



# SAMOA HOUSING CORPORATION



# ANNUAL REPORT 2012

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Afioga i le Fofoga Fatalai  
Palemene  
MULINUU

E pei ona moomia e le Vaega 33 o le tulafono o le Faalapotopotoga o Maota ma Laoa o Samoa o le 1989. I le ava tele ma le faaaloalo lava e avea ai a'u ma sui o le Komiti Faatonu ou te tauaaotu ai lenei ripoti faaletausaga o le Faalapotopotoga o Maota ma Laoa o Samoa e faaiuina i le aso 30 Jundi 2012.



Hon. Faumuina T. Liuga

**Minisita o Tupu**  
**TAITAIFONO – Komiti Faatonu**

Mr Speaker  
Legislative Assembly  
MULINUU

As required under Section 33 of the Housing Corporation Act 1989, I have the honour of presenting, on behalf of the Directors, the Annual Report and Statement of Accounts for the Samoa Housing Corporation for the year ended 30 June 2012.



Hon. Faumuina T. Liuga

**Minister of Finance**  
**CHAIRMAN – Board of Directors**

## RIPOTI A LE TAITAIFONO



E fiafia lava e ripoti atu taunuuga manua i taumafaiga a le Faalapotopotoga e ausia lona faamoemoe o le fesoasoani i tagata lautele o le atunuu e vaivai lo latou tamaoaiga e mafai ai ona faaleleia o maota ma laoa o alala ai. E ui lava o fetaiai pea ma faafitauli lē maalofia ona o le tugā o faaletonu o feagai ma le tamaoaiga o le lalolagi i lona aotelega ae o lo o vaai pea ata o tauleleia i ana taumafaiga.

E maitauina pea le sii a'e o le faatinoina o lenei auaunaga lautele i le faateleina i le 73% mai i le tausaga ua tuanai atu o le tinoitupe lea na nonōina atu i lona aofaiga e \$13,579.914, o se fua vaai lea o le galulue punouai o le aufaigaluega i ī latou nafa ae faapea foi le sii ae o le naunau o le mamalu lautele e fia nonofo i ni apitaga lelei. Ua mafai nei siitiaga ona o le fesoasoani malosi mai o le Faletupe Tutotonu i le faaune mai o tupe i se tau maualalo talafeagai mo le feau.

I le faagasologa o le tausaga faaletupe sa faanumera ma taula'i le galue a le Faalapotopotoga i ana tupe faasili, e pei ona fofoa ai ona nafa faatino. Ma o lea lava faasiliga ua tulai mai e \$506,235 o se siitaga e 23% faatusa i le tausaga ua tuanai ae 3.2% le aofai o le seleselega mai tupe faavae o le sao o le Malo.

O se luitau e fesagai pea ma le Faalapotopotoga le taumafai e savalia le faasinoala ua tuu mai e lana tulafono e faafoe ai le galuega. Ua vaai ma le agaga mafana ma le to'a ua,fanau mai lava e lenei taumafaiga lona lava maketi faapitoa ina ua talitonuina e lea foi vaega o le atunuu le tāua o le avanoa mo lo latou manaoga. E iai aoaoga faapitoa i metotia ma faiga e tapu'e ai ia malamalama le aufaigaluega i pa'aga ma aga a le maketi, ia iloa sufi finagalo ma manatu o le aufaatau i ī latou manaoga, aemaise ai lava le faatāua i taimi uma o le tulituliloa o le totogi mai o nonogatupe.

O le faalauteleina o le faauō ma fai pa'aga atu o le Faalapotopotoga i isi Faalapotopotoga o le lalolagi na mua i malae i lenei ituaiga o faaunegatupe i se tulaga e tele ona faafitauli, ua siisia'e ai le silafia ma iloa e la tatou foi pulega o metotia ma auala e silasila ai i se faafitauli e tulai mai.

O le faatinoina o le manaoga o le tulafono o mea tau Fale Maota ma Laoa o Samoa 2010 ia tutoatasi ona Faatonu, na faataunuina i lenei tausaga. O Faatonu tuai na muta la latou tautua ae amata Faatonu fou ia Iuni 2012.

E momoli atu ai le faamalo ma le faafetai i le Malō, o sui o le Komiti a Faatonu, aemaise le aufaigaluega i le lagolagoina i la tatou galuega sa fai faatasi, na molimaunina i lenei vaaiga lelei ua taulimaina nei.

## **CHAIRMAN'S REPORT**

This financial year has been very challenging as the Corporation continues to assist people with modest income to satisfy their housing needs and improve their livelihoods and standard of abode. The Corporation has successfully delivered its service to the public for enhancement of living standards regardless of the pressure on the economy as a result of global financial difficulties.

Total loans approved to the public during the financial year amounted to \$13,579,914 indicating a 73% increase from the previous year, a reflection of hard work and endless demand from the public for housing loans driven by their aspirations for better homes. The Corporation has managed to fulfill the demand for loans by utilizing the Central Bank of Samoa's credit line facility at reasonable borrowing costs.

Throughout the financial year, the Corporation maintained its focus on maximizing profit, aiming at improving the Return on Equity (ROE) and financial capacity to sustain viability to serve its social interest. As a result, Net Profit amounting to \$506,235 recorded a significant increase of 27% from the previous year and a 3.2% Return on Equity (ROE) reflecting an overall satisfying performance.

Compliance with governing legislation is a constant challenge in responding to the inevitable risks of meeting its social obligations to the vulnerable target group. Such challenges have further strengthened the viability of the operations and the Corporation's business.

The Corporation has persistently upskilled its personnel, enhanced risk assessment and management capability, improved operational efficiency and further developed aggressive recovery work.

Affiliation of the Corporation with related international financial institutions is a continuous advantage for the Corporation in terms of training, exposure and innovation for its personnel. These additional activities have added value to the skills and know how of its staff and improve its overall positioning in the housing market.

This year has also seen the change of Directors on the Board in compliance with the Public Bodies Act 2001 and the Samoa Housing Corporation Act 2010 to be entirely independent. The former Directors completed their term while the five (5) newly appointed Board Directors commenced duties in June 2012.

I would like to thank the Government, Stakeholder, Chairman, Board of Directors and staff for their support and assistance which has resulted in a successful and productive year.



Hon. Faumuina T. Liuga  
**CHAIRMAN**

## TALA O LE GALUEGA – OFISA SILI



O lo o tumau pea ona faia le tautua a le Faalapotopotoga o Maota ma Laoa o Samoa, o le faaune atu o tupe i se vaega ma'ale'ale o le maketi o fefaatauaiga o tupe ina ia mafai ai ona tagolima ma siisii'a'e i luga i le tulaga maualuga o le soifua maloloina i fale lelei e nopia'i ai le mamalu o le atunu, o māmā le tulaga tau tupe maua, e pei ona lima taiala ai tulafono faafoe ua faataoto e le Malo.

O le tuufaatasiga o nonogatupe ua iai nei, ua siitia lea i le 22% faatusa i le tausaga ua tuanai, o le tinoitupe i lona aofaiga e \$26.5 miliona, ma ua manino mai ai le manaoga mo ni maota ma ni laoa, aemaise lava i lea vaega o le maketi ia i latou e māmā le aofaiga o tupe maua.

Tuufaatasiga o tupe maua faasili e 11% faatusa i le 2011 siisii atu mai i le \$3.1 miliona i le \$3.5 miliona o se tupe faasili lea e 27% i le tinoitupe mai i le \$397,906 siisii atu i le \$506,235 i le 2012. Ua maua avanoa lelei i tului mama mai i le Faletupe Tutotonu i tupe na faamatu'u mai e faagaoioi e le Faalapotopotoga. Ua mafai lava ona maua se tupe faasili mai i tupe ua amata ona toe totogi mai ma faataavalevale i le gaoioiga o lenei atina'e faapitoa o le faalelei o apitaga a le atunu.

I lenei lava tausaga faaletupe ua mafai ona maua se seleselega e 3.2% mai tupe faavae e faatusa i le 2.6% sa iai i le tausaga ua tuanai. Sa iai le taula'i mo se faasili e 7% ae peitai, o lo o manino foi ma iloa le ala tele lava i le maketi faigatā o galue ai le Fa'alapotopotoga, i le mamalu o le atunu e maulalo lo latou tamaoaiga, ua o se auaunaga e mitamita ai le Faalapotopotoga, o le o'o o'o i le au vaivai o le atunu.

O le aofai o nonogatupe ua faamaonia i le tausaga e 663 o se siitaga o le 9% mai i le tausaga ua tuanai, i le aofaiga e \$13.5 miliona poo se siitaga i le 73%. O lo o atagia ai foi le tuputupu a'e pea o le fesoasoani atu o le Faalapotopotoga, ia i latou e le gata i le fausia o fale lelei ae o le faatauina o fasi fanua umia saoloto. Ua toatele foi i latou o paaga a le Faalapotopotoga ua o ese mai i nonogatupe e faamaonia e tagata, ae faaaoga o latou fanua umia saoloto e faamaonia ai a latou nonogatupe, o se vaaiga lelei tele lea ma o le tali faaaliali lea ua amata ona siisii i luga le tamaoaiga o ī tatou tagata aemaise paaga a le Faalapotopotoga.

O le fa'atāua e le Fa'alapotopotoga o le aoaoina o lana aufaigaluega faapea foi aoaoga faapitoa o ana Faatonu i auala e atagia ai "Pulega Lelei" i ona itu uma, o le ki lea o ata lelei ua vaai nei e pei ona molimauina nei. O le faafetai foi lea i le Samoa Institute of Directors ua iloa le aoga o lea Faalapotopotoga a le atunu.

E momoli atu le faamalo ma le faafetai i le Malō i le Komiti a Faatonu, o pa'aga a le Faalapotopotoga, le Pulega, le aufaigaluega i la tatou tautua faifai pea ua molimauina ai lenei tausaga faaletupe manuia i ona itu uma i le tautua a le Faalapotopotoga.

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

I am pleased to report that the Samoa Housing Corporation continues to provide financial products in a socially responsible manner to improve the housing needs of low income families while striving to meet its obligations under governing legislation.

