

## STATEMENT TO PARLIAMENT



30 June 2015

**The Honorable Speaker**

Legislative Assembly of Samoa

MULINUU

Sir,

In pursuant of Part VI, Section 23 of the Public Bodies (Performance and Accountability) Act 2001, I present to the Legislative Assembly for discussion, Samoa Post's Annual report for the financial year ended on the 30<sup>th</sup> June 2015.

The Company's **VISION** is:

To achieve excellence through the provision of profitable, affordable, reliable and accessible postal services to its domestic and international customers.

**Through achieving its Mission Statement of:**

To be the "LEADER" in physical distribution of parcels and paper communication, meeting international delivery standards, with capacity and capabilities of becoming an essential partner for the business community.

Ma le fa'aaloalo,



Tuisugalētaua Aliimalemanu Sofara Aveau

**MINISTER OF SAMOA POST**

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## BOARD OF DIRECTORS 2015 PERIOD



Afioga Fa'avaeolenuu Ioane Tagata (Chairman of the Board)



Afioga Tiatia Moto'otua (Director)



Afioga Tofaeono Aufata (Director)



Afioga To'oala Risale

Director



Susuga Onosefulu Fuatai

Director



Tofa Paiaaua Iona Sekuini

Director

## EXECUTIVE MANAGEMENT 2014 - 2015 PERIOD



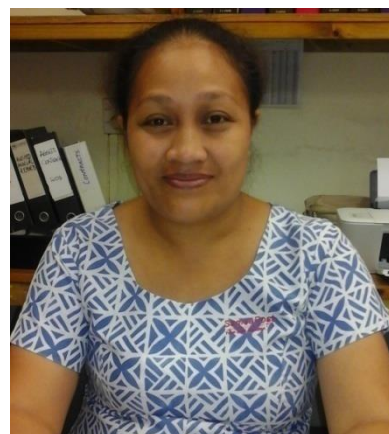
**Mrs Tupe Ualolo Nun Yan – Chief Executive Officer**



**Mrs Fa'auuga M. Leaupepe  
Postal Operations Manager**



**Afioga Saunoamaalii Finafinau Sione  
Retail and Marketing Manager**



**Mrs Tulutululelei F. Neufeldt  
Finance and Administration  
Manager**

## CHAIRMAN'S REPORT

Samoa Post rounded another year in a positive note and continues its successful performance for seven years now. The year 2015 is another year the company encountered unforeseen events, when domestic partnerships with local business partners ended due to many irregularities which involve some of our district post offices.

Samoa Post immediate strategic focus and efforts were directed towards international to generate and increase overseas volumes. This international presence and generating higher volumes is essential to offset the continuous declining of domestic transactions in all revenue streams of the company's business.

Samoa Post's commitment to its core functions is derived by the booms of e-commerce trading and volumes booms in international markets, particularly in the Asia Pacific region. Samoa Post squeezed into this niche market, for volume generation and ultimately future growth.

### Overview of Activities and Performance

During the financial year the National Bank of Samoa and Sports Lotto partnership were terminated, due to continuous theft, armed robbery and burglaries from district post offices in Savaii.

But on the other hand, Samoa Post signed a partnership business deal with Sino Samoa United Parcel Services (SSUP), an international business partner in China, to tap and grasp a share of the booming E-Commerce market in the Asian region such as China, Singapore, Japan, Australia and New Zealand

### Capital and Dividend:

Samoa Post was able to operate efficiently within its own means, without any loans or financial assistance from Government. Overall Samoa Post performs extremely well financially, under the circumstances, with total revenue collected, exceeding forecast in our Corporate Plan 2015-2017 by 2%. Expenditures were lower than our projections by 16%, with Net Profit After Tax higher than our predictions by 71%.

The efficient and effective management of Samoa Post's operations generated sufficient funds for day to day operations, but enough funds to be invested in Term Deposits. The company invested in local financial institutions, a total of \$2,984,174 at the end the financial year.

The Company's success, is spearheaded by the complete knowledge and understanding of our business environment, and due diligence is exercised in all business decisions made, ensuring what we accomplish, is in the best interest of Samoa Post.

Dividend payable to Government continues to grow over the past years, and exceeded our predictions in the Corporate Plan 2015-2017 by 71%, paying \$420,060 during this period

These favorable results were combinations of an increase in revenue collected, together with reducing and well managed spending noted above.

### Director's Information

Samoa Post Board Members for 2015 are:

Board Members	Attendance in Meetings
Afioga Fa'avaeolenuu Ioane Tagata	6
Afioga Titatia Motootua	5
Afioga Toala Risale	4
Afoga Tofaeono Aufata	5
Tofa Paiaaua Iona Sekuini	5
Susuga Onosefulu Fuatai	6

There were six board meetings during the period and board expenses have a slight decrease compared to 2014 and as follows:

Directors Fees = \$40,500.00

Sitting Allowances - \$17,197.00

Board Misc Exp = \$ 8,926.00

**Total Expenses - \$66,623.00**

### Community Service Obligations

The Company's District Post offices in Savaii continue to operate on a loss for seven years in a row now, but despite of continuous negative results, Samoa Post continues to renew Salailua and Fagamalo District Post Offices during the period.

Samoa Post remains committed to its social obligation of providing accessible and cost effective services to our people in Savaii.

### Word of Thanks

As the Chairman, I must thank board member, for their strong support during the year under review. I strongly believed that the support and advices rendered have contributed a lot in the satisfactory financial achievements.

I also wish to convey my sincere gratitude and thank you to the Honorable Minister for his support for our work and guidance in matters requesting his assistance during the period.

Lastly but not the least, my great thanks and appreciation to the Chief Executive Officer, her management Team and staff who have worked diligently and relentlessly, in the delivery and execution of our business strategies to achieve the expected performance results. Their hard efforts were rewarded with the complimentary achievement in Samoa Post's financial results this year.

Faamālō le gālulue ma fa'afetai tele,



Fa'avaeolenuu Ioane Tagata

**CHAIRMAN - BOARD OF DIRECTORS**

## **CHIEF EXECUTIVE OFFICER'S REPORT**

The year 2015 ended well for Samoa Post, with all key performance indicators exceeding our strategic forecast, in our Corporate Plan 2015 -2017, in all areas, as well as in comparison to 2014 period.

Samoa Post maintained our commitment to legal, social and financial obligations according to our corporate vision and mission.

### **1. Highlights of the year**

There were many challenges this year and our operational achievements were spoiled by thefts, armed robberies and continuous burglaries from all District Post Offices in Savaii. These reflected negatively on domestic business partnerships, when their huge funds were stolen.

