



ANNUAL REPORT

1 July 2013 – 30 June 2014

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16 February 2015

The Honorable Speaker of the House
Legislative Assembly of Samoa

Pursuant to Section 25 of the Land Transport Act 2007, I have the honour to submit herewith on behalf of the Board of Directors of the Land Transport Authority, the Annual Report and Statement of Accounts for the Financial Year from 1 July 2013 to 30 June 2014.

Ma le fa'aaloalo,



Manu'alesagalala Enokati Posala

MINISTER OF WORKS, TRANSPORT AND INFRASTRUCTURE

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Vision Statement

To provide a safe national road network.

Mission Statement

To improve the national road network by achieving an acceptable standard of road infrastructure and meeting road use management standards.

1. CORPORATE PROFILE:

1.1 Background

The establishment of the Land Transport Authority (LTA) is the latest in a series of major reforms of the Public Sector that have been ongoing for several years. Land Transport Authority came into existence as a fully functioning and legally independent entity on 1st July 2009.

The Land Transport Authority's immediate predecessor organization is the Ministry of Works, Transport and Infrastructure. Two of the latter Ministry's major functions namely road asset management and road use management was transferred under the administration of the new Land Transport Authority. Mandated by the LTA Act 2007, the Land Transport Authority prime objectives are to effectively engineer and maintain a safe and environmentally friendly transportation network through a diversity of functions which include but not limited to:-

- Construction and maintenance of national roads;
- Improve standards of public transportation;
- Effective enforcement of road safety codes, rules and regulations;
- Set fees and charges to ensure sustainability of autonomy at affordable costs to users (Stakeholders).

1.2 Core Functions:

The gathering and management of economic data relevant to road usage and maintenance:-

- Management and implementation of licensing and other road user charges
- Management of road infrastructure data and classification of roads
- Assistance with and implementation of road safety initiatives
- Enforcement of road usage laws
- Instigating road maintenance programs
- Quality assurance to road maintenance standards
- Assistance with Government's road development program

1.3 Financial Performance:

The Authority is funded with direct injections from Government through monthly budget appropriations and internal generated revenue from vehicle registration, driver licensing and others.

1.4 Organizational Structure:

The Authority is operated with five (5) core divisions and three (3) supporting divisions. The core divisions are Executive, Road Operations, Programming and Procurement, Road Use Management, and Savaii Operations. The supporting divisions are Corporate Services, Legal, and Information Technology.

2. BOARD OF DIRECTORS



**Chairman/CEO MWTI
Vaaelua Nofo Vaaelua**



**Director/CEO LTA
Leasi Vainalepa Galuvao**



**Director
Aiono Afaese Aiono**



**Director/CEO ACC
Malaeulu Lose Niumata**



**Director
Tapeli Su'a Tevaga**



**Director/Commissioner MPP
Lilomaiava Fou Taioalo**



**Director
Moananu Ioane Filemu**

3. MANAGEMENT TEAM:



**Leasi Vainalepa Galuvao
Chief Executive Officer**



**Namulauulu Lameko Viali
Manager Road Operations**



**Tauillili Tamaseugogo Leo Bartley
Manager Road Use Management**



**Mataafa Sepelini Poufa
Manager Savaii Operations**



**Seimaleula Sinapati Ulberg
Manager Programming & Procurement**



**Fainuulelei James Ah Wai
Manager Information Technology**



**Anoanoa'i Pepe Lafai
Manager Legal**



**Saveatama Virginia Tuatagaloa
Manager Finance and Corporate Services**

4. CHAIRMAN'S REPORT:



I am honored to present on behalf of the Land Transport Authority its 5th Annual Report which highlight the works for the fiscal year from July 2013 to June 2014.

2014 is our fifth year of operation since 2009. Looking back we made history when Samoa switched side of the roads to drive from left to the right. The move was bold but our Government seized the opportunity for the change to improve the lives for all Samoans. Many families today now own a vehicle at affordable prices. We also remembered the two catastrophic events the Tsunami and the Cyclone Evan that took our loved ones and destroyed our livelihoods.

This fiscal year presented another challenge when Samoa was given the green light to host one of the world's biggest conference the "UNSIDS" (United Nation - Small Island Development States) to be held in September 2014. We are confidence that time and weather will be on our side.

Despite the challenges the Authority is happy to report a profitable year with a recorded net operating profit of \$65,587.00.

On behalf of the Hon. Minister of Works, Transport and Infrastructure, the Board of Directors, Management and Staff of the LTA, I am privilege to present our Dividend of \$1.0million.

I would like to thank the Hon. Minister of Works, Transport and Infrastructure, the Chief Executive Officer, and the Management and Staff of the Land Transport Authority, for their hard work and collaborative commitment during this fiscal year.

A handwritten signature in blue ink, appearing to read 'Vaelua Nofu Vaelua', written in a cursive style.

**Vaelua Nofu Vaelua
Chairman
Board of Directors**

5. CHIEF EXECUTIVE OFFICER'S REPORT:



It is my privilege that I provide Land Transport Authority's Annual Report for the financial year ended 30th June 2014 highlighting its work performance and achievements in the Authority's 5th year of operation.

