

PUBLIC TRUST OFFICE

**Annual Report
For Financial Year Ending
30th June 2015**

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ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

INTRODUCTION

The Public Trust Office's ("the Office") vision is to become the best estate administrators and trustees in Samoa.

To accomplish this vision and goal and take into account its role as a Public Trading Body, the Office has adopted as its mission the achievement by 2018 of the following objectives:

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

Featuring also in this report is a brief outline by the Board Chairman focusing on the strategic issues pertaining to the Office, as well as a summary by the Public Trustee on the corporate performance of the Office for the financial year then ended. The report also contains the Controller and Auditor-General's audit opinion that is accompanied by the Annual Accounts for the financial period ending 30th June 2015.

30 October 2015.

BOARD CHAIRMAN'S REPORT

The Honourable Speaker
Legislative Assembly of Samoa
MULINU'U

Pursuant to Sections 17 and 22 of the Public Trust Office Act 1975 ("the Act"), it is my obligation to lay before the Legislative Assembly the attached Annual Report and Audited Accounts of the Public Trust Office ("the Office") for the year ending 30th June 2015. In doing so, I wish to comment briefly on some important strategic considerations which continue to be earmarked for further improvement of the Office.

As reflected in the Office's Annual Report for the financial year ending 30th June 2014, the following four (4) key areas continue to be prioritized by the Office in the hope of achieving both financial self-sufficiency and a more effective estate administration approach:

(1) Enhancing Revenues

In promoting its aim to be financially self-sufficient in the long term, one of the key strategies that the Office plans to implement is:

- Ensure the newly reviewed Regulations shall take effect in the upcoming financial year with the aim of targeting/assisting the office's revenue earning capacity from the estates administration and trustee services it provides.

(2) Review of Financial Structure

As referred to in previous annual reports, it is considered a strategic necessity for the Office to continue reviewing its current financial position, so that a more realistic value of its assets and liabilities is determined. Directly related to this is the need to be strategically positioned so that it is able to survive on its own in the future, without continued dependence on Government financing.

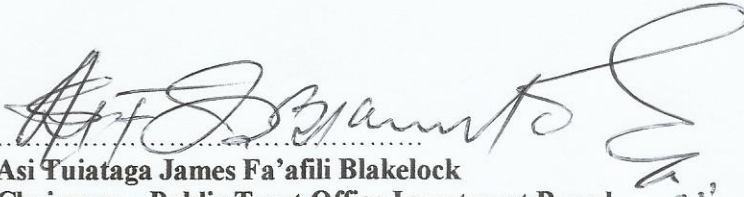
(3) Computerisation

The Office has met with and obtained the services of an external Information Technology specialist who has completed the set up and installation of its new tower server and intranet network. The Office is also collaborating with this specialist in order to initiate its digitization scheme and obtain and develop a legal management practice software system and other relevant software packages, systems and equipment to advance the Office's service delivery to the public and to ensure the swift and accurate preparation of its reports. Further, the Office plans on securing financial assistance for this digitization project as well as purchasing appropriate software applications, systems and equipment which is a key part of its computerization process.

(4) Human Resources

In its efforts to meet its objectives under its Corporate Plan (2016-2018), and achieve its targets set therein, it is imperative to upskill the Office's staff so that performance meets the demands expected of them as laid out in the Corporate Plan.

Respectfully submitted.



.....
Asi Tuiataga James Fa'afili Blakelock
Chairman – Public Trust Office Investment Board

Please address all communications to-

THE PUBLIC TRUSTEE
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APIA, SAMOA



GOVERNMENT OF SAMOA

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Sogi, Samoa

Public Trust Office

30 October 2015.

Honourable Tuiloma Pule Unasa Alaimoana Lameko
Minister for the Public Trust Office
FMFM II Building
Apia

Afioga e

Pursuant to Sections 17 and 22 of the Public Trust Office Act 1975, I respectfully present the Annual Report on the operations of the Public Trust Office for the twelve-month period ending 30th June 2015 for presentation to Parliament.

