

Est.

# 2023

## ANNUAL

# REPORT

**“RETURN OF AIR TRAVEL”**



Main West Coast  
Rd, Faleolo, Samoa



+68523201



[www.samoairports.com](http://www.samoairports.com)



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## MESSAGE FROM THE MINISTER

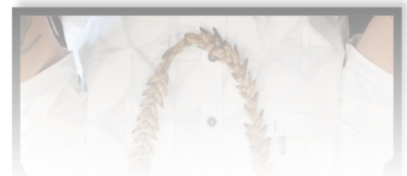


**OFFICE OF THE MINISTER MINISTRY OF WORKS, TRANSPORT AND INFRASTRUCTURE**  
(MINISTRY WORKS, TRANSPORT & INFRASTRUCTURE, ELECTRIC POWER CORPORATION,  
SAMOA WATER AUTHORITY, LAND TRANSPORT AUTHORITY, SAMOA AIRPORT AUTHORITY,  
SAMOA PORTS AUTHORITY, SAMOA SHIPPING CORPORATION, SAMOA SHIPPING SERVICES,  
PACIFIC FORUM LINE)

### **Honorable Speaker of the House Legislative Assembly MULINU'U**

Pursuant, to Section 45 (4), of the Samoa Airport Authority Act 2012 and the Public Bodies (Performance and Accountability) Act 2002, Schedule 6, paragraph 6.7, I, hereby submit to the Legislative Assembly the Annual Report and Audited Accounts of the Samoa Airport Authority for the year ended 30<sup>th</sup> June 2023.

Ma le fa'aaloalo lava,



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**Honourable Olo Fiti Afoa Vaai  
MINISTER OF WORKS, TRANSPORT AND INFRASTRUCTURE**





## MESSAGE FROM THE CHAIRMAN

This financial year ending 30th June 2023 was significant for Samoa Airport Authority and the aviation sector in general. After more than 900 days of border closure, passenger numbers began to recover and our business partners and customers began rebuilding the industry.

The resumption of commercial flights has had a truly positive impact and a source of motivation for the authority and aviation related businesses. We had always been looking forward to the arrival of much-needed international passenger and cargo traffic, which should seal the gap left by the pandemic and reinvigorate the country's economy. And with the increased number of flights from our four major airlines, it has instilled a renewed glimmer of hope to our business operations. As a fact, passenger volumes rapidly increased to numbers never witnessed before in the airport's 38-year history, exceeding pre-pandemic numbers, with over 320,000 people welcomed across Faleolo International and the newly



revamped Fagali'i Airports. The rehabilitation project was expected, to stimulate economic growth and aid for the recovery of the tourism industry, reintroducing the shorter route of air travel between American Samoa and Samoa resuming operations on the 29th June 2023.

Overall, SAA Financial Performance exceeded budget expectations as revenue streams surged to an impressive 157% compared to 2022, due to additional functions of the Authority. Consequently, a profit of over \$6m was recorded. We are also pleased to declare the achievement of the Government's mandated rates of return during this financial period, marking a significant milestone since 2019.

Rebuilding the workforce was a challenge encountered across the entire industry during the first half of FY23 as the passenger recovery outpaced the staff. Around 500 jobs were lost across the precinct during the pandemic, and rebuilding the workforce was not an easy task. Over the course of the financial year, we had steadily increased employee numbers, gradually reaching levels comparable to those of 2019. Testament to the resilience and effortless support by our communities we had always ensured that our service delivery in every way possible is safe, efficient and reliable for the benefit of our valued customers.

Looking to a brighter future, the SAA Board and Management are committed to aligning strategic focus with resilient and sustainable measures. We understand and highly recognized the importance of meeting the continuous demand for airport infrastructure upgrades while adapting to environmental changes in order to improve our service delivery.

On behalf of the Samoa Airport Authority, we wish to commend the continuous support of our partners, customers and especially the Government while we welcomed our families and friends. We feel grateful for the trust you have placed in us as we continue to strive for excellence in everything we do.

**“O le Viiga e faafoi ile Atua, ona o lona alofa, ua o tatou sapi ai i ma'a o malie” ... To God be the glory for his never-ending love upon us all!**

Soifua ma ia Manuia,

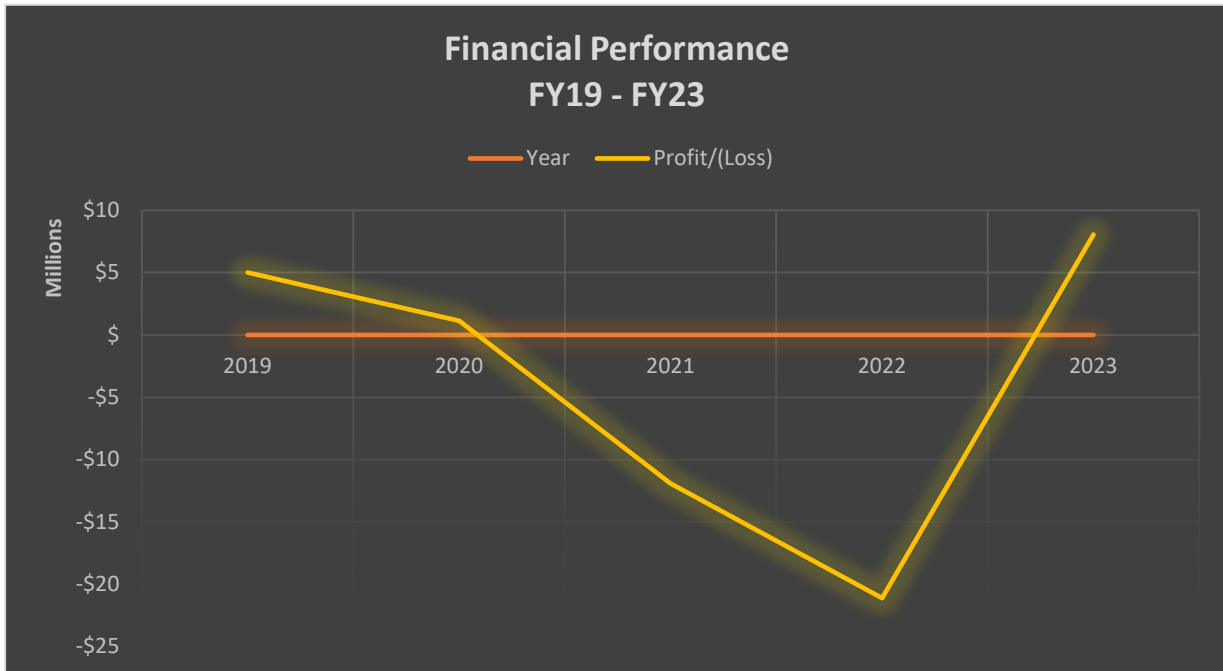
**Leiataua Isikuki Punivalu**  
**CHAIRMAN**





## GENERAL MANAGER'S REPORT

Connecting Samoans to their homeland and the world, our International Airports has experienced a stronger rebound than expected, bringing immense pride to the country that highly values its connection to the global community. Once again, Airlines, businesses and the tourism industry have succeeded to rebuild their networks, their workforces and new routes, allowing for increased travel opportunities and a prosperous economic growth.