However, Samoa Post strengthened procedures and security in district post offices and remained committed to our corporate mission. More domestic partnership deals were terminated, but other new domestic and international business partners came on board.

The Universal Postal Union, as always, generously donated four vehicles for Samoa Post on a partnership agreement. The continuous assistance was part of their Multi-year International Project, to assist Samoa Post to constantly maintain high standards of delivery services achieved, together with sound financial performance and stability over the years.

Human Resource development assistance from the Universal Postal Union, enables funding of five staff's participation in workshops, meetings and postal training, during the period, in preparations for many operational changes that will be introduced in the year 2016.

### **2. Overview of financial performance and results**

Samoa Post's overall financial results were good. Revenue collected exceeded our projections in the Corporate Plan 2015-2017 by 2%, and also higher than 2014 period, by 4%.

The major achievements were driven by financial gains from international transaction plus interest earned from term deposits, resulted in an increase of 33% from the last period.

For the last two years Samoa Post reorganize the structure of 'Other Revenue' stream, to be inclusive of financial gain and interest earned. The restructuring resulted in an increase of 1349% of this revenue stream, compared to our Corporate Plan, in which, only earnings from internet café were previously recorded.

Postal Revenue fell by 5% compared to the last period, but a further decrease of 11% compared to our strategic forecast.

These are the realities of decreasing mail volumes for all inbound, outbound and domestic mails.

Postal retail revenue recorded an increase of 36% compared to the last period, due to aggressive marketing of the company's products, but decreased by 14% compared to our forecast, as domestic sales stagnant due to intense competition and expecting a declining trend in the future.

Agency services decreased by 7% compared to 2014, with a further fall of 15% compared to our Corporate Plan. The below budget performance, was due to customers switching to online payments and e-copy transmission of invoices.

Expenditures were prudently controlled and below target by 16%, with a further 3% decrease compared to the last period. All expense costs were well below our strategic forecast, except for depreciation and international postal costs, which recorded a 7% and 20% above budget spending respectively. Depreciation increase was a product of new vehicles received, but higher international postal costs, were the outcomes of higher international mail delivery costs.

Strong revenues recorded for the period, coupled with below budget spending provided a Net Profit After Tax (NPAT) and dividend payment, exceeding our forecast by 71%, and 23% higher compared to 2014.

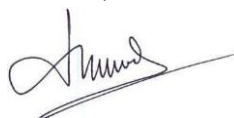
The positive results were driven by higher revenues collected during the period, together with well contained spending, as Samoa Post strategically focused on achieving all financial, social and legal obligations during the period.

### **Thank you**

Ending another year on a strong financial performance with intense challenges was driven by the employees' perseverance and commitment. The environment for management of postal business is still expected to stay tough for years to come.

However, the management and employees are completely prepared and conscious of these challenges. But continuous success is achieved by an overwhelming determination for the post to stay relevant, innovative and knowledgeable, to explore new possibilities in the future with heavenly guidance.

God bless,



Tupe Ualolo Nun Yan

**CHIEF EXECUTIVE OFFICER**



# Overview of Operating Performance Results for 2015

## 1. Operating Performance Results

Samoa Post participates dynamically in all regional projects, workshops and training. The aim is to facilitate and strengthen our workforce and operational procedures constantly. Higher quality service now becomes a fundamental element of volume generation for E-commerce. Online customers grow rapidly, simultaneously demanding visibility of tracking events for mail items ordered online.

Employees are consistently exposed to international trainings and workshops, due to the shift of customer demand to online purchasing. Innovation in all elements of our operations becomes necessary to cope with new market trends and potential new services.

## 2. Financial performance versus CP and 2015-2017

The major financial indicators are robust indicating Samoa Post operates in accordance with its projections, stated in its Corporate Plan 2015-2017.

	Actual 2015	Corporate Plan 2015-2017	Variance
Revenue	2,267,681	2,224,500	2%
Expenditure	1,567,172	1,855,900	-16%
NPBT	603,754	368,600	64%
Tax	142,949	99,522	44%
NPAT	460,805	269,078	71%
Dividend	230,403	134,539	71%

## 3. Cash Flows

Cash on hand at the end of the period was stronger with an increase of 25%, from 2014, generated from international partnership agreements.

However, a net decrease in Cash Flow was recorded during the period, from \$813,340 in 2014 to \$729,867 in 2015

(↓10%). The negative effect resulted from higher international settlements, paid to overseas postal administrations, plus dividend payment made to the government during the period.

Overall, Samoa Post cash flows stance is sufficient to react to any financial commitments both in the short and the long term.

Excess funds are invested in financial institutions for interest earning for term varying from three to twelve months.

## 4. Operating Performance and results

Our core business continues to be our major revenue earner for 2015, generating 60% of total revenue, despite volumes fell by 7% this year.

The higher contribution was driven by revenue earned from our partnerships with internal E-commerce businesses, which offset the sharp decline for domestic volumes.

### Mail volumes for the year 2015

	Mail Volumes		
	2015	2014	Variance
Inward	72,695	76,641	-5%
Outward	40,971	43,576	-6%
Domestic	99,737	109,278	-9%
Total	213,403	229,495	-7%

The declining trend in mail volumes is forecast to continue at a faster rate, as advanced technology took over today's communication market.

Samoa Post delivery performance exceeded Universal Postal Union delivery targets through constant participation in the Universal Postal Union and Asia Pacific Postal Union funded workshops and training to ensure that customers are satisfied with the level of service offering posts offers.

## 5. Capital Expenditure and Projects

Samoa Post engaged in the renovation of our District Post offices in Savaii during the period, although they continue to operate on a loss each year. Company efforts are geared towards upgrading district post offices for the provision of a range of services to our people in Savaii. These include payment of pensions to pensioners,

bill payments and other services. Samoa Post determines to development district post offices as community centers in the rural areas.

Samoa Post received four (4) vehicles from the Universal Postal Union in March 2015, under our partnership agreement.

The much needed and continuous assistance from our mother union permits the renewal of our fleet and contributes to the maintenance of highly achieved delivery standards in accordance with the Universal Postal Union set targets.

The old vehicles were tendered in accordance with company policies. A gain of \$26,524 was recorded from the disposal of these assets and accounted in other revenue stream in our accounts.

Samoa Post maintains our strong relationship with the Universal Postal Union and Asia Pacific Postal Union, as our source of technical and financial assistance in years to come.

## 6. Outlook for next year

Samoa Post's business environment is delicate to a certain extent, in respect to the nature of the business, market condition and technological development from time to time.

Nevertheless, we are committed to maintain Samoa Post's financial sustainability in the future, through adopting relevant and innovative approaches in accordance with foreseeable market trends.