Faia ma lo'u ava tele

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

PUBLIC TRUSTEE'S REPORT

Corporate Profile

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

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

Its primary functions as provided under the Act include:

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

Corporate Mission

It is our mission to achieve the following:

1. *Completion of outstanding administration work on old estate files;*
2. *Recovery of funds from outstanding loans; and*
3. *Develop a more effective and improved service to secure the position of a financially self-funding body.*

Financial Performance as at 30th June 2015

The operations for the financial year ending 30th June 2015 generated a net profit of \$109,025 tala compared to a net profit of \$225,615 tala for the previous year.

Total funds invested via term deposits with commercial banks and the Unit Trust of Samoa (UTOS) as at 30th June 2014 was \$5,599,374 tala compared to \$5,735,958 tala for the financial year ended 30th June 2015. As at 30th June 2015, all funds previous invested via term deposits during the financial year were now reinvested with UTOS. This increase in funds invested is a result of excess trust and estate funds invested over invested funds withdrawn during the financial year in report.

In terms of Loans and Interest, net loans receivables as at 30th June 2015 amounted to \$291,261 tala. When compared to the net loans receivables for the previous year of \$401,326 tala, it is evident that the net value has decreased by \$110,065 tala. This decrease is a consequence of interest adjustments on a portion of the loans portfolio. The reserve for doubtful debts in the previous year amounted to \$1,652,162 tala compared to the reserve for doubtful debts in the financial year ending 30th June 2015 totaling \$1,613,365 tala. This reflects a decrease in the reserve for doubtful debts of \$38,797 tala being reduction of loan accounts (\$7,994 tala) and adjustments to loan balances (\$30,803 tala) during the financial year in report. The Office continues to recover the outstanding amount of loans totaling \$1,904,626 tala.

The budgeted income for the twelve-month period of \$719,000 tala was achieved by \$353,556 tala given the actual income of \$1,072,556 tala for the financial year ending 30th June 2015.

The Office's total actual expenditure of \$963,531 tala was \$339,296 tala less than the budgeted amount of \$1,302,827 tala and therefore reflecting good controls. The overall profit for the financial

year in report is approximately \$109,025 tala (actual income of \$1,072,556 tala less actual expenditure of \$963,531 tala).

Non-current liabilities (being funds belonging to Estates, Compensations and Trust Accounts, Unclaimed funds and Deferred Income) as at 30th June 2015 amounted to \$2,703,838 tala in comparison to the 2014 figure of \$2,956,144 tala. Consequently, a significant decrease of \$252,306 tala is noted in non-current liabilities. This reduction is due to the withdrawal of compensation funds during the financial year in report.

The non-current liabilities are:

	2015	2014
	\$	\$
Funds – Estates,	\$2,703,838	\$2,956,144
Compensations and Trust Accounts;		
Unclaimed Funds and Deferred Income		

Loans Recovery

Recovery of outstanding loan balances by the Office is by way of regular monitoring and follow ups (where necessary) or arrangements with borrowers and through legal proceedings. Income from interest earned on loans of \$5,729 tala for the financial year ended 30th June 2015 reflected a decrease of \$22,478 tala if compared to the amount of \$28,207 tala earned in the previous year. This is mainly due to cessation of interest on loan accounts which have been settled, referred for legal redress and so forth.

Estates Administration

The total number of estate files under administration at the beginning of the financial year was five hundred and three (503). Instructions for the administration of fifty one (51) new estates were received during the year, whilst a total of fifty six (56) estates were finalised and closed during the financial period. As at 30th June 2015, the total number of estates was four hundred and ninety eight (498).

At the beginning of the financial period, the total cash value of funds belonging to estates was approximately \$563,452 tala. The income earned by the Estates and Trusts Section during the financial period of \$489,584 tala exceeded its budgeted target of \$450,000. At the end of the financial year, total funds belonging to estates amounted to \$578,462 tala.

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

Trust Management

At the beginning of the financial year, ninety five (95) trust accounts with a corresponding monetary value of \$164,608 tala were held under trust management. Twelve (12) trust accounts were opened during the financial year, with forty nine (49) trust accounts closed. The total number of trust accounts at the end of the financial year was fifty eight (58) with a corresponding monetary value of \$123,869 tala.