### PERFORMANCE HIGHLIGHTS

SAA had eagerly anticipated to meet its objectives under extraordinary circumstances during the reopening of international travels, and the following were some of the highlights during the 12 months reported:

Revenue

**\$34.4m**

▲ 157%

Reported profit after tax

**\$6m**

### Key Financial & Operational Results

FY 2023 had experienced a promising recovery when once again international borders reopened and air travel resumed, resulting in a 1322% increase in passenger volumes compared to the previous year, surpassing pre-pandemic FY19 figures. This success has been recorded as a milestone in the Authority's history, leading to an exhilarating profit of \$6m. Revenue throughout the financial period increased by 157% to \$34.4 million as a result of additional functions of the Authority and Amortization of Deferred Income.

We are also pleased to declare a dividend – our first since 2019 – for the financial year 2023, a sum equivalent to \$2.3m paid out to the MPE reflecting the earnings period 1 July 2022 to 30 June 2023.



### Our Connections

Our role as a key economic enabler for the country is one, we take very seriously, and a notable achievement in the past year has been the return of international capacity to the country. Major carriers leading the charge, Fiji Airways and Air New Zealand that have significantly increased their flights, while the Qantas and Virgin Australia accords to only four flights per week. Talofa and Samoa Airways were also well positioned to meet the growing demands of air travel between American Samoa and Samoa. These airlines, all of which boast extensive domestic and international networks, now offer an even greater number of non-stop connections worldwide. A promising route to China has also been made possible by the Hainan Airlines. As the leading key trade and tourist market for Samoa, the Hainan Airlines may soon resume inter-island flight operations between the two countries.

### Business Partners

Our business partners and stakeholders had eagerly anticipated this moment, where the amusements of the travelling public had once more flourished, providing the 43 tenants with a positive growth during their five-year agreements. A retail change for Faleolo airport duty-free provider was also accomplished, which saw the successful transition from Farmer Joe to Frankies Supermarket and Janets Samoa operating at the Departure lounge while negotiations with the Best Value are in progress for the Arrival Lounge.



## FAGALII AIRPORT REHABILITATION

At the completion of rehabilitation works and renovations, the Fagalii Airport was once again reopened on 29th May 2023, with much celebration in the local community. Prior to reopening, the runway had been upgraded to establish a secure and efficient landing site, improvements to infrastructure, including access points for incoming and departing passengers, repairs to external areas such as the carpark, and upgrades to the terminal building. Extensive safety inspections were also performed to make sure the airport was operating safely and to the high standards of the International Civil Aviation Organization (ICAO) as well as National regulations.

Negotiations on the extension of the runway is yet to be finalized, which requires an extensive assessment of land & road conditions, the design of the extended runway area, and consultation with other government entities. The extension project will include the proposed road closure of the east access road and the expansion of the west ring road in order to ensure safe passage of vehicles. With the extension project in place, the Fagalii Airport will be able to provide even better services to passengers, airlines, and the tourism industry.

### FAGALII 2023 RE-OPENING PICTORIAL



## SECURITY SYSTEM UPGRADE

Adherence to evolving global security protocols to ensure the safety of the travelling public during post-pandemic era made way to;

1. The implementation of the (Transportation Security Administration) TSA operations for travelers en route from Samoa to the United States.
2. Installation of an upgraded identification card system to enhance the accuracy of identifying individuals mitigating the risk of fake or duplicated identity cards.
3. Upgrades and maintenance of X-ray machines, CT scanners and screening equipment.

## COMPLIANCE

To comply with standards and recommended practices related to aerodrome operations, we have ensured that the below are fulfilled;

1. Supply of Rescue Fire Services equipment, standby generators and Fire Truck spare parts.
2. Procurement of Cleaning machines for effective cleaning of Terminal Building.
3. Replacement of aerobridge spare tyres.
4. Replacement of old Terminal UPS.
5. Installation of a new ILS Power Supply.
6. Acquisition of a Flaring Tool.
7. Regular maintenance of airfield lighting, power systems and air traffic control equipment.
8. Upgrade and maintenance of electronics/technological devices for efficient communications between land and air.
9. Maintain appropriate documentation and records, and regularly reviewing and updating of procedures and policies.
10. Conduct regular safety assessments and audits, and implement appropriate risk mitigation measures as necessary.

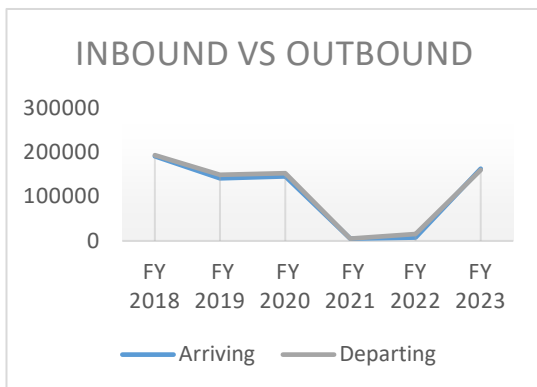
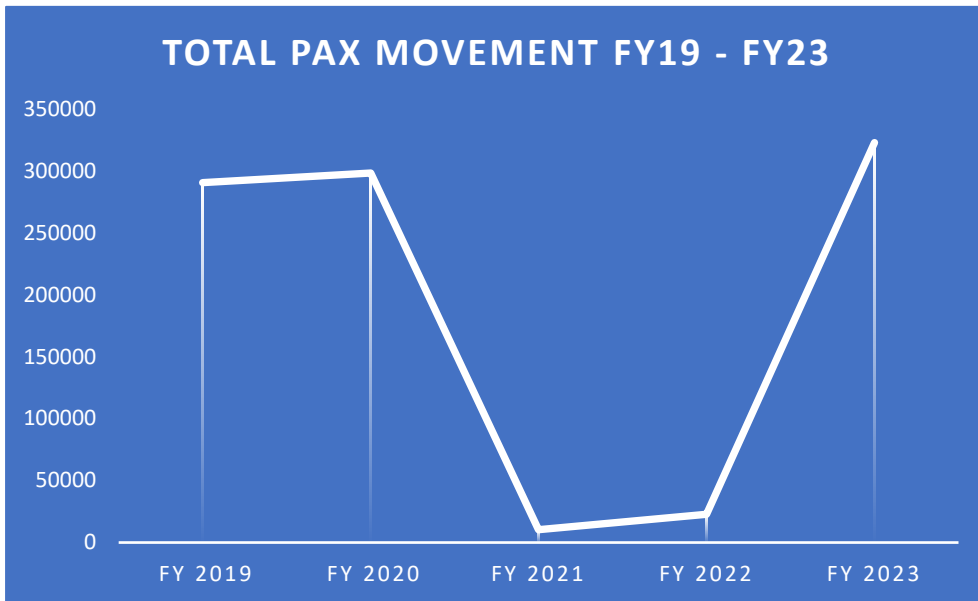
Our goal is to ensure that our aerodrome operates safely and efficiently, and fully complies with all applicable regulations and standards.



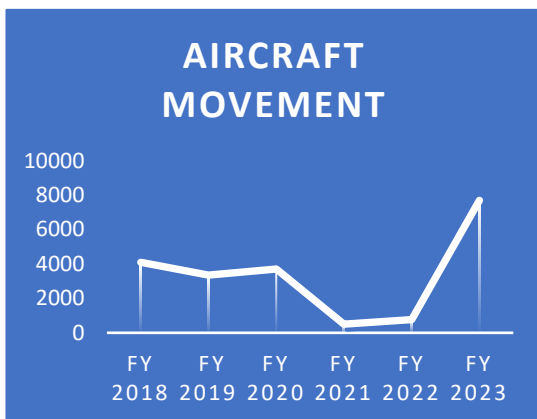
# RESULTS AT A GLANCE



# PASSENGER & AIRCRAFT MOVEMENTS



Passenger movements have sharply increased by 1,322% this reporting period compared to the previous financial year, 11.1% increase compared to FY19. Overall, passenger movement will continue to be on the increase over the next financial year.