Samoa Post participated actively in regional and universal meetings and conferences, to ensure we are kept abreast of changes and learn from our postal members. This networking sharing

development ideas and experience identify potential services and products, and form partnership agreements with practical strategies moving forward.

## 7. Future Risk and Uncertainties

Postal business is exposed to a number of risks and uncertainties due to heavy reliance and interactions with international postal administrations and private business marketers.

These range from international settlements, partnership agreements and Universal Postal Union regulations for its core functions operations. The structure of the remuneration system will be debated in the Universal Postal Union Congress in Istanbul 2016. The proposal put forward by industrialized countries, is to increase delivery costs to truly reflect the higher delivery costs within their countries. If the proposal will push through, it could result to the following:

- a) Domestic postal tariff for all services, to be increased pushing services beyond our customer's affordability.
- b) Samoa Post would not be competitive for the E-commerce market and international partnerships, we currently have.
- c) The structure of the UPU Universal Service Obligation will be changes altogether and will affect the revisit of the Postal Act 2010.

On the other hand, international partnership and settlements are fragile and beyond Samoa Post's control. They are heavily determined by international market conditions, legislations and economic stability, and could both have positive and adverse effects on financial performance any time.



## 8. Samoa Post Key Financial Indicators for the period 2015

### SAMOA POST LIMITED

#### ANALYSIS OF KEY FINANCIAL & NON-FINANCIAL INDICATORS

for the year ended 30th June 2015

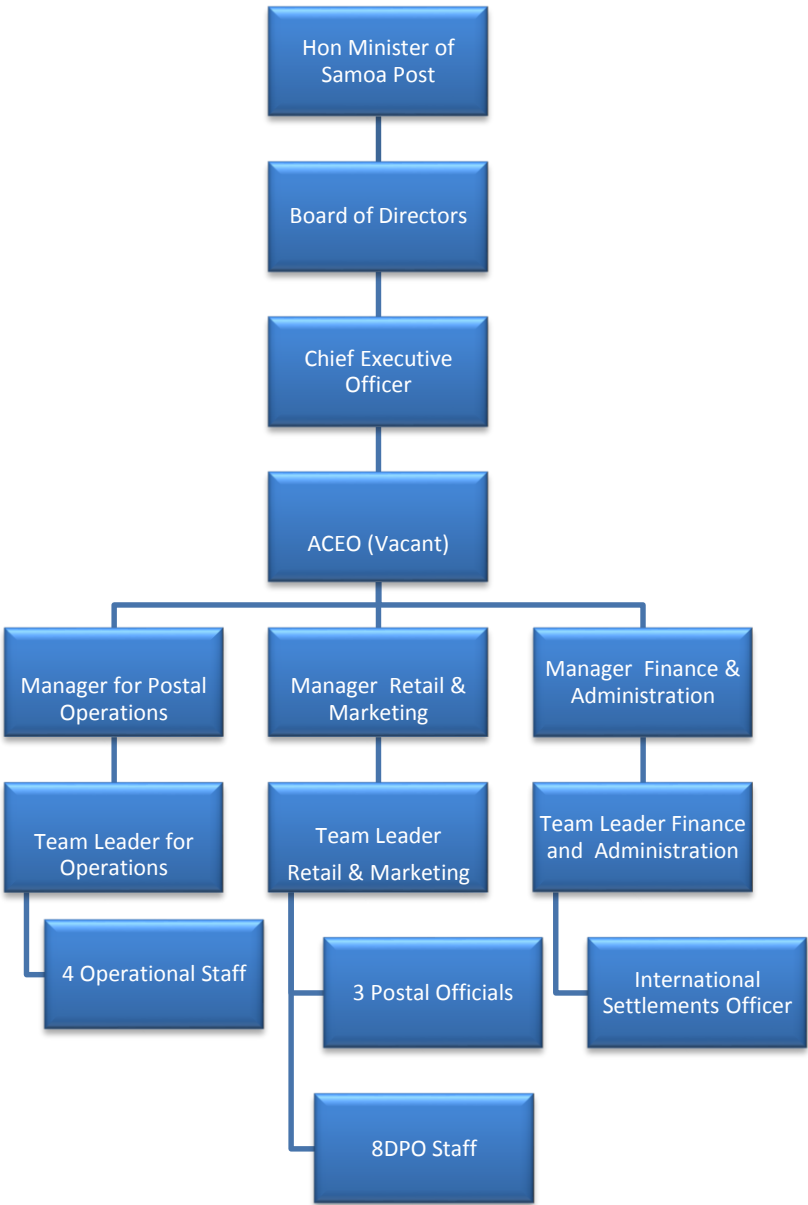
KEY FINANCIAL MEASURES	Period		Variance
	2015	2014	
	\$	\$	
Revenue:	2,267,681	2,182,059	↑4%
Expenditure	1,567,172	1,621,070	↓3%
Cost of Goods sold	96,755	69,906	↑3%
Net Profit Before Tax	603,754	491,083	↑23%
Net Profit After Tax	460,805	375,709	↑23%
Current Assets	5,953,276	7,474,638	↓20%
Total Assets	6,237,466	7,593,899	↓17%
Current Liabilities	3,941,118	5,656,181	↓30%
Total Liabilities	4,073,453	5,683,148	↓28%
Equity	2,164,013	1,910,751	↑13%
<b>Profitability:</b>			
NPAT as % of sales	20%	17%	
Return on Equity	21%	20%	
<b>Liquidity:</b>			
Current Ratio	1.5.1	1.3.1	

KEY NON-FINANCIAL MEASURES	2015	2014	
No. of SPO's	37	37	37
No. of DPOs + CPO	1 + 5	1 + 5	1 + 5
No. of Occupied Post Boxes	1,841	2,211	↓16%
Postal Volumes	213,403	229,459	↓7%

## 9. Progress with our Corporate Plan 2015 - 2017 forecast

Performance Measures	2015	CP 2015 Target	Assessment
Revenue	\$ 2,267,681	\$ 2,224,500	Revenue collected exceeded our CP forecast by 2%, due to partnership with our international business partners for e-commerce volume booms
Expenditure	\$ 1,663,927	\$ 1,855,900	Expenditure for the period was below our projections by 10%, due to prudent control on our spending as our domestic volumes continue its declining trend
NPAT	\$ 460,805	\$ 269,080	NPAT recorded was 71% higher than our CP forecast driven by both an increase in revenue, together with below budget spending during the period.
Dividend	\$ 230,403	\$ 134,540	Dividend payment to government exceeded our CP budget by 71%, due to factors noted above.
Equity	\$ 2,164,013	\$ 1,884,440	ROE recorded a strong increase of 15% due to higher NPAT for the period.
Current Ratio	1.5.1	1.5.1	The company capabilities to meet its short term financial obligations continue to be strong and in accordance with our CP 2015 forecast

10. Samoa Post Organization Chart 2015 - 2017



Total staff – 24  
Casual Workers- 2

# FINANCIAL STATEMENTS

## For 2015

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**SAMOA POST LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

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**SAMOA POST LIMITED  
FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

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**SAMOA POST LIMITED**  
**DIRECTOR'S REPORT AND CERTIFICATION**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

The directors present their report together with the financial statements of the company for the year ended 30 June 2015 and the auditors' report thereon.