Wills

One thousand and sixty (1,060) Wills were recorded with the Office at the beginning of the financial year. Forty (40) new Wills were prepared and registered during the year, making a total of one thousand and one hundred (1,100) Wills at the close of the financial year. A total of thirteen (13) Wills were amended during the financial year.

RECONCILIATION SCHEDULE

Last Year		Actual YTD	Budget YTD
\$1,192,828	Revenue	\$1,072,556	\$719,000
0	Gross Profit	0	
0	Gross Profit %	0	
\$967,213	Expenditure	\$963,531	\$1,302,827
\$225,615	Net (Loss)/ Profit before tax	\$109,025	(\$583,827)
\$225,615	Net (Loss)/Profit after tax	\$109,025	(\$583,827)
\$6,373,213	Current Assets	\$6,365,473	
\$7,132,475	Total Assets	\$7,362,210	
\$577,082	Current Liabilities	\$461,955	
\$3,533,226	Total Liabilities	\$3,165,833	
\$3,599,249	Equity	\$4,196,377	
\$112,807.50	Dividend	\$54,512.50	
\$6,253,289	Cash Flow	\$5,978,969	
19%	Net (loss)/profit before tax %	10.2%	
11.05 : 1	Current Ratio	13.78 : 1	
0.98: 1	Debt/Equity	0.83: 1	
6.27%	Return on Equity %	2.6%	
11	No of employees	11	

PERFORMANCE MEASURES OUTLINED IN THE OFFICE'S CORPORATE PLAN 2015-2017

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

Performance Measures
1) Implement new fee schedule for estates administration work by 31/12/2014. Partially Achieved
2) Continue to review and adjust loans portfolio by 30/6/2015. Achieved
3) Continue to review and amend operational policies by 30/6/2015. Achieved

- 4) Continue regular staff training sessions on a quarterly basis by 30/6/2015. **Achieved**
- 5) Continue to review job descriptions for all Office positions by 30/6/2015. **Achieved**
- 6) Salary and performance assessment system to be approved by the Board by 31/3/2015. **Partially Achieved**
- 7) Continue to review and update computer database by 30/06/2015. **Achieved**
- 8) Continue to invest funds with the aim of maximizing returns by 30/6/2015. **Achieved**
- 9) Maintain and train personnel on accounting software program system operation by 31/12/2015. **Partially Achieved**

PERFORMANCE MEASURES OUTLINED IN THE OFFICE'S COPORATE PLAN 2016 - 2018

The table below indicates performance measures contained in the Office's Corporate Plan for the financial year 2015/2016.

Performance Measures
1) Implement new fee schedule for estates administration work by 30/6/2016.
2) Continue to review and adjust loans portfolio by 30/6/2016.
3) Continue to review and amend operational policies by 30/6/2016.
4) Continue regular staff training sessions on a quarterly basis by 30/6/2016.
5) Continue to review job descriptions for all Office positions by 30/6/2016.
6) Continue to review and update computer database by 30/06/2016.
7) Continue to invest funds on deposits with the aim of maximizing returns by 30/6/2016.
8) Maintain and train personnel on accounting software program system operation by 31/12/2016.

STAFF LIST AS AT 30th JUNE 2015

At the end of the financial year, eleven (11) staff was employed by the Office consisting of two (2) staff on contractual appointments and nine (9) staff on a permanent basis.

