



National Kidney Foundation of Samoa

ANNUAL REPORT
JULY 2015 – JUNE 2016



GOVERNMENT OF SAMOA

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OFFICE OF THE MINISTER OF HEALTH

Ofisa o le Minisita o le Soifua Maloloina, Iunivesite Faafofoma'i o le Oceania, Falema'i Faaitumalo ma Komiti Tumama a Tina,
Minisita Lagolago o Taui o Faalavelave Fa'afuase'i.- Taitaifono Faalapopotoga Faavae Tau Fatugao a Samoa

2nd November 2016

The Honorable Speaker
Legislative Assembly of Samoa

MULINU'U

Dear Honorable Speaker,

In accordance with the requirement of Section 9 Subsection (3) of the National Kidney Foundation of Samoa Act 2005, I am pleased to present to you the National Kidney Foundation of Samoa's July 2015- June 2016 Annual Report for tabling at the next meeting of the Legislative Assembly of Samoa.

The Foundation's Vision is ***"Excellence in the Reduction of, and in the Care for Patients with Renal Failure"***.

To achieve this Vision, its Mission is; ***"To actively pursue the reduction of the Incidence of Kidney Failure and Kidney related diseases, with sustainability in the provision of quality holistic care for patients already with End Stage Renal Failure"***.

This annual report summarizes the overall performance of the Foundation for the period July 2015- June 2016 together with its audited accounts and also the future outlook for the Foundation.

A handwritten signature in black ink, appearing to read 'Leao'.

Tuitama Dr. Leao Talalelei Tuitama
Minister for the National Kidney Foundation of Samoa

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CHAIRMAN'S REPORT

It is a privilege for me to report on the work of the Foundation for the Financial Year 1 July 2015 to 30 June 2016, as I was only appointed to the Chairmanship in June of 2016.

The key purposes for which the Foundation was tasked are:

- To provide high quality Renal Replacement Therapy to people, locally and from overseas, with end stage renal failure,
- Provide secondary preventive interventions to people found with impaired kidneys,
- To engage in activities to promote awareness of kidney related diseases, and assist in the reduction in the incidences of kidney diseases.

Renal Replacement Therapy

It is evident from the Foundation's statistics that the number of people needing dialysis has, and will, continue to increase in the immediate future. A recent NKFS study, in collaboration with Medical students of the NUS, on 1,093 people screened in 2014 indicated that 11.5% of that number had Chronic Kidney Disease, CKD.

The study also indicated the close relationship between Non Communicable Diseases (NCDs) and CKD. With the results of the 2012 Ministry of Health's STEPS survey suggesting that the prevalence of NCDs have increased over the 2002 survey, we will expect the number of people with CKD to increase.

At the moment, the only mode of renal replacement offered is haemodialysis. The Foundation will continue to look at other treatment modes that may be offered in the future.

Secondary Preventive Interventions

NKFS continues to push its interventions for people found to have CKD. The clinics, held Thursdays and Fridays of every week, looks at:

1. Informing patients of the need to change lifestyles,
2. Treating patients so that CKD does not go through to end stage renal failure,
3. Preparing patient for life on dialysis.

This service will continue and NKFS will look at the possibility of a mobile clinic as a large number of people with CKD do not turn up to these very important clinics.

The NKFS is also commencing a palliative care service for people medically unsuitable for dialysis, or those who do not wish to commence dialysis.

Primary Preventive Activities

The Foundation continues to assist the fight against NCDs, through its screening programmes. The benefit of this programme is the face to face consultation between the clinical staff and the individuals screened.

The Foundation will be looking at ways to better follow up on people found to be at the early stages of contacting NCDs. It is hoped that the PEN Fa'asamoa initiative of the Ministry of Health could be the vehicle for this.

NKFS Facilities

The current facility at Moto'otua is slowly becoming inefficient for the different functions of the Foundation. Of course this would be obvious as the building was not built for the housing of a dialysis service. In this regard, the newly appointed Board will work towards gaining better facilities for the future of the service.

Special Acknowledgements

To conclude this report, I wish to acknowledge the special commitments and services of the following individuals and groups:

1. Hon. Minister of Health, Tuitama Dr Talalelei Tuitama for the leadership of the Health Sector as a whole, and NKFS in particular,
2. Madame Chair, Dr. Monalisa Punivalu and the Board of Directors that had led the Foundation through the Financial Year of this report,
3. Nephrologist, Dr David Voss for his continued support for the Foundation,
4. Dr. John Bingley, RN Sala'ilua Naseri Cotter and the Orchid Team from Australia for their unwavering support through the provision of vascular surgery for our patients,
5. Drs Tafuna'i and Gidlow for the medical care of the Foundations patients,
6. Dr Tafuna'i and the Medical students of the NUS for the assistance in screenings and clinical audits and researches undertaken from time to time,
7. The NHS for the many instances of cooperation undertaken throughout the year, and
8. Management and staff of the Foundation for the work implemented during the year.

Fa'amālo ma fa'afetai, fa'afetai tele lava.



