



**ACCIDENT COMPENSATION CORPORATION
FAALAPOTOPOTOGA O TAUI MO FAALAVELAVE FAAFUASEI**

ANNUAL REPORT

2018

**Level 5, ACC House, Apia Samoa
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ACCIDENT COMPENSATION CORPORATION

Legal Basis:

Accident Compensation Act 1989 (Principal Act),

Accident Compensation Amendment Act 2003, and

Accident Compensation Amendment Act 2009

Vision:

To create a sustainable accident compensation scheme and to be more responsive to the needs of the scheme beneficiaries.

Mission:

The Corporation will take the leading role in the reduction of social, economic and physical impact of accidents covered under the ACC mandate through:

- Safety Promotion
- Rehabilitation
- Compensation Claims

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GOVERNMENT OF SAMOA

**OFFICE OF THE MINISTER
MINISTRY OF PUBLIC ENTERPRISES**

MINISTRY OF COMMERCE, INDUSTRY AND LABOUR, MINISTRY FOR PUBLIC ENTERPRISES, SAMOA LAND CORPORATION,
AUDIT OFFICE, SAMOA HOUSING CORPORATION, ACCIDENT COMPENSATION CORPORATION, SAMOA BUREAU OF
STATISTICS, SAMOA SPORTS & FACILITIES AUTHORITY, POLYNESIAN AIRLINES.

31st October 2018

Hon. Leaupepe T. Toleafoa Faafisi
Speaker of the House
Legislative Assembly of Samoa
MULINUU

Dear Hon. Speaker,

Subject: ACC ANNUAL REPORT 2018

I am pleased to submit the Annual Report of the Accident Compensation Corporation of its proceedings and operations for the Year ended 30th June 2018 together with its Audited Accounts for the year and the report of the Audit Office on those accounts.

This Annual Report is submitted in accordance with Section 8 of the Accident Compensation Act 1989 and Section 23 of the Public Bodies (Performance and Accountability) Act 2001.

Ma le faaalalo.

A handwritten signature in black ink, appearing to read 'Lautafi Fio Selafi Purcell'.

Lautafi Fio Selafi Purcell
MINISTER OF PUBLIC ENTERPRISES

1. CHAIRPERSON'S REPORT



On behalf of the Board of Directors of the Accident Compensation Corporation ("Corporation"), I am pleased to present the Annual Report for the year ended 30th June 2018. It was a positive year and I have enjoyed being part of the dynamic team of Directors who have assisted in providing effective decision making for the Corporation. During the Financial Year 2017–2018, the Corporation has successfully addressed the commitment to the key functions of the Corporation as stipulated in the Accident Compensation Act 1989, and its Amendments of 2003 and 2009 as follows.

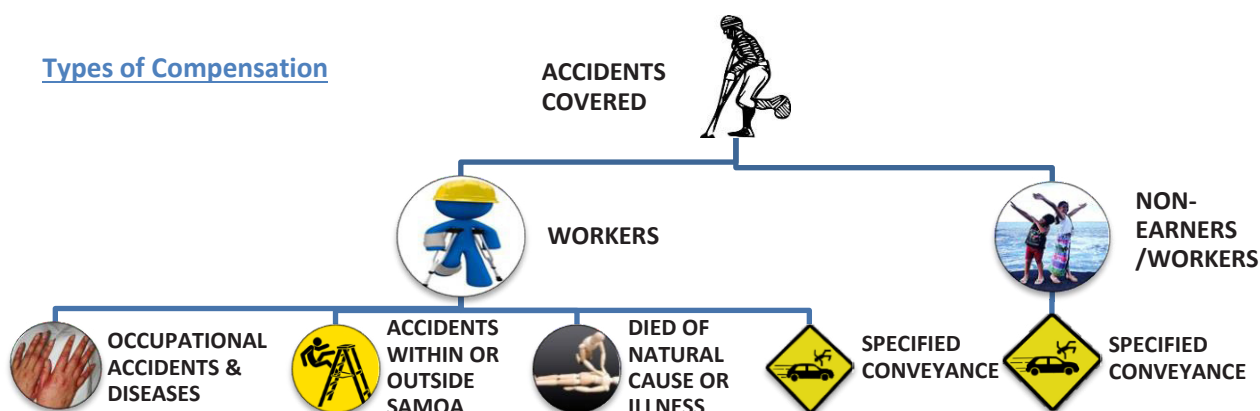
1.1 Principal Activities and Performance of the Corporation

Principal Activities:

The Accident Compensation Act 1989, the Accident Compensation Amendment Act 2003 and the Accident Compensation Amendment Act 2009 stipulate the principal activities of the Corporation as:

- making provisions for the general safety and the prevention of accidents;
- the rehabilitation and compensation of workers who suffer personal injury by accident arising out of and in the course of their employment; or
- the rehabilitation and compensation of workers who contract certain occupational diseases, and suffer personal injury by an accident occurring in connection with the use of certain types of conveyances; and
- compensating certain dependents of those workers and persons where death results from the injury

Types of Compensation



Occupational Accidents & Diseases: Workers Only	These are caused from work-related accidents or diseases. A worker receives 70% of gross wage when worker goes on leave without pay. If worker dies, full or partial benefits to dependents for 5 years but not exceeding \$1,000 per week + a funeral grant of \$4,000 tala.
Accidents Within or Outside of Samoa: Workers Only	If worker is on duty travel on leave with pay up to the time of an accident, the worker is entitled to 70% of gross wage but not exceeding \$1,000 per week.
Died of Natural Cause: Workers Only	Workers that died of a natural cause or from a non-accident incident receives a Special Payment of \$4,000 tala.
Specified Conveyance: Workers Only	When worker dies, a death lump sum of \$20,000 (max) if there is a dependent or \$16,000 (max) if no dependent plus a Funeral Grant of \$4,000 tala.
Specified Conveyance: Non Workers and Non-Earners	Max of \$20,000 tala or weekly death compensation to dependants for 5 years or \$16,000 weekly death compensation to dependants for 5 years plus a funeral grant of \$4,000 tala

There are other benefits such as a care living allowance, a mobility allowance, a weekly payment to a spouse of an employee if the spouse is a non-worker and the employee is incapacitated from injuries caused by a specified conveyance accidents; payment of artificial limb and aid; payment of overseas treatments on special case where the injured cannot be treated locally but the service is readily available outside of Samoa is maximized at \$150,000.

The accident compensation scheme is financed by:

- i. levy paid by employers at 1% of gross wages salaries paid to workers
- ii. levy at 1% of workers' gross salaries and wages deducted and paid by employers
- iii. fuel levy of 5 sene per gallon of fuel imported and used in propelling specified conveyances

Performance:

- i. An increase of 16.8% in occupational and work related accidents with three fatalities this financial year compared to no fatalities in the last financial year.
- ii. A reduction of 22% in the number of workers that died of natural cause or illnesses that were not accident related.
- iii. There were 50 recorded specified conveyance accidents caused by motors vehicles. A reduction of 24% when compared to the last Financial Year.
- iv. The number of deaths caused by motor vehicles remains at 17 with a reduction of 36% in the number of injuries when compared to the last Financial Year.
- v. There was an increase in compensation claims by 1.1%.

1.2 Capital and Dividend information

Overview of Operating & Financial Performances

- i. The Corporation has generated a surplus of \$13.9 million in this financial year which ascertains the strong position of the scheme as a financial sustainable one.
- ii. The Corporation has legal obligations towards its members through payment of compensations to beneficiaries and therefore cannot be required to pay any form of dividend to the government.

1.3 Board of Directors: July 2017 – June 2018

The Board of Directors meets once a month to approve compensation claims, monitor financial progress, project status and staff performances.

- i. Chairperson – Leo’o Dr. John Tautalatasi Adam
- ii. Members: – Pulotu Lyndon Chu-Ling, Chief Executive Officer, Ministry of Commerce, Industry and Labour
– Te’o Richard Faai’uaso,
– Su’a Donald Leumagā Chan,
– Su’a Ross Neufeldt,
– Foma’i Lei Sam,
– Naomi Malaeulu
– Muliagatele Makelita Matafeo, General Manager of the Corporation.

1.4 Community Service Obligations (CSO)

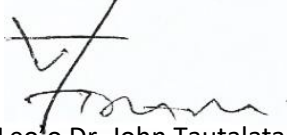
- i. Promotion of workers’ health and safety in workplaces, and other environments.
- ii. Investigation and promotion of safety in the use of specified conveyance by all people.
- iii. Monitoring rehabilitated clients who are victims of accidents.