No.	NAME	DESIGNATION	YEARS OF SERVICE	CLASSIFICATION OF EMPLOYMENT
1	Leaupepe Peleseuma Mata'utia F.S. Ropati	Public Trustee	22.5	Contract
2	Mao Paniani Va'a	Assistant Public Trustee-Estates & Trusts	15.2	Contract
3	Evelina Godinet-Ale	Principal Estates & Trusts Officer	23.6	Permanent
4	Christina Afamasaga	Principal Estates & Trusts Officer	12.5	Permanent
5	Laauli Talauta Laupepa	Estates & Trusts Officer	6.8	Permanent
6	Amandarell Nuuvale Peseta	Recovery Officer	3.8	Permanent
7	Patisepa Failauga	Administration Officer	7.1	Permanent
8	Amerihana Mulitalo	Estates & Trusts Officer	1.1	Permanent
9	Valerie Solofa Baleilau	Accounts Officer	0.4	Permanent

10	Saleimoa Eteuati	Records Officer	2.7	Permanent
11	Iosefa Maugatai	Driver	8	Permanent

Organisation and Staff

Rimoni Wright, who was employed as the Principal Finance & Investment Officer in May 2014, resigned in June 2015.

Ms Valerie Solofa Baleilau was recruited in February 2015 as the Accounts Officer.

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

Client satisfaction as well as speedy turnover of estates under the office's administration are utilised as vital measures of assessing staff performance.

Conclusion

My sincere thanks to all those individuals and organizations both in the private and public sectors that have helped us in rendering the service for which we are duty bound to provide towards the public.

I also acknowledge and thank the management team and staff for their individual efforts and contributions, which made the overall organizational results and achievements for the year a direct reflection of teamwork.

With respect.



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

Public Trust Office
Directors' Report
For the year ended 30 June 2015

The Directors present their report together with the financial statements of the Public Trust Office for the year ended 30 June 2015 as set out on the accompanying pages and the auditors' report thereon in accordance with the Public Finance Management Act and the Public Body Performance and Accountability Act.

Directors

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

Asi Tuiataga James Faafili Blakelock	(Chairperson)
Lutuiloa Vaiula Solomona	(Director)
Tagaloa Faafouina Su'a	(Director)
Monica Sio	(Director)
Fonomua Peato Sam Ling	(Director)

Principal Activity

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

State of Affairs

In the opinion of the directors:

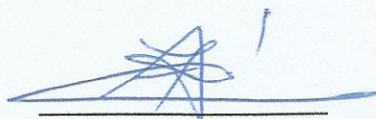
- (i) the accompanying Statement of Financial Performance, Statement of Changes in Equity and Reserves and Statement of Cash Flows are drawn up so as to give a true and fair view of the operations and results of the Public Trust Office for the year ended 30 June 2015;
- (ii) the accompanying Statement of Financial Position is drawn up so as to give a true and fair view of the state of affairs of the Public Trust Office as at 30 June 2015.

Operating Results

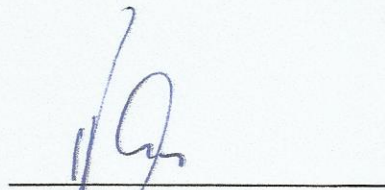
The net profit for the year is \$109,025 (2014: a net profit of \$225,615)

Dated at Apia this day 29 October, 2015.

Signed in accordance with a resolution of the Directors.



DIRECTOR


DIRECTOR

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FAX: 24167
EMAIL: info@audit.gov.ws
Website: www.audit.gov.ws

P.O. Box 13
APIA, SAMOA



*Please address all correspondences
to the Controller & Auditor-General*

AUDIT OFFICE

PUBLIC TRUST OFFICE

We have audited the accompanying Financial Report of the Public Trust Office which comprises the Statement of Financial Position as at 30 June 2015 and the Statements of Financial Performance, Cash Flows and Changes in Capital for the year then ended, a summary of significant accounting policies and other explanatory notes. The Accounting Firm of Betham & Co, Chartered Accountants and Business Advisors, assisted in this audit.

Responsibility for the Financial Report

The Board of Directors is responsible for the preparation and fair presentation of the Financial Report in accordance with International Financial Reporting Standards. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the Financial Report that is free from material misstatement, 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 the Financial Report based on our audit. We conducted our audit in accordance with International Standards on Auditing. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the Financial Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Report, 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 Report 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 Board of Directors, as well as evaluating the overall presentation of the Financial Report.