Papali'i Dr. Sam Petaia

Chairman of the Board of Directors

GENERAL MANAGER'S REPORT

This Financial Year saw the real emergence of Acute Dialysis as an important part of the curative efforts of the Medical Team at the National Health Services. However, this service has put a considerable strain on the Foundation's resources and negotiations will need to be done with NHS on this issue.

It is obvious, as evident by the trends over the years that the demand for dialysis will continue to increase. This demand is not confined to only local people with end stage renal failure, but most significantly, from overseas Samoans and from NHS for Acute dialysis.

The Foundation has therefore, with assistance from the NUS Medical students, initiated various studies to help accurately assess Samoan's incidences of kidney failure and how best to tackle this problem.

In this regard, the NKFS Board of Directors has also committed to expanding its preventive services over the next three years. In this regard, the Foundation is in partnership with the University of Canberra and the Projects Abroad team to expand our literature and understanding on nutrition and health issues in Samoa.

In finances, the switch in treatment of inventory from being expensed, in the previous years, to being treated as assets, has corrected the negative impact of consumables on the Foundation's Annual Accounts.

The miscommunications that occurred with regards to the appointments of members for the Board of Directors meant the Foundation operated for the majority of the financial year without Board meetings. This was only corrected at the beginning of 2016, until a new set of Directors were finalized in June of 2016.

However, regardless of this, the Foundation was able to continue with directives requested from Cabinet from time to time. I am confident that the NKFS will continue to expand its services under the leadership of the new Board of Directors.



Mulipola Lose
(General Manager)

FUNCTIONS AND ACTIVITIES

I. OBJECTIVES

1. To provide a Dialysis Service,
2. To provide information on kidneys and kidney related diseases, and
3. To reduce the incidence of end stage renal failure.

The National Kidney Foundation of Samoa (NKFS) provides a haemodialysis service in both Upolu and Savaii, whereby people with end stage renal failure come in 3 times a week, for approximately 5 hours a session, for renal replacement therapy.

This service is extended to people needing dialysis that visit Samoa, and also, very sick people that require temporary acute dialysis at the National Health Services (NHS).

The Foundation's Awareness and Preventive Services is implemented through:

1. Medical screenings, counselling and follow up,
2. Talks and visits to schools and organisations,
3. Pre dialysis clinics.

Given financial constraints, and so not to duplicate activities of other Health Sector partners, preventive emphasis is on slowing advancement between kidney impairment and needing dialysis.

II. FINANCIALS

2.1 Treatments of Medical Supplies

On advice from the External Auditor, Medical Supplies and its associated costs, are now treated as Inventory and not as an Expense as previously treated. This obviously has a big impact in the Annual Books of the Foundation, as noted in a T400,176.00 surplus compared to a T2.5million deficit for the 2014/2015 financial year.

2.2 Revenues

The approximately T500,000 increase in revenue was due to a T483,145 increase in Government Grant for the 2015/2016 Financial Year. A fall in donations received was slightly offset by an increase in patient fees collected, and interest on term deposits.

2.3 Expenditures

General expenditures fell by approximately T400,000 in 2015/2016 compared to the previous year. The only major increase was in the Salaries and Wages as T118,448 was paid out to staff members who have attained 10 years of service, as with usual public policy.

2.4 Foundations Assets

The major changes in the Foundation's Assets reflect the changes in the treatment of Inventory as noted earlier.

III. USE OF FUNDS REPRESENTED BY

3.1 Provision of Dialysis Services

A total of 103 permanent local patients were given dialysis during the financial year. Of this total, 18 commenced dialysis during the year, whilst 16 passed away. The 18 new patients is a marked decrease from the 40 new patients that commenced dialysis during the 2014/2015 financial year.

In addition, dialysis treatments were administered to 101 visitors to Samoa, and 10 acute NHS patients. This will continue to put added pressures on the Foundation's capacities as more and more Samoans living overseas visit as dialysis could be administered here.

Acute dialysis has become an important curative assistance to the Intensive Care Unit (ICU) of the NHS. Chances for survival has greatly improved as dialysis gives the ICU physicians extra time to give more accurate diagnosis and appropriate patient management.

Haemodialysis is the only mode of renal replacement currently offered by the Foundation.

3.2 Awareness and Preventive Services

3.2.1 Early Detection and Counselling

1,081 individuals went through the Foundation's medical screenings during the year. The screenings form an initial step towards detecting those with early stages of kidney failure, thus giving the staff time to retard the onset on complete renal failure.

The screenings by the Foundation are not limited to only the at risk population. Screenings are undertaken to anyone. Individuals found to have high risk of non-communicable diseases are counselled and treated so that the trend could be reversed.

Awareness programmes and open sessions are held during the Kidney week that is held during the month of March each year. These programmes are continually given when medical screenings are held for business and social organisations.

3.2.2 Pre-Dialysis Clinics

For this financial year, approximately 359 people are treated and counselled during the Foundations weekly clinics, which are held every Thursdays and Fridays.

The clinics are primarily for people with end stage renal failure who are close to needing dialysis. These individuals are treated and counselled with the hope that dialysis is not immediately needed.

In addition, the Foundation is also taking this time to prepare them for life on dialysis. The Foundation will also commence a programme to teach patients to do their own dialysis once treatment is needed.