**Directors**

The following persons were directors of the Samoa Post Limited during the whole year and up to date of this report:

- Faavaeolenuu Ioane Tagata (Chairman)
- Onosefulu Fuatai
- Tiatia Motootua
- Paiaaaua Iona Sekuini
- Toala Pule Risale
- Tofaeono Aufata

**State of Affairs**

There were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

**Principal Activities**

The principal activities of the Company during the course of the financial year were provision of postal and courier services both locally and internationally. Also provide agency and internet services.

There were no significant changes in the nature of the activities of the company during the financial year.

**Results**

Operations during the financial period resulted in a profit after income tax of \$460,805 (2014: \$375,709).

Retained earnings carried forward to the next year amounts to \$1,664,013 (2014: \$1,410,751)

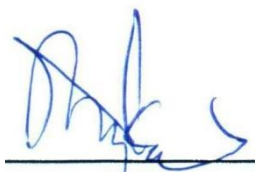
**Dividend**

A cash dividend of \$420,060 was paid during the year and a final dividend of \$207,543 was approved for the financial year.

**Events subsequent to balance date**

In the opinion of the directors there are no matters or circumstances that have arisen since the end of the financial period that have significantly affect the operations, results or state of affairs of the company in future financial years.

We authorize the attached financial statements for issue on 27 October 2015 on behalf of the directors of Samoa Post Limited.



Fa'avaeolenuu Ioane Tagata  
**CHAIRMAN**

Apia, Samoa  
27 October 2015



Toala Pule Risale  
**DIRECTOR**

Apia, Samoa  
27 October 2015

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**SAMOA POST LIMITED  
MANAGEMENT REPORT  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The accompanying financial statements are the responsibility of management. The financial statements have been prepared according to International Financial Reporting Standards and also comply with the Public Finance Management Act 2001 in relation to the form or content of financial statements under the Public Bodies (Performance and Accountability) Act 2001 and it includes amounts based on management's best estimates and judgments.

Management has established and maintains accounting and internal control systems that include written policies and procedures. These systems are designed to provide reasonable assurance that our financial records are reliable and form a proper basis for the timely and accurate preparation of financial statements, and that our assets are properly safeguarded.

The board of directors oversees management's responsibilities for financial reporting. The financial statements have been reviewed and approved by the board of directors on recommendation from management.

Our independent auditors (Betham & Co.), having been appointed by the Auditor General and Controller, have audited our financial statements. The accompanying independent auditors' report outlines the scope of their examination and their opinion.

A handwritten signature in blue ink, appearing to read "Tupe Ualolo Nun Yan".

**Tupe Ualolo Nun Yan  
Chief Executive Officer**

Dated: 27 October 2015

A handwritten signature in blue ink, appearing to read "Tutulululelei F Neufeldt".

**Tutulululelei F Neufeldt  
Manager Finance & Administration**

Dated: 27 October 2015

TELEPHONE: 27751  
FAX: 24167  
EMAIL: [info@audit.gov.ws](mailto:info@audit.gov.ws)  
Website: [www.audit.gov.ws](http://www.audit.gov.ws)

Please address all correspondences  
to the Controller & Auditor-General



P.O. Box 13  
APIA, SAMOA

## AUDIT OFFICE

### TO THE SHAREHOLDER(S) OF SAMOA POST LIMITED

We have audited the accompanying consolidated financial statements of Samoa Post Limited (the "Company") which comprises the Statements of Income, Comprehensive Income, Changes in Equity and Cash Flows for the year ended 30 June 2015 and the Balance Sheet as of that date, 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 Statements

Directors and management are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and with the requirements of the Company's Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are 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 to the Company's Shareholders, as a body, in accordance with section 138 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's Shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors and Management, as well as evaluating the overall presentation of the financial statements.

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

### Auditor's Opinion

In our opinion, proper books of account have been kept by the Company, so far as it appears from our examination of those books and the accompanying financial statements which have been prepared in accordance with International Financial Reporting Standards:

1. Are in agreement with the books of account; and
2. To the best of our information and according to the explanations given to us:
  - i. Give a true and fair view of the Company's State of Affairs as at 30 June 2015 and of its statement of financial performance, changes in equity, and its cash flows for the year ended on that date; and
  - ii. Give the information required by the Companies Act 2001 in the manner so required.

We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

Apia, Samoa  
27 October 2015

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

**SAMOA POST LIMITED**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
<b>INCOME</b>			
Postal Service Revenue		1,362,820	1,427,800
Postal Retail Revenue		188,384	138,758
Agency Commission		207,343	223,729
Other Revenue	16	434,823	328,000
Amortization Income	12a	74,311	63,772
<b>Total Income</b>		<b>2,267,681</b>	<b>2,182,059</b>
<b>Less: COST OF STAMPS &amp; MERCHANDISE SOLD</b>			
Opening Stock		89,944	103,344
Purchases		81,899	56,506
Cost of Goods Available for Sale		171,843	159,850
Less: Closing Inventories		(75,088)	(89,944)
<b>Cost of Goods Sold</b>		<b>96,755</b>	<b>69,906</b>
<b>Gross Profit</b>		<b>2,170,926</b>	<b>2,112,153</b>
<b>Expenses</b>			
Audit Fees		26,600	26,624
Personnel	13	701,726	713,011
Board Expenses	14	66,623	66,929
Depreciation	11	74,622	70,015
International Postal		130,833	109,235
Other Operating Expenditure	15	566,768	635,256
		<b>1,567,172</b>	<b>1,621,070</b>
<b>Net Profit before tax</b>		603,754	491,083
Income Tax Expense	10b	(142,949)	(115,374)
<b>Net Profit after tax</b>		<b>460,805</b>	<b>375,709</b>

*The relevant accompanying notes form an integral part of the above Statement of Financial Performance.*