Flight movement also had a huge impact in terms of quantity of aircraft landing at Faleolo International Airport with an increase of 917% compared to FY22.



## PERFORMANCE HIGHLIGHTS

### SECURITY UPGRADE IDENTIFICATION CARD SYSTEM



### TSA SECURITY REQUIREMENT FOR US FLIGHTS



### FAGALI AIRPORT REHABILITATION WORKS



### SUPPLY OF RFS EQUIPMENT



# MAOTA & ASAU AIRPORTS

Both Airfields continue to be operational under AC139-7 Standards. Maota Airport is manned by 4 staff with Asau by 2 in areas of ground maintenance and security.



## TRAINING & DEVELOPMENT

In an ever-changing global community, SAA continues to recognize the need to develop the careers and skills of its employees to maintain a stable and productive workforce, particularly in the safe and secure operations of upgrades and services. It is an obligation that our staff are well prepared in crisis, and an opportunity for SAA to demonstrate its commitment by investing in our staff and building a more resilient, skilled and stable staff.

We continue to offer on the job trainings and learnings through interchange of experiences, participation in relevant workshops, conferences and specialized training. SAA encourages and support the attendance of its technical personnel in Aviation and Airport Academies around the world. For instance, currently 6 Air Traffic Trainees are currently engaging in Air Traffic courses held in New Zealand in order to be qualified as Air Traffic Controllers. Specialized Trainers are even procured to train and fully equipped Aviation Security (AVSEC) and Rescue Fire personnel, continually undergoing vigorous certification, aptitude, physical and medical testing and ensure compliance with international law requirements.

Basic and induction trainings are frequently being conducted for the purpose to prepare and equip new recruits with the organizational culture, code of conduct and quality standards expected.

### ACI CUSTOMER SERVICE TRAINING



### SENIOR RFS TRAINING



### AIR CARGO & MAIL SECURITY COURSE



### COMPLIANCE TRAININGS



## STAFFING ENGAGEMENTS

### Occupational Health & Safety

At the heights of global health catastrophes and emergencies, SAA has focused in its efforts to further strengthen OS&H objectives in line with the National OS&H plan 2021. Inspections on airport facilities, technical and administration were carried out periodically and recommendations were made regarding safe practices, safety equipment and occupational wellbeing of staff as well as the public.



In other efforts, SAA encourages its staff to participate in health and wellbeing activities, sports days, training days, sports in and outside of work to ensure they stay healthy and have healthy practices.

### Community Services

SAA is committed to supporting charity courses in Samoa and has participated in the ‘Malu I Fale’ 16 days of activism campaign raising awareness to stop violence against women, children and people with disabilities.

As courtesy of the authority’s annual charity contributions, we had also offered our support by way of donations and essential supplies to *Mapuifagalele - The Home of the Elderly*.





## BOARD OF DIRECTORS



***Standing (R-L):*** Laga'aia Afoa Fetulia'i Laga'aia (**Director**) Leiatua Isikuki Punivalu (**Chairman**); Silimana'i Ueta Solomona Jr (**Secretary**);

***Sitting (R-L):*** Tina Saili (**Director**); Clare Leota (**Director**)



## MANAGEMENT



***(Standing L-R):*** Papalii Toilolo Tyronmoore Lam (**Manager Aeronautical Services**); Namulauulu Elemesi Schmidt (**Manager Legal**); Vaasiliega Ioane Iosefo (**Manager Aerodrome Services**) Tumanuvao Evile Falefatu (**Manager Security Services**);

***(Sitting L-R):*** Fiu Faumuina Manutoiaiga Tausisi (**Manager Corporate Services**); Vai Palepua Solaese (**Manager Quality Assurance**); Silimana'i Ueta Banse Solomona Jnr. (**General Manager**); Tagaloasa Uili Matafeo (**Manager HR & Support Services**)



## PRINCIPALS



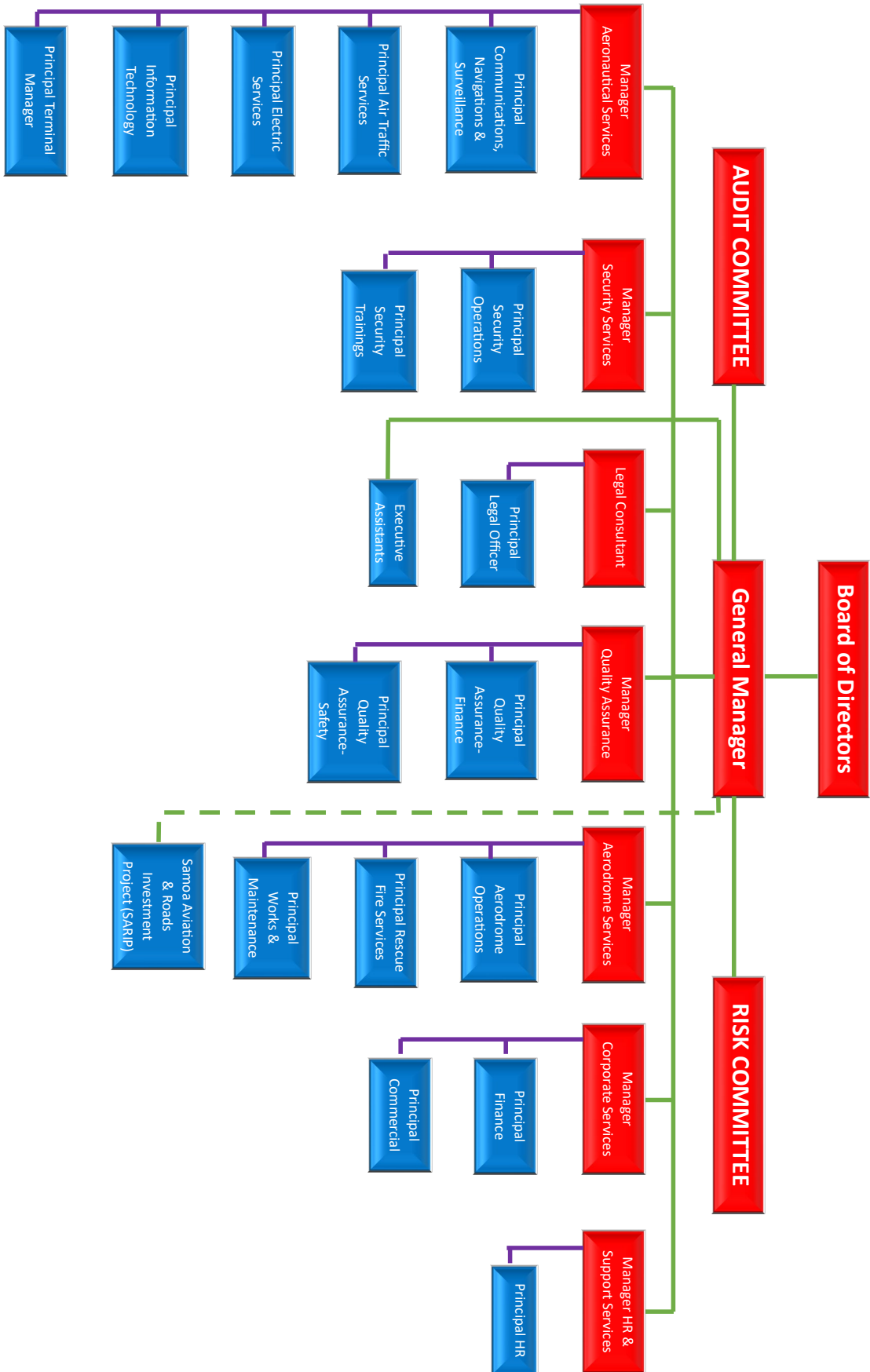
**Standing(L-R):** Uili Golovale (Principal Electrical); Aimaileaga Eseese Ah Ken (Principal Safety Auditor); Oloniu Frederick Hunkin (Principal Air Con); Etuale Afoa (Principal Finance); Paiutu Liaina Mafaufau (Principal Legal); Fuimaono Raymond Papu Wright (Principal HR); Salimu Tanuvasa (Principal Terminal Facilities);