Total value of existing loans increased by 22% from the previous year to a value of \$26.5 m which reflects an increasing demand for housing loans especially in the low income sector whose needs cannot be serviced by the commercial banks.

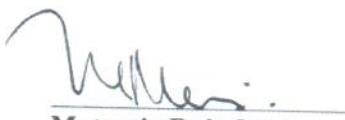
Revenues earned increased by 11% from 2011 from \$3.1 m to \$3.5 m and a net profit increase of 27% from \$397,906 to \$506,235 in 2012. While there was an increase in collections, interest and fees with tight controls on expenditure and bad debts, we opted to maximize our opportunities with the low cost of funds provided through the available credit line facilities from the Central Bank of Samoa at concessional rates.

The Corporation this year achieved a return on equity of 3.2% which is an improvement from the last year's figure of 2.6%. While the target of 7% has not been achieved, the financial inclusion by the Corporation of serving and providing accessibility for loans to the low income and informal sectors considered high risk and too expensive to serve by the commercial banks is a social development that Samoa Housing Corporation is proud of.

Total number of loans approved during the year was 663 a 9% increase from the previous year for a total amount of \$13.5 m or a 73% increase. It reflects a growing number of mortgaged loans as we continue to assist land purchases as well as financing housing improvements on existing lands currently mortgaged to the Corporation. A number of clients also stepped up from personal guarantee loans to land and home ownership loans as they continue to aspire for asset acquisition.

Training and upskilling of the Directors, Management and staff is a top priority which is on-going. The Directors as members of the Samoa Institute of Directors continue to attend courses on good governance and best practices in their roles and responsibilities to enhance the corporate goals of the Samoa Housing Corporation.

I extend my sincere appreciation and gratitude to the Government, Board of Directors, Stakeholders, Management and staff for their contributions towards a successful year for the Corporation.



**Matautia Rula Levi**  
**CHIEF EXECUTIVE OFFICER**

**THE DIRECTORS OF THE CORPORATION DURING 2012:**



Faumuina Tiatia Liuga  
**CHAIRMAN**



Tuilaepa Eti Faolotoi  
Public Representative



Leu Toaono Ng Lam  
Public Representative



Aumua Ming Leung Wai  
Attorney General



Taulealeausumai Laavasa Malua  
CEO Ministry of Natural  
Resources & Environment



Tupaimatuna Iulai Lavea  
CEO Ministry of Finance



Vaaelua Nofo Vaaelua  
CEO Ministry of Works  
Trade & Infrastructure



Matautia Rula Levi  
Chief Executive Officer

## MANAGEMENT

The Management Team during the year was as follows:



*Chief Executive Officer  
Matautia Rula Levi*



*Deputy Chief Executive Officer  
Fulumoa Su'a*



*Manager Loans Operations  
Leitufia Mati Luamanuvae*



*Manager Finance & IT  
Seulu Aleki Afoa*



*Manager Corporate Services  
Palolo Patu*



*Acting Manager Legal Services  
Alosio Leota*

## MAOTA MA LAOA NA FESOASOANI I AI LE FAALAPOTOPOTOGA I NONOGATUPE



**FAALAPOTOPOTOGA O MEA TAU FALE  
FAAMAONIGA E FAATONU  
MO LE TAUSAGA FAAIUINA 30 IUNI 2012**

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Ua matou faamaonia o Faamatalaga o Tupe o loo faapipii faatasi atu e aofia ai Faamatalaga o le Tulaga o Tupe, faamatalaga o le lavelave o tupe maua, faamatalaga i suiga o saofaga, faamatalaga o tupe fetafeai, faamatalaga i faamatalaga o tupe mo le tausaga faaiuina 30 Iuni 2012.

- a) ua tuuina mai i se vaaiaga e tonu ma talafeagai i mataupu e fitoitonu iai; ma
- e) saunia ia tusa ai ma Tulaga o le Ripotiina o Tupe Faava o Malo; ma
- i) mulimulitai i le Tulafono o le Pulega o Tupe 2001 ma le Tulafonoo Kamupani 2001 (suia 2006) ma ia fesootai ma le faasologa o totoga o faamatalaga o tupe sa faia ia tusa ai ma le Tulafono o Faalapotopotoga a le Malo (Faatinoina o Galuega ma le Mafai ona Tali Atu)2001.

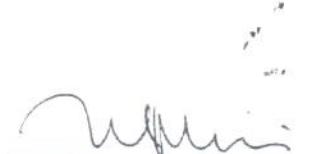
Matou te le o iloaina nisi mataupu o loo aofia i auliiliga i le faamatalaga o tupe e ono le sao ma tau faasese.

Ua matou taliaina le Faamatalaga o Tupe o loo faapipii i le Aso..... Mo Faatonu o le Faalapotopotoga o Mea Tau Fale.



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Saini



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Saini

Vaovasa Tui Vaai  
**TAITAIFONO**  
Faalapotopotoga o Mea Tau Fale  
Apia, Samoa

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/ /

Matautia Rula Levi  
**OFISA SILI**  
Faalapotopotoga o Mea Tau Fale  
Apia, Samoa

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/ /

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Please address all correspondences  
to the Controller and Chief Auditor

P.O. Box 13  
APIA, SAMOA



## AUDIT OFFICE

### LIPOTI A LE OFISA SUETUSI

#### FONO FAATONU – FAALAPOTOPOTOGA O MEA TAU FALE O SAMOA

Ua mae'a ona matou su'eina faamatalaga tautupe o lo'o faapipi'i faatasi atu a le Faalapotopotoga o Mea Tau Hale o Samoa, e aofia ai faamatalaga o tulaga tautupe e pei ona iai i le aso 30 Juni 2012, ma faamatalaga o tupe maua ma tupe faaalu, faamatalaga o fesuia'iga o tupe faavae, ma faamatalaga o tupe fetafea'i, mo le tausaga lea na faai'uina ai, ma se otootoga o faiga-faavae iloga faatausitusi ma isi faailo faamalaimalama.

#### Matafaioi Mo Faamatalaga Tautupe

O le Fono Faatonu, e ia te i latou le matafaioi mo le saunia ma le tu'uina aloaia mai o nei faamatalaga tautupe ina ia tusa ai ma Aiaiga Faavaomalo i le Faalauiolina o Tala Faaletupe ma faapea ai faamatalaga manaomia e le Tulafono o Faalapotopotoga a le Malo (Faatinoga o Galuega ma le Mafai ona Tali atu) 2001. O lenei matafaioi e aofia ai le fuafuaina, le faatinoina, ma le faaauauina o pulega faalotoifale talafeagai ma le saunia ma le tuuina aloaia mai o faamatalaga tautupe e faapea ua saoloto mai sese matuia, pe ono mafua mai le sasi poo amio piopio; le filifilia ma le faaaogaina o faiga faavae faatausitusi ua talafetaui; ma le faiga o tala-faatatau faatausitusi e talafeagai ma le tulaga ua i ai.

#### Matafaioi a le Suetusi

O la matou matafaioi, o le fa'aalia lea o se manatu i luga o nei faamatalaga tautupe e faavae i luga o la matou su'ega. Sa faagasolo le matou su'ega e tusa ai ma Aiaiga Faasu'etusi Fa'avaomalo. O na aiaiga e manaomia ai matou ina ia tausisia manaoga faasu'etusi, ma fuafua ma faatino le suega ina ia maua ai se mautinoa talafeagai e faapea ai o faamatalaga tautupe ua sao mai ni faamatalaga sese matuia.

O se suega fo'i e aofia ai auala faatino ina ia maua mai ai ni mau faasuetusi e faatatau i aofaiga ma folasaga i totolu o faamatalaga tautupe. O auala na filifilia e fua lava i le faamasinoga a le suetusi lava ia, e aofia ai le iloiloina o fa'afitauli tau faamatalaga sese matuia, pe mafua mai ni amio piopio po'o ni sasi. I le faiga o ia iloiloga tau-faafitauli, e aiaia e le suetusi puipuiga faalotoifale talafeagai a le faalapotopotoga, i le saunia ma le tuuina tonu mai o faamatalaga tautupe i le tulaga e fuafua ai auala faasuetusi talafetaui ma le tulaga o i ai, peitai e le mo se faamoemoe e faaalia ai se manatu i le saogalemu o ia puipuiga faalotoifale a le faalapotopotoga. O se suega fo'i, e aofia ai le lauliliuina o le talafetaui o faiga faavae faatausitusi o loo faaaogaina, ma le talafeagai ai o talafaatatau faatausitusi o faia e le Fono Faatonu, atoa ai ma le lauliliuina o le faataatiaga i le aotetele o faamatalaga tautupe.

Matou te talitonu e faapea, o mau faasuetusi ua matou aoina, ua lava lea ma talafetaui e lagolago ai le faavae o lo matou manatu.

#### Manatu

I lo matou manatu, ua tuuina mai e faamatalaga tautupe se vaaiga e tonu ma talafeagai le tulaga tautupe a le Faalapotopotoga o Mea Tau Hale o Samoa, e pei ona i ai i le 30 Juni 2012, ma ana faatinoga faaletupe ma ana tupe fetafea'i mo le tausaga na faai'uina ai e tusa ai ma Aiaiga Faavaomalo i le Faalauiolina o Lipoti Faaletupe, ma faapea ai faamatalaga manaomia e le Tulafono o Faalapotopotoga a le Malo (Faatinoga o Galuega ma le Mafai ona Tali atu) 2001.

