



PUBLIC TRUST OFFICE

Annual Report
For Financial Year Ending
30th June 2018

PUBLIC TRUST OFFICE

**Annual Report
For Financial Year Ending
30th June 2018**

TABLE OF CONTENTS

- 1. Introduction**
- 2. Chairman's Report**
- 3. Public Trustee's Report**
- 4. Directors' Report**
- 5. Controller and Auditor-General's Report and Financial Statements - 2018**

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

INTRODUCTION

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

It remains the Office's aim to achieve the following key objectives by 2021:

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

Inclusive in this report is a brief outline by the Board Chairman focusing on the strategic issues pertaining to the Office, as well as the Public Trustee's Report on the Office's corporate performance for the financial year then ended. The Report also contains the Controller and Auditor-General's Audit Opinion that is accompanied by the Annual Accounts for the financial year ending 30th June 2018.

31 October 2018.

CHAIRMAN'S REPORT



The Honourable Speaker
Legislative Assembly of Samoa
TUANA'IMATO

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 2018.

In doing so, I wish to comment briefly on several 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 2017, 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

To achieve its long term aim of operating as a financially self-sufficient entity, the Office has undertaken a more aggressive approach in pursuing settlement of office fees by its clients, ie. estate beneficiaries, and is considering other investment options.

(2) Continuous Review of Financial Structure

As mentioned in previous annual reports, the Office has deemed the continuous review of its current financial position a strategic necessity so that a more realistic and updated value of its assets and liabilities is determined at any point in time. This need to be strategically positioned financially is vital for the Office to be able to survive on its own in the future, without continued reliance on Government funding.

(3) Computerisation

The Office, at present, is collaborating with an Information Technology Specialist to purchase relevant software packages and conduct the office's Digitization Project to advance the Office's service delivery to the public and to ensure the swift and accurate preparation of its reports. The Office plans on securing external funding to purchase the appropriate software packages and equipment to undertake this Digitization scheme and ensure proper data recording and preparation of reports.

(4) Human Resources

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

Ma le fa'aaloalo tele



.....
Tagaloa Fa'afouina Su'a

Chairman – Public Trust Office Investment Board

address all communications to-

THE PUBLIC TRUSTEE

P.O. BOX 2021

APIA, SAMOA



GOVERNMENT OF SAMOA

Public Trust Office

Telephones : (685) 21-061

(685) 21-062

Fax : (685) 21-063

E-mail : ptrustee@publictrust.ws

Floor 5, TATTE Building

Sogi, Samoa

31 October 2018.

Honourable Salā Fata Pinati Ah Leong

Minister for the Public Trust Office

FMFM II Building

Apia

Afioga e

Pursuant to Sections 17 and 22 of the Public Trust Office Act 1975, I respectfully present the Annual Report on the operations of the Public Trust Office for the twelve-month period ending 30th June 2018 for presentation to Parliament.

Faia ma lo'u ava tele

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

PUBLIC TRUSTEE'S REPORT

Corporate Profile

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

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

Its primary functions as provided under the Act include:

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

Vision Statement

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

Mission Statement

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

Values Statement

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

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

SERVICE - a client service focus

INTEGRITY - open, honest and ethical service delivery

Business Vision

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

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

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

Financial Performance as at 30th June 2018

The operations for the financial year ending 30th June 2018 generated a net profit of \$753,832 tala compared to a net profit of \$117,946 tala for the previous year.

Total funds invested with Unit Trust of Samoa (UTOS) as at 30th June 2017 was \$6,127,947 tala compared to \$6,518,741 tala for the financial year ended 30th June 2018. The increase in UTOS investments was mainly due to the additional units of 170,394 purchased with UTOS during the financial year valued at \$262,407 as well as the increase in the fair value unit price of \$1.48 as at 30 June 2017 to \$1.54 as at 30 June 2018.