**SAMOA POST LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2015**

		<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
<b>ASSETS</b>	<b>Note</b>		
<b>CURRENT ASSETS</b>			
Cash and bank balances	5a	2,356,186	340,575
Term deposits	5b	2,984,174	6,404,006
Trade & other receivables	6	537,828	645,113
Inventories	7	75,088	89,944
		<u>5,953,276</u>	<u>7,479,638</u>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	11	263,940	97,994
Deferred tax asset	10d	20,250	16,267
		<u>284,190</u>	<u>114,261</u>
<b>TOTAL ASSETS</b>		<b>6,237,466</b>	<b>7,593,899</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade & other payables	8	3,749,128	4,932,108
VAGST payable		4,870	12,797
Dividend payable	9(ii)	207,543	420,060
Provision for income tax	10c	(87,482)	234,134
Deferred liability	12b	67,059	57,083
		<u>3,941,118</u>	<u>5,656,181</u>
<b>NON CURRENT LIABILITIES</b>			
Deferred liability	12b	132,335	26,967
		<u>4,073,453</u>	<u>5,683,148</u>
<b>TOTAL LIABILITIES</b>		<b>4,073,453</b>	<b>5,683,148</b>
<b>NET ASSETS</b>		<b>2,164,013</b>	<b>1,910,751</b>
<b>SHAREHOLDER'S EQUITY</b>			
Paid Up Capital - 500,000 shares of \$1 each	4	500,000	500,000
Retained earnings		1,664,013	1,410,751
<b>TOTAL SHAREHOLDER'S EQUITY</b>		<b>2,164,013</b>	<b>1,910,751</b>

*The relevant accompanying notes form an integral part of the above Statement of Financial Position.*

On behalf of the Board:



Chairman  
Fa'avaeolenu'u Ioane Tagata



Director  
Toala Pule Risale

**SAMOA POST LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

	Note	Capital \$	Retained Earnings \$	Total \$
<b>2014</b>				
Opening balance		500,000	1,222,897	1,722,897
Profit for the year			375,709	375,709
Less: Dividend provided	9(i)		(187,855)	(187,855)
Balance as at 30 June 2014		<b>500,000</b>	<b>1,410,751</b>	<b>1,910,751</b>
<b>2015</b>				
Opening balance		500,000	1,410,751	1,910,751
Profit for the year			460,805	460,805
Less: Dividend provided	9(i)		(207,543)	(207,543)
Balance as at 30 June 2015		<b>500,000</b>	<b>1,664,013</b>	<b>2,164,013</b>

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



**SAMOA POST LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
<b>CASH FLOWS FROM/(TO) OPERATING ACTIVITIES</b>			
<b>Cash received from:</b>			
Cash received from Customers		1,811,847	1,985,390
Cash paid for Inventory Purchases		(81,899)	(56,506)
Cash paid for Expenses		(2,683,457)	(924,683)
Income tax paid	10c	(468,548)	(93,122)
<b>Net cash flows from/(to) operating activities</b>		<b>(1,422,057)</b>	<b>911,078</b>
<b>CASH FLOWS FROM/(TO) INVESTING ACTIVITIES</b>			
Purchase of fixed assets	11	(249,724)	(5,479)
Disposal of fixed assets		9,156	-
Interest Received on term Deposit		244,404	250,166
Increase in term deposits		2,568,148	(666,960)
<b>Net cash flows from/(to) investing activities</b>		<b>2,571,984</b>	<b>(422,273)</b>
<b>CASH FLOWS FROM/(TO) FINANCING ACTIVITIES</b>			
Dividend paid to Government of Samoa	9(ii)	(420,060)	(342,425)
<b>Net cash flows from/(to) financing activities</b>		<b>(420,060)</b>	<b>(342,425)</b>
<b>Net increase/(decrease) in cash during the year</b>		<b>729,867</b>	<b>813,340</b>
Opening Balance		2,926,319	2,779,939
<b>Closing bank balance</b>		<b>3,656,186</b>	<b>2,926,319</b>
<b>Represented by:</b>			
<b>Cash and cash equivalents</b>	5c	<b>3,656,186</b>	<b>2,926,319</b>

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

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**SAMOA POST LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

**1. GENERAL INFORMATION**

Samoa Post is a public body incorporated under the Companies Act 2001 and the Postal Telecommunication Services Act 1999. The entity's primary operations are the provision of postal services which includes the sending, receiving, sorting and delivery of mails. Samoa Posts main office is located at Matafele, with five agencies located in Savaii.

**2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

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

**a) Statement of Compliance**

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

- Section 91 of the Public Finance Management Act 2001, Samoa Post Limited is designated as a Public Body; therefore it must also satisfy the reporting requirement under the Public Bodies (Performance & Accountability) Act 2001.
- International Financial Reporting Standards (IFRS), which includes the International Accounting Standards issued by the International Accounting Standards Board (IASB), Interpretations and other mandatory professional requirements as prescribed in the reporting requirements of the Public Bodies (Performance & Accountability) Act 2001.

**b) Basis of Preparation**

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

The financial statements are also prepared on the going concern basis, on the presumption that Samoa Post will continue its operation in the foreseeable future.

**Comparative Figures**

Where necessary, figures have been adjusted to conform to changes in the presentation in the current financial year.

**c) Functional and Presentation Currency**

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

**d) Foreign Currency**

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

**e) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise of cash at bank and on hand and short term deposits with maturities less than one year.

**SAMOA POST LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

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

**f) Revenue recognition**

Revenue from postal services is recognized in the income statement when the service is performed. Revenue from the sale of goods is recognized in the income statement when significant risks and rewards of ownership have been transferred to the customer. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer. Recognition is at the point of sale in the case of postage items and provision of agency services, point of lodgment in the case of bulk mail and when control of goods has passed to the buyer in the case of retail products.

Allowance is made for the assessed amount of revenue from postage sales as at balance date in respect of which service had not yet been provided. No revenue is recognized if there are significant uncertainties regarding collection of the revenue due or on the possibility of goods being returned.

**g) Trade and other receivables**

Trade and other receivables are recorded at expected realization value after providing for bad and doubtful debts. At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, impairment loss is recognized immediately in the income statement.

**h) Inventories**

Inventories are valued at the lower of costs and net realizable value, with additional allowances for obsolescence where necessary. Costs have been assigned to inventory quantities on hand at balance sheet date using the weighted average basis. Inventory comprise of finished goods purchased for retail including direct variable costs incurred in bringing the inventory to its present location and condition. Consumables are not included in stocks. The stocks of stamps are for definitive and commemorative issues are excluded on the basis that they are destroyed every five years with only a nominal quantity retained for archive purposes.