3.3 Clinical Direction

Administering of haemodialysis is a nurse-led activity, as it merely entails the filtering of a patients' blood. It is therefore appreciated that the Ministry of Finance and Cabinet has approved the establishment of the position of Manager – Renal Services Department to be earmarked for appropriately qualified nurses.

The need for a Nephrologist and consultant physicians stems from 1) Preventive efforts 2) Prescriptive requirements and 3) Majority of our patients are unstable.

3.4 Nephrologist

The Foundation continues to benefit greatly from the continuous direction provided by **Dr David Voss** with regards to pre-dialysis and dialysis patients. Dr Voss is also helping to teach our future doctors when he is on island. Consultant physicians Dr Malama Tafuna'i, for Upolu, and Dr Nola Gidlow for Savai'i, continue to lead our preventive efforts and constant management of dialysis patients.

Dr Tafuna'i is also leading the hands on teaching for final year, National University of Samoa (NUS) medical students. The NKFS is part of the Primary Health Rotation in which medical students are taught essentials of primary care and how to manage patients to prevent the development of Non communicable diseases (NCDs) including Chronic Kidney Disease (CKD).

Year Six students or Trainee Interns are based in the Dialysis Unit and are taught:

- Management of primary health care problems of patients already on dialysis, ie diabetes, hypertension, gout and obesity,
- Essentials of communication within a primary care consult,
- Team work,
- Leadership with mentoring younger students and nursing students,
- Teachings on renal medicine in the clinic by Dr Voss on his visits,
- Preoperative and postoperative care while working with the ORCHID vascular team on their visits,
- Essentials of screening, data collection, data analysis and report writing as they are integrated into the NKFS CKD screening program,
- Elements of palliative medicine.

Year Four students are based in the Predialysis Unit and are:

- Integrated into the NKFS CKD screening program going out on screening visits learning about the importance of screening, collecting data, data analysis, report writing,
- Learning with emphasis on communication and respecting the patient-doctor relationship and practicing holistic medicine,
- Taught modules on health promotion and health prevention and learning how to detect risk factors for CKD, detect CKD and managing both of these as well as how to communicate this to patients through primordial prevention, primary prevention and secondary prevention,
- Engaged in a social responsibility project in this rotation with the Women in Business Foundation organization out in rural parts of Samoa and helping NKFS look at health programs of screening through them.

Students spend seven (Year six) to twelve weeks (Year four) with the NKFS and interact with NKFS nurses as well but all under Dr Tafunai's supervision.

IV. PARTNERSHIPS AND RESEARCH

4.1 Collaboration with University of Otago

Since March 2015, NKFS has had the privilege of working and developing a relationship with Professor Rob Walker of the University of Otago (UoO) and the Dunedin School of Medicine. Professor Walker is an internationally known Nephrologist who has a vested interest in supporting Pacific Island students through the UoO School of Medicine.

Professor Walker visited with NKFS in March 2015 and is engaging with the NKFS Board and Management to help develop research within the Foundation to understand fully the extent of the epidemiology and prevalence of CKD and its risk factors in Samoa. This is by strengthening the screening program to address weaknesses highlighted in its last review of screening data. This partnership with UoO will further help the NKFS develop a Strategic Plan to address and share in preventing and managing CKD to prevent the increased incidence in dialysis use.

4.2 Renal Transplant

Given an increase in the number of younger people, 30 – 50 years needing dialysis, NKFS is investigating a pathway to renal transplant. The younger the patients are, the longer they will need to be on dialysis and NKFS needs to research into avenues to help our young people who may need this service. Results of research on transplant and its associated costs should be made available in the next year.

4.3 Early Warning System (EWS)

In April of this year, the Foundation initiated a EWS designed to detect and monitor potential concerns in dialysis patients. The EWS is a systematic way of monitoring dialysis patients while on dialysis to try and identify potential medical concerns before they become critical. This is in line with developments in the NHS.

This is still proving difficult to implement but NKFS is still working on this, as through this NKFS has been able to detect an early sepsis concern noted earlier this year which was also reflected and noticed within the NHS. This has called for a NHS review to develop a plan to address Sepsis of which the NKFS will ensure it follows and supports.

4.4 Orchid Team

The Orchid Team from Australia, organised by Nurse Salailua Naseri Cotter, and led by Vascular Surgeons, Dr John Bingley, who visits twice a year, and Drs Peter Hansen and Juanita Muller who come in January every year, have made three trips to Samoa between them, to insert fistulas to 41 patients.

This voluntary service is a God send for Samoa as there are no vascular surgeons on island. The airfares and accommodation for the team is fully funded through their own fundraisings in Australia.

V. FUTURE OUTLOOK

The Foundation predicts an increasing rate of new patients as is reflected in the number of those at risk of developing renal failure in its Predialysis clinic and also with NCDs as identified in its medical screenings.

NKFS recognises the importance of Preventive measures in order to retard or delay the need for dialysis and is continually engaged in secondary prevention programs at its predialysis clinics. In addition, NKFS in collaboration with other health providers offer primary health comprehensive screenings to identify those with NCDs and follow up for further needed tests and counselling. This has proved effective in the last years and continuous vigorous awareness and prevention programs in future will have an impact for the next 10years in reducing kidney and kidney related problems.