In terms of Loans and Interest, net loans receivables as at 30th June 2018 amounted to \$317,244 tala. When compared to net loans receivables for the previous year of \$162,606 tala, it is evident that the net value has increased by \$154,638 tala due to reversal of provision for doubtful debts to other income during the financial year. The reserve for doubtful debts of \$1,233,944 tala has decreased from \$1,513,717 in the previous year. The Office continues to recover the outstanding amount of loans totaling \$1,551,188 tala.

The budgeted income for the twelve-month period of \$591,600 tala was achieved by \$1,118,954 tala given the actual income of \$1,710,554 tala for the financial year ending 30th June 2018.

The Office's total actual expenditure of \$956,723 tala was \$288,379 tala less than the budgeted amount of \$1,245,102 tala and therefore reflecting good controls. The overall profit for the financial year in report is approximately \$753,832 tala (actual income of \$1,710,554 tala less actual expenditure of \$956,723 tala).

Non-current liabilities (being funds belonging to Estates, Compensations, Trust Accounts and Unclaimed Funds) as at 30th June 2018 amounted to \$3,914,104 tala in comparison to the 2017 figure of \$3,584,964 tala. This significant increase of \$329,140 tala in non-current liabilities is mainly due to the increase in estate and trust funds received during the financial year.

The non-current liabilities are:

	2018	2017
	\$	\$
Funds – Estates,	\$3,914,104	\$3,584,964

Loans Recovery

Recovery of outstanding loan balances by the Office is by way of regular monitoring and follow ups (where necessary) or arrangements with borrowers and through legal proceedings. Income from interest earned on loans of \$1,423 tala for the financial year ended 30th June 2018 reflected an increase of \$249 tala when compared to the amount of \$1,174 tala earned in the previous year. This is mainly due to interest charged on a loan account.

Estates Administration

The total number of estate files under administration at the beginning of the financial year was four hundred and eighty five (485). Instructions for the administration of thirty two (32) new estates were received during the year whilst a total of twenty eight (28) estates were finalized and closed during the financial year. As at 30th June 2018, the total number of estates was four hundred and eighty nine (489).

At the beginning of the financial period, the total cash value of funds belonging to estates was approximately \$713,988 tala. The income earned by the Estates and Trusts Section during the financial period of \$572,527 tala exceeded its budgeted target of \$569,300 tala. At the end of the financial year, total funds belonging to estates amounted to \$870,725 tala.

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

Trust Management

At the beginning of the financial year, eighty six (86) trust accounts with a corresponding monetary value of \$274,276 tala were held under trust management. Four (4) trust accounts were opened during the financial year, with four (4) trust accounts closed. The total number of trust accounts at the end of the financial year was eighty six (86) with a corresponding monetary value of \$282,093 tala.

Wills

One thousand one hundred and seventy nine (1,179) Wills were recorded with the Office at the beginning of the financial year. Thirty (30) new Wills were prepared and registered during the year, making a total of one thousand two hundred and nine (1,209) Wills at the close of the financial year. A total of eight (8) Wills were amended during the financial year.

RECONCILIATION SCHEDULE

Last Year		Actual YTD	Budget YTD
\$1,120,701	Revenue	\$1,710,554	\$591,600
-	Gross Profit	-	

\$117,946	Net (Loss)/ Profit before tax	\$753,832	(\$653,502)
\$117,946	Net (Loss)/Profit after tax	\$753,832	
\$6,537,932	Current Assets	\$7,332,949	
\$7,833,169	Total Assets	\$8,920,603	
\$175,889	Current Liabilities	\$180,352	
\$3,760,853	Total Liabilities	\$4,094,456	
\$4,072,315	Equity	\$4,826,147	
\$58,973	Dividend	\$263,841.20	
\$6,161,744	Cash Flow	\$6,907,306	
10.52%	Net (loss)/profit before tax %	44.07%	
37.17 : 1	Current Ratio	40.66 : 1	
0.92 : 1	Debt/Equity	0.85 : 1	
2.94%	Return on Equity %	16.94%	
9	No of employees	8	

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

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

GOVERNANCE:

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

ESTATES & TRUSTS DIVISION:

Performance Measures
➤ 60% increase in fees generated from estates administration services by FY2020. Achieved
➤ Complete review of estates administration legislative framework by June every year. Achieved
➤ Complete review and update of estates portfolio as well as target assessments at the beginning of every month. Achieved
➤ Complete administration of at least 70 estates every year. Achieved
➤ Complete review of estates administration policies and procedures by June every year. Achieved

- Finalise administration of 20% of 'old' estates by FY2020. **Achieved**

FINANCE & INVESTMENT DIVISION:

Performance Measures
➤ Daily processing to complete monthly, quarterly and annual reporting requirements. Achieved
➤ Complete review of current processes in financial systems by April every year. Achieved
➤ Cash flow ought to be sustainable. Achieved
➤ Complete review of current systems and policies for proper internal control systems by December every year. Achieved
➤ No issue of non-compliance in external auditors report by 31 October every year. Achieved
➤ Fixed assets register is updated and completed every year. Achieved
➤ No audit issue at end of every year. Partially Achieved
➤ Full compliance with IFRS guidelines and no audit issue at end of every year. Partially Achieved
➤ Prepare and submit quarterly reports by the 30 th of every following month after every quarter to MPE. Achieved
➤ Compile and submit draft annual accounts by 31 st July every year to the Audit Office. Not Achieved
➤ Submit Annual Report to Parliament by 31 October every year. Achieved
➤ Prepare and submit VAGST returns by 21 st of every following month after every two month period to MoR. Achieved
➤ Continue to review and adjust (if necessary) loans portfolio by 30 th June every year. Achieved
➤ Complete review of policies and procedures for debt recovery by 31 st July every year. Achieved
➤ Arrears level at 50% of portfolio by FY2020. Achieved
➤ 5% growth in investments by June every year. Achieved
➤ Complete assessment/comparison of investment options by December and June of every year. Achieved
➤ Loan repayments collected of \$70,000 by FY2018. Achieved
➤ Implement PMA on an annual basis. Achieved
➤ Continue to review job descriptions for all staff positions and amend as appropriate by July every year. Achieved
➤ Complete review of Personnel Manual of Instructions by August every year. Partially Achieved

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

The tables below indicate performance measures contained in the Office's Corporate Plan for the financial year 2018/2019:

GOVERNANCE:

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

ESTATES & TRUSTS DIVISION:

Performance Measures
➤ 60% increase in fees generated from estates administration services by FY2020.
➤ Complete review of estates administration legislative framework by June every year.
➤ Complete review and update of estates portfolio as well as target assessments at the beginning of every month.
➤ Complete administration of at least 70 estates every year.
➤ Complete review of estates administration policies and procedures by June every year.
➤ 1% increase in number of wills written and amended by June every year.
➤ Finalise administration of 20% of 'old' estates by FY2020.

FINANCE & INVESTMENT DIVISION:

Performance Measures
➤ Daily processing to complete monthly, quarterly and annual reporting requirements.
➤ Complete review of current processes in financial systems by April every year.
➤ Cash flow ought to be sustainable.
➤ Complete review of current systems and policies for proper internal control systems by December every year.
➤ No issue of non-compliance in external auditors report by 31 October every year.
➤ Fixed assets register is updated and completed every year.
➤ No audit issue at end of every year.
➤ Full compliance with IFRS guidelines and no audit issue at end of every year.
➤ Prepare and submit quarterly reports by the 30 th of every following month after every quarter to MPE.
➤ Compile and submit draft annual accounts by 31 st July every year to the Audit Office.
➤ Submit Annual Report to Parliament by 31 October every year.
➤ Prepare and submit VAGST returns by 21 st of every following month after every two month period to MoR.
➤ Continue to review and adjust (if necessary) loans portfolio by 30 th June every year.
➤ Complete review of policies and procedures for debt recovery by 31 st July every year.
➤ Arrears level at 50% of portfolio by FY2020.
➤ 5% growth in investments by June every year.
➤ Complete assessment/comparison of investment options by December and June of every year.
➤ Loan repayments collected of \$46,000 by FY2019.
➤ Implement PMA on an annual basis.
➤ Continue to review job descriptions for all staff positions and amend as appropriate by

STAFF LIST AS AT 30th JUNE 2018

At the end of the financial year, eight (8) staff was employed by the Office consisting of two (2) staff on contractual appointments and six (6) staff on a permanent basis.