**Sitting(L-R):** Fuga Soane Pele (Principal Security Operations); Tuiolo Seiuli Taulealo (Principal Commercial); Kalala Palemene (1<sup>st</sup> Executive Assistant); Muliagatele Donna Meredith (Principal ATS); Faatosina Naititi (Principal Security Training); Ugapo Aмоса Aмоса (Principal CNS).

**Absent:** Letoa Vaifou Taito (Principal RFS); Teueli Teueli (Principal Works); Christian Siitia (Principal IT); Michael Aмоса (Principal Financial Auditor); Sa'u Hanipale Matulino (Principal Ops)



# ORGANISATIONAL STRUCTURE





# AUDITOR'S REPORT

**SAMOA AIRPORT AUTHORITY  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

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**SAMOA AIRPORT AUTHORITY  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**DIRECTORS' REPORT**

The Directors present their report together with the financial statements of the Authority for the year ended 30 June 2023 and the auditors' report thereon.

**Directors**

As of the date of this report, following are the newly appointed Directors to steer the Authority's operations for the next three years term.

Leiatua Isikuki Punivalu (appointed 27-03-23)	Chairman
Leasi Galuvao (appointed 01-06-22)	Member
Tina Saili (appointed 01-03-20)	Member
Clare Leota (appointed 01-03-20)	Member

**Old members**

Apete Vaatuitui Meredith (resigned 15-03-23)	Old-Chairman
Funefeai David Oliva (resigned 15-03-23)	Member

**Principal activities**

The principal activities of the Authority is to establish, improve, maintain, operate and manage aerodromes and services all facilities in connection with the operation of any aerodromes or with the operation of any aircraft engaged in civil aviation.

**State of affairs**

The Directors are of the view that the attached statement of financial position gives a true and fair view of the state of affairs of the Authority as at 30 June 2023 and that the statement of financial performance gives a true and fair view of the result and cash flows of the Authority for the year then ended.

**Operating results**

The operating profit for the year ended 30 June 2023 was \$ 6,640,755 (2022:Net Loss \$21,107,446)

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

.....  
Director

25, 10, 23  
.....  
Apia

.....  
Director

25, 10, 23  
.....  
Apia



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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 AIRPORT AUTHORITY

#### Audit Opinion

We have audited the accompanying Financial Statements of the Samoa Airport Authority which comprise the Statement of Financial Position as at 30 June 2023, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2023 and notes to the financial statements, including a Summary of Significant Accounting Policies. 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 Hanalei Betham.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Samoa Airport Authority as at 30 June 2023, 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 (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 Authority in accordance with the ethical requirements that are relevant to our audit of financial statements in Samoa, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

#### Other Information

The directors are responsible for the other information. The other information comprises the information included in the directors report but does not include the financial statements and our auditors report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

In preparing the financial statements, the Directors are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors and Management, either intends to liquidate the Authority or to cease operations, or has 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



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## AUDIT OFFICE

Please address all correspondences  
 to the Controller and Auditor General

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.
- 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 Authority's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors and Management 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)

We also confirm that:

- a. we have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b. the Authority has kept financial records sufficient to enable the financial statements to be prepared and audited.

Our audit was completed on the 19<sup>th</sup> October 2023, and our opinion is expressed as of that date.

Apia, Samoa  
 27 October 2023

Vaofusi Terence Su'a

**ASSISTANT CONTROLLER AND AUDITOR GENERAL**



**SAMOA AIRPORT AUTHORITY  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023**

		2023	2022
	Notes	\$	\$
<b>CURRENT ASSETS</b>			
Cash on hand and at bank	6	11,066,462	3,972,254
Inventories	7	258,841	189,857
Trade debtors	11	1,922,649	259,996
Other debtors and prepayments	12	10,750	60,750
SARIP - World Bank	17	379,791	25,435
VAGST receivable		728,117	642,728
<b>Total current assets</b>		<b>14,366,610</b>	<b>5,151,020</b>
<b>NON-CURRENT ASSETS</b>			
Investments	8	3,070,336	3,038,496
Intangible assets	9	61,608	100,868
Property, plant and equipment	10	235,952,455	245,916,458
<b>Total non-current assets</b>		<b>239,084,399</b>	<b>249,055,822</b>
<b>TOTAL ASSETS</b>		<b>253,451,009</b>	<b>254,206,842</b>
<b>CURRENT LIABILITIES</b>			
Creditors		659,199	177,914
Other creditors and accruals	13	1,738,066	389,559
Short term portion - UTOS Loan	14(i)	1,011,360	
Short term portion - deferred income	15	8,904,451	10,522,186
		<b>12,313,076</b>	<b>11,089,659</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term portions - UTOS Loan	14(i)	9,490,775	8,500,000
World Bank(SAIP) - Loan	14(ii)	44,407,438	44,407,438
Long term portion - deferred income	15	158,400,204	165,686,920
<b>Total non-current liabilities</b>		<b>212,298,417</b>	<b>218,594,358</b>
<b>TOTAL LIABILITIES</b>		<b>224,611,493</b>	<b>229,684,017</b>
<b>NET ASSETS</b>		<b>\$28,839,516</b>	<b>\$24,522,825</b>
<b>CAPITAL AND RESERVES</b>			
Government contributions	20	93,451,084	93,451,084
General reserves		743,235	743,235
Accumulated losses		(65,354,803)	(69,671,494)
		<b>\$28,839,516</b>	<b>\$24,522,825</b>

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

.....  
Director

25/10/23  
.....  
Apia

.....  
Director

25/10/23  
.....  
Apia



**SAMOA AIRPORT AUTHORITY**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2023**

		<b>2023</b>	<b>2022</b>
	<b>Notes</b>	<b>\$</b>	<b>\$</b>
<b>Income</b>			
Operating income	4	25,312,241	2,550,065
Interest income		84,742	63,453
Gain on investment		31,840	10,613
Dividend income		84,908	84,908
Amortization of deferred income	15	8,904,451	10,697,581
		<u>34,418,182</u>	<u>13,406,620</u>
<b>Expenses</b>			
Amortization-intangible assets	9	39,260	37,254
Audit fees		50,000	61,000
Departure tax commission		212,698	17,382
Lower airspace commission		576	319
Loss on disposal of fixed assets		-	360,778
Depreciation	10	12,887,517	17,797,816
Directors fees	16(ii)	98,198	104,517
Impairment loss on fixed assets		-	6,278,321
Sponsorship for Pacific Games 2019		-	440,000
Administration expenses	5(i)	1,580,153	1,359,983
Personnel expense	5(ii)	6,278,531	5,560,488
Operating expenses	5(iii)	6,630,494	2,496,208
		<u>27,777,427</u>	<u>34,514,066</u>
Net profit/loss for the year		6,640,755	(21,107,446)
Accumulated pfofit/losses carried forward		<u>6,640,755</u>	<u>(21,107,446)</u>