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

Unqualified Audit Opinion

In our opinion, the Financial Report gives a true and fair view of the financial position of the Public Trust Office as at 30 June 2015, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Apia, Samoa
30 October 2015


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

PUBLIC TRUST OFFICE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2015

**PUBLIC TRUST OFFICE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

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Public Trust Office
Statement of Financial Performance
For the year ended 30 June 2015


		2015	2014
	Notes	\$	\$
INCOME			
Administration fees		215,000	216,880
Commission earned		313,053	122,537
Interest from loans		5,729	28,207
Interest from investments		523,920	165,770
Amortised income	12	9,378	9,378
Reversal of interest on unclaimed funds	3	-	180,510
Other income		5,476	469,546
Total Income		<u><u>1,072,556</u></u>	<u><u>1,192,828</u></u>
 EXPENDITURES			
Administration expenses	4	413,948	462,163
Finance costs		631	684
Directors fees and allowances	5	54,127	75,521
Depreciation	13	35,012	42,143
Salaries and wages		459,813	386,702
Total expenditures		<u><u>963,531</u></u>	<u><u>967,213</u></u>
 Net profit / (loss)		109,025	225,615
 Transfer to assurance and reserve fund		<u><u>(109,025)</u></u>	<u><u>(225,615)</u></u>

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

Public Trust Office
Statement of Financial Position
As at 30 June 2015

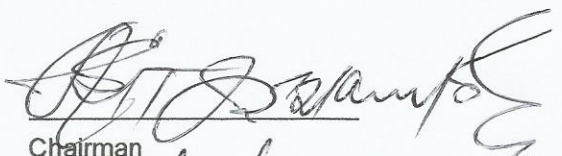
	Notes	2015 \$	2014 \$
Non Current Assets			
Loans receivable	11	291,261	401,326
Fixed assets	13	46,577	71,302
Estates with debit balances		658,899	286,634
Total Non Current Assets		<u>996,737</u>	<u>759,262</u>
Current Assets			
Cash and cash equivalents	6	243,011	337,737
Investments	7	5,735,958	5,599,374
Other debtors and prepayments	8	386,504	436,102
Total Current Assets		<u>6,365,473</u>	<u>6,373,213</u>
TOTAL ASSETS		<u>7,362,210</u>	<u>7,132,475</u>
Non Current Liabilities			
Funds - Estates, Compensations and Trust Accounts	9	2,308,507	2,603,195
Unclaimed funds	15	392,087	350,477
Deferred income liability	12	3,244	2,472
Total Non Current Liabilities		<u>2,703,838</u>	<u>2,956,144</u>
Current Liabilities			
Other creditors and accruals	10	452,617	557,555
Deferred income liability	12	9,378	19,527
Total Current Liabilities		<u>461,995</u>	<u>577,082</u>
Equity and Reserves			
Government equity	14	18,300,852	17,812,710
Assurance and reserve deficit		(14,104,475)	(14,213,461)
Total Equity and Reserves		<u>4,196,377</u>	<u>3,599,249</u>
TOTAL LIABILITIES, EQUITY AND RESERVES		<u>7,362,210</u>	<u>7,132,475</u>

For and on behalf of the Board:



Public Trustee
29/10/2015

Date



Chairman
29/10/2015

Date

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

Public Trust Office
Statement of Changes in Equity and Reserves
For the year ended 30 June 2015

	Notes	Government Equity	Assurance and Reserve Fund/(Deficit)	Total
Balance as at 1 July 2013		17,149,784	(14,439,076)	2,710,708
Net profit/(loss) for the year		-	225,615	225,615
Contributions during the year		662,926	-	662,926
General legal expense reserve fund		-	-	-
Balance as at 30 June 2014		17,812,710	(14,213,461)	3,599,249
Prior year adjustment			(39)	(39)
Net profit /(loss) for the year		-	109,025	109,025
Contributions during the year	14	488,142	-	488,142
Balance as at 30 June 2015		18,300,852	(14,104,475)	4,196,377