	NAME	DESIGNATION	YEARS OF SERVICE	CLASSIFICATION OF EMPLOYMENT
1	Leaupepe Peleseuma Mata'utia F.S. Ropati	Public Trustee	25.5	Contract
2	Mao Paniani Va'a	Assistant Public Trustee-Estates & Trusts	18.2	Contract
3	Christina Te'o Faitele	Principal Estates & Trusts Officer	15.5	Permanent
4	Patisepa Failauga	Administration Officer	10.1	Permanent
5	Benitto Krieg	Estates & Trusts Officer	0.6	Permanent
6	Easter Pele Fuimaono	Estates & Trusts Officer	0.5	
7	Eteline Otto Isaia	Accounts Officer	1.4	Permanent
8	Iosefa Maugatai	Driver	11	Permanent

Organisation and Staff

Fuamata Sialaoa, who was employed as an Estates & Trusts Officer in January 2017, resigned in September 2017.

Evelina Godinet Ale, who was initially recruited as an Estates & Trusts Officer in November 1991, resigned as Principal Estates & Trusts Officer in January 2018. In May 2018, Renee Patu Kamu resigned after having commenced employment in January 2016 as the Principal Finance & Investment Officer.

In November 2017 and December 2017 respectively, Benitto Krieg and Easter Pele Fuimaono were recruited as Estates & Trusts Officers.

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

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

Conclusion

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

Ma le fa'aaloalo tele



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

Public Trust Office
Directors' Report
For the year ended 30 June 2018

The Directors present their report together with the Public Trust Office's Financial Statements for the year ended 30 June 2018 as set out on the accompanying pages and the Auditors' Report thereon in accordance with the Public Finance Management Act 2001 and the Public Bodies (Performance and Accountability) Act 2001.

Directors

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

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

Principal Activity

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

State of Affairs

In the opinion of the Directors:


- (i) the accompanying Statement of Financial Performance, Statement of Changes in Equity and Reserves and Statement of Cash Flows are drawn up so as to give a true and fair view of the operations and results of the Public Trust Office for the year ended 30 June 2018;
- (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 2018.

Operating Results

The net profit for the year is \$753,832 (2017: a net profit of \$117,946).

Dated at Apia this 31st day of October 2018.

Signed in accordance with a resolution of the Directors.


DIRECTOR


DIRECTOR

Telephone: 27751
Fax: 24167
Email: info@audit.gov.ws
Website: www.audit.gov.ws

*Please address all correspondences
to the Controller and Auditor General*



P.O Box 13
APIA, SAMOA

AUDIT OFFICE

REPORT OF THE AUDIT OFFICE

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

Audit Opinion

We have audited the accompanying Financial Statements of the Public Trust Office, which comprises the Statement of Financial Position as at 30 June 2018, the Statements of Financial Performance, Cash Flows and Changes in Equity for the year then ended, a Summary of Significant Accounting Policies and Other Explanatory Notes. The Accounting Firm of Lesā & Penn Associates, Chartered Accountants, assisted in the audit. The Engagement Partner on the audit resulting in this Independent Auditor's Report is Matata'uali'itia Afa Lesa

In our opinion, the financial statements give a true and fair view of the financial position of the Public Trust as at 30 June 2018, and of its financial performance, and its 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 Public Trust in accordance with the ethical requirements that are relevant to our audit of financial statements in Samoa, and we have fulfilled our other 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

The Directors and Management are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial 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.