- iv. Facilitate early return of rehabilitated victims to maximum earning capacity or living a near normal life.
- v. Administer the Fugalei Market property for the public to sell food crops, fruits and vegetables, handicrafts, offer services such as ATM machines from Samoa Commercial Bank and Bank South Pacific as well as the Bluesky Samoa booth and Samoa National Lotto outlets.

For the year under reporting, I am pleased to note that the Corporation has achieved goals and objectives stated in its Statement of Corporate Intent and in accordance with the Corporation legislation as expected of Directors under the Public Bodies (Performance & Accountability) Act 2001 and the Companies Act 2001 as well as Cabinet Directives.

Thank you to all employers for achieving the objectives of the legislation through statutory payments towards accident compensations and for reporting accidents within their workplaces in addition to ensuring that these accidents do not repeat. Thank you also to the Ministry of Police in notifying accidents on time and to all the doctors for the clear reports on victims of accidents.

It has been a good year with achieved targets and some completed projects and I thank Muliagatele Makelita Matafeo, the General Manager of the Corporation and her staff for the work reported this financial year.



Leo'o Dr. John Tautalatasi Adam

Chairperson

ACC BOARD OF DIRECTORS

2. GENERAL MANAGER'S REPORT



The Accident Compensation Act 1989 and its Amendments of 2003 and 2009 stipulates the mandates of the accident compensation scheme. The accident compensation scheme is a no-fault social insurance scheme, meaning, it compensates accident victims without assigning blame or without determining who is responsible for the accident. It provides specific areas of cover and entitlement based on the cost of providing those entitlements. The scheme is characterized by an integrated and cost effective approach to prevention, compensation and rehabilitation.

The 2017 – 2018 Financial Year continued to create a sustainable accident compensation scheme as well as being responsive to the needs of the scheme beneficiaries. We are committed to reducing social, economic and physical impact of accidents through assistance offered for safety promotions and preventions conducted by the Fire and Emergency Services Authority; the Land Transport Authority and the Occupational Safety and Health with the Ministry of Commerce, Industry and Labour. The scheme also supports rehabilitation approaches to help people get back to work and to respond to compensation claims on a timely manner.

I am pleased that the Corporation has once again reached another milestone that guarantees the long-term future safeguarding the scheme during turbulence periods in life of a worker, and life of a person involved in specified conveyance accidents. The Corporation will continue with the same commitment towards a sustainable accident compensation scheme and to be more responsive to the needs of the scheme beneficiaries. Other sources of income although these are not statutory functions but are very crucial in providing additional revenue for the Corporation includes its investments in its five storey building ACC House and the two storey building known as ACC Complex, the operation of the fresh fruits and crops Market at Fugalei. The newly built Food Court and other new projects for the Market to attract more people to the services offered at the Market.

Furthermore, we are exploring avenues to broaden the mandate of the Corporation. To achieve this is to increase investment in order to offer job opportunities to our people. Having more people in the workforce with steady salaries means they are covered 24 hours, seven days under the accident compensation scheme. We are also working towards other exciting changes such as investing in digital channels for our customers, refining the way we partner with our providers, and improving client rehabilitation needs. The rehabilitation wheelchair accessible van was purchased to cater for the needs of the 79 rehabilitated clients. The Board of Directors was also introduced to electronic meetings using laptops, sending documents via emails and flash-drives.

I cannot limit work to 40 hours per week as there needs to be a debt facility to recover unpaid levies, introduce online payments, draft memorandums to link data from the Ministry for Revenue, give businesses a clearer picture of what is driving levies and support them to develop it. There is a need to link workplace injuries and health workers, offer more effective injury prevention systems and assist on improving services for injured people and health providers, share information and forge partnerships at a government level.

It is a dream, and it can be a reality within the next three years. May your journeys be a safe one.

Muliagatele Makerita Matafeo

GENERAL MANAGER

2.1 Highlights of the Year

Highlights:

The percentages identified below are compared to the percentages in the Financial Year 2016–2017.

- i. A 20% reduction in the number of injuries to workers after hours.
- ii. A 33.3% reduction in the number of fatalities to workers after hours.
- iii. A 41.7% reduction in the number of injuries to workers caused by motor vehicles.
- iv. A 43.3% reduction in injuries to non-workers and non-earners caused by motor vehicles.
- v. Four rehabilitated clients have returned to work after undergoing their rehabilitation programs and medical treatments which had their injuries from accidents healed.
- vi. A wheelchair access vehicle was purchased for the purpose of transporting our 79 rehabilitated clients to and from their appointments.
- vii. An improvement of 86% rate in processing accident claims within three days due to the awareness of employers, police and doctors on the compulsory documents for processing accident claims. The recruitment of two new staff also assisted in investigations and payment processes.

Associated Achievements:

- i. The Public Service Day in September 2017 had honored and recognized the long services of two Management staff.
 - Mr. Ta'uo Mulifusi Togafau, Manager Safety Promotion and Rehabilitation received the Award for his 32 years of service with the Accident Compensation Corporation (1985–2017).
 - Mr. Tauloa Lui Auvae, Manager Claims and Investigation received his Award for 40 years of service. 10 years as a Senior Constable Officer, Ministry of Police (1976–1986) and 30 years as the Manager of Claims and Investigation (1986–2017).
 - Ta'uo and Tauloa are still serving the Government of Samoa as Managers of the Corporation.
- ii. The General Manager led the Partnership in Development talk with ACC NZ. The top priority of this visit was to secure staff development in terms of skills, knowledge and abilities in the work of accident compensation, safety promotion activities and investment to name a few.
- iii. The Corporation became a member of the Samoa National Tripartite Forum as per Cabinet Directive in October 2017. The Forum plays an advisory, consultative and investigative role in employment and labour matters. The Corporation consults on industrial, economic and social policies that have impacts on employees' employment security and working conditions.
- iv. This Financial Year also had the re-appointment of Muliagatele Makelita Matafeo as the General Manager of the Corporation for the next three years.



Key Issues:

- i. Non-compliance of employers in paying levies has been an ongoing issue. The Corporation has strengthened measures to ensure that employers comply with this statutory deduction.
- ii. There are still a number of unreported accidents by stakeholders such as employers and the Ministry of Police in the expected timeframe of five days from the date of the accident as stipulated in the legislation.
- iii. Failure to produce the required documents for processing compensations on time has prolonged cases that were required to be settled within three days.
- iv. A significant number of visitations are being conducted to all injured clients who are compensated via bank accounts to ensure that they are recovering from their injuries. These visitations confirm clients who are able to return to work and those still in the scheme.

2.2 Overview of Operating Performance and Results for the Year

- i. There were 265 new compensation claims received compared to 262 handled in the 2016-2017 period. It shows an increase of 1.15% and this number is categorized in the below table.

Types of Accidents and Coverage	2017-2018		2016-2017	
	Injuries	Fatalities	Injuries	Fatalities
Occupational Accidents and Diseases	108	3	95	NONE
Accidents within or outside Samoa (After Hours)	24	4	30	6
Died of Natural Cause /Illness		59		48
Specified Conveyance – Workers	7	1	12	1
Specified Conveyance – Non Workers/Non-Earners	26	16	45	16
Non Accident Claims	17		9	

- i. Occupational accidents and diseases are those that were affected during working hours. An increase of 13.7% when compared to the last Financial Year.
- ii. Accidents to workers after hours or outside of Samoa have decreased by 20%.
- iii. Workers that died of natural cause or non- accident related has increased by 22.9%.
- iv. Accidents to workers caused from the use of specified conveyance decreased by 41.7%
- v. Accidents to non-workers and non-earners caused by specified conveyance was decreased by 42.2% however the number of deaths remained at 16.
- vi. There are nine new accident victims referred for long term rehabilitation support. However, four rehabilitated clients have returned to work. This has reduced the number of rehabilitated clients from 79 to 75 in the rehabilitation program to date.

2.3 Financial Performance & Financial Results for the Year

- i. The rate of increase of 9% in net surplus for 2017-2018 derived from the significant increase in interest revenue from deposits, interest revenue and exchange gained from the Government Canberra High Commission Office and the increase in revenue from the ACC Complex is indicative of a full year operation since its acquisition in April 2017. All other business activities (including levies) held during the year remained constant.
- ii. The Government Canberra High Commission project funded by ACC at 5% for a period of 20 years marked a new income stream for this year.
- iii. The employers and employees levies of \$10.8 million were the major sources of revenue which represented 54% of total income. The slight increase of levies collected by 3% represented the net growth in the number of new businesses registered and old ones de-registered from the scheme from 1,105 in July 2017 to 1,202 in June 2018.
- iv. The marked increase in funds invested as opposed to the constant market average interest rates for deposits at Commercial Banks of 6% in 2018 contributed in the significant increase in the total interest revenue which eventuated to 26% of total income.