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



**SAMOA AIRPORT AUTHORITY  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	Issued and paid up capital	General reserves	Accumulated profit/(loss)	Total
Balance at 30 <sup>th</sup> June 2021		93,451,084	743,235	(48,564,050)	45,630,269
Net loss for the year		-	-	(21,107,446)	(21,107,446)
<b>Balance at 30<sup>th</sup> June 2022</b>		<b>93,451,084</b>	<b>743,235</b>	<b>(69,671,496)</b>	<b>24,522,823</b>
Dividend paid 26/05/2023		-	-	(1,424,642.00)	(1,424,642.00)
Divident payable 30/06/2023				(899,421.00)	(899,421.00)
Net profit for the year 2023		-	-	6,640,755	6,640,755
<b>Balance at 30<sup>th</sup> June 2023</b>		<b>93,451,084</b>	<b>743,235</b>	<b>(65,354,804)</b>	<b>28,839,516</b>

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



**SAMOA AIRPORT AUTHORITY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023 \$	2022 \$
<b>CASH FLOW FROM/(TO) OPERATING ACTIVITIES</b>			
Cash received from customers		22,363,243	2,335,441
Cash paid to suppliers, expenses and wages		(14,655,902)	(9,696,757)
<b>Net cash flows to operating activities</b>		<b>7,707,341</b>	<b>(7,361,316)</b>
<b>CASH FLOW FROM/(TO) INVESTING ACTIVITIES</b>			
Payments for purchases of property, plant and equipment	10	(2,989,061)	(484,342)
Payment of dividend to MPE		(1,424,843)	-
Payment of Loan - UTOS		(674,240)	-
Investment in Term Deposit		1,523,347	-
Procees from sales of fixed assets		74,500	300
Interest received on term deposits and ANZ current account		84,041	123,759
Gain on Investment - UTOS		31,840	10,613
Dividends received from UTOS		84,908	84,908
Loan proceed from UTOS		2,676,375	8,500,000
<b>Net cash flows used in investing activities</b>		<b>(613,133)</b>	<b>8,235,238</b>
<b>NET DECREASE IN CASH</b>		<b>7,094,208</b>	<b>873,922</b>
Opening cash brought forward		3,972,254	3,098,332
<b>ENDING CASH CARRIED FORWARD</b>		<b>11,066,462</b>	<b>3,972,254</b>
<b>Represented by:</b>			
Cash on hand and at banks	6	11,066,462	3,972,254
		<b>11,066,462</b>	<b>3,972,254</b>

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



**SAMOA AIRPORT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

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**1. GENERAL INFORMATION**

The Samoa Airport Authority was established under the Airport Authority Act 1984 which was later repealed and replaced by the Samoa Airport Authority Act 2012. The Samoa Airport Authority's main functions are to provide for the functions, powers, and duties of the Authority under modern and reformed arrangements, and for related purposes.

**2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Statement of compliance**

The financial statements have been prepared in accordance with the requirement of the International Financial Reporting Standards adopted by the International Accounting Standards Board (IASB), and corresponding interpretations issued by the Standing Interpretations Committee of the IASB.

**b) Basis of preparation**

*(i) Historical cost*

The financial statements have been prepared on the basis of historical costs. The accounting policies have been consistently applied by the Authority. These financial statements are presented in Samoan Tala (SAT).

*(ii) New standards adopted by Samoa Airport Authority*

The Authority has since 1 July 2018 applied the reporting standards required of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contract with Customers. Accordingly, the Authority has amended its accounting policies and made certain retrospective adjustments following the adoption of IFRS 9 and IFRS 15.

**c) Foreign currency**

Transactions in foreign currency are translated to Samoan Tala (Tala) at the foreign exchange rates at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at balance date are translated to Tala at the ruling exchange rates of the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are slated at fair value are translated to Tala at the exchange rates ruling at the date(s) the fair value was determined. Foreign exchange differences arising on the translation are recognized in the statement of financial performance.

**d) Property, plant and equipment**

*(i) Owned assets*

Items of property, plant and equipment are stated at cost less the accumulated depreciation.

Property that is being constructed or developed for future use is classified as work in progress under property, plant and equipment and stated at cost.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

The Authority assesses whether there are indicators of impairment of all property, plant and equipment at each reporting date. Where there are indicators of impairment an impairment test is performed. If the carrying amount exceeds a recoverable amount an impairment provision is recognized.

*(ii) Depreciation*

Depreciation is charged to statement of financial performance on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. Items of intangible assets are amortised over their estimated useful life. The rates at which depreciation is charged is as follows;

Building	10 - 40 years	Fences	10 years
Runway, taxiways and aprons	20 years	Furniture and fittings	5 years
Plant and equipment	5 - 10 years	Intangible	3 - 5 years
Motor vehicles	5 years		



**SAMOA AIRPORT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

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**e) Trade receivables**

Trade debtors are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade debtors are generally due for settlement for 30 days. The Authority has applied the simplified approach to measuring credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade debtors have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**f) Inventories**

Stocks is stated at the lower of cost and net realizable value. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and transporting them to their existing location and condition.

**g) Cash at bank and on hand**

Cash at bank and on hand comprise of cash balances. Bank overdrafts that are payable on demand and form an integral part of the Authority's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

**h) Provisions**

A provision is recognized 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.

**i) Accounts payable**

Trade and other payables are recognized at cost.

**j) Revenue**

Revenue captured within the scope of IFRS 15 requires disclosure as revenue from contracts with customers. Revenue streams outside of the scope of IFRS 15 are also contracted under agreements, including rental and lease arrangements. The following provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers including significant payment terms and the related revenue recognition policies:

**i. Departure tax**

Departure tax is included in all international airline tickets. The airlines collect departure tax on behalf of the Authority and remitted this to the Authority each month. The amount is based on the number of passengers departing the island in a month. Invoices are raised at month end and are usually payable within 30 days.

**ii. Landing fees**

All aircraft operating at all Authority managed aerodromes are liable to pay for landing, parking and activation of runway lights upon delivery of service. Dependent on the services provided, the transaction is calculated on a fixed rate per weight per landing. Landing movement is collated daily for a month and invoices are issued on a monthly basis. The invoices are usually payable within 30 days. Revenue for the entire month is recognized at the time the invoice is raised.

**iii. Parking fees – motor vehicles**

The Authority provides a car park for customers that use the airport. A walk-in customer that utilises the car park is charge a set fee upon departing the airport car park. Revenue is recognized at that point in time.

Customers, usually airport terminal tenants, that regularly use the car park have an agreement with the Authority for a fixed charge per month. These customers are issue with stickers which are displayed on the windscreens of their vehicles. Revenue is recognized on a monthly basis, for these customers.

**iv. Parking fees – aircrafts**

Invoices for providing parking space for aircraft at the airport are raised on a monthly basis. For each day in a month, a record is maintained for parking. Invoices are raised on a monthly basis and are usually payable within 30 days. Revenue for the entire month is recognized at the time the invoice is raised.

