after the application of the Changes in Accounting Policy.

	Government Equity	Reserve for legal expenses	Assurance and Reserve	Accumulate profit/(loss)	Total
	\$	\$	\$	\$	\$
Balance as at 30 June 2017	18,780,650	10,000	(8,628,331)	(6,090,004)	4,072,315
Net profit/(loss) for the year				753,832	753,832
Balance as at 30 June 2018	18,780,650	10,000	(8,628,331)	(5,336,172)	4,826,147
Net profit/(loss) for the year				517,842	517,842
Dividend paid to Government FY2017-2018				(263,841)	(263,841)
Dividend payable				(181,244)	(181,244)
Balance as at 30 June 2019	18,780,650	10,000	(8,628,331)	(5,263,415)	4,898,904

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2019

17. Events occurring after Balance Sheet

There are no events subsequent to balance sheet date which requires recognition or disclosure in these financial statements (2018:nil).

18. Lease

The Deed of Lease between the Ministry of Finance (Landlord) and the Public Trust Office (Tenant) was signed and sealed on 4th April 2019 for a two (2) year term (as per Item 4 of Appendix 1). The total monthly rent payment rate of \$24,992.23 (VAGST inclusive) covers the office premises and car parking areas.