Given its capacity issues and the mandate to service the need for dialysis, NKFS needs a bigger building for optimal utilisation of its limited nursing staff and equipment. Fewer nurses will be needed at one shift in the one building instead of being separated as is the current practice. An alternative which the Foundation is exploring is the use of enrolled nurses as Technicians to enable them to do needling like the registered nurses to assist with the increasing demands.

This financial year has seen younger people being dialysed which will put pressure on the Foundation's resources in the long run. In this regard, NKFS is exploring the option of renal transplant to help these young people live quality fulfilling lives as normal as is possible. Research is underway for the Foundation to establish a program that will enable renal transplant as an option available in Samoa.

NATIONAL KIDNEY FOUNDATION OF SAMOA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NATIONAL KIDNEY FOUNDATION OF SAMOA

FINANCIAL STATEMENTS

30 JUNE 2016

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**NATIONAL KIDNEY FOUNDATION OF SAMOA
CERTIFICATION BY DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2016**

We certify that the attached financial statements for the National Kidney Foundation of Samoa comprising of the Balance Sheet, Income Statement, Statement of Changes in Equity, Statement of Cash Flows and notes forming part of the financial statements for the year ended 30 June 2016:

- 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 circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 25 / 10 / 2016 on behalf of the directors of the National Kidney Foundation of Samoa.


Signature

Tuu'u Amaramo Sialaoa

DIRECTOR
National Kidney Foundation of Samoa
Apia, Samoa

25 / 10 / 2016


Signature

Rev. Mautofu Fuimaono

DIRECTOR
National Kidney Foundation of Samoa
Apia, Samoa

25 / 10 / 16

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to the Controller and Auditor General*



AUDIT OFFICE

REPORT OF THE AUDIT OFFICE

TO THE BOARD OF DIRECTORS – NATIONAL KIDNEY FOUNDATION OF SAMOA

We have audited the accompanying Financial Statements of the National Kidney Foundation of Samoa, which comprise the Balance Sheet as at 30 June 2016, the Income Statement, Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. The Accounting Firm of Isitolo Leota, Chartered Accountants, assisted in this audit.

Responsibility for the Financial Statements

The Management and Board of Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, the Public Finance Management Act 2001, Public Bodies (Performance and Accountability) Act 2001 and the National Kidney Foundation of Samoa Act 2005. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the National Kidney Foundation of Samoa as at 30 June 2016, and of its financial performance, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards, and also give in the prescribed manner the information required by the Public Finance Management Act 2001, Public Bodies (Performance and Accountability) Act 2001 and the National Kidney Foundation of Samoa Act 2005.

Our audit was completed on the 25th October 2016 and our opinion is expressed as at that date.

Apia, Samoa
31 October 2016

C. Afele
Fuimaono Papali'i C.G. Afele
CONTROLLER AND AUDITOR GENERAL

NATIONAL KIDNEY FOUNDATION OF SAMOA
BALANCE SHEET
AS AT 30 JUNE 2016

		30 JUNE	RESTATED
		2016	30 JUNE
	Note	\$	2015
		\$	\$
CAPITAL			
Contribution from Government of Samoa	3	1,183,885	1,183,885
Retained earnings		2,428,615	2,028,439
		3,612,500	3,212,324
Represented by:			
CURRENT ASSETS			
Cash on hand and at bank	4	611,705	317,286
Term deposits	5	74,787	72,253
Other Debtors	6	11,890	3,490
Accrued income	7	901	99,123
Inventory	2(o) & 8	1,279,845	766,907
		1,979,129	1,259,059
Less: CURRENT LIABILITIES			
Payables and accruals	9	133,740	113,479
Provision for staff leave	2(n) & 10	84,421	54,132
Withholding tax payable		17,365	9,383
Deferred income	2(h) & 11	-	22,296
		235,525	199,290
WORKING CAPITAL		1,743,604	1,059,769
Add: NON CURRENT ASSETS			
Property, Plant and Equipment	12	1,868,897	2,152,555
NET ASSETS		3,612,500	3,212,324

The relevant accompanying notes form an integral part of the above Balance Sheet.

NATIONAL KIDNEY FOUNDATION OF SAMOA
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

		30 JUNE	RESTATED
		2016	30 JUNE
	Note	\$	\$
INCOME			
Government grant	2(g)	6,186,904	5,703,759
Donations		35,856	74,652
Patients treatment fees	13	227,395	173,390
Lifedrop		5,535	5,671
Grants related to assets	2(h)	22,296	29,294
Interest on bank accounts		15,459	5,228
Interest on term deposits		2,558	679
Gain on disposal of fixed assets		-	-
Other income		1,218	392
		6,497,221	5,993,065
EXPENDITURES			
Cost of Medical Supplies Used	19	2,742,775	4,754,506
Depreciation	12	488,838	514,612
Salaries and wages	14	1,770,048	1,684,589
Allowances		126,394	284,122
Electricity		293,201	379,571
Other supplies		38,888	44,820
Water		62,567	46,973
Audit fees		35,098	35,098
Audit fees - under accrued 2013/ 2014		-	1,852
Board expenses	15	65,776	77,524
Communication costs		51,924	47,780
Professional services		-	49,082
Doubtful debts		3,545	1,060
Motor vehicle expenses		57,329	54,365
Travel		58,164	65,821
Administration expenses	16	302,499	418,576
		6,097,045	8,460,351
Surplus/(Deficit)		400,176	(2,467,285)

The relevant accompanying notes form an integral part of the above Income Statement.