Apia, Samoa  
5 Novema 2012

Fuimaono Camillo Afelc  
PULE MA SUETUSI SILI

**FAALAPOTOPOTOGA O MEA TAU FALE  
FAAMATALAGA O TUPE  
MO LE TAUSAGA FAAIUINA 30 IUNI 2012**

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**LISI O TOTOGA**

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SAMOA HOUSING CORPORATION  
 STATEMENT OF FINANCIAL POSITION  
 AS AT 30 JUNE 2012

	Notes	2012 SAT\$	2011 SAT\$
<b>ASSETS</b>			
<b>Assets</b>			
Cash and cash equivalents	4	426,288	3,158,344
Other debtors and prepayments	5	65,436	42,582
Loans portfolio	6	23,610,387	18,981,357
Property, plant and equipment	13	2,245,505	2,162,855
<b>Total Assets</b>		<b><u>26,347,616</u></b>	<b><u>24,345,138</u></b>
<b>LIABILITIES, CAPITAL AND RESERVES</b>			
<b>Liabilities</b>			
Other creditors and accruals	11	180,836	145,977
Equity deposit		8,000	-
Dividend payable	12	253,118	394,348
Borrowings	8	<u>10,222,851</u>	<u>8,375,119</u>
<b>Total Liabilities</b>		<b><u>10,664,805</u></b>	<b><u>8,915,444</u></b>
<b>Capital and Reserves</b>			
Paid up capital	3	10,000,000	10,000,000
General reserve fund	9	5,361,630	5,108,512
Asset revaluation reserve	10	<u>321,182</u>	<u>321,182</u>
<b>Total Capital and Reserves</b>		<b><u>15,682,812</u></b>	<b><u>15,429,694</u></b>
<b>Total Liabilities, Capital and Reserves</b>		<b><u>26,347,616</u></b>	<b><u>24,345,138</u></b>

*This statement is to be read in conjunction with the accompanying notes to the financial statements on pages 7 to 15.*

**FAALAPOTOPOTOGA O MEA TAU FALE**  
**FAAMATALAGA AUILILII O TUPE MAUA**  
**MO LE TAUSAGA FAAIUINA 30 IUNI 2012**

	Faamatalaga	2012 SAT\$	2011 SATS
<b>Tupe Maua</b>			
Tului maua i tupe faaune		2,889,075	2,610,840
Tului totogi mo Nonogatupe	<b>18</b>	<u>(435,194)</u>	<u>(476,752)</u>
<i>Tului mama</i>		<u>2,453,881</u>	<u>2,134,088</u>
Lafoga totogi mai i faaunegatupe		14 (i) 540,863	454,760
Isi tupe maua	<b>14 (ii)</b>	<u>30,821</u>	<u>43,230</u>
<b>Aofai o Tupe Maua</b>		<u>3,025,565</u>	<u>2,632,078</u>
<b>Tupe Faaalu</b>			
Suetusi	<b>11</b>	19,550	19,550
Tuualalo o tau o Meatotino	<b>13</b>	105,664	118,851
Lafoga ma isi tupe faaalu i Faatonu	<b>19 (i)</b>	<u>84,163</u>	<u>77,477</u>
Tau e patino i tagata faigaluega	<b>15</b>	1,115,919	1,084,973
Tau o le anofale ma le lotoifale	<b>16</b>	79,763	70,956
Tupe faaalu patino i le ofisa	<b>17</b>	803,582	430,554
Faaunegatupe ua faaleaogaina		-	28,781
Faaunegatupe ua faaletonu	<b>7</b>	298,257	394,024
Tului o tupe atalafu mai faletupe i vaitaimi pupuu		<u>12,432</u>	<u>9,006</u>
<b>Aofai o Tupe Faaalu</b>		<u>2,519,330</u>	<u>2,234,172</u>
<b>Tupe Mama</b>		<b>506,235</b>	<b>397,906</b>
<b>Aveina Atu I Tupe Lautele Faaagaga</b>		<u>(506,235)</u>	<u>(397,906)</u>
		<u>\$Nil</u>	<u>\$Nil</u>

SAMOA HOUSING CORPORATION  
 STATEMENT OF CHANGES IN EQUITY  
 FOR THE YEAR ENDED 30 JUNE 2012

	Notes	Capital SAT\$	General Reserve Fund SAT\$	Asset Revaluation Reserve SAT\$	Total SAT\$
Balance at 1 July 2010		9,720,000	4,909,559	321,182	14,950,741
Capital injection		280,000	-	-	280,000
Profit for the period	12	-	397,906	-	397,906
Less: Dividend provided	12	-	(198,953)	-	(198,953)
<b>Balance at 30 June 2011</b>		<b>10,000,000</b>	<b>5,108,512</b>	<b>321,182</b>	<b>15,429,694</b>
Profit for the period	12	-	506,235	-	506,235
Less: Dividend provided	12	-	(253,118)	-	(253,118)
<b>Balance at 30 June 2012</b>		<b>10,000,000</b>	<b>5,361,630</b>	<b>321,182</b>	<b>15,682,812</b>

*This statement is to be read in conjunction with the accompanying notes to the financial statements on pages 7 to 15.*

**FAALAPOTOPOTOGA O MEA TAU FALE**  
**FAAMATALAGA O TUPE FETAFEA'I**  
**MO LE TAUSAGA FAAIUINA 30 IUNI 2012**

	Faamatalaga	2012 SAT\$	2011 SAT\$
<b>Tupe Fetafeai i Galuega Faatino</b>			
Tupe totogi mai e paaga		3,449,576	3,754,233
Tupe totogi atu i paaga		(4,629,030)	(323,747)
Totogi o le aufaigaluega		(1,115,919)	(1,084,973)
O isi tupe faaalu		(1,700,504)	(1,348,230)
<b>Tupe Fetafeai i Galuega Faatino</b>		<u>(3,995,877)</u>	<u>997,283</u>
<b>Tupe Fetafeai i tupe o loo Faafaigaluegaina</b>			
Tului maua mai i tupe teu faavaitaimi	13	11,183	8,670
Faatauina o mea totino mo taimi umi		(188,314)	(39,408)
<b>Tupe Fetafeai i Tupe o loo Faafaigaluegaina</b>		<u>(177,131)</u>	<u>(30,738)</u>
<b>Tupe Fetafeai i Galuega Faaletupe</b>			
Tupe tului faavae mai le Malo		-	280,000
Tupe o le nonoga tupe i le Fale Tupe Tutotonu o Samoa (CBS)		7,000,000	4,000,000
Tupe totogi mai i faaunegatupe		(5,152,268)	(2,358,112)
Tului totogi o aitalafu i taimi pupuu i Fale Tupe		(12,432)	(9,006)
Tivi ua totogi	12	(394,348)	(390,610)
<b>Tupe Fetafeai Mama i Galuega Faaletupe</b>		<u>1,440,952</u>	<u>1,522,272</u>
Aofaiga ua faaitiitia		(2,732,056)	2,488,817
Tupe o loo taulimaina ma o loo i Faletupe i le amataga o le tausaga		3,158,344	669,527
Tupe o loo taulimaina ma o loo i Faletupe i le faaiuga o le tausaga		<u>426,288</u>	<u>3,158,344</u>
<i>Folasia faapea :</i>			
Tupe o loo taulimaina ma o loo i Faletupe	4	<u>426,288</u>	<u>3,158,344</u>

SAMOA HOUSING CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012

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**1. General Information**

The Housing Corporation was established on May 1990 by an act of the legislature (Housing Corporation of Samoa Act 1989). The new legislation, Public Bodies Act 2001 overrules the initial Act. However, review of the Housing Corporation Act 1989 has been approved by Parliament in 2010 as Housing Corporation's Act 2010 and is now enacted. The main purpose of the Corporation is to improve housing and living conditions of lower moderate income persons and families by lending monies on mortgage or other securities to assist to build, extend, renovate or purchase land for the purpose of building a home thereon.

The Corporation's operations are directed by a 5 - member board of directors. The Board are all appointed members from the private sector.

**2. Statement of Significant Accounting Policies**

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

**a) Statement of compliance**

These financial statements have been prepared in accordance with the requirements of the Public Finance Management Act 2001 which requires the adoption of International Financial Reporting Standards issued by the International Accounting Standards Board (IASB).

In accordance with section 91 of the Public Finance Management Act 2001, Samoa Housing Corporation is designated as a Public Body, therefore it must also satisfy the reporting requirements under the Public Bodies (Performance & Accountability) Act 2001.

**b) Basis of preparation**

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

**c) Comparative information**

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

**d) Functional and presentation currency**

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

**e) Foreign currency**

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

**f) Bad and provision for doubtful loans**

The Corporation sets aside in each year at least two percent to its approvals of loans in that year as a provision against bad and doubtful debts until such time as the provisions equal ten percent of its loans portfolio, and will thereafter set aside annually such amounts as are sufficient to maintain this provision at that level. However, a yearly review of the individual loans are carried out to recognise impairment on those loans with reasonable doubt that not all the principal and interest can be recovered in accordance with terms and conditions of the loan agreement. Bad debts are written off against the provision for doubtful debts in the period in which they are identified as unrecoverable.

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**2. Faamatalaga o Taiala taua i le Tausiga o Tusi(faaauau)**

**g) Tupe maua faailoina**

*Tului maua*

O tului maua mai i faaunegatupe ma tupe faafaigaluegaina ua faamauina i tupe o loma le totogi ina mai. O tului i faaunegatupe ua faaleaogaina e faatoa faamauina pea a totogi mai.

**Lafoga o faaunegatupe**

O lafoga e faamauina pea totogi mai ae o lafoga i faaunegatupe ua faaletonu e le faamauina sei loga ua totogiina mai.

**l) Tupe o Taulimaina**

O le Faamatalaga o le Tulaga o Tupe o lo o aofia ai tupe o lo o taulimaina, tupe i Faletupe, ma tupe o lo o teu faavaitaimi i le umi e i lalo ifo o le tausaga.

**m) Aitalafu Totogi Mai**

O lo o faamauina aitalafu totogi mai i tinoi tupe talafeagai i le maea ai ona toesea faaunegatupe ua le totogiina. E iloiloina foi pe faamaonia o Faaunegatupe ia ua le mafai ona toe totogiina mai, ona faamauina lea i le faamatalaga o faatinoina o galuega o tupe.

**n) Fuafuaina o Tau Talafeagai**

O tau talafeagai e iloiloina faapea:

- O tino i tupe e faamauina i tau talafeagai
- O aitalafu totogi mai e faamauina i tau ua iai i tusi e vave ona totogiina mai
- O faaunegatupe ua faamauina i tau ua maea ona toesea aofaiga faaagaga o faaunegatupe faaletonu

**p) O Meatotino Tau Tupe**

E vaevaeina e le Faalapotopotoga ana meatotino tau tupe i faaunegatupe ma isi aitalafu totogi mai. E faalagolago le vaevaega i le mafuaaga na faavae ai ma lona aoga.