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

The Directors are responsible for overseeing the Public Trust financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when 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

Telephone: 27751
Fax: 24167
Email: info@audit.gov.ws
Website: www.audit.gov.ws

*Please address all correspondences
to the Controller and Auditor General*



P.O Box 13
APIA, SAMOA

AUDIT OFFICE

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

We communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

In our opinion:

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

Our audit was completed on the 31st October 2018 and our opinion is expressed as at that date.

Apia, Samoa
2nd November 2018

Norris Mitchell

ACTING CONTROLLER AND AUDITOR GENERAL

PUBLIC TRUST OFFICE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2018

**PUBLIC TRUST OFFICE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

CONTENTS	PAGE
Statement of Financial Performance	5
Statement of Financial Position	6
Statement of Changes in Equity and Reserves	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 19

Public Trust Office
Statement of Financial Performance
For the year ended 30 June 2018

		2018	Restate 2017
	Notes	\$	\$
INCOME			
Administration fees		348,580	157,033
Commission earned		223,372	165,688
Interest from loans		1,423	1,174
Dividend income		254,861	159,195
Amortised income		-	3,686
Service fees		575	-
Doubtful debts recovered		229,544	50,228
Other income		12,786	9,203
Government Grant	17	493,052	501,966
Total Income		<u>1,564,193</u>	<u>1,048,173</u>
EXPENDITURES			
Administration expenses	3	441,241	434,571
Finance costs		1,520	933
Directors fees and allowances	4	110,192	108,071
Depreciation	12	21,715	11,648
Salaries and wages		382,055	447,533
Total Expenditures		<u>956,723</u>	<u>1,002,756</u>
OTHER GAINS/(LOSSES)			
Interest from term deposits		-	-
Gain/(loss) on UTOS investments		146,361	72,528
Total other gains/(losses)		<u>146,361</u>	<u>72,528</u>
Net profit (Loss)		<u>753,832</u>	<u>117,946</u>
ASSURANCE AND RESERVE FUND AT START			
Government dividend paid		-	-
		<u>753,832</u>	<u>117,946</u>
Transfer to assurance and reserve fund		<u>(753,832)</u>	<u>(117,946)</u>

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

Public Trust Office
Statement of Financial Position
As at 30 June 2018

		2018	Restate 2017
	Notes	\$	\$
Non Current Assets			
Loans receivable	10	317,244	162,606
Fixed assets	12	100,814	14,582
Estates with debit balances		<u>1,169,597</u>	<u>1,118,045</u>
Total Non Current Assets		<u>1,587,654</u>	<u>1,295,234</u>
Current Assets			
Cash and cash equivalents	5	388,565	33,795
Investments	6	6,518,741	6,127,947
Other debtors and prepayments	7	<u>425,643</u>	<u>376,190</u>
Total Current Assets		<u>7,332,949</u>	<u>6,537,932</u>
TOTAL ASSETS		<u>8,920,603</u>	<u>7,833,169</u>
EQUITY AND LIABILITIES			
Non current Liabilities			
Funds-Estate, Trusts and Compensation	8	3,450,155	3,157,801
Unclaimed funds	14	<u>463,949</u>	<u>427,163</u>
Total non-current Liabilities		3,914,104	3,584,964
Current Liabilities			
Other Creditors and accruals	9	<u>180,352</u>	<u>175,889</u>
		180,352	175,889
Equity and Reserves			
Government Equity	13	18,780,650	18,780,650
Assurance and reserve deficit		(13,964,503)	(14,718,335)
Reserve for legal expenses		<u>10,000</u>	<u>10,000</u>
Total Equity and Reserves		4,826,147	4,072,315
TOTAL EQUITY AND LIABILITIES		<u>8,920,603</u>	<u>7,833,169</u>

For and on behalf of the Board:



Public Trustee

31.10.2018

Date



Chairman

31.10.2018

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 2018

	Government Equity	Reserve for legal expenses	Assurance and Reserve	Accumulated profit/(loss)	Total
	\$	\$	\$	\$	\$
Balance as at 30 June 2016	18,780,650	10,000	(8,628,331)	(6,207,950)	3,954,369
Net profit/(loss) for the year	-	-	-	117,946	117,946
Dividend paid to Government	-	-	-	-	-
Contributions during the year	-	-	-	-	-
Balance as at 30 June 2017	18,780,650	10,000	(8,628,331)	(6,090,004)	4,072,315
Net profit/(loss) for the year	-	-	-	753,832	753,832
Contributions during the year	-	-	-	-	-
Balance as at 30 June 2018	18,780,650	10,000	(8,628,331)	(5,336,172)	4,826,147

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 2018

	Notes	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from administration & commission fees		571,952	214,276
Cash received from other income		3,784	2,654
Cash received from estates		1,613,706	1,127,422
Cash paid to suppliers and employees		(938,273)	(1,348,038)
Cash paid out to estates		(1,375,650)	(831,926)
Net cash from operating activities		<u>(124,481)</u>	<u>(835,613)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received on loan repayments		79,449	109,596
Dividend received from UTOS		254,861	355,402
Investments with UTOS		262,407	293,176
Gains/(losses) from UTOS investments		-	72,528
Investments paid out to UTOS		-	(293,176)
Cash withdrawn from UTOS		(118,237)	-
Purchases of fixed assets		(107,947)	6,885
Gain on disposal of fixed assets		11,000	-
Net cash from investing activities		<u>376,991</u>	<u>544,411</u>
Cash flows from financing activities			
Grants from MoF	17	493,052	501,966
Net cash from financing activities		<u>493,052</u>	<u>501,966</u>
Net Increase/(decrease) in cash balances		745,562	210,765
Add: Opening balance		6,161,744	5,950,980
Net cash balances		<u><u>6,907,306</u></u>	<u><u>6,161,744</u></u>
Represented by:			
Cash and cash equivalents	5	388,565	33,795
Investments	6	6,518,741	6,127,947
Total cash and cash equivalents		<u><u>6,907,306</u></u>	<u><u>6,161,744</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 2018

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 authorized for issue by the Board of Directors on 31st October 2018.

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.

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

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2018

Amendment IAS 12	of financial assets Income taxes: Deferred tax	1 January 2012
Amendment IAS 1	Financial statement presentation regarding other comprehensive income accounting for investment properties	1 July 2012
Amendment IFRS 9	Financial instruments: Classification and measurement	1 January 2013
Amendment 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 (Revised)	Separate financial statement	1 January 2013
IAS 28 (Revised)	Associates and joint ventures	1 January 2013
IFRS 15	Revenue from Contracts with Customers	1 January 2018

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

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

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

- **Loans portion segment:**

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

c. Interest on mortgages and unsecured loans

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

d. Commission and other income

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

e. Reserve for doubtful loans

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

f. Special funding (Government support)

Pursuant to Section 20 of the Public Trust Office Act 1975, if office funds are at any time insufficient to

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2018

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 10 and no longer appears on the face of the financial position as part of the Assurance and Reserve accounts.

h. Estate assets

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

i. Funds – Estate, Trust and Compensation Accounts

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

j. Advances to estates and beneficiaries

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

k. Income tax

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

l. Cash and cash equivalents

Cash and cash equivalents consist of cash 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.

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 life of each fixed asset. The rates at which depreciation is charged are as follows:

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2018

• 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 (SNPF), 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 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.

3. Administration expenses

Details of administration expenses are specified as follows:

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2018

	2018	2017
	\$	\$
ACC levy	3,632	4,611
Advertising	18,960	18,351
Audit fees	50,384	40,060
Donations	100	1,200
Insurance	7,028	3,759
Interest on estates	334	2,780
SNPF subsidies	27,220	32,008
Office expenses	1,396	4,299
Printing and stationery	11,130	12,445
Rent	260,788	260,788
Repairs and maintenance	24,297	24,813
Staff training	2,412	478
Telephone and postage	16,610	14,470
Transport and travelling	16,951	14,508
Total administration expenses	<u>441,241</u>	<u>434,571</u>

4. Directors' fees and allowances

Directors' fees and allowances are specified as follows:

	2018	2017
	\$	\$
Board expenses	15,759	12,664
Directors fees and allowances	94,433	95,407
Total Directors' fees and allowances	<u>110,192</u>	<u>108,071</u>

In the financial year 2014/2015, Government regulations specified that Directors' fees were \$6,500 per annum per member and \$8,000 per annum for the Chairman whilst sitting allowances were \$250 per meeting per member and \$300 per meeting for the Chairman.