Income from Levy:

Table 2: Levy collected for the years 2014 – 2018

Financial Year	Employees/ Employers Levy (\$)	% Employees/ Employers Levy- Growth Rate	Fuel Levy (\$)	Fuel Levy Growth Rate %	Total Levies (\$)	Total Levies Growth Rate %
FY 2018	10,855,068	2.66%	728,236	3.09%	11,583,304	2.76%
FY 2017	10,566,252	1.64%	705,700	4.28%	11,271,952	1.80%
FY 2016	10,395,404	8.93%	676,711	(2.01%)	11,072,115	8.19%
FY 2015	9,542,848	3.12%	690,660	23.41%	10,233,508	4.61%
FY 2014	9,254,000	3.70%	529,000	(17.47%)	9,783,000	2.28%

Table 2 illustrates that the levies for employers and employees in 2018 has increased by 2.66%. The slight movement represents the net growth of businesses registered and de-registered under the Scheme. There was neither a general salary increase across the government nor any increase in the ACC levy during the year.

Compensation Expenditure:

Compensations and safety promotional costs are core responsibilities of the Corporation. These are beyond the Corporation's control in terms of timing and amounts involved. The Scheme therefore will always be vigilant in ensuring that adequate funds are available when payments are needed.

Table 3: Expenditures on compensations, rehabilitation and safety promotion from 2014 – 2018

Financial Year	Loss of earnings \$	Death Benefits \$	Permanent Injuries \$	Medical expenses \$	Rehabilitation & Safety Promotion \$	Total \$
FY 2018	131,086	1,133,276	27,079	18,179	271,290	1,581,540
FY 2017	133,515	1,038,181	15,444	50,836	102,715	1,340,691
FY 2016	201,510	1,080,161	68,623	129,185	441,695	1,921,174
FY 2015	264,967	644,114	9,694	42,341	239,109	1,200,225
FY 2014	264,637	1,086,780	20,281	67,151	26,475	1,465,325

As illustrated in Table 3, the trend of compensations cannot be determined at any standard rate because of the unpredictable nature of these costs. The only contribution by the Scheme towards controlling these expenses is through the continuation of safety promotions and awareness programs. During the year the amount of not less than half a million has been provided for Safety Promotion. Part of these costs is grants to certain Authorities who are in partnership with the Corporation in promoting safety.

2.4 Progress with implementing the Corporate Plan for the year

The major objectives as per Corporate Plan in order to realize the vision and mission of the Corporation are mainly ongoing activities. Of such include being proactive in the promotion of safety and rehabilitation measures, timely response to the needs of the scheme beneficiaries, and an affordable levy contribution for a sustainable compensation scheme.

Board of Directors:

Board meetings were held once a month to make decisions on the scheme beneficiaries in-line with the Accident Compensation Act 1989 and its amendments 2003 and 2009 as well as their mandates as set out in the Public Bodies Act (Performance and Accountability Act) 2001, the Public Finance Management Act 2001, the Corporation Policies as well as Cabinet directives.

Corporation Progress:

Compensation Claims:

- i. To ensure speedy settlement of all claims and timely payment of compensation entitlements to the injured and dependents of the deceased within five days.
 - a. Of the 265 claims received this Financial Year, 234 claims were processed and settled within three days as per set goal in the Corporate Plan. The other 31 claims were settled between 4 to 21 days due to the delay in submitting supporting documents such as Police reports, medical reports and or employer reports.
 - b. The improvement in settling cases is due to the submission of the required documents to process claims as well as the recruitment of two new staff to assist in the investigation of claims.

Safety Promotion:

- ii. To improve awareness and sense of responsibility among workers and employers for health and safety and in the use of specified conveyances, resource and information provider to relevant stakeholders.
 - a. Awareness on the Scheme Benefits was conducted to eight private businesses. These were Lucia's Lagoon Chalet, Rosalote's Guest Fales, Satuiatua Beach Resort, Tui ma Masi Retzlaff, Ah Fook Co Ltd, Discount Building Appliances, Rowlens Financial Services, and Jet Over Hotel.
 - b. There were eight invitations attended to for Career Days and Awareness Days organised by the Samoa Qualifications Authority, Public Service Day, Ministry of Agriculture and Fisheries Awareness, Road Safety Day, Ministry of Commerce, Industry and Labour Awareness Day, World Occupational, Safety and Health Day, Samoa Primary School and the University of the South Pacific Open Day.
 - c. Partnership with MCIL has led to workplaces inspected on OSH matters. These were to the Samoa National Health Services, National University of Samoa including the Oceania University of Medicine and School of Maritime, Ministry of Agriculture and Fisheries as well as the John Williams Building, Tamaligi.
- iii. Trends in the Number of Accidents that occurred during this Financial Year is presented below in order to monitor the Corporation's real performance outcome of safety promotion and rehabilitation efforts.
 - a. Figure 1 illustrates the number of specified conveyance accidents that occurred which shows a decrease of 8.3 percent. The severity of these 44 accidents has led to 69 injuries and 20 deaths. The major cause for the deaths on our roads, is the carelessness of road users especially the drivers through speeding and driving under the influence of alcohol. Reversing into infants is increasing and everyone has a duty to care and watch for these preventable accidents.

FIGURE 1

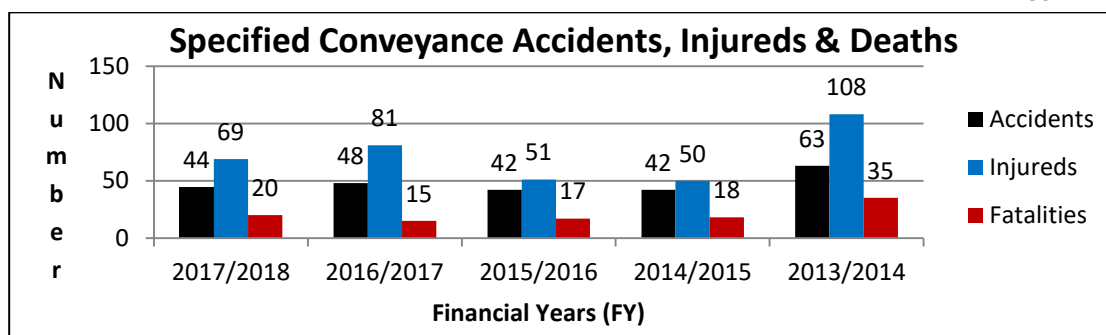
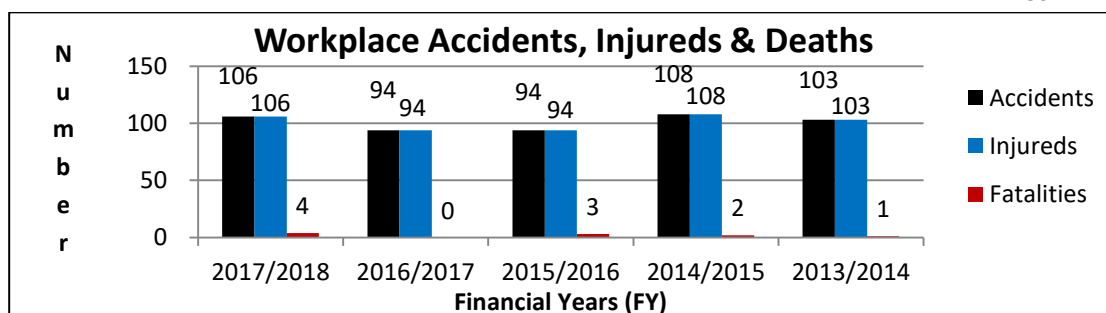
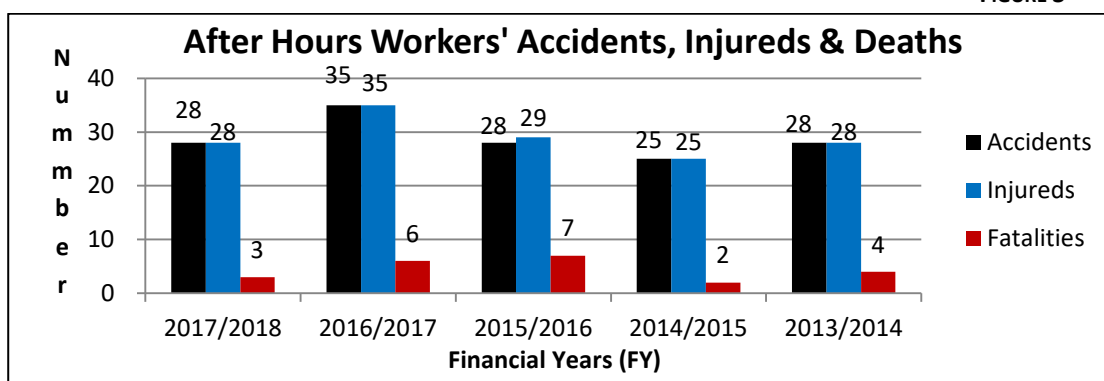


FIGURE 2



- iv. Figure 2 illustrates the trend of workplace accidents and injureds that occurred but some were not necessarily entitled for accident payments. Most of these workers were back to work before their sick leave or annual leave were fully utilized. The increasing number of deaths from workplaces sends a message to all employers as well as employees to be alert and put Safety First.