NATIONAL KIDNEY FOUNDATION OF SAMOA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Note	Government Contribution \$	Restated Retained Earnings \$	Total \$
2015				
Balance at 1 July 2014	19	1,183,885	4,495,724	5,679,609
Deficit		-	(2,467,285)	(2,467,285)
Balance at 30 June 2015		1,183,885	2,028,439	3,212,324
2016				
Balance at 1 July 2015		1,183,885	2,028,439	3,212,324
Surplus		-	400,176	400,176
Balance at 30 June 2016		1,183,885	2,428,615	3,612,500

The relevant accompanying notes form an integral part of the above Statement of Changes in Equity.

NATIONAL KIDNEY FOUNDATION OF SAMOA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	30 JUNE 2016 \$	30 JUNE 2015 \$
Note		
CASH FLOWS FROM/(USED BY) OPERATING ACTIVITIES		
Cash receipts from government grants	6,285,140	5,605,523
Cash receipts from customers	277,073	286,599
Cash paid for expenses and employees	(6,062,614)	(6,072,814)
<i>Cash flows (used for)/from operating activities</i>	18 499,599	(180,692)
CASH FLOWS FROM/(USED BY) INVESTING ACTIVITIES		
Interest received on term deposits	2,534	21,923
Proceeds from sale of fixed assets	-	-
Purchases of Property, Plant and Equipment	(205,180)	(9,458)
<i>Cash flows used for investing activities</i>	(202,646)	12,465
NET DECREASE IN CASH AND CASH EQUIVALENTS	296,954	(168,227)
Cash and Cash equivalents at beginning of year	389,538	557,765
CASH AND CASH EQUIVALENTS AT YEAR END	686,492	389,538
Represented by:		
Bank South Pacific Account #2000733242	611,665	317,246
Petty Cash Float	40	40
NBS Term deposit	74,787	72,253
	686,492	389,538

The relevant accompanying notes form an integral part of the above Statement of Cash Flows.

NATIONAL KIDNEY FOUNDATION OF SAMOA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. REPORTING ENTITY BACKGROUND

The National Kidney Foundation of Samoa was established by the National Kidney Foundation of Samoa Act 2005. It commenced operations on 1 July 2005. Its main purposes are to provide quality services and resources for kidney problems in Samoa in collaboration with the Government of Samoa and other non government organisations. Principal source of revenue is derived from grants from the Government of Samoa, donations, fundraising income and treatment of dialysis patients.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Set out below is a summary of significant accounting policies adopted by the Foundation 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:

- International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).
- In accordance with section 91 of the Public Finance Management Act 2001, Samoa National Kidney Foundation is designated as a Public Body, therefore it must also satisfy the reporting requirements under the Public Bodies (Performance & Accountability) Act 2001.

b) Basis of measurement

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 recognised in the period in which the estimate is revised if the revision affects only that period and future periods.

c) Functional and presentation currency

The financial statements are presented in Samoan Tala (SAT\$), which is the Foundation's functional currency and all values presented in Samoan Tala have been rounded to the nearest tala.

d) Going Concern

The going concern of the Foundation is assured by the Directors based on the grounds that the Foundation will be able to pay its debts as and when they fall due. However, this is dependent upon the continued availability of grants from the Government of Samoa.

e) Significant accounting judgements and estimates

The preparation of financial statements 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 recognised in the period in which the estimate is revised if the revision affects only that period and future periods.

NATIONAL KIDNEY FOUNDATION OF SAMOA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) 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 recognised in the income statement.

g) Revenue Recognition

Grants from the Government of Samoa which are intended to support and finance the operations of the Foundation are taken to income in the period they are received.

Receivables for services, which have 30 day terms, are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collectability of the debt is no longer probable.

h) Deferred Income

Grants or Aid donated in the form of depreciable assets are capitalised in the year of receipt as well as the recognition of deferred income on the amount of the depreciable asset. The amortisation rate of the depreciable asset will be the same as the rate of depreciation under the Property, Plant & Equipment accounting policy (part (j)).

Grants related to assets are presented in the financial statements using the deferred income method whereby the grants are recognised as income on a systematic basis over the useful life of the related assets.

i) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise of cash at bank and on hand as well as short term deposits.

j) 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 over their estimated useful lives, using the straight-line method.