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

Public Trust Office
Statement of Cash Flows
For the year ended 30 June 2015

	Notes	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from administration & commission fees		219,001	339,417
Cash received from other income		5,474	650,056
Cash received from estates		658,601	417,585
Cash paid to suppliers and employees		(893,656)	(602,811)
Cash paid out to estates		(971,451)	(918,788)
Net cash from operating activities		<u>(982,031)</u>	<u>(114,541)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received on loan repayments		113,863	100,566
Interest received on investments		75,027	161,710
Purchases of fixed assets	13	(10,286)	(19,500)
Net cash from investing activities		<u>178,604</u>	<u>242,776</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Grants from Treasury		529,107	552,438
Net Cash from financing activities		<u>529,107</u>	<u>552,438</u>
Net Increase in cash balances		(274,320)	680,673
Add: opening balance		6,253,289	5,572,616
Net cash balances		<u><u>5,978,969</u></u>	<u><u>6,253,289</u></u>
Represented by:			
Cash and cash equivalents	6	243,011	337,737
Investments	7	5,735,958	5,915,552
Total cash and cash equivalents		<u><u>5,978,969</u></u>	<u><u>6,253,289</u></u>

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

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2015

1. General information

The Public Trust Office's main activity is to administer estates of deceased persons; management of trust funds for minors; drafting, executing and safekeeping wills; and offer other trustee services.

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

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

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

These financial statements were authorised for issue by the Board of Directors on 29th October, 2015.

2. Statement of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of Preparation

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

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

Standards, interpretations and amendments issued but not yet effective

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

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2015

IFRS 1	First-time adoption: Exemption for severe	1 July 2011
Amendment	hyperinflation and removal of fixed dates	
IFRS 7	Financial instruments: Disclosures on transfer	1 July 2011
Amendment	of financial assets	
IAS 12	Income taxes: Deferred tax	1 January 2012
Amendment		
IAS 1	Financial statement presentation regarding	1 July 2012
Amendment	other comprehensive income accounting for	
	investment properties	
IFRS 9	Financial instruments: Classification and	1 January 2013
Amendment	measurement	
IAS 19	Employee benefits	1 January 2013
Amendment		
IFRS 10	Consolidated financial instruments	1 January 2013
IFRS 11	Joint Arrangements	1 January 2013
IFRS 12	Disclosures of interests in other entities	1 January 2013
IFRS 13	Fair value measurement	1 January 2013
IAS 27	Separate financial statement	1 January 2013
(Revised)		
IAS 28	Associates and joint ventures	1 January 2013
(Revised)		

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

- **Estates, trusts and administration segment:**

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

- **Loans portion segment:**

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

c. Interest on mortgages and unsecured loans

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

d. Commission and other income

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

e. Reserve for doubtful loans

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

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2015

f. Special funding (Government support)

Pursuant to Section 20 of the Public Trust Office Amendment Act 2007, if office funds are at any time insufficient to meet the Office's liabilities and commitments, such funds as may be necessary to meet those liabilities and commitments shall be charged on the Treasury Fund as statutory expenditure, and be granted by the Minister of Finance out of the Treasury Fund to the Public Trustee. If the Minister of Finance determines that any money granted to the Office shall be repaid to the Treasury Fund, the Office shall reply with such determination as soon as there are Office funds available for such repayment.

g. Assurance and reserve funds

The reserve for loan losses as part of the Assurance and Reserve balance is a requirement under Section 17 of the Public Trust Office Act 1975. The reserve for loan losses is now disclosed or offset against the gross loans balance per Note 11 and no longer appears on the face of the financial position as part of the Assurance and Reserve accounts.

h. Estate assets

Estate assets other than cash held by the Public Trustee on behalf of estates are not incorporated in the financial statements. Interest is calculated on estates with credit balances at 1% per annum.

i. Funds – Estates, Compensations and Trust Accounts

Funds – Estates, Compensations and Trust Accounts are funds for cash balances only of individual estates, compensations and trust accounts held in the Common Fund.

j. Advances to estates and beneficiaries

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

k. Income tax

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

l. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand only.

m. Receivables

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

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2015

n. Fixed assets

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

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

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

The residual value is reassessed annually.