FIGURE 3



- v. Figure 3 recorded accidents occurring to workers after normal working hours. After hours deaths decreased by 50 percent but the cause were from recreational activities.

Rehabilitation Services:

- vi. This financial year showed an increase in the number of accident victims referred for long term rehabilitation support and assistance when compared to the previous financial year

TABLE 3

DISABILITIES	TOTAL IN 2012/13	FINANCIAL YEARS					TOTAL TO DATE
		2013/14	2014/15	2015/16	2016/17	2017/18	
Amputees	22	2		1			25
Paraplegics	20	(1)	1			2	23
Mental Damage	9	1				2	12
Hearing Loss	3						3
Loss of Eye Sight	3						3
Fractured Lower Limbs	5				4	3	12
Multiple Disabilities						1	1
TOTAL	62	3	1	1	4	8	79

Note: (1) Client passed away this Financial Year.

- vii. The program now has a 57% increase in case referrals for long term rehabilitation.
- viii. There are four (4) rehabilitated clients that have resumed work after undergoing their rehabilitation programs and medical treatments as well as the injuries sustained from the accidents have been stabilized.

Human Resource Capacity:

- ix. In the development of staff skills, knowledge and abilities, ACC NZ accepted an invitation for ACC Samoa to discuss Partnership in Development. The General Manager, Muliagatele Makelita Matafeo led the delegation that met with the Head of Government Engagement and Support of the Accident Compensation Corporation New Zealand at their Headquarters in Wellington. The development of human resources was top priority and arrangements are underway to build capacity of our local staff in claims and investigation, injury prevention, safety promotion, rehabilitation services, investment, levy collection and information technology. This is an effort to improve our staff development so our people can receive better information, achieve their objectives and enhancement of staff morale.



Muliagatele Makelita Matafeo
[General Manager ACC Samoa],
Ms. Michala Beacham
[Head of Government Engagement &
Support ACC NZ] & Mr. Owen Thornber

- x. Several capacity building trainings offered by the Public Service Commission in which staff attended. These half day weekly trainings included Workforce Planning Training, Human Resource Management Training, Effective Business Writing, and Customer Service Training.
- xi. There were two officials from this Corporation, Alice Faasoo and Fagalima Tuatagaloa that were invited by the Ministry of Foreign Affairs and Trade to become Liaison Officers during the Pacific Islands Forum Leaders Meeting held in Apia from the 4–8 September 2017.

2.4.1 Changes to the Corporate Plan 2017 – 2020

- i. Operational work of the Corporation remained as planned in terms of performing its activities to achieve its core functions through promotion of safety at workplaces, schools and communities, serving the public through processing claims received for compensations and attending to the needs of the rehabilitated clients.
- ii. There were changes to the Structure of the Corporation in terms of additional positions for staff recruitment to assist with the work of the Corporation within its various Divisions. Two new employees to the Claims and Investigation Division, three new employees to the Safety Promotion and Rehabilitation.

2.5 Capital Expenditure and Projects for the Year

These were the capital projects carried out with payments made during the year:

- i. ACC House – generator (partial payment \$106,983.70). One payment remaining recorded in the next financial year.
- ii. The improvements for the Fugalei Market include the:
 - Food Court valued at \$1,094,429.73
 - Water tanks for lavatories at the Market valued at \$19,392.50
 - Market improvement is valued at \$30,016.61. These improvements include fixing lights at the bus stop and fixing leakage from the main market roof.



2.6 Outlook for Next Year

2.6.1 The overall level of business activity expected and identify whether this differs from the assumptions used when preparing the Corporate Plan 2017-2020

The overall level of business activities outlined in the Corporate Plan 2017-2020 is currently running in accordance with its timeframe. The following are some of the business activities that the Corporation identified to be executed:

- i. The level of business activities is expected to increase with the number of projects to be conducted for the market as well as maintenance of the ACC Building during the Corporate Plan period as per list below:
 - Renovation of the Car Park on Level 2 of the ACC House
 - Resealing of the alucobond that surrounds the ACC House
 - Construction of shops at the allocated space at the Fugalei Market
 - Construct an extension to the market to reduce inside the Market building

2.6.2 Summarise the reasons for possible changes in future business activity and comment on their importance

- i. The possibility of attaining other avenue or outlets by which levy collection is made easy and accessible by all ACC registered employers both in Upolu and Savaii.

- ii. The possibility of accessing other investment opportunities for the sole purpose of obtaining higher returns to compensate our clientele and/or unforeseen major calamity.
- ii. Increase in the number of workshops for safety and rehabilitation and other media options such as the use of advertisements on television. This may increase awareness on safety matters and reduce the number of accidents and rehabilitation referrals.

2.7 Future risks and uncertainties

2.7.1 Natural Disasters:

- i. Natural disasters like fire, cyclones, tsunami and more are major risks associated with the Corporation's main functions and coverage which have material effects on the Scheme's financial side if more victims are affected.
- ii. To minimise the possible effects of these risks the Corporation has insured all its properties like ACC Building, Fugalei Market and Motor vehicles to adequately cover these assets.
- iii. Moreover, the Corporation continues to build its financial capacity to adequately cover all the victims affected should any major disaster occur.

2.7.2 Market & Business Risks:

- i. The Corporation is vigilant and attentive of the banking industrial trends and information to constantly review the status of the financial market.
- ii. Revenue and Debt collections also form part of those risks. To alleviate the problem, the Corporation must start court proceedings for the non-compliance employers.
- iii. The expansion of the accident compensation scheme is a current focus of the Corporation. To achieve this is to increase its investment opportunity in potential projects that will provide great returns for financing compensation and operational needs, increase job opportunities for our people, investment opportunities, increase the awareness on the benefit of the scheme to all workers, and increase safety awareness programs to schools, to businesses, and the public in order to prolong lives from an accident free Samoa.

2.8 Community Service Obligation implementation

- i. The wheelchair access van was purchased for the purpose of transporting the 75 rehabilitated clients of the accident scheme to their medical appointments.
- ii. There is a community service of making people aware of what the Corporation's mandate is about as well as an obligation to financing road safety awareness as everyone is covered under this type of accident.
- iii. The Corporation administers the Market at Fugalei. It offers 500 tables for selling fresh fruits and vegetables, 100 flea market spaces, 80 open spaces for selling crops, 20 spaces for stores and services. There are 9 restaurants offering a variety of cuisines at the Food Court. A Bluesky kiosk, automatic teller machines by the Samoa Commercial Bank and the Bank South Pacific as well as an





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 – ACCIDENT COMPENSATION CORPORATION

Audit Opinion

We have audited the accompanying Financial Statements of the Accident Compensation Corporation which comprise the Statement of Financial Position as at 30 June 2018, the Statements of Income and Expenditure, Changes in Equity and Cash Flows for the year then ended, a Summary of Significant Accounting Policies and Other Explanatory Notes. The Accounting Firm of Ah Chong, Chartered Accountants, assisted in the audit. The Engagement Partner on the audit resulting in this Independent Auditor's Report is Su'a Rimoni Ah Chong.