The following rates are used for the depreciation of property, plant and equipment:-

Item	Annual rate
Motor vehicles	20% Straight line
Office equipment	20% Straight line
Medical equipment	20% & 33.33% Straight line
Equipment/tools	20% & 5% Straight line
Furniture and Fittings	20% Straight line
Computer software	20% Straight line
Building and improvements	5% Straight line
Generator	33.33% Straight line

NATIONAL KIDNEY FOUNDATION OF SAMOA
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FOR THE YEAR ENDED 30 JUNE 2016

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Income Tax

For the purposes of the Income Tax Act 2012, the Foundation is deemed an institution established exclusively for charitable purposes and, as such, the income of the Foundation shall be exempt from taxation in accordance with section 10 of the National Kidney Foundation of Samoa Act 2005.

l) Value Added Goods and Services Tax (VAGST)

The Foundation does not lodge VAGST returns. Hence, all amounts in the income statement are shown inclusive of VAGST, as well as accounts receivables and payables which are also stated inclusive of VAGST (where applicable).

m) Comparative figures

Where necessary, comparative figures have been adjusted to conform with presentations adopted in the current year.

n) Employee entitlements

(i) Salaries and wages, annual leave and sick leave

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

Liabilities for other employee entitlements, which are not expected to be paid or settled within twelve months of reporting date, are accrued in respect of all employees at the present value of future amounts expected to be paid.

ii.) Superannuation contributions

The Foundation 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.

o) Inventories

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost, adjusted, when applicable, for any loss of service potential. The loss of service potential of inventories held for distribution is determined on the basis of obsolescence. Where inventories are acquired at no cost or for nominal consideration, the cost is the lower of cost or replacement cost at the date of acquisition.

Also included in the cost of inventory are costs for freight, duty, handling and delivery fees.

p) Changes in accounting policies

There has been an adoption of the accounting policy which recognises inventory held for consumption in the provision of services. Note 19 provides further details for this change.

NATIONAL KIDNEY FOUNDATION OF SAMOA
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FOR THE YEAR ENDED 30 JUNE 2016

	30 JUNE 2016 \$	30 JUNE 2015 \$
3. CONTRIBUTION FROM GOVERNMENT OF SAMOA		
The Government of Samoa contributed capital expenditure of \$1,183,885 to initially start the operation of the Unit in Samoa.		
The capital items were as follows:		
Medical devices per MOU	389,872	389,872
Office equipment	10,483	10,483
Equipment/tools	6,720	6,720
Generator	30,000	30,000
Building and improvements	746,810	746,810
	1,183,885	1,183,885
4. CASH ON HAND AND AT BANK		
Cash at bank - Westpac Bank Account #2000733242	611,665	317,246
Cash on hand - Petty Cash float	40	40
	611,705	317,286
5. TERM DEPOSITS		
National Bank of Samoa (NBS)	74,787	72,253
Samoa Commercial Bank (SCB)	-	-
	74,787	72,253
<i>Terms & Conditions:</i>		
<i>Bank</i>	<i>A/c Number</i>	<i>Term</i>
NBS	102953	12 mths
	<i>Maturity date</i>	<i>Interest Rate</i>
	24/3/17	3.50%
	74,787	72,253
	74,787	72,253
6. OTHER DEBTORS		
Local Patient treatment fees	18,175	6,230
Less Provision for doubtful debts (<i>Refer Note 17</i>)	(6,285)	(2,740)
	11,890	3,490
7. ACCRUED INCOME		
Accrued Interest on term deposits	703	679
Accrued Lifedrops collections	199	209
1st Supplementary 2014/2015 Grant Receivable	-	70,000
2nd Supplementary 2014/2015 Grant Receivable	-	28,236
	901	99,123
8. INVENTORY		
		RESTATED
	30 JUNE	30 JUNE
	2016	2015
	\$	\$
Stock on hand	1,279,845	766,907
	1,279,845	766,907

NATIONAL KIDNEY FOUNDATION OF SAMOA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	30 JUNE 2016 \$	30 JUNE 2015 \$
9. PAYABLES AND ACCRUALS		
Audit Office	2,300	2,300
Isitolo Leota Public Accountants	21,298	32,798
Electric Power Corporation	17,396	305
Digicel	1,842	2,300
Bluesky SamoaTel	7,597	636
National Health Services	500	-
Samoa Water Authority	5,000	4,873
Progressive Insurance	2,784	-
SSAB	945	-
Samatic Co. Ltd	2,689	-
Lucia's Catering	960	-
Computer Services Ltd	-	1,490
Tisaan Graphics Design	-	405
Ministry for Revenue	-	13,159
EBOS Ltd	-	3,640
Fresenius Ltd	1,817	-
Dr Malama Tafuna'i	12,600	-
Samoa Institute of Directors	2,000	7,000
Salaries and wages	54,012	44,573
	133,740	113,479
10. PROVISION FOR STAFF LEAVE		
Provision for annual leave	36,828	32,080
Provision for sick leave	24,750	22,052
Provision for long service leave	22,842	-
	84,421	54,132
11. DEFERRED INCOME		
Grant from Government of India (3 dialysis machines)	-	22,296
	-	22,296

In March 2008, the Government of India donated 3 dialysis machines for the dialysis unit with an approximate total value of SAT\$146,460 (NZD\$72,000).

Furthermore, in October 2008, the Government of Italy granted 3 additional dialysis machines for the Foundation valued at SAT\$139,839 (NZD\$80,100).