**i) Property, Plant & Equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method.

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

Computers and Software	25%
Office Equipment	25%
Furniture and Fittings	20%
Motor Vehicles	25%
Leasehold Improvements	5%

**j) Trade and other payables**

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

**k) Provisions**

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

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**SAMOA POST LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

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

**l) Income Tax**

Income tax has been brought to account using the liability method of tax effect accounting. Income tax on profit comprises of current and deferred tax and is recognized in the income statement.

Current tax is the expected tax payable on the income for the 12 months, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax provides for temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

**m) Value Added Goods and Services Tax (VAGST)**

All amounts are shown exclusive of VAGST, except for accounts receivables and payables which are stated inclusive of VAGST (where applicable).

**n) Dividends**

Dividends are recognized as a liability in the period in which they are due and payable pursuant to the Public Bodies (Performance & Accountability) Regulations 2002.

**o) Employee Benefits**

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

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

**ii) Superannuation contributions**

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

**p) Government Grants**

Government grants are recognized when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. They are not credited directly to shareholder's equity. When the grant relates to an asset, the fair value is credited to a deferred income account and amortized to income statement in the same amount as the related depreciation expense on the asset. That is, amortized over the expected useful life of the relevant asset by equal annual installments.

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**SAMOA POST LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

### **3. INFORMATION ABOUT KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS**

#### **3.1 Critical accounting estimates and assumptions**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### ***(a) Provisions - doubtful debts and employee benefits***

Provisions are measured at the value management best estimates an expenditure to be incurred at, to settle a present obligation at balance date. Market situations are often used to estimate provisions. Changes in market situations will create a difference between provisions with the recorded figures. Whilst the fact remains that uncertain issues such as bad debts exist, management as a benchmark makes adequate provisions based on past record and the foreseeable future. The provisions are aligned once the final outcome is known at balance date.

##### ***(b) Depreciation***

On acquiring an asset, management determines the most reasonable length of time it expects the company to maintain that asset with reference to characteristics of similar assets or classes of assets held by the company presently or in the past. Where there is no reference available to assets or classes of assets held at present or in the past, reference is made to industry benchmarks.

Each year management assesses the carrying value of assets to determine whether they are impaired. Appropriate revisions to policies are made, if necessary, or any significant impairment losses are accounted for in the financial statements as corrective measures. Appropriate disclosures would normally follow.

#### **3.2 Critical judgments in applying the entity's accounting policy**

In applying its accounting policies, the company is not aware of any significant risk of material adjustment to the carrying amount of assets and liabilities that may change within the next financial year.

**SAMOA POST LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

**4. PAID UP CAPITAL**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Authorised Capital	500,000	500,000
<b>Paid Up Capital - Government of Samoa</b>	<b>500,000</b>	<b>500,000</b>

Paid up capital represented 500,000 shares at \$1 per share. The shares were fully paid up.

**5. CASH AND CASH EQUIVALENTS**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>a) Cash and bank balances</b>		
Petty Cash	1,000	1,000
Xpress Money Float	9,208	3,581
Cash at banks	2,345,978	335,994
<b>Total cash and bank balances</b>	<b>2,356,186</b>	<b>340,575</b>
<b>b) Term Deposits</b>		
<b>Term deposits</b>	<b>2,984,174</b>	<b>6,404,006</b>

Term of term deposits held with commercial banks and UTOS vary from 6 months to 12 months with interest rates vary from

3.5% to 6% per annum.

Cash held as term deposits is restricted for settling the company obligations under Australasian Mail Service business arrangement with overseas postal administrations.

**c) Cash and cash equivalents include the following for the purposes of the statement of cash flow:**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Petty Cash	1,000	1,000
Xpress Money Float	9,208	3,581
Cash at banks	2,345,978	335,994
Short term bank deposits (due within 90 days)	1,300,000	2,585,744
	<b>3,656,186</b>	<b>2,926,319</b>

**6. TRADE & OTHER RECEIVABLES**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Trade Receivables	104,605	126,947
International Settlement	291,857	418,758
Total Trade Receivables	396,462	545,705
<i>Less Provision for Bad and Doubtful Debts</i>	(4,152)	(4,152)
Net Trade Receivables	392,310	541,553
Accrued interest	57,722	44,978
Other debtors & prepayment	53,456	15,056
Withholding tax	34,339	43,525
<b>Total</b>	<b>537,828</b>	<b>645,113</b>



**SAMOA POST LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

**6. TRADE & OTHER RECEIVABLES (cont'd)**

*i) Ageing of Trade Receivables is as follows:*

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Up to 3 months	129,394	152,997
3 to 6 months	54,760	49,413
6 to 12 months	81,603	115,164
1 to 2 years	130,705	228,131
	<u>396,462</u>	<u>545,705</u>

**7. INVENTORIES**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Stamps	33,754	36,340
Postcards	7,263	14,316
Souvenir Books	8,664	12,888
Stationeries	14,111	16,669
Greeting/Christmas Cards	1,468	1,825
E-charge	1,395	6,851
Philatelic	692	668
Cash power cards	5,645	5,008
Sundries	2,971	11,414
Provision for obsolete stock	(875)	-
<b>Total</b>	<u><b>75,088</b></u>	<u><b>89,944</b></u>

**8. TRADE & OTHER PAYABLES**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Freipost	5,396	-
International Settlement (AMS)	3,474,045	4,570,825
Trade Creditors	7,505	30,497
Total Trade Payables	<u>3,486,946</u>	<u>4,601,322</u>
Other creditors and accruals	94,451	159,043
Deferred mailbox rental	100,455	108,866
Provision for Employee Benefit( AL, LSL,Bonus, staff benefit)	67,276	50,609
Accrued Salary & Wages	-	12,267
<b>Total</b>	<u><b>3,749,128</b></u>	<u><b>4,932,108</b></u>

*i) Ageing of Trade Payables is as follows:*

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Up to 3 months	137,243	8,898
3 to 6 months	322,509	616,572
6 to 12 months	1,586,505	1,572,058
1 to 2 years	1,440,689	2,403,794
	<u>3,486,946</u>	<u>4,601,322</u>

**SAMOA POST LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

**9. DIVIDEND PAYABLE**

The Public Bodies (Performance and Accountability) Regulations 2002 Schedule 6 paragraph 6.2.1(d) specifies that the annual report shall include "the dividend payable by the Public Body to the State for the financial year to which the report relates". Furthermore, Schedule 7 (paragraph 25.2) requires "a company to pay dividend in accordance with Government's dividend policy as advised by the Financial Secretary from time to time". In May 2005, the Chief Executive Officer, Ministry of Finance advised that Public Trading Bodies would be accountable for a dividend of 50% of Net profit after tax. Consequently as at 30 June 2015, Samoa Post has a liability for dividend payable at 50% of Net Profit After Tax.