In our opinion, the financial statements give a true and fair view of the financial position of the Accident Compensation Corporation as at 30 June 2018, and of its income and expenditure, changes in equity and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the Accident Compensation Corporation 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, 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 Corporation'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, with the agreement of Cabinet, either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with these International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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 Corporation'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 Corporation'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 Corporation 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

We have obtained all the information and explanations that we have required. In our opinion the Corporation has kept proper accounting records, as far as it appears from our examination of them and the financial statements of the Corporation also provide in the prescribed manner the information required by the Accident Compensation Corporation Act 1989 and Companies Act 2001 (and amendment 2006) and the Public Bodies (Performances and Accountability) Act 2001.

Our audit was completed on the 5th October 2018 and our opinion is expressed as at that date.

Apia, Samoa
6 November 2018

Norris Mitchell
ACTING CONTROLLER AND AUDITOR GENERAL

ACCIDENT COMPENSATION CORPORATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

ACCIDENT COMPENSATION CORPORATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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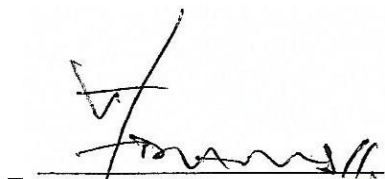
**ACCIDENT COMPENSATION CORPORATION
CERTIFICATION BY DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2018**

We certify that the attached financial statements for the Accident Compensation Corporation comprising of the Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Equity, Statement of Cash Flow and notes forming part of the financial statements for the financial year ended 30 June 2018:

- a) give a true and fair view of the matters to which they relate; and
- b) have been prepared in accordance with International Financial Reporting Standards; and
- c) comply with the Public Finance Management Act 2001 in relation to the form or content of financial statements made under the Public Bodies (Performance and Accountability) Act 2001.

We are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on behalf of the directors of the Accident Compensation Corporation.



Signature

CHAIRPERSON

Accident Compensation Corporation
Apia, Samoa

2, 10, 2018



Signature

DIRECTOR

Accident Compensation Corporation
Apia, Samoa

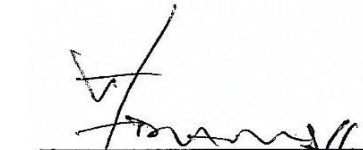
2, 10, 2018

ACCIDENT COMPENSATION CORPORATION
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	2018 \$	2017 \$
EQUITY			
Capital and Reserves			
Contributors' Compensation & Rehabilitation Liability Reserves		20,000,000	20,000,000
General Reserves		139,318,841	125,346,106
Community Service Contribution	3	-	-
Total Capital and Reserves		159,318,841	145,346,106
<i>Represented by:</i>			
Current Assets			
Cash at bank	4	4,943,912	2,730,920
Accounts Receivable	8	418,156	491,066
Interest Accrued - term deposits		1,669,738	1,203,832
Other Debtors & Prepayments	9	800,511	1,140,912
Lease Receivable (current portion)	18	378,669	-
Investments - Term Deposits	5 (a)	66,000,000	54,000,000
Total current assets		74,210,986	59,566,730
Less: Current Liabilities			
Other Creditors and Accruals	11	935,203	812,436
Rent received in Advance		213,664	157,812
Provision for Compensation (current)	12 (a)	677,322	482,394
Safety, promotion & rehabilitation	13	200,000	-
Total current liabilities		2,026,189	1,452,642
Working Capital		72,184,797	58,114,088
Add: Non-Current Assets			
Investments- Convertible Notes	5 (b)	26,000,000	28,000,000
Property, Plant and Equipment	10	49,967,077	49,129,821
Lease receivable - Canberra Project (long term)	18	12,125,608	11,130,202
		160,277,482	146,374,111
Less: Non-Current Liabilities			
Provision for Compensation (long term)	12 (b)	958,641	1,028,005
NET ASSETS		159,318,841	145,346,106

The accompanying notes form part of these financial statements.

On behalf of the Board of Directors;


Director

Date: 2, 10, 2018


Director

Date: 2, 10, 2018

ACCIDENT COMPENSATION CORPORATION
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
Income			
Employers' Levy		5,427,534	5,283,126
Employees' Levy		5,427,534	5,283,126
Fuel Levy		728,236	705,700
Interest Revenue - Local Investment		5,172,105	4,382,513
Interest Revenue - Overseas Investment (Canberra project)		580,729	-
Rental Income - ACC House	14(b)	1,407,364	1,382,451
Rental Income - Fugalei Market	14(c)	810,379	787,301
Rental Income - Goldstar Building	14(d)	416,036	90,789
Gain on Sales of fixed asset		25,396	-
Exchange gain from Overseas investment - canberra project		163,223	-
Other Income		800	22,659
		<u>20,159,336</u>	<u>17,937,665</u>
Less: Expenditure			
Workers' Compensation	6	401,538	168,747
Specified Conveyance Compensation	6	189,970	481,715
After Hour Compensation	6	99,827	399,514
Contributors Benefits	6	618,285	188,000
Safety Promotion & Accident Prevention	6	271,920	102,715
ACC House	14(b)	808,990	785,779
Fugalei Market	14(c)	664,037	714,781
Goldstar Building	14(d)	225,847	37,492
Administration Expense	7	2,906,187	2,235,965
		<u>6,186,601</u>	<u>5,114,708</u>
NET PROFIT		<u>13,972,735</u>	<u>12,822,957</u>

The accompanying notes form part of these financial statements.

ACCIDENT COMPENSATION CORPORATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

		Contributors' Compensation & Rehabilitation Liability Reserve \$	Community Service Contribution \$	General Reserves \$	Total \$
	Note				
Balance as at 30 June 2015		20,000,000	-	103,117,411	123,117,411
Community Service Contribution	3		(2,083,931)		(2,083,931)
Net Profit for the year		-	-	11,489,669	11,489,669
Balance as at 30 June 2016		<u>20,000,000</u>	<u>(2,083,931)</u>	<u>114,607,080</u>	<u>132,523,149</u>
Prior year adjustment	20	-	2,083,931	(2,083,931)	
Balance as at 30 June 2016 restated		<u>20,000,000</u>	<u>-</u>	<u>112,523,149</u>	<u>132,523,149</u>
Net Profit for the year		-	-	12,822,957	12,822,957
Balance as at 30 June 2017 restated		<u>20,000,000</u>	<u>-</u>	<u>125,346,106</u>	<u>145,346,106</u>
Net Profit for the year		-	-	13,972,735	13,972,735
Balance as at 30 June 2018		<u>20,000,000</u>	<u>-</u>	<u>139,318,841</u>	<u>159,318,841</u>

The accompanying notes form part of these financial statements.

ACCIDENT COMPENSATION CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

CASH FLOWS FROM/(TO) OPERATING ACTIVITIES	Notes	2018 \$	2017 \$
Cash received from:			
Gross Employers' Levy		5,338,339	5,276,589
Gross Workers' Levy		5,338,338	5,276,589
Gross Fuel Levy Income		916,786	996,315
Fugalei Market		805,972	771,280
ACC House		1,463,106	1,437,014
Goldstar Building		415,678	82,734
Exchange gain from overseas investment - canberra project		163,223	-
Other		800	22,659
Total cash received from operating activities		14,442,242	13,863,180
Cash applied to:			
Claimants' for Compensation		(915,576)	(1,087,429)
Office Supplies and Services		(807,901)	(1,117,194)
Refunds on Fuel		(297,232)	(218,605)
Personnel		(1,438,093)	(1,288,857)
Fugalei Market		(393,594)	(413,766)
ACC House		(471,180)	(441,075)
Goldstar Building		(126,253)	(12,468)
Total cash applied for operating activities		(4,449,829)	(4,579,394)
Net cash inflow from operating activities		9,992,413	9,283,786
CASH FLOWS FROM/(TO) INVESTING ACTIVITIES			
Cash received from:			
Interest Received from Term Deposits		4,706,199	4,468,038
Proceeds from sale of property, plant and equipment		37,556	-
Canberra project - lease repayments		880,794	-
Convertible notes - Matured Long Term deposit		2,000,000	7,000,000
Total cash received from investing activities		7,624,549	11,468,038
Cash applied to:			
Purchase of property, plant and equipment		(1,729,829)	(7,456,337)
Canberra project - additional costs		(1,674,141)	(9,972,066)
Convertible notes - Long term deposit		-	(5,000,000)
Total cash applied for investing activities		(3,403,970)	(22,428,403)
Net cash outflow to investing activities		4,220,579	(10,960,365)
Net (decrease)/increases in cash		14,212,992	(1,676,579)
Cash and cash equivalent at beginning		56,730,920	58,407,499
Cash and cash equivalent at year end		70,943,912	56,730,920
Represented by :			
Cash and cash equivalent	4	4,943,912	2,730,920
Short term deposits	5(a)	66,000,000	54,000,000
		70,943,912	56,730,920
		-	-

The accompanying notes form part of these financial statements.