In June 2009, the Government of India donated 6 portable water treatment machines for the dialysis unit valued at SAT\$105,208.87 (NZD\$65,029.60).

In April 2011, 3 additional dialysis machines were donated from the Government of India valued at approximate of SAT\$146,471.66 (NZD\$80,120.00).

NATIONAL KIDNEY FOUNDATION OF SAMOA
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FOR THE YEAR ENDED 30 JUNE 2016

12. PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2016	Motor Vehicle \$	Office Equipment \$	Medical Equipment \$	Equipment/ Tools \$	Furniture & Fittings \$	Computer Software \$	Generator \$	Building & Improvements \$	TOTAL \$
COST									
Balance as at 1 July 2015	214,000	301,886	2,442,053	127,753	169,644	11,122	88,261	2,235,491	5,590,209
Additions	80,000	23,122	97,598	-	4,460	-	-	-	205,180
Disposals									
Balance as at 30 June 2016	294,000	325,008	2,539,651	127,753	174,104	11,122	88,261	2,235,491	5,795,389
ACCUMULATED DEPRECIATION									
Balance as at 1 July 2015	158,023	246,443	1,794,472	101,447	128,574	7,909	88,261	912,525	3,437,654
Depreciation	18,333	28,054	292,633	17,717	19,555	1,176	-	111,368	488,838
Disposals									
Balance as at 30 June 2016	176,356	274,497	2,087,105	119,164	148,129	9,086	88,261	1,023,893	3,926,492
CARRYING AMOUNT									
30 June 2016	117,644	50,511	452,545	8,589	25,975	2,036	0	1,211,598	1,868,897
30 JUNE 2015	Motor Vehicle \$	Office Equipment \$	Medical Equipment \$	Equipment/ Tools \$	Furniture & Fittings \$	Computer Software \$	Generator \$	Building & Improvements \$	TOTAL \$
COST									
Balance as at 1 July 2014	214,000	295,076	2,442,053	125,105	169,644	11,122	88,261	2,235,491	5,580,751
Additions	-	6,810	-	2,648	-	-	-	-	9,458
Disposals									
Balance as at 30 June 2015	214,000	301,886	2,442,053	127,753	169,644	11,122	88,261	2,235,491	5,590,209
ACCUMULATED DEPRECIATION									
Balance as at 1 July 2014	139,079	213,054	1,483,758	83,726	107,311	6,733	88,223	801,158	2,923,042
Depreciation	18,944	33,389	310,714	17,721	21,263	1,176	38	111,367	514,612
Disposals									
Balance as at 30 June 2015	158,023	246,443	1,794,472	101,447	128,574	7,909	88,261	912,525	3,437,654
CARRYING AMOUNT									
30 June 2015	55,977	55,443	647,581	26,306	41,070	3,213	0	1,322,966	2,152,555

NATIONAL KIDNEY FOUNDATION OF SAMOA
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FOR THE YEAR ENDED 30 JUNE 2016

	30 JUNE 2016 \$	30 JUNE 2015 \$
13. PATIENTS TREATMENT FEES		
Local Patients	135,200	119,090
Holiday Patients	92,195	54,300
	227,395	173,390
14. SALARIES & WAGES		
Salaries and Wages	1,542,288	1,584,369
NPF contribution	92,960	78,448
ACC levy	16,352	18,763
Employees benefits	118,448	3,009
	1,770,048	1,684,589
15. BOARD EXPENSES		
Allowances	-	18,975
Caterings	641	2,560
Directors fees	69,675	47,244
Directors membership fees (SID)	(5,000)	7,000
Course/Workshop fees (SID)	400	160
Meeting expenses	60	1,585
	65,776	77,524
16. ADMINISTRATION EXPENSES		
Accommodation	13,159	26,955
Advertising & Promotions	14,126	31,873
Bank charges	2,104	2,325
Cleaning	44,561	51,895
Catering	16,354	16,133
Ground maintenance	362	564
Insurance	8,045	4,547
Interest on overdraft	-	34
Plumbing costs	83	3,243
Postage/Courier	1,829	-
Registration	701	1,340
Rent	1,400	-
Repairs & maintenance - building	35,906	32,583
Repairs & maintenance - equipment/tools	97,099	189,826
Repairs & maintenance - furniture	246	-
Staff training	13,710	3,174
Printing & Stationeries	30,238	19,283
Sundry expenses	9,132	15,322
Safety gears	2,851	9,951
Vehicle hire	10,594	9,529
Total Administration Expenses	302,499	418,576

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FOR THE YEAR ENDED 30 JUNE 2016

	30 JUNE 2016 \$	30 JUNE 2015 \$
17. PROVISION FOR DOUBTFUL DEBTS		
Opening balance at beginning of year	2,740	1,680
less: Doubtful debts reversed	-	-
	2,740	1,680
add: Doubtful debts provided for	3,545	1,060
less: Write-off Bad debts	-	-
Closing balance at end of year	6,285	2,740
18. RECONCILIATION OF NET RESULT TO CASHFLOW FROM OPERATING ACTIVITIES		
Net result for the period	400,176	(2,467,285)
Non-cash items		
Depreciation	488,838	514,612
Grants related to assets	(22,296)	(29,294)
	466,542	485,318
Movements in Working Capital Items		
Accrued income	98,222	(72,842)
Other debtors	(8,400)	23,116
Inventory	(512,938)	1,928,157
Payables and accruals	20,261	(39,755)
Provision for staff leave	30,288	3,009
Withholding tax payable	7,982	(18,486)
	(364,585)	1,823,198
Items classified as investing activities		
Interest received on term deposits	(2,534)	(21,923)
	(2,534)	(21,923)
Net Cashflow from operating activities	499,599	(180,692)