*Faaunegatupe ma aitalafu totogi mai*

O faaunegatupe ma isi aitalafu totogi mai o meatotino tau tupe e le aafia i fefaatauaiga i le maketi. O faaunegatupe e i totonu o le 12 masina le taimi e totogi mai ai e faavasega o meatotino taimi nei ao Faaunegatupe e silia i le 12 masina le umi e totogi mai ai, ua faavasega o meatotino i taimi umi.

*Mea Totino Tau Tupe e faatau ese*

O mea totino tau tupe e faatau ese e le aofia i vaega o fefaatauaiga i le maketi. O loo aofia i mea totino i taimi umi sei vagana ua finagalo le pulega e faamatuu ese i totonu o le o le 12 masina ae lei maea le aso mulimuli o le tausaga faale tupe

**s) Faaagaga**

O faaagaga e faailoa i le faamatalaga o tulaga o tupe pe a o iai se aafiaga faaletulafono e afua mai i taimi ua tuanai ma e atagia mai le totogi ina maea o ia faaunega tupe.

**t) Aitalafu totogi atu**

Aitalafu totogi atu o lo o iloga tau aofai i oloa ma auauлага sa tuuina mai i le Faalapotopotoga ae lei maea le tausaga faaletupe - e atagia pea toe faia faatau o nei lava oloa ma auauлага i le lumanai.

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**2. Faamatalaga o Tulafono taua i le Tausiga o Tusi(faaauau)**

**v) Meatotino**

Ua fuaina tau aofai o meatotino i uluai tau na faatau mai ai e aofia ai ma tau o gaioiga faapipii i meatotino i le amataga. O lo o faaaogaina le fua tuusao e tuualalo ai tau faavae o meatotino e fua i le umi e aoga ai. O le tuualalo e afua mai i le aso na faatau mai ai.

O le lisi o pasene tuualalo i meatotino

Fale	2.5%
Taavale	20% & 33%
Meafale a le Ofisa	20%
Masini a le Ofisa	33%
Polokalame Komepiuta	33%
Tagavai a le Faalapotopotoga	5%

**h) Tivi**

O tivi e faailoina i aitalafu totogi atu i le piriota ua fuaina e totogi ai ina ia o gatusa ma le Tulafono Faatonutonu o Faalapotopotoga a le Malo(Faatinoga o Galuega ma le Mafai Ona Tali Atu) 2002.

**k) Tau o Nonogatupe**

O tau o tupe nono e faailoina i le faamatalaga o le faatinoga o galuega o tupe i le piriota na faatino ai le nonogatupe.

**r) Faamanuiaga a le Aufaigaluega**

E fai saofaga le Faalapotopotoga i le SNPF mo le faamalieina o le tulafono i saofaga mo le aufaigaluega. O se matafaioi ua maioio lelei lona fuafuaina ma e faailoina i le faamatalaga o le faatinoga o galuega o tupe.

O totogi o le aufaigaluega e le i totogi ina e aofia ai aso malolo ma isi faamanuiaga (ua fuafuaina e totogi i tononu o le 12 masina) ua faamauna aofaiga i le ripoti o aitalafu e le i totogia.

**3. Tupe Faavae Faatagaina ma Tupe Faavae ua Totogiina**

	<b>2012</b>	<b>2011</b>
	<b>SAT\$</b>	<b>SAT\$</b>
Tupe Faavae Faatagaina (10,000,000 sea - \$1 i le sea)	10,000,000	10,000,000
Tupe Faavae e le i totogiina mai	-	-
Tupe Faavae ua totogiina mai e le Malo	<b>10,000,000</b>	<b>10,000,000</b>

O tupe faavae faatagaina a le Faalapotopotoga e na o le Malo o Samoa e aumai ai e tusa ai ma le vaega 22 o le Tulafono a le Faalapotopotoga o Mea Tau Fale 2010.

**4. Tupe o lo o i Faletupe ma Taulimaina**

**Teuga Tupe Faavaitaimi**

Faletupe - Samoa Commercial Bank	-	1,500,000
Faletupe - ANZ Bank (Samoa) Ltd	51,704	50,939
Faletupe - Westpac Bank (Samoa) Ltd	-	703,004
Faletupe - National Bank of Samoa	-	502,685
	<b>51,704</b>	<b>2,756,628</b>

**Tupe o lo o i Faletupe ma Taulimaina**

Faletupe - ANZ Bank (Samoa) Ltd	88,654	27,175
Faletupe - National Bank of Samoa	34,567	45,459
Faletupe - Samoa Commercial Bank	204,024	271,472
Faletupe - Westpac Bank (Samoa) Ltd	46,139	56,710
Tupe mo Matapu Vave	1,200	900
<b>Aofai</b>	<b>426,288</b>	<b>3,158,344</b>

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**4. Tupe o lo o i Faletupe ma Taulimaina**

**Tupe Teu Faavaitaimi**

Vaitaimi	: 1 Masina
Tau o le tului	: 2.5%
Aso e matua ai	: Faafouina lava i le aso e matua ai

O le teuga tupe faavaitaimi i le Faletupe o le ANZ Bank Samoa Ltd, o loo faamauina ai faatau faaatalafu e faaaogaina ai masini tekonomosi.

**5. Tupe Totogi Muamua ma Isi**

Aitalafu a le Aufaigaluega ma Isi	
Tupe totogi muamua	
<b>Aofai</b>	

	<b>2012</b>	<b>2011</b>
	<b>SAT\$</b>	<b>SAT\$</b>
	4,293	15,990
	61,143	26,592
<b>Aofai</b>	<b>65,436</b>	<b>42,582</b>

**6. Faaunegatupe**

Aofaiga o Faaunegatupe i le faaiuga o le tausaga	26,506,959	21,701,448
Toese: Faaagaga mo faaunegatupe faaletonu(silasila i le faamatalaga e 7)	(2,896,572)	(2,720,091)
	<b>23,610,387</b>	<b>18,981,357</b>

E iloga tonu tinoi tupe o faaunegatupe e toe totogi mai i le maea ona iloilo faaagaga mo faaunegatupe faaletonu. E toe fetuunai tulaga faavae o faaunegatupe pe afai ua le ausia e le e ana le faaunegatupe tuutuuga faavae.

**7. Faaagaga mo Faaunegatupe Faaletonu**

Paleni i le amataga o le tausaga	2,720,091	2,546,646
Faaopoopo: Faaagaga faaopopo ina	298,257	394,024
	3,018,348	2,940,670
Toese: Faaunegatupe ua faaleaogaina ma aveese mai i faaagaga	(121,776)	(220,579)
<b>Paleni i le faaiuga o le tausaga</b>	<b>2,896,572</b>	<b>2,720,091</b>

**8. Nonogatupe**

<b>Faaputuga Tupe Lumanai Manuia(SNPF)</b>		
(ii) Nonogatupe E0416	-	915,226
(iii) Nonogatupe 411206	-	3,459,893
	-	4,375,119

**Faletupe Tutotonu o Samoa(CBS)**

(i) Nonogatupe 1	3,362,420	4,000,000
(ii) Nonogatupe 2	2,860,431	-
(iii) Nonogatupe 3	4,000,000	-
	10,222,851	4,000,000

<b>Aofai</b>	<b>10,222,851</b>	<b>8,375,119</b>
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**Faamatalaga o Faaunegatupe**

**Faletupe Tutotonu o Samoa(CBS)**

(i) Nonogatupe 1:

Umi e totogi ai	: 10 tausaga
Tului	: 3%
Tupe totogi i le masina	: \$33,185
Faamaoniga	: Faamaonia e le Malo

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**8. Faaunegatupe (faauau)**

**Faamatalaga Faaunegatupe**

**Faletuple Tutotonu o Samoa**

(ii) Nonogatupe 2:

Umi e totogi ai	: 5 tausaga
Tului	: 3%
Tupe totogi masina	: \$53,907
Faamaoniga	: Faamaonia e le Malo

(iii) Nonogatupe 3:

Umi e totogi ai	: 5 tausaga
Tului	: 3%
Tupe totogi masina	: \$71,875
Faamaoniga	: Faamaonia e le Malo

**9. Tupe Faaagaga Lautele**

Tupe faaagaga amata

Aumai mai tupe maua ma tupe faaalu

Toese: Tivi ua totogi

	2012	2011
	SAT\$	SAT\$
	5,108,512	4,909,559
	506,235	397,906
	(253,118)	(198,953)
	<b>5,361,630</b>	<b>5,108,512</b>

I le Vaega 29 o le Tulafono o le Faalapotopotoga o Mea Tau Hale 2010, e moomia le faavaeina ma faauauina o tupe faaagaga lautele.

**10. Meatotino Toe Iloilo Faaagaga**

Faamatalaga	Tuualalo				2012	2011
	Uluai	Faaputu	Aofai	Aofaiga		
	Tau	31/01/10	Totoe	Toe Iloilo		
	SAT\$	SAT\$	SAT\$	SAT\$	SAT\$	SAT\$
Fanua	412,000	-	412,000	588,000	176,000	176,000
Fale	1,453,161	(148,343)	1,304,818	1,450,000	145,182	145,182
	<b>1,865,161</b>	<b>(148,343)</b>	<b>1,716,818</b>	<b>2,038,000</b>	<b>321,182</b>	<b>321,182</b>

O le tau toe iloilo (fanua ma fale) sa faafoeina e Kaisara Real Estate ia Fepuari 2010. Sa faaaogaina taiala o maketi e pei o tau faatusatua o fanua ma fale tuaoi, tupe maua ma tau fesuiai o mea totino ua iai tuualalo ua faamauai tau talafeagai o loo taua i luga. O nei mea totino sa toesea tuualalo faaputu ma faamauina le faateleina poo le faaitiitia mai tau toe iloilo. O faasiliga o tau toe iloilo o loo faailogaina i Tau Toe Iloilo o Mea Totino Faaagaga i lalo o Tupe Faaavae Faaagaga.