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>(i) Current year dividend</b>		
Net profit after tax (NPAT)	460,804	375,709
Current financial year dividend at 50% of NPAT	<b>230,402</b>	<b>187,855</b>
<b>Less: Dividend overpayment in 2015</b>	<b>(22,859)</b>	<b>-</b>
	<b>207,543</b>	<b>187,855</b>
<b>(ii) Dividend Payable</b>		
Balance as at beginning of financial year	420,060	574,630
Less: Dividend Payment made in current financial year	(420,060)	(342,425)
Add: Current financial year dividend calculation	230,402	187,855
Less: Dividend overpayment in June 2015	(22,859)	-
Dividend Payable to Government of Samoa as at year end	<b>207,543</b>	<b>420,060</b>

Dividend overpayment of \$22,859 mainly due to overprovision recorded in 2012 accounts. Overprovision was also recorded by the Ministry of Finance as confirmed therefore discussed and agreed to offset from our current year dividend.

**10. INCOME TAX**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Income Tax Payable</b>		
Current tax payable	146,932	117,571
Origination and reversal of temporary differences	(3,983)	(2,197)
<b>Income tax expense</b>	<b>142,949</b>	<b>115,374</b>
<b>(b) Income tax expense</b>		
Net profit for the year	603,573	491,083
Add back items not deductible - amortization income	(74,311)	(63,772)
Taxable net profit	529,442	427,311
Prima facie tax at 27%	<b>142,949</b>	<b>115,374</b>

**SAMOA POST LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

**10. INCOME TAX (cont'd)**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>(c) Provision for Income Tax</b>		
Balance at 1 July 2014	234,134	209,685
Income Tax payable on current period	146,932	117,571
Income Tax Paid during the year	(468,548)	(93,122)
<b>Balance as at 30 June 2015</b>	<b>(87,482)</b>	<b>234,134</b>

**(d) Deferred Tax Asset/(Liability)**

Balance at 1 July 2014	16,267	14,070
Deferred tax liability comprise the estimated future liability/benefit at current income tax rate on the following items;		
- Provisions for doubtful debts, obsolete stocks and other provisions	4,767	32
- Difference in depreciation for property, plant and equipment for accounting and income tax purposes.	(784)	2,165
<b>Balance as at 30 June 2015</b>	<b>20,250</b>	<b>16,267</b>

**11. PROPERTY, PLANT AND EQUIPMENT**

	<b>Computer &amp; Software</b>	<b>Office Equipment</b>	<b>Furniture &amp; Fittings</b>	<b>Motor Vehicles</b>	<b>Leasehold Improve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>COST</b>						
Balance at 1st July 2013	542,664	42,030	205,262	253,350	-	1,043,306
Additions	-	5,478	-	-	-	5,478
<b>Balance at 30 June 2014</b>	<b>542,664</b>	<b>47,508</b>	<b>205,262</b>	<b>253,350</b>	<b>-</b>	<b>1,048,784</b>
Balance at 1st July 2014	542,664	47,508	205,262	253,350	-	1,048,784
Additions	-	-	-	212,224	37,500	249,724
Disposal				(127,350)		(127,350)
<b>Balance at 30 June 2015</b>	<b>542,664</b>	<b>47,508</b>	<b>205,262</b>	<b>338,224</b>	<b>37,500</b>	<b>1,171,158</b>

**SAMOA POST LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

**11. PROPERTY, PLANT AND EQUIPMENT (cont'd)**

	<b>Computer &amp; Software</b>	<b>Office Equipment</b>	<b>Furniture &amp; Fittings</b>	<b>Motor Vehicles</b>	<b>Leasehold Improve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>ACCUMULATED DEPRECIATION</b>						
Balance at 1st July 2013	522,251	36,274	198,588	123,663	-	880,776
Depreciation	6,709	2,712	5,221	55,375	-	70,015
<b>Balance at 30 June 2014</b>	<b>528,960</b>	<b>38,986</b>	<b>203,809</b>	<b>179,038</b>	<b>-</b>	<b>950,792</b>
Balance at 1st July 2014	528,960	38,986	203,809	179,038	-	950,792
Depreciation	6,369	3,302	718	62,670	1,563	74,622
Disposal				(118,197)		(118,197)
<b>Balance at 30 June 2015</b>	<b>535,329</b>	<b>42,288</b>	<b>204,527</b>	<b>123,511</b>	<b>1,563</b>	<b>907,218</b>
<b>CARRYING AMOUNT</b>						
<b>Balance at 30 June 2014</b>	<b>13,704</b>	<b>8,522</b>	<b>1,453</b>	<b>74,312</b>	<b>-</b>	<b>97,994</b>
<b>Balance at 30 June 2015</b>	<b>7,335</b>	<b>5,220</b>	<b>735</b>	<b>214,713</b>	<b>35,937</b>	<b>263,940</b>

**12. DEFERRED LIABILITY**

**a. Schedule of Donated Assets**

	<b>Computer &amp; Software</b>	<b>Furniture &amp; Fittings</b>	<b>Motor Vehicles</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>COST</b>				
Balance as at 1st July 2013	474,682	133,118	253,350	861,150
Additions	-		-	-
<b>Balance as at 30 June 2014</b>	<b>474,682</b>	<b>133,118</b>	<b>253,350</b>	<b>861,150</b>
Balance as at 1st July 2014	474,682	133,118	253,350	861,150
Additions			189,655	189,655
Disposal			(127,350)	(127,350)
<b>Balance as at 30 June 2015</b>	<b>474,682</b>	<b>133,118</b>	<b>315,655</b>	<b>923,455</b>

**SAMOA POST LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

**12. DEFERRED LIABILITY (cont'd)**

	Computer & Software \$	Furniture & Fittings \$	Motor Vehicles \$	Total \$
<b>ACCUMULATED AMORTISATION</b>				
Balance as at 1st July 2013	457,507	32,160	123,662	713,328
Amortization	3,895	4,502	55,375	63,772
Adjustment	3,544	(3,544)		-
<b>Balance as at 30 June 2014</b>	<b>464,946</b>	<b>133,118</b>	<b>179,037</b>	<b>777,100</b>
Balance as at 1st July 2014	464,946	133,118	179,037	777,100
Amortization	3,895		70,416	74,311
Disposal			(127,350)	(127,350)
<b>Balance as at 30 June 2015</b>	<b>468,841</b>	<b>133,118</b>	<b>122,103</b>	<b>724,061</b>

**UNAMORTISED AMOUNT**

<b>Balance as at 30 June 2014</b>	<b>9,736</b>	<b>-</b>	<b>74,313</b>	<b>84,050</b>
<b>Balance as at 30 June 2015</b>	<b>5,842</b>	<b>-</b>	<b>193,552</b>	<b>199,394</b>

**b. Current & Non-current Classification**

**30 June 2014**

Current liability	3,895	-	53,188	57,083
Non-current liability	5,841	-	21,126	26,967
	<b>9,736</b>	<b>-</b>	<b>74,314</b>	<b>84,050</b>

**30 June 2015**

Current liability	3,895	-	63,164	67,059
Non-current liability	1,947	-	130,388	132,335
	<b>5,842</b>	<b>-</b>	<b>193,552</b>	<b>199,394</b>

Deferred liability represents funded assets by Universal Postal Union (UPU) Project and World Bank Telecommunication and Post Services Reform Project.