ACCIDENT COMPENSATION CORPORATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2018

1. GENERAL INFORMATION

The Accident Compensation Corporation (ACC) was formerly called the Accident Compensation Board (ACB) established in 1978 following the approval by Parliament of the Accident Compensation Act 1978 which has now been revoked. Legislations are now in place such as the Accident Compensation Act 1989 with Accident Compensation Amendment Act 2003, Amendment 2009, Amendment 2011 with the former still remaining as the Principal Act.

ACC is a public body that manages Samoa's accident compensation scheme. The accident compensation scheme is a no-fault social insurance scheme with unlimited access to common law remedies, and as with any insurance system it provides specific areas of cover and entitlement and collects premiums based on the cost of providing those entitlements. The scheme is characterized by an integrated and cost effective approach to prevention, compensation and rehabilitation. However the Act does not provide for the Board to make safety regulations or the enforcement of safety in workplaces and on the roads.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Set out below is a summary of significant accounting policies adopted by the corporation in the preparation of its financial statements.

(a) Statement of compliance

The financial statements are general purpose financial statements which has been prepared in accordance with:

- section 91 of the Public Finance Management Act 2001. Therefore, ACC is designated as a Public Body, hence, it must also satisfy the reporting requirements under the Public Bodies (Performance & Accountability) Act 2001 and Accident Compensation Act 1989.
- with applicable International Financial Reporting Standards (IFRS), which includes the International Accounting Standards issued by the International Accounting Standards Board (IASB), Interpretations and other mandatory professional requirements as prescribed in the reporting requirements of the Public Bodies (Performance & Accountability) Act 2001.

(b) Basis of preparation

The financial statements are prepared on the basis of historical costs. Reporting financial statements in accordance with International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period and future periods.

(c) Comparative information

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

(d) Functional and presentation currency

The financial statements are presented in Samoan Tala (SAT\$), which is the corporation's functional currency and all values presented in Samoan Tala have not been rounded.

(e) Foreign currency

Transactions in foreign currency are translated to Samoan tala at the foreign exchange rate ruling at the date of the transaction. Amounts receivable and payable denominated in foreign currencies are translated at the rates of exchange ruling at balance sheet date. Foreign exchange differences arising on translation are recognized in the income statement.

(f) Bad and doubtful debts provision

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

ACCIDENT COMPENSATION CORPORATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2018

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Revenue recognition

Income comprising levies, interest and income from ACC House and Fugalei Market is recognised in the income statement in the period to which it relates.

(h) Expense recognition

i) Operating expenses

All expenses are recognised in the income statement and consist of compensation, administrative and other costs.

ii) Operating lease payments

Payments under operating leases are recognized in the income statement on a straight-line basis over the term of the lease.

(i) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises of cash at bank and on hand and other short term highly liquid investments with original maturities of less than one year.

(j) Receivables

Receivables are recorded at expected realization value after providing for bad and doubtful debts. At the end of each reporting period, the carrying amounts of receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the income statement. The proportion of levies due at the reporting date is recognised in the balance sheet as a receivable.

(k) Investments

Investments comprise of term deposits at commercial banks and notes held with the Units Trust of Samoa and are recorded at cost.

(l) Provisions

A provision is recognized in the balance sheet when the corporation has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will required to settle the obligation.

(m) Payables

Payables are recognized at cost and represent liabilities for goods and services provided to the corporation before the end of the financial year that are unpaid and arise when the corporation becomes obliged to make future payments in respect of the purchase of these goods and services.

Expenditures of the corporation including claims actioned but not finalised at year end, and claims incurred but not known to the corporation by balance date, are shown based on actual calculations and prior experience of such expense.

(n) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to allocate the cost of assets less their residual values using the reduced balance method.

Fugalei Market Building	2.5%
Fugalei Market Foodcourt	2.5%
ACC Building	2%
Goldstar Building	2%
Motor vehicles	25%
Office Machines	25%
Furniture and Equipment	25%
Fixtures and Fittings	20%

Property that is being constructed or developed and at balance date has not been completed for future use is classified as work in progress and stated at cost.

ACCIDENT COMPENSATION CORPORATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2018

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

ACC is not taxed and therefore not subject to VAGST.

ACC House, ACC Complex and Fugalei Market are only activity items subject to Vagst and related account balances are recorded Vagst exclusive.

(p) Income Tax

The corporation is exempt from payment of income tax under section 55 of the Accident Compensation Act 1989.

(q) Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

(r) Employee entitlements

i) Salaries and wages, annual leave and long service leave

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

No provision is made for non-vesting sick leave as the pattern of sick leave taken indicates that no additional liability will arise for non-vesting sick leave.

ii) Superannuation contributions

The corporation contributes towards the Samoa National Provident Fund, a defined contribution plan in accordance with local legislation and to which it has no commitment beyond the payment of contribution. Obligations for contributions to the defined contribution plan are recognised immediately in the income statement.

(s) Changes to Accounting Policies

There have been no changes in accounting policies.

3. COMMUNITY SERVICE CONTRIBUTION

	2018	2017
	\$	\$
Contribution for promotion of the country health and safety welfare	-	-

The government as per Cabinet Directive 2015/37 approved the recognition of the balance of the CT Scan cost as the government's contribution through ACC toward the promoting of the country's health and safety welfare, and the item was disclosed as Equity with a negative balance.

The above has now been restated and cleared as a prior period adjustment. Refer note 20.

4. CASH AT BANK

Bank of South Pacific	4,788,288	2,679,350
National Bank of Samoa	155,624	51,570
	4,943,912	2,730,920

ACCIDENT COMPENSATION CORPORATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

5. INVESTMENTS

	2018	2017
	\$	\$
Term Deposits		
<u>Bank of South Pacific</u>		
for 12 months at 4%	-	3,000,000
for 12 months at 6.7%	-	2,500,000
for 12 months at 7%	-	9,000,000
for 12 months at 6.25%	3,000,000	-
for 12 months at 5%	3,000,000	-
for 12 months at 5%	2,500,000	-
for 12 months at 5.20%	9,000,000	-
	<u>17,500,000</u>	<u>14,500,000</u>
 <u>ANZ Bank Samoa Ltd</u>		
for 12 months at 6.5%	-	7,000,000
for 12 months at 6.5%	-	3,500,000
for 12 months at 5%	4,000,000	-
for 12 months at 5.24%	6,000,000	-
	<u>10,000,000</u>	<u>10,500,000</u>
 <u>National Bank o Samoa</u>		
for 12 months at 5.3%	-	5,000,000
for 12 months at 6.5%	-	5,000,000
for 12 months at 5.3%	-	3,000,000
for 12 months at 6.50%	4,000,000	-
for 12 months at 5%	3,000,000	-
for 12 months at 5.10%	5,000,000	-
for 12 months at 5.20%	5,000,000	-
	<u>17,000,000</u>	<u>13,000,000</u>
 <u>Samoa Commercial Bank</u>		
for 12 months at 4.81%	-	7,000,000
for 12 months at 4.80%	-	2,000,000
for 12 months at 5%	-	3,000,000
for 12 months at 6.50%	-	4,000,000
for 12 months at 6.01%	1,500,000	-
for 12 months at 6.70%	8,000,000	-
for 12 months at 5.25%	5,500,000	-
for 12 months at 5.50%	3,500,000	-
for 12 months at 5.50%	3,000,000	-
	<u>21,500,000</u>	<u>16,000,000</u>
 Convertible & Promissory Notes		
<u>Unit Trust of Samoa</u>		
for 2 Years at 5%	5,000,000	5,000,000
for 2 Years at 5.5%	5,000,000	-
for 5 Years at 6%	-	3,000,000
for 5 Years at 5.75%	6,000,000	-
for 5 Years at 5.95%	-	6,000,000
for 5 Years at 6.4%	-	4,000,000
for 10 Years at 5%	5,000,000	5,000,000
for 10 Years at 5%	3,000,000	3,000,000
for 10 Years at 5%	2,000,000	2,000,000
	<u>26,000,000</u>	<u>28,000,000</u>
 <i>Represented by:</i>		
(a) Current (Term Deposits)	66,000,000	54,000,000
(b) Long Term (Convertible & Promissory Notes)	26,000,000	28,000,000
TOTAL INVESTMENT	<u>92,000,000</u>	<u>82,000,000</u>