**11. Aitalafu ma Auaunga e le i Totogia**

Auaunaga e le i totogia	44,866	53,415
Faaagaga mo le Suetusi	19,550	19,550
Isi Aitalafu	85,346	67,294
Faatau faaaialatalafu i masini tekonomosi.	-	5,718
Faaagaga mo le umi o le auaunaga (faamanuia)	31,074	-
<b>Aofai</b>	<b>180,836</b>	<b>145,977</b>

**O isi aitalafu:**

O aso malolo ua faamatuu mo le aufagaluega, e lei faaaogaina ua faaliliu faatino o tupe e tusa ma totogi ua iai, lafoga o faaunegatupe ua taulimaina ae lei totgia i le Matagaluega o Tupe ma tupe ua faamauina e le o mautinoa e tauula mai ai ua faamauina o isi aitalafu.

Faatau faaaialatalafu i masini tekonomosi.

Aofai e faagata ai faatau faaitalafu i masini tekonomosi e \$20,000 i le Faletuple o le ANZ Bank (Samoa) Ltd. O loo faaaogaina le teuga tupe faavaitaimi e \$50,000 e faamauina ai. E leai se aitalafu e le i totogia o faamauina i faatau faaaialatalafu i masini tekonomosi i le aso o le ripoti.

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**11. Aitalafu ma Auauanaga e le i totogia (faaaauau)**

Faaagaga mo faamanuiaga o le umi o tautua

O aitalafu e totogiina atu i se tagata faigaluega mo faamanuiaga mo le umi o tautua o loo faailoaina i le Taiala o le Faafoeina o Tagata Faigaluega a le Faalapotopotoga. O tagata faigaluega uma o loo aofia ai i lea faamanuiga ae le aofia ai faatonu.

O faagaga e iloga lona faamauina i le faaiuga o le tausaga e fua i le totogi ua iai ma le umi na tautua ai.

**12. Tivi e totogi**

O le Tulafono Faatonutonu o Faalapotopotoga a le Malo (Faatinoina o Galuega ma le Mafai ona Tali Atu) 2002 i le Vaega 6 parakarafa 6.2.1 (d), ia aofia le faailo i le ripoti faaleausaga le tivi e totogi i le Malo e Faalapotopotoga a le Malo i le tausaga faaleetupe e fitoitonu iai.

O le Vaega 7 (parakarafa 25.2) foi o le Tulafono o Kamupani, e tatau i kamupani ona totogi tivi ia tusa ai ma taiala o tivi a le Malo e pei ona fautuina e le Ofisa Sili o le Matagaluega o Tupe mai lea i taimii lea taimi. Ia Me 2005, sa fautuina e le Ofisa Sili o le Matagaluega o Tupe e faapea o le matafaioi a Faalapotopotoga a le Malo, le totogi o tivi e 50% o tupe mama i le maea ona toesea o lafoga. I le 30 Iuni 2011, o loo iai tivi e le i totogia a le Faalapotopotoga o Mea Tau Hale e 50% o tupe mama toese ai tivi ua totogi.

**Tivi e Totogi**

			Tupe Mama		2012	2011
			SAT\$	SAT\$	SAT\$	SAT\$
Paleni Amata					394,348	586,005
Tausaga Faaleetupe:	30 Iuni 2011		397,906	-	198,953	
	30 Iuni 2012		506,235	253,118	-	
Toese: Tivi ua totogi				253,118	784,958	
Tivi e totogi i le Malo o Samoa				(394,348)	(390,610)	
				253,118	394,348	

**13. Meatotino**

Cost	Polokalame		Masini	Meaafale	Tagavai	Aofaiga
	Fale SAT\$	Komepiuta SAT\$				
Paleni 1 Iulai 2010	1,450,000	67,482	614,370	344,596	148,016	32,704
Faatau mai	-	6,985	-	-	30,933	1,490
Faamatuu ese	-	-	(26,370)	-	-	-
<b>Paleni 1 Iulai 2011</b>	<b>1,450,000</b>	<b>74,467</b>	<b>588,000</b>	<b>344,596</b>	<b>178,949</b>	<b>34,194</b>
Paleni 1 Iulai 2011	1,450,000	74,467	588,000	344,596	178,949	34,194
Faatau mai	-	11,299	-	100,000	77,015	-
Faamatuu ese	-	-	-	-	-	-
<b>Paleni 30 Iuni 2012</b>	<b>1,450,000</b>	<b>85,766</b>	<b>588,000</b>	<b>444,596</b>	<b>255,964</b>	<b>34,194</b>
<b>Tuualalo Faaputu</b>						
Paleni 1 Iulai 2010	15,103	64,621	-	168,192	124,641	24,240
Tuualalo	36,250	2,262	-	53,642	21,313	4,896
Faamatuu ese	-	-	-	-	-	-
<b>Paleni 30 Iuni 2011</b>	<b>51,352</b>	<b>66,883</b>	<b>-</b>	<b>221,834</b>	<b>145,954</b>	<b>29,136</b>
Paleni 1 Iulai 2011	51,352	66,883	-	221,834	145,954	29,136
Tuualalo	36,250	3,789	-	38,149	25,720	1,268
Faamatuu ese	-	-	-	-	-	-
<b>Paleni 30 Iuni 2012</b>	<b>87,602</b>	<b>70,672</b>	<b>-</b>	<b>259,983</b>	<b>171,674</b>	<b>30,404</b>
<b>Aofai Tauave</b>						
30 Iuni 2011	1,398,648	7,584	588,000	122,762	32,995	5,058
30 Iuni 2012	1,362,398	15,094	588,000	184,613	84,290	3,790

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**14. Tupe Maua**

*(i) . Lafoga Totogi Mai mo Faaunegatupe*

	<b>2012</b>	<b>2011</b>
	SAT\$	SAT\$
Lafoga totogi mai mo talosaga	66,342	38,344
Lafoga totogi mai mo le faapepaina o faaunegatupe	63,600	60,300
Lafoga totogi mai mo le faavaeina o le faaunegatupe	132,694	76,688
Lafoga totogi mai mo faaunegatupe ua le totogia	115,754	119,617
Lafoga totogi mai i le faafoeina o faaunegatupe	162,473	159,811
	<b>540,863</b>	<b>454,760</b>

*(ii) O isi Tupe Maua*

Tului maua - Teugatupe Faavaitaimi	11,183	24,607
O isi Tupe Maua	19,638	18,623
	<b>30,821</b>	<b>43,230</b>

**15. Tupe Alu Patino i Tagata Faigaluega**

*Auiliiliga o tupe alu e patino i tagata faigaluega:*

Totogi o le Aufaigaluega	1,052,753	1,023,559
Saofaga 5% - SNPF	52,638	51,178
Lafoga mo Faalavelave Faafuasei 1% - ACC	10,528	10,236
	<b>1,115,919</b>	<b>1,084,973</b>

O le aofai o i latou o lo o faafaigaluegaina e le Faalapotopotoga mo le tausaga faaiuina 29 (2011:30)

**16. Tupe faaalu i le anofale ma le lotoifale**

*Auiliiliga o tupe faaalu i le anofale ma le lotoifale*

Eletise	44,720	37,739
Suavai	3,646	2,052
Lisi Totogi	8,556	8,556
Meli ma Telefoni	22,841	22,609
	<b>79,763</b>	<b>70,956</b>

**17. Tupe faaalu e patino i mataupu a le ofisa**

*Auiliiliga o tupe faaalu e patino i mataupu a le ofisa*

Isi tupe faaalu i le aufaigaluega	330,401	61,495
Faasalalauga	41,519	3,931
Alauni	30,017	18,525
Tupe Faaalu i mataupu a le Ofisa	124,042	119,357
Pepa, Lomiga ma Isi	21,422	19,354
Inisiua	17,118	15,669
Galuega Faaleleia	104,606	42,967
Taavale	51,689	42,772
Aotauina o le aufaigaluega ma fonotaga	78,194	96,419
Lafoga totogi mo le faamaoniga o nonogatupe i le SNPF	4,574	10,065
	<b>803,582</b>	<b>430,554</b>

**18. Tului e totogi i Tupe Nono**

*Auiliiliga o tului e totogi i tupe nono:*

Tului - Nonogatupe Faletupe Atinae(DBS)	-	58,710
Tului - Nonogatupe Lumanai Manuia Tagata Lautele(SNPF)	303,067	418,042
Tului - Nonogatupe Faletupe Tutotonu o Samoa(CBS)	132,127	-
	<b>435,194</b>	<b>476,752</b>

**FAALAPOTOPOTOGA O MEA TAU FALE  
FAAMATALAGA O TALA O TUPE  
MO LE TAUSAGA FAAIUINA 30 IUNI 2012**

### 19. Fefaaatauaiga Feaiaa'i

i) Tau i Faatonu

Lafoga totogi i Faatonu \$84,163 (2011: \$74,477) i le tausaga e aofia ai alauni auai i fonotaga, taumafa mo fonotaga meaalofa ma faamanuiaaga mo Faatonu ua mavae atoa ma isi.

O le faaiuga a le Kapaneta (FK) o lo o faamatalaina ai totogi mo faatonu ma alauni i le uaui i fonotaga e faapea:

Taitaifono - Totogi i le tausaga \$8,000 & auai i fonotaga \$300  
Faatonu - Totogi i le Tausaga \$6,500 & auai i fonotaga \$250

<i>Tau i Faatonu ma le Pulega</i>	<b>2012</b>	<b>2011</b>
	<b>SAT\$</b>	<b>SAT\$</b>
Lafoga i Faatonu	12,583	13,000
Alauni i le auai i Fonotaga	8,460	16,047
Isi tipe faaalu i faatonu	63,120	48,430
	<b>84,163</b>	<b>77,477</b>

ii) Tupe faaalu i le pulega

*O totogi o le pulega i le tausaga:*

Totogi ma faamanuiaga pupuu 505,128 505,128  
*Saofaga a le Faalapotopotoga:*

Saofaga i le NPF

Lafoga o Faalavelave ma Taui Faafuasei	<u>5,051</u>	<u>5,051</u>
	<b><u>535,436</u></b>	<b><u>535,436</u></b>

iii) O aiaiaga o fefaatauaiga ma e e feaiaa'i

O fefaatauaiga ie e feaiaai sa faatautaia i tau masani i le maketi i aiaiga faapisinisi.