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

5. Cash and cash equivalents

Details of cash and cash equivalents are specified as follows:

	2018	2017
	\$	\$
Petty Cash	100	100
ANZ Bank (Samoa) Ltd	352,946	9,816
ANZ Bank Operating Account	(2)	-
Bank South Pacific	9,503	17,275
National Bank of Samoa	26,019	6,604
Total cash and cash equivalents	<u>388,565</u>	<u>33,795</u>

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2018

6. Investments

Details of investment are specified as follows:

	2018	2017
	\$	\$
<u>UTOS units investment movement as follows:</u>		
Beginning balance is:	6,127,947	5,725,917
Additional 170,394 units during the year valued \$1.54-average	262,407	283,563
Increase (decrease) in fair value	246,625	118,467
Withdrawal of 8,213 units at withdrawal price of \$1.49	(12,237)	-
Withdrawal of 69,737 units at withdrawal price of \$1.52	(106,000)	-
Ending balance at 4,232,949 units valued at \$1.54	<u>6,518,741</u>	<u>6,127,947</u>

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

	2018	2017
	\$	\$
Estate, Trust and Compensation Accounts	2,593,875	2,493,262
Office Funds	3,924,866	3,634,685
Total investments with UTOS	<u>6,518,741</u>	<u>6,127,947</u>

7. Other debtors and prepayments

Details of other debtors and prepayments are specified as follows:

	2018	2017
	\$	\$
Dividend receivable	423,295	372,645
Prepayment	2,348	3,545
Total other debtors and prepayments	<u>425,643</u>	<u>376,190</u>

8. Funds - Estate, Trust and Compensation accounts

Details of the above accounts are specified as follows:

	2018	2017
	\$	\$
Estate funds	870,725	713,988
Trust funds	282,093	274,276
Compensation funds	1,887,733	2,004,947
Unrealised gains & losses on UTOS investments	409,604	164,590
Total Estate, Trust and Compensation accounts	<u>3,450,155</u>	<u>3,157,801</u>

9. Other creditors and accruals

Details of other creditors and accruals are specified as follows:

	2018	2017
	\$	\$
Accrued expenses	150,020	156,499
VAGST	29,715	17,786
Other creditors	617	1,604
Grant received in advance	-	-
Total other creditors and accruals	<u>180,352</u>	<u>175,889</u>

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2018

10. Loans receivable

Details of loans receivable are specified as follows:

			2018	2017
	Mortgage	Unsecured	Totals	Totals
	\$	\$	\$	\$
Gross loans	123,804	1,427,384	1,551,188	1,676,323
Reserve for doubtful loans	-	(1,233,944)	(1,233,944)	(1,513,717)
	<u>123,804</u>	<u>193,440</u>	<u>317,244</u>	<u>162,606</u>
Movement of reserve for doubtful loans:				
Opening balance	-	(1,513,717)	(1,513,717)	(1,613,365)
Less: Bad debts recovered	-	279,773	279,773	99,648
Closing balance	<u>-</u>	<u>(1,233,944)</u>	<u>(1,233,944)</u>	<u>(1,513,717)</u>

11. Deferred income for fixed assets

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

	Computers	Office Furniture & Equipment	Total
Cost			
Opening balance as at 30 June 2017	21,450	20,076	41,526
Additions	-	-	-
Balance as at 30 June 2018	<u>21,450</u>	<u>20,076</u>	<u>41,526</u>
Amortisation			
Opening balance as at 30 June 2017	21,450	20,076	41,526
Depreciation charge	-	-	-
Balance as at 30 June 2018	<u>21,450</u>	<u>20,076</u>	<u>41,526</u>
Net Amortised Value			
Balance as at 30 June 2017	<u>-</u>	<u>-</u>	<u>-</u>
Balance as at 30 June 2018	<u>-</u>	<u>-</u>	<u>-</u>