ACCIDENT COMPENSATION CORPORATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

6. COMPENSATION EXPENDITURE

	Workers	Specified	After	Other	2018	2017
	\$	Conveyance	Hour	\$	\$	\$
		\$	\$			
Weekly Compensation	108,833	9,097	13,156	-	131,086	133,515
Permanent Injury	11,411	6,180	-	-	17,591	4,744
Death Lump Sum	185,993	66,000	-	-	251,993	280,800
Funeral Expenses	70,000	108,000	8,000	-	186,000	100,000
Medical Expenses	16,336	693	1,150	-	18,179	50,836
Artificial/Others	89	-	9,399	-	9,488	10,700
Death Weekly	8,876	-	68,122	-	76,998	469,381
Contributor Benefits	-	-	-	198,000	198,000	-
Compensation accruals	-	-	-	420,285	420,285	188,000
	401,538	189,970	99,827	618,285	1,309,620	1,237,976
Safety Promotion & Accident Prevention (SPAP)	-	-	-	71,920	71,920	102,715
Provision for SPAP	-	-	-	200,000	200,000	-
	-	-	-	271,920	271,920	102,715
Total	401,538	189,970	99,827	890,205	1,581,540	1,340,691

7. ADMINISTRATIVE EXPENSE

	2018	2017
	\$	\$
Audit Fees	39,037	19,950
Board Fees and Expenses	130,643	116,251
Consultation	-	42,675
Depreciation (Note 10)	172,567	116,459
Loss on disposal	-	16,030
Electricity	73,900	73,619
Donations - Sec 56(7)	12,491	14,397
Insurance	19,434	18,211
Provision for doubtful debt	367,421	-
Office Expenses	184,874	159,667
Office Rent	251,443	207,553
Salaries & Wages (inclusive NPF/ACC)	1,438,094	1,288,857
End of term benefit	61,632	-
Travel Allowances & Fares	23,287	23,085
Overseas Travel	40,484	71,614
Vehicle Maintenance & Running Costs	70,876	47,593
ISSA - Subscription	20,004	20,004
	2,906,187	2,235,965

8. ACCOUNTS RECEIVABLE

Employers' Levy	287,530	198,335
Employees' Levy	287,530	198,334
Provision for Doubtful debts - ACC levies	(217,525)	-
	357,535	396,669
Fuel Levy	-	38,650
Rent from Fugalei Market	96,832.00	92,426
Provision for Doubtful debts - Rent from Fugalei Market	(62,500)	(62,500)
	34,332	29,926
Rent from ACC House	17,876	17,766
Rent from ACC Complex (aka Goldstar building)	8,413	8,055
Total	418,156	491,066

ACCIDENT COMPENSATION CORPORATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

9. OTHER DEBTORS AND PREPAYMENTS

	2018	2017
	\$	\$
Prepaid Insurance	81,262	82,900
Vagst Receivable	719,249	1,058,012
	800,511	1,140,912

10. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land \$	Fugalei Market & Food Court \$	ACC Building \$	ACC Complex (Goldstar) Building \$	Motor Vehicles \$	Fixtures & Fittings \$	Furniture & Equipment \$	Office Machines \$	Total \$
<u>COST 2017</u>									
Balance as at 1 July 2016	13,953,202	11,322,635	23,203,951	-	564,575	383,891	97,586	217,351	49,743,191
New Additions	2,028,000	421,204	-	5,004,703	-	4,960	50,375	69,474	7,578,716
Disposals	-	-	-	-	-	-	(68,524)	(87,514)	(156,038)
Balance as at 30 June 2017	15,981,202	11,743,839	23,203,951	5,004,703	564,575	388,851	79,437	199,311	57,165,869
<u>COST 2018</u>									
Balance as at 1 July 2017	15,981,202	11,743,839	23,203,951	5,004,703	564,575	388,851	79,437	199,311	57,165,869
New Additions	-	1,041,276	-	-	321,252	240,886	41,358	85,058	1,729,830
Disposals	-	-	-	-	(86,000)	-	-	-	(86,000)
Balance as at 30 June 2018	15,981,202	12,785,115	23,203,951	5,004,703	799,827	629,737	120,795	284,369	58,809,699
<u>ACCUMULATED DEPRECIATION 2017</u>									
Balance as at 1 July 2016	-	654,178	5,968,767	-	319,327	234,315	88,970	152,168	7,417,725
Depreciation	-	271,015	344,703	25,024	61,312	30,907	6,780	17,460	757,201
Disposals	-	-	-	-	-	-	(61,840)	(77,038)	(138,878)
Balance as at 30 June 2017	-	925,193	6,313,470	25,024	380,639	265,222	33,910	92,590	8,036,048
<u>ACCUMULATED DEPRECIATION 2018</u>									
Balance as at 1 July 2017	-	925,193	6,313,470	25,024	380,639	265,222	33,910	92,590	8,036,048
Depreciation	-	270,443	337,810	99,594	103,575	29,089	15,019	24,884	880,414
Disposals	-	-	-	-	(73,840)	-	-	-	(73,840)
Balance as at 30 June 2018	-	1,195,636	6,651,280	124,618	410,374	294,311	48,929	117,474	8,842,622
<u>CARRYING AMOUNT</u>									
30 June 2017	15,981,202	10,818,646	16,890,481	4,979,679	183,936	123,629	45,527	106,721	49,129,821
30 June 2018	15,981,202	11,589,479	16,552,671	4,880,085	389,453	335,426	71,866	166,895	49,967,077

Total Work in Progress in Fixture & Fittings of \$211,078.50 as at 30 June 2018 (Note 17).

11. OTHER CREDITORS & ACCRUALS

	2018	2017
	\$	\$
Fugalei Market Construction - Retention Fee	150,405	150,405
Food Court Construction - Retention Fee	107,440	-
Other Payables	484,546	358,904
Provision for Fuel Levy Refund	159,930	287,202
Provision for Audit Fee	32,882	15,925
Total	935,203	812,436

12. PROVISION FOR COMPENSATION

	Evans Hurricane \$	Workers \$	Specified Conveyance \$	After Hour \$	Total \$
(a) Current Portion	-	277,090	130,031	270,201	677,322
(b) Non-Current Portion	-	214,574	430,433	313,634	958,641
Total	-	491,664	560,464	583,835	1,635,963

13. PROVISION FOR SAFETY, PROMOTION AND REHABILITATION

	2018	2017
	\$	\$
Provision for safety, promotion and rehabilitation	200,000	-

The provision is set in accordance with FES Act 2007 s 41(2)(b) and FE Regulations (Levy and Financial Contribution) 2009 s 4(2)(b). In regards to ACC \$200,000 annual contribution to rural training and safety programmes, the board agrees to withhold this annual contribution for 3 years and purchase FESA new vehicles (ambulance) in the next financial year.

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14. SEGMENT INFORMATIONS

The corporation also leases out available office space at the ACC House, Fugalei Market and its results are reported below in their main areas of operations.