## 20. Mataupu Faaletupe

O le vaega lenei e folasia ai le auivi i le feagai ai o le Faalapotopotoga ma faafitauli faaletupe ma faamatala ai metotia sa faaaogaina e le pulega e pulea ma mataituna ai ia faafitauli. O faafitauli ogaoga e aofia ai aitalafu, o le faaliutupeina o aitalafu, tau o tului i le maketi ma le tau o tupe mai fafo.

a) Pulega o Faafitauli o Ajitalafu

O faafitauli e faamatalaina faapea, o le le totogiina e le paaga o lana aitalafu. ua le tusa ai ma tuutuga , ua iu ai inapau tupemaua a le Faalapotopotoga.

Ua faaaoga e le Faalapotopotoga paaga e totogi aitalafu lelei ma tapa ia fanua ma fale e faamau ai aitalafu ia foia ai tupe pau e afua mai i aitalafu le totogia. O loomataituna pea e le Faalapotopotoga tau o faatinoga o aitalafu i ana paaga ma faaaogaina faasiliga mai fefaatauaiga e faasafua i paaga ua talia ina. O faafitauli o faaunegatupe o loo mataituna e le Vaega e Pulea ia Faaunegatupe ma le Vaega o Tulafono i le faia o iloiloga ma sailiga faaaaua e iloa tino ai tulaga o loo iai ma poo mulimulitai i taiala faatulagaina a le Faalapotopotoga.

e) Tau talafeagai

E faafoeina mataupu faaletupe i tau talafegai

i) Faafitauli i le Maketi

O faafitauli i le maketi o le fesuiga o tau,e pei o tau o tului, tau o saofoga, o tau o tupe mai fafo ma le faasafuaina o aitalafu(e le fesootai ma suiga a e o loo faatinoina ia suiga) e afaina ai tupe maua a le Faalapotopotoga ma aofai o mataupu tau tupe o loo taulimaina. O le sini autu o le pulega o faafitauli i le maketi o le puleaina ma faatonutonuina faaitauli o le maketi ia faatumauina i tulaga e taliaina ao agai atu e faateleina tupe maua mai.

**FAALAPOTOPOTOGA O MEA TAU FALE  
FAAMATALAGA O TALA O TUPE  
NO LE TAUSAGA FAAIUINA 30 IUNI 2012**

**III. Mataupu Faaletuple(faaauau)**

**a) Faafitauli i le Faaliu Tupeina o Aitalafu Faaletonu**

O le matafaioi patino a Faatonu le faavaeina o fuafuaga e gafa taulimaina ai faafitauli i le faaliu tupeina o mataupu faaletonu e talafegai ma aiaiga i taimi pupuu ma le umi e le pulega o le Faalapotopotoga.

O le puleaina o le faafitauli i le faaliu tupeina o aitalafu faaletonu e faaputu tupe faaagaga, faasoa i Faletupe ma taofiofi tupe nono i le mataituina faauau o tupe fetafeai ma fuafua mo le lumanai ma faafetaui i teuga tupe ma aitalafu faavaitaimi.

**b) Faafitauli i galuega faatino**

Faafitauli i galuega faatino e faatatau lea i aafiaga tau lotoifale po'o aafiaga i tua atu o galuega faatino a le Faalapotopotoga e mafua mai i faafitauli faaletuple e ono aafia ai tupe mama a le Faalapotopotoga e aofia ai faagasologa o galuega faatino, o tagata faigaluega, tekonalosi faaonaponei ma aafiaga mai fafo e ese mai i pulega o faafitauli o aitalafu, faafitauli i le maketi ma faafitauli i le faaliu tupeina o aitalafu faaletonu ao faafitauli e mafua mai i tulafono ma aiaiga manaomia ma faatagaina.

O le naunautaiga o le Faalapotopotoga o le faaititia lea o faafitauli i galuega faatino ina ia faaititia ai tupe maimau ma le tauleagaina o le Faalapotopotoga.

E faalagolago le mataituiga o auala e puipui mai ai le Faalapotopotoga mai nei faafitauli i galuega faatino i le pulega o vaega taitasi.

**III. Mea Totino Ogaoga e Faatauina**

**a) Faatauina o le Faatinoina o Lisi**

E le sili atu ma le tasi le tausaga

Faatalapulaa mai le tasi le tausaga ae le sili atu ma le lima tausaga

Sili atu ma le lima tausaga

SAT\$	SAT\$
8,556	8,556
34,224	34, 24
51,336	51,3 6
<b>94 116</b>	<b>4 116</b>

O lo'o lisiina mai e le Faalapotopotogase se vaega o le Jet Over Mall mai le Blue Hill Lumber & Hardware aua le faatinoina o galuega a le Faalapotopotoga i le lala I Savaii

**b) Mea Totino Ogaoga**

Ina ia ogatasi ma le Public Bodies Act 2001 ma aiaiga a le malo i le totogiga o Tivi e tusa ma le 50% o tupe mama, ma e tatau ona totogi e le Faalapotopotoga le tivi I tausaga uma e pei ona faamatalatala atu i le faamatalaga 12.

**c) Nisi mea ogaoga**

Mai le silafia o sui o le komiti faatonu e leai nisi mataupu ogaoga e leo aofia i le Famatalaga o Tupe 2012. (2011: SATS0).

**III. Fuafuaga o Faalavelave o Aitalafu ma Mea Totino**

I le aso 30 Iuni 2012, e leai ni lavelave i aitlafau poo mea totino (2010:\$0).

**SAMOA HOUSING CORPORATION  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

SAMOA HOUSING CORPORATION  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012

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SAMOA HOUSING CORPORATION  
CERTIFICATION BY DIRECTORS  
FOR THE YEAR ENDED 30 JUNE 2012

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We certify that the attached financial statements for Samoa Housing Corporation comprising of the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and note to financial statements for the year ended 30 June 2012:

- a) give a true and fair view of the matters to which they relate; and
- b) have been prepared in accordance with International Financial Reporting Standards; and
- c) comply with the Public Finance Management Act 2001 and Companies Act 2001 (amended 2006) in relation to the form or content of financial statements made under the Public Bodies (Performance and Accountability) Act 2001.

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

We authorise the attached financial statements for issue on 5/11/12 on behalf of the directors of the Samoa Housing Corporation.

  
*Vaovasa Tui Vaai*  
**CHAIRMAN**  
Samoa Housing Corporation  
Apia, Samoa

/ /

  
*Matautia Rula Levi*  
**CHIEF EXECUTIVE OFFICER**  
Samoa Housing Corporation  
Apia, Samoa

/ /

SAMOA HOUSING CORPORATION  
 STATEMENT OF FINANCIAL POSITION  
 AS AT 30 JUNE 2012

	Notes	2012 SAT\$	2011 SAT\$
<b>ASSETS</b>			
<b>Assets</b>			
Cash and cash equivalents	4	426,288	3,158,344
Other debtors and prepayments	5	65,436	42,582
Loans portfolio	6	23,610,387	18,981,357
Property, plant and equipment	13	2,245,505	2,162,855
<b>Total Assets</b>		<b><u>26,347,616</u></b>	<b><u>24,345,138</u></b>
<b>LIABILITIES, CAPITAL AND RESERVES</b>			
<b>Liabilities</b>			
Other creditors and accruals	11	180,836	145,977
Equity deposit		8,000	-
Dividend payable	12	253,118	394,348
Borrowings	8	10,222,851	8,375,119
<b>Total Liabilities</b>		<b><u>10,664,805</u></b>	<b><u>8,915,444</u></b>
<b>Capital and Reserves</b>			
Paid up capital	3	10,000,000	10,000,000
General reserve fund	9	5,361,630	5,108,512
Asset revaluation reserve	10	321,182	321,182
<b>Total Capital and Reserves</b>		<b><u>15,682,812</u></b>	<b><u>15,429,694</u></b>
<b>Total Liabilities, Capital and Reserves</b>		<b><u>26,347,616</u></b>	<b><u>24,345,138</u></b>

*This statement is to be read in conjunction with the accompanying notes to the financial statements on pages 7 to 15.*

SAMOA HOUSING CORPORATION  
 STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 SAT\$	2011 SAT\$
<b>Income</b>			
Interest on loans		2,889,075	2,610,840
Interest on borrowings	18	(435,194)	(476,752)
<i>Net interest income</i>		<u>2,453,881</u>	<u>2,134,088</u>
Loan fees	14 (i)	540,863	454,760
Other income	14 (ii)	<u>30,821</u>	<u>43,230</u>
<b>Total Income</b>		<u>3,025,565</u>	<u>2,632,078</u>
<b>Expenses</b>			
Audit fees	11	19,550	19,550
Depreciation	13	105,664	118,851
Directors fees and expenses	19 (i)	84,163	77,477
Personnel costs	15	1,115,919	1,084,973
Occupancy costs	16	79,763	70,956
Administration expenses	17	803,582	430,554
Bad debts		-	28,781
Doubtful debts	7	298,257	394,024
Interest on overdraft		<u>12,432</u>	<u>9,006</u>
<b>Total Expenses</b>		<u>2,519,330</u>	<u>2,234,172</u>
<b>Net Profit</b>		<b>506,235</b>	<b>397,906</b>
<b>Transfer to General Reserve</b>		<b>(506,235)</b>	<b>(397,906)</b>
		<b>\$Nil</b>	<b>\$Nil</b>

*This statement is to be read in conjunction with the accompanying notes to the financial statements on pages 7 to 15.*