**13. PERSONNEL COSTS**

	2015 \$	2014 \$
Salary & Wages, overtime, allowance, casual	572,977	610,173
NPF Contribution	31,670	34,596
ACC Levy	6,070	6,387
Staff training	130	264
Health & Safety,	300	281
Employee Benefits (annual leave, Isl, & phone allowance, bonus)	90,579	61,311
<b>Total</b>	<b>701,726</b>	<b>713,011</b>

**SAMOA POST LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

**14. BOARD EXPENSES**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Directors Fees	40,500	40,500
Directors Sitting Allowance	17,197	16,935
Board Misc Exp	8,926	9,494
<b>Total</b>	<b>66,623</b>	<b>66,929</b>

**15. OTHER OPERATING EXPENDITURE**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Accommodation / Meals & Catering/Hospitality	11,122	15,572
Advertising & promotions	9,298	25,365
Bank Charges	4,942	10,398
Business License/membership/ licenses fees	18,064	14,200
Cleaning Supplies	21,644	23,735
Computer supplies & Repairs & IT Maintenance	5,128	-
Commission Paid	1,909	2,192
Doubtful and Bad Debts	5,698	2,119
Electricity	108,723	92,575
Mail Air freight	53,056	38,762
General Expenses ,other exp, sundry & postal items	36,505	6,125
Government Lease/rent Salelologa	39,683	97,949
Insurance	7,954	3,470
Local travel	7,840	7,392
Local freight, customs, shipping charges	3,809	7,372
Printing & Stationery & Papers.	38,298	15,542
Repair & Maintenance-Equipment	12,156	22,048
Repairs & Maintenance - Building/contract	6,939	28,838
Repairs & Maintenance - Vehicles, Tyre/tubes	11,622	8,890
Security Services	14,523	14,245
Stock obsolete	875	-
System support	12,997	15,048
Telephone, fax & Internet	35,529	50,845
Travel /International Travel	52,639	67,885
Vehicle fuel	25,024	26,456
Water Rates	4,828	20,064
Ministerial Expenses	15,963	18,170
<b>Total</b>	<b>566,768</b>	<b>635,256</b>



**SAMOA POST LIMITED**  
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<b>16. OTHER REVENUE</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Interest income	244,404	250,166
Internet Cafe income	13,692	29,229
Foreign exchange gain	116,416	-
Gain on disposal of assets	26,524	-
Sundry Income	33,787	48,605
	<u>434,823</u>	<u>328,000</u>

**17. CAPITAL COMMITMENTS**

The Directors are not aware of any capital commitments as at 30 June 2015. (2014: Nil)

<b>18. OPERATING LEASE COMMITMENTS</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
The company is currently paying for the following leases on an annual basis;		
Salelologa office	12,000	12,000
Tuasivi office	4,608	4,608
Main Office & Other agencies	70,000	70,000
	<u>86,608</u>	<u>86,608</u>

**19. CONTINGENT LIABILITIES**

The Directors are not aware of any contingent liabilities as at 30 June 2015. (2014: Nil)

**20. RELATED PARTY TRANSACTIONS**

The following disclosures are made with respect to the related party transactions of the Company during the reporting period in accordance with International Accounting Standard 24 Related Party Disclosures:

**(i) Directors Compensation**

The Directors of the Corporation during the financial period were:

- Faavaeolenuu Ioane Tagata (Chairman of the Board)
- Onosefulu Fuatai (Board member)
- Tiatia Motootua (Board member)
- Paiaaaua Iona Sekuini (Board Member)
- Toala Pule Risale (Board Member)
- Tofaeono Aufata (Board Member)

As per Note 14 of the Financial Statements, Directors fees of \$40,500 (2014: \$40,500) and Sitting allowances of \$17,197 (2014: \$16,935) were paid during the year. Board expenses amounted to \$8,926 (2014: \$9,494). Government regulations specify that directors' fees are \$8,000 (Chairman) and \$6,500 (members) per year and sitting allowances are \$300 and \$250 per meeting.

Directors appointed from Government Corporations and Ministries do not receive director's fees and sitting allowances.

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**SAMOA POST LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

**21. SUBSEQUENT EVENTS AFTER REPORTING PERIOD**

The Directors are not aware of any matter or circumstances not otherwise dealt with in the financial statements that have significantly or may significantly affect the operations of the Company, the results of those operations or state of affairs of the company in subsequent periods.

**22. RISK MANAGEMENT DISCLOSURES**

This section outlines the Company's exposure to financial risks and describes the methods used by management to control these risks. The primary risks are those of credit risk, liquidity risk and market risk (interest rate, foreign exchange).

**22.1 Credit Risk**

Credit risk refers to the risk that a customer will default on its contractual obligations resulting in financial loss to the Company. The Company's primary exposure to credit risk arises from its sale activities.

**22.2 Liquidity Risk**

Liquidity risk arises in the general funding of the Company's activities. It includes both the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

**22.3 Interest Rate Risk**

Interest rate risk arises from the change in interest rate causing fluctuations in the fair value of financial instruments and their liability funding. These mismatches may be due to timing differences in the re-pricing of the asset and liability. The Company's risk management strategy aims to actively monitor these mismatches to minimize the effects on interest rate risk.

**22.4 Foreign Exchange Risk**

Foreign exchange risk is the risk to earnings and value caused by a change in foreign exchange rates. Foreign exchange mismatches can arise from the day-to-day purchase and sale of foreign currency.

**23. FINANCIAL INSTRUMENT POLICIES**

The company uses only non-derivative financial instruments as part of its normal operations. These financial instruments include bank accounts, term deposits, accounts receivables and accounts payables.

All financial instruments are recognized in the statement of financial position at their fair values.