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2018

	Computers	Office Furniture & Equipment	Total
Cost			
Opening balance as at 30 June 2016	21,450	20,076	41,526
Additions	-	-	-
Balance as at 30 June 2017	21,450	20,076	41,526
Amortisation			
Opening balance as at 30 June 2016	21,450	16,390	37,840
Depreciation charge	-	3,686	3,686
Balance as at 30 June 2017	21,450	20,076	41,526
Net Amortised Value			
Balance as at 30 June 2016	-	3,686	3,686
Balance as at 30 June 2017	-	-	-

From the 2011/2012 financial year, fixed assets with a total value of \$41,526 were donated by AusAID. The deferred income was fully recognized in 2016.

12. Fixed assets

Details of fixed assets are specified as follows:

	Computers	Motor Vehicles	Office Furniture and Equipment	Total
Cost				
Opening balance as at 30 June 2017	126,236	280,486	178,647	585,368
Additions	7,116	92,174	8,657	107,947
Disposal	-	(99,998)	-	(99,998)
Balance as at 30 June 2018	133,352	272,662	187,304	593,317
Depreciation				
Opening balance as at 30 June 2017	123,514	280,486	166,786	570,786
Depreciation charge	3,674	13,037	5,004	21,715
Disposal	-	(99,998)	-	(99,998)
Balance as at 30 June 2018	127,188	193,525	171,790	492,503
Net Book Value				
Balance as at 30 June 2017	2,722	-	11,861	14,582
Balance as at 30 June 2018	6,163	79,137	15,514	100,814

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2018

Cost	Computers	Motor Vehicles	Office Furniture and Equipment	Total
Opening balance as at 30 June 2016	126,141	280,486	172,364	578,990
Additions	95	-	6,283	6,378
Balance as at 30 June 2017	126,236	280,486	178,647	585,368
Depreciation				
Opening balance as at 30 June 2016	120,188	280,486	158,464	559,138
Depreciation charge	3,326	-	8,322	11,648
Balance as at 30 June 2017	123,514	280,486	166,786	570,786
Net Book Value				
Balance as at 30 June 2016	5,953	-	13,900	19,852
Balance as at 30 June 2017	2,722	-	11,861	14,582

13. Government equity

Details of Government equity are specified as follows:

	2018	2017
	\$	\$
Opening equity	18,780,650	18,780,650
Additional grant	-	-
Total Government equity	18,780,650	18,780,650

14. Unclaimed funds

Details of unclaimed funds are specified as follows:

	2018	2017
	\$	\$
Unclaimed monies	463,949	427,163

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

15. Capital commitments and contingent liabilities

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

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

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

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2018

16. Contingent asset

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

17. Change in Accounting Policy IAS 20

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

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

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

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

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

	Government Equity	Reserve for legal expenses	Assurance and Reserve	Accumulated profit/(loss)	Total
	\$	\$	\$	\$	\$
Balance as at 30 June 2016	18,780,650	10,000	(8,628,331)	(6,207,950)	3,954,369
Net profit/(loss) for the year	-	-	-	117,946	117,946
Dividend paid to Government	-	-	-	-	-
Contributions during the year	-	-	-	-	-
Balance as at 30 June 2017	18,780,650	10,000	(8,628,331)	(6,090,004)	4,072,315
Net profit/(loss) for the year	-	-	-	753,832	753,832
Contributions during the year	-	-	-	-	-
Balance as at 30 June 2018	18,780,650	10,000	(8,628,331)	(5,336,172)	4,826,147

Public Trust Office
Notes to the Financial Statements
For the year ended 30 June 2018

18. Restatement of Accounts

Changes are also made to the comparative figures in order to align past year's figures with the current year's figures.

19. Events occurring after Balance Sheet

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