	Notes	ACC House \$	Fugalei Market \$	Goldstar Building \$	Main Office \$	Total 2018 \$	Total 2017 \$
(a) Consolidated							
Income							
Rent		1,617,974	931,389	467,976	-	3,017,339	2,575,838
Less : Vagst		(211,040)	(121,485)	(61,040)	-	(393,565)	(335,978)
Net Rent		1,406,934	809,904	406,936	-	2,623,774	2,239,860
Other Income		430	475	9,100	-	10,005	20,681
		1,407,364	810,379	416,036	-	2,633,779	2,260,541
Employers' Levy		-	-	-	5,427,534	5,427,534	5,283,126
Workers' Levy		-	-	-	5,427,534	5,427,534	5,283,126
Fuel Levy		-	-	-	728,236	728,236	705,700
Interest - Investment		-	-	-	5,172,105	5,172,105	4,382,513
Interest - Lease		-	-	-	580,729	580,729	-
Exchange gain		-	-	-	163,223	163,223	-
Gain on disposal		-	-	-	25,396	25,396	-
Other Income		-	-	-	800	800	22,659
Total Income		1,407,364	810,379	416,036	17,525,557	20,159,336	17,937,666
Expenditure							
Audit Fees		-	-	-	39,037	39,037	19,950
Advertisements		-	-	-	5,440	5,440	-
Bank Fee		-	-	-	2,479	2,479	-
Doubtful Debts		-	-	-	367,421	367,421	30,000
Board Fees and Expenses	15 (b)(i)	-	-	-	130,643	130,643	116,251
Repair & Maintenance - Building & Others	1	63,682	19,484	10,972	16,456	110,594	63,215
Compensation		-	-	-	1,309,620	1,309,620	1,237,976
Consultation		-	-	-	-	-	42,675
Depreciation (Note 10)		337,810	270,443	99,594	172,567	880,414	757,202
Loss on disposal		-	-	-	-	-	16,030
Electricity		216,735	43,057	9,950	73,900	343,642	303,490
Donations		-	-	-	12,491	12,491	14,397
General expenses		2,757	21,162	6,618	25,698	56,235	8,352
Insurance		84,299	38,064	43,918	19,434	185,715	160,051
ISSA - Subscription		-	-	-	20,004	20,004	20,004
Printing and Stationeries		-	761	-	37,647	38,408	45,885
Long Service leave		-	-	-	10,318	10,318	19,287
Office Expenses		-	-	-	-	-	61,427
Office Rent		-	-	-	251,443	251,443	207,553
Safety Promotion & Accident Prevention		-	-	-	271,920	271,920	102,715
Personnel Costs	15 (a)	79,798	198,635	41,512	1,438,094	1,758,039	1,585,645
End of term benefit		-	-	-	61,632	61,632	-
Retirement benefit		-	-	-	20,845	20,845	-
Tuition fees		-	-	-	12,356	12,356	-
Telephone & Internet		-	604	-	47,157	47,761	53,086
Toilet Maintenance		1,207	22,353	-	2,531	26,091	36,442
Local Travel Allowances & Fares		-	2,754	-	23,287	26,041	26,230
Overseas Travel		-	-	-	40,484	40,484	71,614
Vehicle Maintenance & Running Costs		-	-	-	70,876	70,876	47,593
Water rates & Waste water		22,702	26,243	13,283	3,947	66,175	44,780
Rubbish Landfill - Tafaigata		-	20,477	-	-	20,477	22,859
Total Expenditure		808,990	664,037	225,847	4,487,727	6,186,601	5,114,709
Surplus		598,374	146,342	190,189	13,037,830	13,972,735	12,822,957
		-	-	-	-	-	-

ACCIDENT COMPENSATION CORPORATION
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14. SEGMENT INFORMATIONS (Continued)

The following is the breakdown by ACC House, Fugalei Market and Goldstar Building segments. This information has been included in the Consolidation in 14(a) and in the Income Statement.

	2018	2017
	\$	\$
(b) ACC House		
Revenue		
Rent	1,617,974	1,589,818
Less : Vagst	(211,040)	(207,367)
Net Rent	1,406,934	1,382,451
Other Income	430	-
Total Revenue	1,407,364	1,382,451
Expenditure		
Building Maintenance	63,682	47,156
Depreciation (Note 10)	337,810	344,704
Electricity	216,735	179,132
General expenses	2,757	-
Insurance	84,299	99,540
Salaries	79,798	94,992
Toilet Maintenance	1,207	2,958
Water rates & Waste Water	22,702	17,297
Total Expenditure	808,990	785,779
Surplus for ACC House	598,374	596,672
(c) Fugalei Market		
Revenue		
Rent	931,389	882,882
Less : Vagst	(121,485)	(115,158)
Net Rent	809,904	767,724
Other Income	475	19,577
Total Revenue	810,379	787,301
Expenditure		
Building Maintenance	19,484	13,364
Doubtful Debts	-	30,000
Depreciation (Note 10)	270,443	271,015
Electricity	43,057	50,739
General expenses	21,162	8,351
Insurance	38,064	36,144
Local Travel	2,754	3,145
Salaries	198,635	221,082
Stationeries	761	102
Telephone	604	630
Toilet Maintenance	22,353	33,484
Water rates & Waste Water	26,243	23,866
Rubbish Landfill at Tafaigata	20,477	22,859
Total Expenditure	664,037	714,781
Surplus/(Deficit) for Fugalei Market	146,342	72,521
(d) Goldstar Building		
Revenue		
Rent	467,976	103,138
Less : Vagst	(61,040)	(13,453)
Net Rent	406,936	89,685
Other Income	9,100	1,104
Total Revenue	416,036	90,789
Expenditure		
Building Maintenance	10,972	2,695
Electricity	9,950	-
Depreciation (Note 10)	99,594	25,024
Insurance	43,918	6,156
General expenses	6,618	-
Salaries	41,512	-
Water rates & Waste Water	13,283	3,617
Total Expenditure	225,847	37,492
Surplus for Goldstar Building	190,189	53,297

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15. RELATED PARTY DISCLOSURES

(a) Personnel Costs

Salaries and short-term employee benefits - inclusive employer's contribution of 7% NPF and 1%ACC.

2018	2017
\$	\$
1,758,039	1,585,645

(b) Directors' Compensation

The Directors of the Corporation during the financial period were:

- Leoo Tautalatasi Dr.John Adams (Chairman of the Board)
- Pulotu Lyndon Chu Ling - MCIL CEO (Board Member)
- Te'o Richard T Faaiuso (Board Member)
- Su'a Donald Leumaga (Board Member)
- Foma'i Lei Sam (Board Member)
- Su'a Ross Neufelt (Board Member)
- Theresa Taimalelagi (Board Member)

The Board of Directors were appointed by the Government.

Effective within this financial year are new fees for non government representatives. The Chairman is paid at \$22,500 and members at \$18,000 per annual and payable in a fortnightly basis after deducting PAYE taxes. There are no fees for representatives from government Ministries and Corporations.

i) Directors' fees and Board expenses

Directors fees	110,777	108,761
Samoa Institute of Directors annual fees	9,000	-
Board Expenses	10,866	7,490
	130,643	116,251

ii) Key management personnel costs

CEO - General Manager	117,670	117,670
Manager Accounts & Finance	84,050	84,050
Manager Administration	84,050	84,050
Manager Investigating	84,050	84,050
Manager Safety & Rehab	84,050	84,050
	453,870	453,870

16. TRUST ACCOUNT FOR DEPENDENT CHILDREN

	2018	2017
	\$	\$
Savings Accounts: Balance at year end	204,171	249,967
Total Numbers of Bank Accounts	237	225
Fixed Deposits : Balance at year end	136,088	141,308
Total Numbers of Bank Accounts	32	29

In the event of a death compensation claim payable to a dependent child, ACC pays the claim into a trust bank account for the minor. ACC manages and operates these trust accounts on behalf of the dependent children at no costs to the beneficiaries. Total costs in operating and monitoring these funds cannot be substantiated or recorded in these accounts.

17. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Capital Commitments (Asset in Transit)

ACC Building new generator is in transit as at 30 June 2018. Totals cost of \$ 211,078.50 have been taken up exclusive of custom and handing cost, which will be taken up on arrival.

Contingent Liabilities

Except for or otherwise stated, the Corporation had no other contingent liabilities or capital commitment at year end (2017: \$nil).

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18. LEASE RECEIVABLE - CANBERRA PROJECT

	2018	2017
	\$	\$
Current portion	378,669	-
Long term portion	12,125,608	11,130,202
Total	12,504,277	11,130,202

Total amount of AUD \$6.3 million has been approved by the Cabinet per FK(16)41 for Canberra Project. The Project was completed and officially launched in July 2017 with the total costs already disbursed as at 30 June 2017 of \$11 million tala. A Lease agreement has been finalised between ACC and the Ministry of Finance for recovery of ACC's funds. The terms of agreement is 20 years at a annual (compound monthly) rate of 5.5%. The lease repayment is \$88,079.45 monthly.

19. SUBSEQUENT EVENTS

There are no events subsequent to balance sheet date which require recognition or disclosure in these financial statements (2017: \$nil).

20. PRIOR PERIOD ADJUSTMENT & RESTATEMENT OF COMPARATIVE FIGURES

The 2016 figures have been restated for the item previously disclosed as "Community Service Contribution" for \$2,083,931 debit balance under Equity, and General Reserve, as a prior period adjustment as follows;

	Previous 2016 \$	Restated 2016 \$	Total Adjustment to Equity \$
Equity			
Community Service Contribution	2,083,931	-	2,083,931
General Reserve - CT Scan Expenditure in 2016	-	(2,083,931)	(2,083,931)
	2,083,931	(2,083,931)	-

The adjustment reduces General Reserve and removes the previously disclosed debit balance under Equity in the balance sheet, denoted as "Community Services Contribution" (refer note 3). The net impact on total equity is \$NIL.