SAMOA HOUSING CORPORATION  
 STATEMENT OF CHANGES IN EQUITY  
 FOR THE YEAR ENDED 30 JUNE 2012

	Notes	Capital SAT\$	General Reserve Fund SAT\$	Asset Revaluation Reserve SAT\$	Total SAT\$
Balance at 1 July 2010		9,720,000	4,909,559	321,182	14,950,741
Capital injection		280,000	-	-	280,000
Profit for the period	12	-	397,906	-	397,906
Less: Dividend provided	12	-	(198,953)	-	(198,953)
<b>Balance at 30 June 2011</b>		<b><u>10,000,000</u></b>	<b><u>5,108,512</u></b>	<b><u>321,182</u></b>	<b><u>15,429,694</u></b>
Profit for the period	12	-	506,235	-	506,235
Less: Dividend provided	12	-	(253,118)	-	(253,118)
<b>Balance at 30 June 2012</b>		<b><u>10,000,000</u></b>	<b><u>5,361,630</u></b>	<b><u>321,182</u></b>	<b><u>15,682,812</u></b>

*This statement is to be read in conjunction with the accompanying notes to the financial statements on pages 7 to 15.*

SAMOA HOUSING CORPORATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 SAT\$	2011 SAT\$
<b>Cash Flows to Operating Activities</b>			
Cash received from customers		3,449,576	3,754,233
Cash paid to customers		(4,629,030)	(323,747)
Cash paid for salaries and wages		(1,115,919)	(1,084,973)
Cash paid for other expenses		(1,700,504)	(1,348,230)
<b>Net Cash Outflow to Operating Activities</b>		<u>(3,995,877)</u>	<u>997,283</u>
<b>Cash Flows to Investing Activities</b>			
Interest from investments		11,183	8,670
Purchases of fixed assets	13	(188,314)	(39,408)
<b>Net Cash Outflow to Investing Activities</b>		<u>(177,131)</u>	<u>(30,738)</u>
<b>Cash Flows from Financing Activities</b>			
Capital injection from Government		-	280,000
Proceeds from CBS loan		7,000,000	4,000,000
Net repayments of loans		(5,152,268)	(2,358,112)
Interest on overdraft facility		(12,432)	(9,006)
Dividends paid	12	(394,348)	(390,610)
<b>Net Cash Inflow from Financing Activities</b>		<u>1,440,952</u>	<u>1,522,272</u>
Net decrease		(2,732,056)	2,488,817
Cash and cash equivalents at beginning of year		3,158,344	669,527
<b>Cash and Cash Equivalents at Year End</b>		<u>426,288</u>	<u>3,158,344</u>
<i>Represented by :</i>			
<b>Cash and Cash Equivalents</b>	4	<u>426,288</u>	<u>3,158,344</u>

*This statement is to be read in conjunction with the accompanying notes to the financial statements on pages 7 to 15.*

**SAMOA HOUSING CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

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**1. General Information**

The Housing Corporation was established on May 1990 by an act of the legislature (Housing Corporation of Samoa Act 1989). The new legislation, Public Bodies Act 2001 overrules the initial Act. However, review of the Housing Corporation Act 1989 has been approved by Parliament in 2010 as Housing Corporation's Act 2010 and is now enacted. The main purpose of the Corporation is to improve housing and living conditions of lower moderate income persons and families by lending monies on mortgage or other securities to assist to build, extend, renovate or purchase land for the purpose of building a home thereon.

The Corporation's operations are directed by a 5 - member board of directors. The Board are all appointed members from the private sector.

**2. Statement of Significant Accounting Policies**

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

**a) Statement of compliance**

These financial statements have been prepared in accordance with the requirements of the Public Finance Management Act 2001 which requires the adoption of International Financial Reporting Standards issued by the International Accounting Standards Board (IASB).

In accordance with section 91 of the Public Finance Management Act 2001, Samoa Housing Corporation is designated as a Public Body, therefore it must also satisfy the reporting requirements under the Public Bodies (Performance & Accountability) Act 2001.

**b) Basis of preparation**

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

**c) Comparative information**

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

**d) Functional and presentation currency**

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

**e) Foreign currency**

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

**f) Bad and provision for doubtful loans**

The Corporation sets aside in each year at least two percent to its approvals of loans in that year as a provision against bad and doubtful debts until such time as the provisions equal ten percent of its loans portfolio, and will thereafter set aside annually such amounts as are sufficient to maintain this provision at that level. However, a yearly review of the individual loans are carried out to recognise impairment on those loans with reasonable doubt that not all the principal and interest can be recovered in accordance with terms and conditions of the loan agreement. Bad debts are written off against the provision for doubtful debts in the period in which they are identified as unrecoverable.

SAMOA HOUSING CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012

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**2. Statement of Significant Accounting Policies (continued)**

**g) Revenue recognition**

*Interest income*

Interest income on loans and investments are recognised on accruals basis. Interest on impaired loans is recognised only when income is received.

*Loan fees*

Loan fees are recorded when they are earned. Fees on impaired loans are recognised only when income is received.

**h) Cash and cash equivalents**

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

**i) Accounts and other receivables**

Accounts and other receivables are recorded at fair value after providing for bad and doubtful debts. At the end of each reporting period, the carrying amounts of accounts and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the statement of financial performance.

**j) Fair value estimation**

Fair value is determined as follows:

- Cash assets are carried at fair value;
- Receivables are carried at book value, which is the best estimate of fair value as they are settled within a short period;
- Loans are net of provisions for impairment.

**k) Financial assets**

The Corporation classifies its financial assets in the following categories; loans & receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

*Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not categorised in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

**l) Provisions**

A provision is recognised in the balance sheet when the corporation has a present legal or 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.

**m) Accounts and other payables**

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

**n) Property, plant and equipment**

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

SAMOA HOUSING CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2012

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**2. Statement of Significant Accounting Policies (continued)**

**n) Property, plant and equipment (continued)**

estimated useful lives, using the straight-line method. All direct costs attributable to acquisition of assets have been capitalised. The following rates are used for the depreciation of property, plant and equipment:-

Buildings	2.5%
Motor vehicles	20% & 33%
Office furniture	20%
Office equipment	33%
Computer software	33%
SHC Logo	5%

**o) Dividends**

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

**p) Borrowing costs**

All borrowing costs are recognised in the statement of financial performance in the period in which they are incurred.

**r) Employee benefits**

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

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.

**3. Authorised and Paid up Capital**

	2012 SAT\$	2011 SAT\$
Authorised capital (10,000,000 shares of \$1 each)	10,000,000	10,000,000
Unpaid capital	-	-
Paid up capital (Government of Samoa)	<u><u>10,000,000</u></u>	<u><u>10,000,000</u></u>

The authorised capital of the Corporation can only be subscribed to by the Government of Samoa as per section 22 of the Housing Corporation Act 2010.

**4. Cash and Cash Equivalents**

**Term deposit**

Samoa Commercial Bank	-	1,500,000
ANZ Bank (Samoa) Ltd	51,704	50,939
Westpac Bank (Samoa) Ltd	-	703,004
National Bank of Samoa	-	502,685
	<u><u>51,704</u></u>	<u><u>2,756,628</u></u>

**Cash at bank and on hand**

ANZ Bank (Samoa) Ltd	88,654	27,175
National Bank of Samoa	34,567	45,459
Samoa Commercial Bank	204,024	271,472
Westpac Bank (Samoa) Ltd	46,139	56,710
Petty cash imprest	1,200	900
<b>Total</b>	<b><u><u>426,288</u></u></b>	<b><u><u>3,158,344</u></u></b>

SAMOA HOUSING CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2012

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**4. Cash and Cash Equivalents (cont'd)**

Term deposit details:

Term	: 1 Month
Interest rate	: 2.5%
Maturity date	: Renew automatically

Term deposit at ANZ Bank is used to secured CEO's master card.

**5. Other Debtors and Prepayments**

Other and staff debtors	4,293
Prepayments	61,143
<b>Total</b>	<b>65,436</b>

	2012	2011
	SAT\$	SAT\$
	4,293	15,990
	<b>65,436</b>	<b>42,582</b>

**6. Loans Portfolio**

Total loans portfolio as at year end	26,506,959	21,701,448
Less provision for doubtful loans ( <i>refer to note 7 below</i> )	(2,896,572)	(2,720,091)
	<b>23,610,387</b>	<b>18,981,357</b>

Loans are recognised at their recoverable values, after assessing provisions for impairment. Loans are restructured when the borrower is granted concession due to continuing difficulties in meeting the original terms terms and conditions.

**7. Provision for Doubtful Debts**

Balance at the beginning of the year	2,720,091	2,546,646
Add: Additional provision	298,257	394,024
	<b>3,018,348</b>	<b>2,940,670</b>
Less: Write offs charged against provision	(121,776)	(220,579)
<b>Balance at year end</b>	<b>2,896,572</b>	<b>2,720,091</b>

**8. Borrowings**

**Samoa National Provident Fund:**

(ii) Loan E0416	-	915,226
(iii) Loan 411206	-	3,459,893
	<b>-</b>	<b>4,375,119</b>

**Central Bank of Samoa:**

(i) Loan 1	3,362,420	4,000,000
(ii) Loan 2	2,860,431	-
(iii) Loan 3	4,000,000	-
	<b>10,222,851</b>	<b>4,000,000</b>

**Total**

10,222,851	8,375,119
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**Loan details:**

**Central Bank of Samoa:**

(i) Loan 1:	
Term	: 10 years
Interest rate	: 3%
Monthly repayment	: \$33,185
Security	: Government guarantee

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**8. Borrowings (cont'd)**

**Loan details:**

**Central Bank of Samoa:**

(ii) Loan 2:

Term : 5 years  
Interest rate : 3%  
Monthly repayment : \$53,907  
Security : Government guarantee

(iii) Loan 3:

Term : 5 years  
Interest rate : 3%  
Monthly repayment : \$71,875  
Security : Government guarantee

**9. General Reserve Fund**

	2012 SAT\$	2011 SAT\$
Opening reserve fund balance	5,108,512	4,909,559
Transfer from profit and loss	506,235	397,906
Less: Dividend provided	(253,118)	(198,953)
	<b>5,361,630</b>	<b>5,108,512</b>

Section 29 of the Housing Corporation Act 2010 requires the Corporation to establish and maintain a general reserve fund.