**v. Oil levies**

The aircraft fuel supplier is liable to pay to the Authority a portion of the revenue they receive for fuel supplied. The percentage of the levy is based on mutual agreement between the Authority and the supplier and documented in a signed agreement. The oil levy charges are remitted to the Authority on a monthly basis.

**vi. Rental**

Rent income is recognized on a straight-line basis over the term of the rental agreement.

**vii. Ground handling**

Ground handling is a range of services to facilitate the safe and efficient handling of passengers and aircraft. These services include passenger check in, security inspections of the passenger, checked luggage and cargo, loading and unloading of aircraft, airplane boarding and deboarding, arranging and supply of catering, toilet servicing of aircraft, refueling services and aircraft push and tow functions. Invoices are raised with the ground handling service providers at the end of every month and are usually payable within 30 days.



**SAMOA AIRPORT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

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**j) Revenue(cont..)**

**viii. Safety and security levies**

The Safety and Security Levy (SSL) is utilized to support the Authority investment in safety and security infrastructure. This levy is collected through the airline ticket and remitted to the Ministry of Finance whereby the Authority is allotted 39%. Revenue is recognized at the end of the financial period when the Authority receives these funds.

**ix. Lower airspace**

Airlines that fly in the set region of Samoa's lower airspace are recorded by the Authority for the entire month. At months end, an invoice is generated for each airline for aeronautical (air traffic enroute and navigation) services based on the regulated rates derived from aircraft weight and distance travelled within the airspace. Revenue for the entire month is recognized at the time the invoice is raised.

**x. Interest income**

Interest income is recognized using the effective interest method.

**k) Expenses**

**Salaries & wages**

Comprises of wages and salaries, bonuses, and leave payments paid to staff as well as the Authority's contribution of SNPF and ACC as required by law. This is recognized in the statement of financial performance.

**Interest expense**

Interest on loan and overdraft accounts are recognized in the statement of financial performance.

**Directors' fees and board expenses**

Annual fees for directors are taken up as Directors' fees, whereas sitting allowances and other costs incurred during board meetings, or relating to directors, are classified as board expenses.

**l) Value added goods and services tax**

Revenues, expenses, liabilities and assets are recognized net of the amount of value added goods and services tax (VAGST), except for receivables and payables which are recognized inclusive of VAGST. Where VAGST is not recoverable as an input tax it is recognized as part of the related asset or expenses.

**m) Income tax**

The Authority is not subject to taxation according to Income Tax Act 2012.

**n) Changes in accounting policies and estimates.**

There have been no significant changes in accounting policies during the year. There are however, significant changes in accounting estimates in relation to the useful life of the runway as a result of the recently completed runway project which has consequently increased depreciation expense.

**o) Comparative information**

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

**p) Dividend policy**

The Authority is obligated under Government Dividend Policy to pay to Government a dividend of 35% (2018:50%) of net profit. This changed in dividend rate, was made under a cabinet directive issued on 25 August 2018.

**q) Intangible assets**

These are capitalised and amortised over a period of 5 years. Intangible assets include SAA website and Software System used by the Authority.

**r) Leases**

Leases are accounted for under IAS 16 but effective for reporting periods beginning after 1 January 2019, when IFRS 16 became effective. Under the new standard, accounting by lessees will require recognition of the right of use assets and lease liabilities reflecting future lease payments over term of lease, except where lease term is 12 month or less and the is insignificant. The accounting by lessors remain relatively the same as in IAS 17. Lessor leases are treated as a finance lease or an operating lease. All lessor leases by the Authority have been assessed as operating leases.

**s) Differed income**

Property plant and equipment funded by the Government of Samoa and/or donated from other donor partners are taken to the financial statement as depreciation deferred income and are amortized equally over the useful lives of the related assets and in line with the annual of those assets.

**t) Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit and loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification.

Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred and the Authority has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.



**SAMOA AIRPORT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**t) Investments and other financial assets(Cont.)**

**i. Financial assets at fair value through profit and loss**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

**ii. Financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income include equity investments which the Authority intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

**iii. Impairment of financial assets**

The Authority recognizes a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Authority's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since the initial recognition based on the reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognized is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognized in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

**vi. Impairment of non-financial assets**

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its estimated recoverable amount. The estimated recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

**u) COVID-19 Pandemic**

Due to the COVID-19 pandemic, there is a heightened estimation of uncertainty at the balance date that increases the risk of a material adjustment to the carrying amounts of assets within the next financial year relating to the expected credit losses, valuation of investment properties and equity investments. The impact of the COVID-19 pandemic on each of these accounting estimates is discussed further below.

**Equity investments**

Equity investments are carried at fair value at balance date based on market information and/or the best estimate of fair value as determined generally by independent and knowledgeable valuers but, markets are subject to considerable volatility (though, it is noted that global markets have generally returned to their pre-COVID-19 level at the time of release of the financial statement). The valuation bring with them an increased level of uncertainty, which impacts the risks of value in future periods or on realisation being materially different to the value which they are recorded. Similarly, future market movements may lead to similar impact on the recorded values of those equities that are readily tradeable. This increases the risk of a material adjustment to the carrying amount of equity investment within the next financial year. The assumptions underlying the value in use calculations used to measure the fair value of equity investment were adjusted through to the discount rate and cash flow projection to reflect a reasonable estimate of the impact of COVID-19 and the increased risk associated with the estimated cash flow.

**3. Financial risk management**

**Financial risk management objectives**

The Authority's activities expose it to a variety of financial risks: credit risk, liquidity risk and operational risk. The Authority's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Authority.

The Board of Directors have overall responsibility for the establishment and oversight of the Authority's risk management framework. Risk management is carried out by the executive management. The executive management identifies, evaluates and monitors the financial risks in close co-operation with the operating units.

**i. Credit risk**

Credit risk principally arises from cash, trade debtors and investment in term deposits. The Authority places its cash and investment in term deposits with high credit quality financial institutions and limits the amount of credit exposure to any one financial in accordance with its treasury policy. The Authority manages its exposure to credit risk arising from trade receivables by performing credit evaluations on customers requiring credit.

Management practice is to review debtors on a regular basis and write off any amount that is not deemed to be recoverable as required. For the year ended 30 June 2023 no debtor balances were written off. The carrying value is the maximum exposure to credit risk for bank balances, trade debtor.

**ii. Liquidity risk**

Liquidity risk represents the risk that the Authority may not have the financial ability to meet its contractual obligations. The Authority's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Authority's reputation.

**iii. Operational risk**

Operational risk is the risk of loss arising from systems failure, human error, and fraud to external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial crisis. The Authority cannot expect to eliminate all operational risk, but through a control framework and by monitoring and responding to potential risks, the Authority is able to manage risks. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment procedures.