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

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

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

o. Payables

Accounts payable and other accounts payable are recognised when the office becomes obliged to make future payments resulting from the purchase of goods and services. Payables are recognised at cost which is the fair value of the consideration to be paid in the future for goods and services received. Given the short term nature of most payables, the carrying amounts approximate fair value.

p. Provisions

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

q. Employee benefits

The Public Trust Office 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 contributions. Obligations for contributions to the defined contribution plan are recognised immediately in profit or loss.

r. Comparatives

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

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2015

3. Interest on unclaimed funds

Details of interest on unclaimed funds are specified as follows:

	2015	2014
	\$	\$
Interest on unclaimed funds	-	180,510

4. Administration expenses

Details of administration expenses are specified as follows:

	2015	2014
	\$	\$
ACB levy	8,552	7,750
Advertising	12,256	26,029
Audit fees	38,060	38,060
Donations	1,700	650
Insurance	1,885	4,972
Interest on estates	1,848	14,340
NPF subsidies	46,221	37,375
Office expenses	5,325	5,881
Printing and stationery	16,194	13,334
Rent	238,863	238,863
Repairs and maintenance	7,368	19,097
Telephone and postage	18,978	37,023
Transport and travelling	16,698	18,763
Other expenses	-	26
Total administration expenses	413,948	462,163

5. Directors fees and allowances

Director's fees and allowances are specified as follows:

	2015	2014
	\$	\$
Directors fees and allowances	54,127	75,521

Government regulations specify that Directors' fees are \$6,500 per annum per member and \$8,000 per annum for the Chairman whilst sitting allowances are \$250 per meeting per member and \$300 per meeting for the Chairman.

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2015

6. Cash and cash equivalents

Details of cash and cash equivalents are specified as follows:

	2015	2014
	\$	\$
Petty cash	100	100
ANZ Bank (Samoa) Ltd	154,316	291,402
Westpac Bank	58,621	26,268
National Bank of Samoa	29,974	19,967
Total cash and cash equivalents	<u>243,011</u>	<u>337,737</u>

7. Investments

Details of investments are specified as follows:

	2015	2014
	\$	\$
<u>Team Deposit</u>		
Samoa Commercial Bank	-	505,395
<u>Other Investments</u>		
UTOS Investments	5,735,958	5,093,979
Total investments	<u>5,735,958</u>	<u>5,599,374</u>

The term deposits with Samoa Commercial Bank have a weighted average interest rate of 4.55% and an average term of 365 days.

UTOS units investment movement as follows:

Beginning balance is:	5,093,979	-
Addition of 331,991 units valued at \$1.45 (average)	481,387	5,066,331
Growth value increase in fair value	160,592	27,648
Ending balance at 3,849,636 units valued at \$1.49	<u>5,735,958</u>	<u>5,093,979</u>

8. Other debtors and prepayments

Details of other debtors and prepayments are specified as follows:

	2015	2014
	\$	\$
Accrued interest from term deposits	-	114,548
Prepaid insurance	4,500	5,376
Dividend receivable	382,004	316,178
Total other debtors and prepayments	<u>386,504</u>	<u>436,102</u>

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2015

9. Funds - Estates, Compensations and Trust Accounts

Details of the above funds are specified as follows:

	2015	2014
	\$	\$
Compensation	1,606,176	1,875,135
Estates	578,462	563,452
Trusts	123,869	164,608
	<u>2,308,507</u>	<u>2,603,195</u>

10. Other creditors and accruals

Details of other creditors and accruals are specified as follows:

	2015	2014
	\$	\$
VAGST payable	19,276	54,539
Accrued expenses	432,084	503,016
Other creditors	1,257	-
Total creditors and accruals	<u>452,617</u>	<u>557,555</u>

11. Loans receivable

Details of loans receivable are specified as follows:

	Mortgage	Unsecured	2015 Total	2014 Total
	\$	\$	\$	\$
Gross loans	197,788	1,706,838	1,904,626	2,053,488
Provision for doubtful loans	-	(1,613,365)	(1,613,365)	(1,652,162)
	<u>197,788</u>	<u>93,473</u>	<u>291,261</u>	<u>401,326</u>