**10. Assets Revaluation Reserve**

Description	Original	Acc.dep at		Revalued		2012 SAT\$	2011 SAT\$
	cost	31/01/2010	Net Amount	Amount	2012		
	SAT\$	SAT\$	SAT\$	SAT\$	SAT\$		
Land	412,000	-	412,000	588,000	176,000	176,000	176,000
Building	1,453,161	(148,343)	1,304,818	1,450,000	145,182	145,182	145,182
	<b>1,865,161</b>	<b>(148,343)</b>	<b>1,716,818</b>	<b>2,038,000</b>	<b>321,182</b>	<b>321,182</b>	<b>321,182</b>

The revaluation (land and building) was carried out by Kaisara Real Estate Management an independent licensed valuer in February 2010. Market value approach i.e. sales comparison, income and depreciated replacement cost were used to determine the fair values of the above items. The cost method is used to account for revaluation of assets, where the original cost of assets less their accumulated depreciation and then determine whether there is an increase or decrease in assets revalued amounts from their carrying amounts. The above surplus is recognised in the Asset Revaluation Reserve under Capital and Reserves.

**11. Other Creditors and Accruals**

Accruals	44,866	53,415
Provision for audit fees	19,550	19,550
Other creditors	85,346	67,294
Master card	-	5,718
Provision for long service benefit	31,074	-
<b>Total</b>	<b>180,836</b>	<b>145,977</b>

**Other creditors:**

Leave entitlement benefits accruing to employees are measured at their present values using the relevant remuneration rates, stamp duty payable to Ministry of Finance and unidentified and unclaimed payments are taken up as other creditors.

**Master card:**

Master card limit is NZ\$20,000 at ANZ Bank (Samoa) Ltd and is secured by term deposit.

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**11. Other Creditors and Accruals (cont'd)**

**Provision for long service benefit**

The liability for employee obligations relates to Corporation's Human Resource Manual long service payments. All full time members of staff, excluding directors are covered by this benefit.

The provision to be recognised at the year end is determined on the basics of present value calculation taking into account the number of years in service.

**12. 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 the 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 2012, Samoa Housing Corporation has a liability for dividend payable at 50% of Net Profit After Tax, less dividend payments made.

		Dividend payable		Net Profit	2012	2011
		Opening balance		SAT\$	SAT\$	SAT\$
Financial Years:	30 June 2011			397,906	-	586,005
	30 June 2012			506,235	253,118	198,953
					253,118	-
					(394,348)	784,958
						(390,610)
					<u>253,118</u>	<u>394,348</u>

**13. Property, Plant and Equipment**

Cost	Computer		Motor Vehicles	Office Equipment	Office Furniture	SHC Logo	Total SAT\$
	Building SAT\$	Software SAT\$					
Balance as at 1 July 2010	1,450,000	67,482	614,370	344,596	148,016	32,704	9,761 2,666,929
Additions	-	6,985	-	-	30,933	1,490	- 39,408
Disposals	-	-	(26,370)	-	-	-	- (26,370)
<b>Balance as at 30 June 2011</b>	<b>1,450,000</b>	<b>74,467</b>	<b>588,000</b>	<b>344,596</b>	<b>178,949</b>	<b>34,194</b>	<b>9,761 2,679,967</b>
Balance as at 1 July 2011	1,450,000	74,467	588,000	344,596	178,949	34,194	9,761 2,679,967
Additions	-	11,299	-	100,000	77,015	-	- 188,314
Disposals	-	-	-	-	-	-	-
<b>Balance as at 30 June 2012</b>	<b>1,450,000</b>	<b>85,766</b>	<b>588,000</b>	<b>444,596</b>	<b>255,964</b>	<b>34,194</b>	<b>9,761 2,868,281</b>
Accumulated depreciation							
Balance as at 1 July 2010	15,103	64,621	-	168,192	124,641	24,240	1,465 398,261
Depreciation	36,250	2,262	-	53,642	21,313	4,896	488 118,851
Disposals	-	-	-	-	-	-	-
<b>Balance as at 30 June 2011</b>	<b>51,352</b>	<b>66,883</b>	<b>-</b>	<b>221,834</b>	<b>145,954</b>	<b>29,136</b>	<b>1,953 517,112</b>
Balance as at 1 July 2011	51,352	66,883	-	221,834	145,954	29,136	1,953 517,112
Depreciation	36,250	3,789	-	38,149	25,720	1,268	488 105,664
Disposals	-	-	-	-	-	-	-
<b>Balance as at 30 June 2012</b>	<b>87,602</b>	<b>70,672</b>	<b>-</b>	<b>259,983</b>	<b>171,674</b>	<b>30,404</b>	<b>2,441 622,776</b>
Carrying amount							
30 June 2011	1,398,648	7,584	588,000	122,762	32,995	5,058	7,808 2,162,855
30 June 2012	1,362,398	15,094	588,000	184,613	84,290	3,790	7,320 2,245,505

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	2012	2011
	SAT\$	SAT\$
<b>14. Income</b>		
(i) <i>Loan fees</i>		
Application fees	66,342	38,344
Documentation fees	63,600	60,300
Establishment fees	132,694	76,688
Arrears fees	115,754	119,617
Maintenance fee	162,473	159,811
	<b><u>540,863</u></b>	<b><u>454,760</u></b>
(ii) <i>Other income</i>		
Interest - term deposit	11,183	24,607
Other income	19,638	18,623
	<b><u>30,821</u></b>	<b><u>43,230</u></b>
<b>15. Personnel Costs</b>		
<i>Details of personnel costs are specified as follows:</i>		
Salaries & wages	1,052,753	1,023,559
NPF contribution 5%	52,638	51,178
ACC contribution 1%	10,528	10,236
	<b><u>1,115,919</u></b>	<b><u>1,084,973</u></b>
The number of staff employed by the Corporation as year end were 29 (2011: 30).		
<b>16. Occupancy Costs</b>		
<i>Details of occupancy costs are specified as follows:</i>		
Electricity	44,720	37,739
Water	3,646	2,052
Rent	8,556	8,556
Telephone	22,841	22,609
	<b><u>79,763</u></b>	<b><u>70,956</u></b>
<b>17. Administration Expenses</b>		
<i>Details of administration expenses are specified as follows:</i>		
Other staff costs	330,401	61,495
Advertising & promotion	41,519	3,931
Allowances	30,017	18,525
Office expenses	124,042	119,357
Stationeries	21,422	19,354
Insurance	17,118	15,669
Repairs and maintenance	104,606	42,967
Motor vehicle running expenses	51,689	42,772
Staff training & meetings	78,194	96,419
Guarantee fee - SNPF loan	4,574	10,065
	<b><u>803,582</u></b>	<b><u>430,554</u></b>
<b>18. Interest on Borrowings</b>		
<i>Details of interest on borrowings are specified as follows:</i>		
Interest - DBS loan	-	58,710
Interest - SNPF loans	303,067	418,042
Interest - CBS loans	132,127	-
	<b><u>435,194</u></b>	<b><u>476,752</u></b>

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### 19. Related Party Transactions

#### i) Directors compensation

Directors fees of \$84,163 (2011: \$74,477) were paid during the year including directors fees, sitting allowance, catering for board meeting, gift and donation for former directors and other board expenses. The Cabinet Directive (F.K) specifies directors' fees and sitting allowances as follows:

Chairman	- Annual fee \$8,000 & sitting allowance \$300
Member	- Annual fee \$6,500 & sitting allowance \$250

#### Directors and executive management compensation

	2012 SAT\$	2011 SAT\$
Directors fees	12,583	13,000
Sitting allowances	8,460	16,047
Other board expenses	63,120	48,430
	<u><u>84,163</u></u>	<u><u>77,477</u></u>

#### ii) Key management personnel costs

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

Salaries and short term employment benefits	505,128	505,128
<i>Employers contribution to:</i>		
National provident fund	25,256	25,256
Accident compensation commission	5,051	5,051
	<u><u>535,436</u></u>	<u><u>535,436</u></u>

#### iii) Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms.

### 20. Financial Instruments

This section outlines the Corporation's exposure to financial risks and describes the methods used by management to control and monitor these risks. The major risks are credit risk, fair values, market risk, liquidity risk and operational risk.

#### a) Credit risk

Credit risk refers to the risk that a customer will default on its contractual obligations resulting in financial loss to the Corporation.

The Corporation has adopted a policy of only dealing with creditworthy customers and obtaining sufficient collateral where appropriate, as a means of mitigating the risks of financial loss from defaults. The Corporation exposure and the credit ratings of its customers are continuously monitored and the aggregate value of transactions concluded is spread amongst approved customers. Credit risk is closely monitored by the Lending Division and Legal and Recoveries Division through regular independent reviews designed to test the quality of credit exposures and to ensure compliance with Corporation policies.

#### b) Fair values

All financial instruments are carried by fair values.

#### c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Corporation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

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**20. Financial Instruments (cont'd)**

**d) Liquidity risk**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Corporation's short, medium and long-term funding and liquidity management requirements.

The Corporation manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and cash flows and matching the maturity profiles of financial assets and liabilities.

**f) Operational risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Corporation's involvement with financial instruments, including processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

The Corporation's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Corporation's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit.

**21. Capital Commitments**

**a) Operating lease commitments**

	<b>2012</b>	<b>2011</b>
	<b>SAT\$</b>	<b>SAT\$</b>
Not later than one year	8,556	8,556
Due after one year but not later than five years	34,224	34,224
Due after five years	51,336	51,336
	<b><u>94,116</u></b>	<b><u>94,116</u></b>

The Corporation leases premises from Bluebird Lumber & Hardware under operating lease for its branch at Savaii. The lease run for an initial period of 5 to 10 years, with an option to renew the lease after that date.

**b) Capital commitments**

In line with Public Bodies Act 2001 and Government policy of paying dividend at 50% of the net profit, the Corporation is committed to pay dividends every year as calculation indicated in note 12.

**c) Other commitments**

The directors are not aware of any other commitments and not provided for at year end. (2011: SAT\$nil).

**22. Contingent Liabilities**

The directors are not aware of any contingent liabilities at year end. (2011: SAT\$nil).