**SAMOA AIRPORT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$
<b>4. OPERATING INCOME</b>		
Departure tax - Faleolo airport	9,401,895	960,762
Handling services	8,281,800	-
Landing fees	3,612,299	627,350
Miscellaneous	341,410	389,100
Parking fees - motor vehicles	727,205	77,660
Oil levies	87,357	7,959
Rental	926,871	333,379
Electricity recovery	211,795	60,022
VIP operations	41,152	5,062
Water recoverable	1,947	583
Gain on foreign exchange	823	156
Safety & security levies	1,120,307	33,429
Lower airspace	240,622	51,892
Parking fees - aircrafts	91,086	2,711
License fee	7,502	-
Advertising commission	218,170	-
<b>Total operating income</b>	<b><u>25,312,241</u></b>	<b><u>2,550,065</u></b>
<b>5. EXPENSES</b>		
<b>i. ADMINISTRATION EXPENSE</b>		
Advertising	2,348	954
Bank charges	2,428	2,508
Insurance	1,102,574	1,070,211
Loan fee	100,000	-
Office expenses	8,565	3,706
Printing and stationery	95,248	65,068
Telephone, faxes and postage	194,834	141,179
General expenses	73,656	76,257
Penalty fee	500	100
	<b><u>1,580,153</u></b>	<b><u>1,359,983</u></b>
<b>ii. PERSONNEL EXPENSE</b>		
Board expenses	33,969	11,149
Salaries and wages	6,217,769	5,534,164
Donation	21,033	13,105
Training	5,760	2,070
	<b><u>6,278,531</u></b>	<b><u>5,560,488</u></b>
<b>iii. OPERATION EXPENSE</b>		
Allowanc for expected credit losses	1,383,460	46,126
Electricity	1,885,775	1,536,182
Fuel	283,344	135,299
Registration & licensing	57,931	59,147
Loose tools	840	-
Maintenance of aerodromes/compliance	671,540	238,609
Ministerial expenses	57,656	41,421
Professional fees	90,157	37,209
Repairs and maintenance - buildings	124,863	22,659
Repairs and maintenance - equipment	297,140	91,923
Repairs and maintenance - motor vehicle	183,525	79,032
Repairs and maintenance - furniture&fittings	2,567	-
Repairs and maintenance - fence	2,410	-
Safety gears	22,433	3,783
Supplies	81,291	132,907
Travel	196,239	3,137
Staff uniforms	60,781	6,402
Vehicle running expenses	34,729	24,770
VIP supplies	9,008	1,222
Water rates	17,985	16,254
Waste disposal	15,191	-
Loss on foreign exchange	1,342	312
Discount allowed	73,771	19,814
Interest on overdraft	141	-
Interest on loan	1,076,375	-
	<b><u>6,630,494</u></b>	<b><u>2,496,208</u></b>



**SAMOA AIRPORT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
<b>6. CASH ON HAND AND AT BANK</b>	<b>\$</b>	<b>\$</b>
Cash on hand	8,042,615	2,471,754
Petty cash	500	500
Term deposit	3,023,347	1,500,000
	<u>11,066,462</u>	<u>3,972,254</u>

The term deposit with the National Bank of Samoa Ltd are invested for a period of three months or less. The interest rates range from 3 to 5% per annum. There are no other term deposit in other banks.

**7. INVENTORIES**

Inventories represents supplies for the Authority's operations.	258,841	189,857
Supplies for Rescue Fire Services & Technical	<u>258,841</u>	<u>189,857</u>

**8. INVESTMENTS**

Mulifanua Beach Resort Samoa Ltd - formerly AGR(2.5 million shares)	2,735,000	2,735,000
Provision for impairment loss on investment value	<u>(1,660,000)</u>	<u>(1,660,000)</u>
	1,075,000	1,075,000
UTOS (1,061,349 units)	1,995,336	1,963,496
	<u>3,070,336</u>	<u>3,038,496</u>

**Mulifanua Beach Resort Samoa Ltd - formerly Aggie Grey's Beach Resort AGR(2.5 million shares)**

In 2003, the Authority acquired 1.5 million shares from the newly established Aggie Grey's Beach Resort Samoa Limited at a par value of \$1.00 per share. An additional 500,000 shares were acquired in December 2006 in exchange for 7 acres of land at \$1.00 per share. A further 500,000 additional shares were purchased in June 2013 for \$735,000 at \$1.47 per share for Aggie Grey's Beach Resort Samoa Limited.

The assessed fair value of the investment in these shares has been no movement from last year of \$1,660,000 which is taken to profit and loss through other comprehensive income, under an election by Management available under IRFS 9, which became effective from 2018. Cost is regarded as the best estimate of fair value as the shares are unquoted in a market.

**9. INTANGIBLE ASSETS**

	Intangible SAT\$
<b>Cost</b>	
1 July 2022	219,368
Additions	-
Disposals	-
At 30 June 2023	<u>219,368</u>
<b>Accumulated amortization and impairment</b>	
1 July 2022	118,500
Annual amortization	39,260
Disposals	-
At 30 June 2023	<u>157,760</u>
<b>Carrying amount</b>	
30 June 2022	<u>100,868</u>
30 June 2023	<u>61,608</u>

Intangible assets include the Authority's Website plan and the new assets management software for assets and assets maintenance.



**SAMOA AIRPORT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
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**10. PROPERTY PLANT & EQUIPMENT**

Cost	Land		Fagali		Runway		Fences		Furniture & fittings		Motor Vehicles		Buildings		Plant & equipment		TOTAL SAT\$
	SAT\$		SAT\$		SAT\$		SAT\$		SAT\$		SAT\$		SAT\$		SAT\$		
1 July 2022	20,504,925	-	-	-	116,482,747	-	825,859	-	1,199,943	-	5,039,544	-	145,979,570	-	29,908,400	-	319,601,048
Additions	-	1,583,943	-	-	-	-	-	-	-	-	615,652	-	136,902	-	587,027	-	2,923,524
Disposals/impairment	-	-	-	-	-	-	-	-	-	-	(288,804)	-	-	-	-	-	(288,804)
At 30 June 2023	20,504,925	1,583,943	116,482,747	825,859	1,199,943	5,944,098	146,116,472	30,155,487	322,813,376								
<b>Accumulated depreciation and impairment</b>																	
1 July 2022	-	-	12,610,837	576,438	974,910	4,331,789	29,047,300	26,743,286	73,684,600								
Annual depreciation	-	-	5,736,720	60,723	97,024	743,143	5,442,022	907,695	12,887,517								
Disposals	-	-	-	-	-	-	-	-	(288,804)								
At 30 June 2023	-	-	17,747,557	637,161	1,071,934	5,383,738	34,489,382	27,551,151	86,696,921								
<b>Carrying amount</b>																	
30 June 2022	20,504,925	-	104,471,910	249,421	225,033	707,795	116,932,210	2,825,194	245,916,448								
30 June 2023	20,504,925	1,583,943	98,735,180	188,698	129,009	586,264	111,627,090	2,684,336	235,982,455								

**Fagali Airport Development(Re-opening)**

Rehabilitation works of the Fagali airport runway and renovations to the terminal were completed and the airport was reopened on 29 May 2023. Extension of the runway remains to be completed as wider consultation and planning with other Government entities is required. The extension of the runway will include road closure of the east access road while the west ring road is widened to ensure safe passage of vehicles.