Movement of reserve for doubtful loans

	Mortgage	Unsecured	2015 Total	2014 Total
	\$	\$	\$	\$
Opening balance	-	(1,652,162)	(1,652,162)	(3,578,319)
Less:				
Interest suspense account	-	-	-	-
Additional provision	-	-	-	-
Provision adjustment	-	-	-	-
Write off movement	-	7,994	7,994	721,746
Movement on provision	-	30,803	30,803	1,204,411
Closing balance	<u>-</u>	<u>(1,613,365)</u>	<u>(1,613,365)</u>	<u>(1,652,162)</u>

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2015

12. Deferred income for fixed assets

Details of deferred income for fixed assets are specified as follows:

	Computers	Office Furniture & Equipment	TOTAL
Cost			
Balance at 30 June 2014	21,450	20,076	41,526
Additions	-	-	-
Balance at 30 June 2015	21,450	20,076	41,526
Amortisation			
Balance at 30 June 2014	11,171	8,355	19,526
Depreciation charge	5,367	4,011	9,378
Balance at 30 June 2015	16,538	12,366	28,904
Net Amortised Value			
As at 30 June 2014	10,279	11,721	22,000
As at 30 June 2015	4,912	7,710	12,622

From the 2011/2012 financial year, a total of \$41,526 worth of fixed assets were donated by AusAID.

Details of the current and long term portion of deferred income on amortised assets are specified below:

	2015 \$	2014 \$
Current portion	9,378	19,527
Long term portion	3,244	2,473
Total deferred income liability	12,622	22,000

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2015

13. Fixed assets

Details of fixed assets are specified as follows:

	Computers	Motor Vehicles	Office Furniture & Equipment	TOTAL
Cost				
Balance at 30 June 2014	122,601	292,694	168,675	583,970
Additions	3,540	4,948	1,799	10,287
Balance at 30 June 2015	126,141	297,642	170,474	594,257
Depreciation				
Balance at 30 June 2014	100,723	270,050	141,895	512,668
Depreciation charge	10,264	16,292	8,456	35,012
Balance at 30 June 2015	110,987	286,342	150,351	547,680
Net Book Value				
As at 30 June 2014	21,878	22,644	26,780	71,302
As at 30 June 2015	15,154	11,300	20,123	46,577

	Computers	Motor Vehicles	Office Furniture & Equipment	TOTAL
Cost				
Balance at 30 June 2013	115,982	289,227	159,262	564,471
Additions	6,619	3,467	9,413	19,499
Balance at 30 June 2014	122,601	292,694	168,675	583,970
Depreciation				
Balance at 30 June 2013	92,095	243,306	135,124	470,525
Depreciation charge	8,628	26,744	6,771	42,143
Balance at 30 June 2014	100,723	270,050	141,895	512,668
Net Book Value				
As at 30 June 2013	23,887	45,921	24,138	93,946
As at 30 June 2014	21,878	22,644	26,780	71,302

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2015

14. Government equity

Details of Government equity are specified as follows:

	2015	2014
	\$	\$
Opening equity	17,812,710	17,149,784
Additional grants during the year	529,107	662,926
Dividend payable to Government	(40,965)	-
Total Government equity	<u>18,300,852</u>	<u>17,812,710</u>

15. Unclaimed Funds

Details of unclaimed funds are specified as follows:

	2015	2014
	\$	\$
Unclaimed funds	<u>392,087</u>	<u>350,477</u>

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

16. Capital commitments and contingent liabilities

There are several pending claims/cases filed against the Public Trust Office throughout the financial year. This includes a claim that was filed in the financial year ending 30 June 2010 with the court ordering the Public Trustee and the Defendant to negotiate and finalise settlement. Other cases are yet to be heard in court. This includes a counter-claim of \$300,000 against a particular estate which will be paid for by the beneficiaries of that estate if said counter-claim is successful.

17. Events occurring after balance sheet date

There are no events subsequent to balance sheet date which require recognition or disclosure in these financial statements (2014: nil).