NATIONAL KIDNEY FOUNDATION OF SAMOA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

19. CHANGE IN ACCOUNTING POLICY

In the financial year 30 June 2016, the Foundation has changed the accounting policy on medical supplies. Previously, medical supplies were fully expensed when purchased. However, the Foundation has adopted the accounting policy to recognise these medical supplies as inventory (a current asset) as opposed to expensing it. As this is a change in accounting policy, we will have to recognise closing inventory of \$766,907 as at 30 June 2015 (comparative) and applying this prospectively in the current 30 June 2016 financial statements. In addition, the closing inventory of \$2,695,064 at 30 June 2014 needed to be recognised as well. We also reclassified Freight & Duty and Handling & Delivery Costs of \$675,143 from Admin expenses to Cost of Medical Supplies used.

This change has been corrected by prospectively applying it to the comparative amounts as follows:

Inventory (asset) created for 30 June 2015 with a corresponding reduction to Cost of Medical Supplies Used by \$766,907. Inclusion of 30 June 2014 inventory of \$2,695,064 in Cost of Medical Supplies Used with a corresponding increase taken to retained earnings. The net effect of change is retained earnings was increased by \$766,907.

	Actual 2015 \$	Adjustment \$	Restated Actual 2015 \$
<u>Financial Reporting Line Item Balance Sheet Affected</u>			
Inventory	-	766,907	766,907
Total Current Assets	492,152	766,907	1,259,059
Total Current Liabilities	199,290	-	199,290
Total Non-Current Assets	2,152,555		2,152,555
NET ASSETS	2,445,417	766,907	3,212,324
<u>CAPITAL</u>			
Contribution from Government of Samoa	1,183,885		1,183,885
Retained earnings	1,261,532	766,907	2,028,439
Total	2,445,417	766,907	3,212,324
<u>Financial Reporting Line Item Income Statement Affected</u>			
Total Income	5,993,065		5,993,065
<u>Cost of Medical Supplies Used</u>			
Opening Stock	-	2,695,064	2,695,064
Purchase of Medical Supplies	2,151,205		2,151,205
Freight & Duty	546,715		546,715
Handling & Delivery Charges	128,429		128,429
	2,826,349		5,521,413
Less: Ending Stock	-	(766,907)	(766,907)
Cost of Medical Supplies Used	2,826,349	1,928,157	4,754,506
Administration expenses	1,093,719	(675,143)	418,576
Total Operating Expenses	6,532,194	1,928,157	8,460,351
Surplus/(Deficit)	(539,128)	(1,928,157)	(2,467,285)
<u>Financial Reporting Line Item Statement of Changes in Equity Affected</u>			
Opening Retained Earnings	1,800,660	2,695,064	4,495,724
Surplus/(Deficit)	(539,128)	(1,928,157)	(2,467,285)
Retained Earnings at end of year	1,261,532	766,907	2,028,439

NATIONAL KIDNEY FOUNDATION OF SAMOA
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FOR THE YEAR ENDED 30 JUNE 2016

20. RELATED PARTY DISCLOSURES

Board of Directors

The Directors of the Foundation during the financial period were:

Dr. Monalisa Punivalu (Chairperson - completed 30 June 2016)
 Peseta Dr. Desmond Lee Hang (Director - completed 30 June 2016)
 Peseta Eseta Faafu Hope (Director - passed away in May 2016)
 Rev. Mautofu Fuimaono (Director)
 Tuu'u Amaramo Sialaoa (Director)
 Namulauulu Dr. Nu'ualofa Potoi (Director - Completed December 2015)
 Shorley Mariner (Director - Commenced April 2016)

	30 JUNE 2016 \$	30 JUNE 2015 \$
<i>(i) Directors Compensation</i>		
Allowances	-	18,975
Caterings	641	2,560
Directors fees	69,675	47,244
Directors membership fees (Samoa Institute of Directors)	(5,000)	7,000
Course/Workshop fees ((Samoa Institute of Directors))	400	160
Meeting expenses	60	1,585
	65,776	77,524

(ii) Key Personnel Costs

The remuneration of key personnel during the year were as follows:

Salaries and short term employment benefits	224,551	209,217
	224,551	209,217

21. LEASE COMMITMENTS

There is no formal lease arrangements associated with the Foundation's use of buildings at Motootua.

22. CAPITAL COMMITMENTS

The Directors are not aware of any capital commitments as at 30 June 2016 (2015: SAT\$nil).

23. CONTINGENT LIABILITIES

The Directors are not aware of any contingent liabilities as at 30 June 2016 (2015: SAT\$nil).

24. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on the 25th October 2016.