**11. TRADE DEBTORS**

Total debtors	2023	2022
	\$	\$
	5,448,340	2,402,227
Less: Allowance for expected credit losses	(3,525,691)	(2,142,231)
<b>Net debtors</b>	<b>1,922,649</b>	<b>259,996</b>

Allowance for expected credit loss

The ageing of debtors and allowance for expected credit losses provided for above are as follows

	Expected Credit Loss Percentages	Carrying Amount	Expected Credit Loss Allowance
0 - 30	5%	2,788,042	139,402
31 - 60	10%	132,438	13,244
61 - 90	20%	617,364	123,473
90+	50%	59,717	29,859
Fully reserved - lifetime expected credit losses	100%	3,219,713	3,219,713
		<b>6,817,273</b>	<b>3,525,691</b>



**SAMOA AIRPORT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
<b>11. TRADE DEBTORS (cont..)</b>		
<i>Movements in allowance for expected credit losses as follows:</i>	<b>\$</b>	<b>\$</b>
Balance at beginning of the year	2,142,231	2,096,105
Additional provision recognised	13,687	46,126
Balance at year end	<u>2,155,918</u>	<u>2,142,231</u>
<b>12. OTHER DEBTORS AND PREPAYMENTS</b>		
Samoa National Provident Fund (SNPF)	40,784	-
Interest receivable	-	7,644
Ministry of Finance (MOF)	50,699	100,699
Provision for doubtful debts - other debtors	(80,733)	(47,593)
	<u>10,750</u>	<u>60,750</u>
<b>13. OTHER CREDITORS &amp; ACCRUALS</b>		
Audit fees	51,047	49,791
Dividend payable - 30 June 2023	899,421	-
Other creditors	587,704	148,164
Provision for annual leave	199,894	191,804
	<u>1,738,066</u>	<u>389,559</u>
<b>14. LONG TERM LOAN</b>		
(i) Short term portions - UTOS loan	1,011,360	-
Long term portion - UTOS loan	9,490,775	8,500,000
	<u>10,502,135</u>	<u>8,500,000</u>

A Government guarantee was approved by Cabinet FK(21)13, dated 31 March 2021 in respect of the Authority's loan request from UTOS for assistance to ensure business continuity. A twelve (12) month grace period will commence from the date of the first disbursement in November 2021.

Total Loan		10,000,000	
Monthly repayment		84,280.00	
Loan period		20 years	
First Disbursement	Nov 2022	7,000,000.00	
Second Disbursement	May 2022	1,500,000.00	
Final Disbursement	August 2022	1,500,000.00	
		<u>10,000,000.00</u>	
(ii) Loan - World Bank (SAIP)		44,407,438	44,407,438
		<u>44,407,438</u>	<u>44,407,438</u>

The loan of USD\$16 million that funded part of the SAIP project will be paid by the Authority (SAA) while the USD\$25 million, in terms of grants is treated as deferred income in the books of the Authority. The SAIP project included a new runway overlay, taxiways, apron and communications equipment. The percentages represent the percentage of the principal amount of the credit to be repaid, excepts as the Association (SAIP) may otherwise specify pursuant to section 3.03(b) of the general conditions.

Date Payment Due	Principal Amount of Credit Repayable
On each February 15 & August 15:	
Commencing August 15, 2026 to and including February 15, 2036.	1%
Commencing August 15, 2036 to and including February 15, 2056.	2%



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	2023	2022
	\$	\$
<b>15. DEFERRED INCOME</b>		
Opening balance	176,209,106	115,181,455
Additions	-	71,725,233
Less: amortization for the year	(8,904,451)	(10,697,582)
<b>Ending balance</b>	<b>167,304,655</b>	<b>176,209,106</b>
Current portion	8,904,451	10,522,186
Non-current portion	158,400,204	165,686,920
	<b>167,304,655</b>	<b>176,209,106</b>

The loan that funded the terminal building project built by Shanghai Construction Group is paid by the Government of Samoa and is treated as deferred income. The timeframe for construction was over a period of 3 years, with the first phase completed in 2017, phase 2 in April 2018 and phase 3 in May 2019. The new terminal and associated buildings was built under a loan agreement between the Government of Samoa and the People's Republic of China. The assets have an estimated useful life of 40 years and are depreciated using the straight line method. Deferred income is amortized on a basis consistent with useful life of class of assets, from 5 to 40 years.

The loan of USD\$16 million that funded part of the SAIP project will be paid by the Authority (SAA) while the USD\$25 million, in terms of grants is treated as deferred income in the books of the Authority. The SAIP project included a new runway overlay, taxiways, apron and communications equipment. The runway has an estimated useful life of 20 years and are depreciated using the straight line method. Deferred income is amortized on a bases consistent with useful life of class of assets, from 5 to 20 years.

**16. RELATED PARTY TRANSACTIONS**

The remuneration of key management personnel are determined by Cabinet and the Board. Key management personnel include the Board of Directors, General Manager, Assistant GM of Manager Corporate Services, Internal Audit, Works & Technical, Aerodromes, Air Traffic & Rescue Fire Services and Legal Advisor.

Directors and executive management compensation;

**(i) Directors**

The directors of the Authority, during the period are;

Ielataua Isikuki Punivalu	Chairman
Leasi Galuvao	Member
Tina Sali	Member
Clare Lecta	Member

The directors fees, benefits and board expenses paid during the year, is \$132,167 including sitting allowances.

**(ii) Board costs**

Board of Directors expenses are as follows;

	2023	2022
	\$	\$
Directors fees	98,198	104,517
Boards expenses	33,969	11,149
	<b>132,167</b>	<b>115,666</b>

**(iii) Remuneration of key management personnel are as follows;**

General Manager	123,794	123,794
Previous – Manager Finance & Commercial	100,777	100,777
Current – Manager Corporate Services	90,064	
Manager Human Resources & Support Services	97,219	97,207
Manager Quality Assurance	97,219	97,207
Manager Aerodromes	90,064	-
Manager Aeronautical Services	93,641	90,067
Manager Security Services	97,219	97,207
Legal Advisor	97,219	93,637
	<b>887,216</b>	<b>699,896</b>



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	2023	2022
<b>17. SAMOA AVIATION ROAD INVESTMENT PROJECT (SARIP)- WORLD BANK</b>	<b>\$</b>	<b>\$</b>
Opening balance	25,435	25,435
Plus: Payment made by SAA the Authority	<u>354,356</u>	<u>-</u>
	379,791	25,435
Less: Reimbursement from Ministry of Finance	<u>-</u>	<u>-</u>
	<u>379,791</u>	<u>25,435</u>

This relates to the World Bank funded project referred to in Note 19 and the refundable amounts of eligible expenses.

**18. CONTINGENT LIABILITIES**

The directors are not aware of any contingent liability of the Authority as at 30 June 2023. (2022-Nil)

**19. CAPITAL COMMITMENTS**

At the time of the audit, the Authority have 1 major project which is the Samoa Aviation & Roads Investment Project in progress. The SARIP is in very early stages of implementation involving the procurement of the project support team. To that end, the Project Manager was contracted in April 2023 whilst the Procurement and Project officers commenced their contracts on 29 May 2023. The remaining consultant, Project Accountant is due to start on 1 July 2023.

**20. CAPITAL - GOVERNMENT CONTRIBUTIONS**

Assets transferred to the Authority	53,567,663	53,567,663
Government contribution to the upgrading of Faleolo airport	9,132,633	9,132,633
Government contribution to the upgrading of Faleolo airport (loan capitalization)	<u>30,750,788</u>	<u>30,750,788</u>
	<u>93,451,084</u>	<u>93,451,084</u>

The Government, by way of a Cabinet Directive, (F.K(12) 14) dated 4th April 2012, approved the additional capitalization of the Authority's term loan at 30 June 2011 amounting to \$30,750,788.09. The capitalization subsequently increases Government's contribution from \$62,700,296 to \$93,451,084.

**21. SUBSEQUENT EVENTS**

The directors and management are not aware of any matters or circumstances not otherwise dealt with in the financial statements that has or may significantly affect the 2023 accounts of the Authority. The outbreak of COVID-19 has hit the operation of the authority and lead to a huge fall of it revenue more than 90% but will slowly recover due to COVID 19 restriction been lifted.

**22. APPROVAL OF FINANCIAL STATEMENT**

These financial statement were approved by the Board of Directors and authorized for issue on the date the accounts were approved and signed by Directors.