5.1 Infrastructural Works

5.1.1 Capital Works

Land Transport Authority's annual Capital Works Program includes construction of road infrastructure that have been requested by villages and/or identified by the Authority as a road asset requiring construction for safe travelling of the public, improved access and to sustain the lifetime of a road asset. Also, Land Transport Authority's Capital Works program includes construction of flood mitigation infrastructures such as drainages as part of LTA's role under the Flood Mitigation Subsector within the Joint Water Sector Steering Committee. Construction of access roads, seawalls etc are funded by the Government of Samoa Budget Support and flood mitigation infrastructures are funded by the Water Sector Budget Support. The following were Capital Works within the financial year under reviewed:

	UPOLU - Contract Name	Contractor
1	Construction of access road at Leauvaa	Ulia Construction
2	Construction of access road at Vaovai, Falealili	T & N Toleafoa Co. Ltd.
3	Construction of access road at Levi, Saleimoa	Lucky Construction
4	Construction of access road at Etemuli, Lotofaga	King Construction Co. Ltd
5	Construction of Aufaga Access Road.	Ott Transport Co. Ltd
6	Reconstruction of seawall at Samatau	Alafua Transport
7	Reconstruction of seawall at Sualo	ATC Civil
8	Construction of East Coast Road re-alignment at Falefa	Silva Transport Co. Ltd
9	Fagali'i Central Bridge Retrofit Repair Works	King Construction Ltd
10	Luatuanuu West bridge Repair works	King Construction Ltd
11	Solosolo West Bridge Repair Works	King Construction Ltd
12	Upgrading of Fugalei St (SMI Site) Drainage	Ulia Construction
13	Construction of Fugalei Market Drainage (Pkg A)	Procurement phase
14	Construction of Fugalei Market Drainage (Pkg B)	Procurement phase
15	Construction of Fugalei Market Drainage (Pkg C)	Procurement phase
	SAVAII - Contract Name	Contractor
1	Construction of Masalaolao, Gataivai Road	Apia Lua
2	Construction of Salailua Road	Sakalafai Contractors

3	Construction of Sasina Road	ON & Sons
4	Construction of Pitonu'u, Satupaitea Road	TM Transport
5	Construction of Saasaai Road	FICO Construction

5.1.2 Minor Works

Land Transport Authority's Minor Works Program involves work carried out by the Authority in response to requests from the community such as construction of a road, driveway, speed hump etc. Emergency works thus requiring a shorter procurement process i.e. Request for Quotations compared to Open Tendering; and generally works of small value.

	UPOLU - Contract Name	Contractor
1	Construct driveways at Moamoa & Vaiusu	Lee Transport
2	Construct driveway at Baha'i Lelata and paint pedestrian crossing at Vailele Primary School	Webster Works
3	Construct dr/ways at Tanugamanono, Papaloloa & Malololelei	Lee Transport
4	Reconstruct Vaigaga Road	National Carriers
5	Construct Right-of-Way at Lalovaea	Lee Transport Ltd
6	Reconstruct Nuusuatia & Tafitoala bridge handrails	Lucky Construction
7	Construct driveways at Leififi & Vaivase-tai	R&R Construction Co. Ltd
8	Reconstruct drainage along Fuafua Street	Lee Transport
9	Letogo Seawall (Box culvert upgrading works)	Webster Works
10	Reconstruct South Coast Road, Malaemalu (Pkg 4)	Ott Transport Co. Ltd
11	Reconstruct Sections of Alafaalava Road (Pkg 4)	Lucky Construction Co. Ltd
12	Reconstruct Sections of Alafaalava Road (Pkg 7)	King Construction Co. Ltd
13	Construct driveway at Amosa Road, Aleisa	R&R Construction Co. Ltd
14	Reconstruct Amato Road, Alafua	Ott Transport Co. Ltd
15	Reconstruct Avele Access Road	Ott Transport Co. Ltd
16	Reconstruct Satalo Loop Road	Webster Works
	SAVAII - Contract Name	Contractor
1	Construct Vaipouli New Hospital Road	Sakalafai Contractors
2	Drainage construction at Manase	Sakalafai Contractors
3	Reconstruct Palauli South Coast Road at Faala (Pkg 1)	Big Island Construction
4	Reconstruct Palauli South Coast Road at Faala (Pkg 2)	Big Island Construction
5	Emergency Work - Saasaai Access Road	FICO Construction
6	Asphalt Sealing - Foua Salelologa, South East Coast Rd	Apia Lua Ltd

5.1.3 Road Resealing Work for the UN SIDS Conference 2014

	UPOLU - Contract Name	Contractor
1	Construct Hideaway Road, Matatufu	R&R Construction
2	Construct Siusega Public Road	Webster Works
3	Reseal Sinamoga Road	Ulia Construction Co. Ltd
4	Reseal Moamoa Road (Pkg 6)	Ulia Construction Co. Ltd
5	Savalalo Bus Terminal (including raised islands for SIDS)	Ulia Construction Co. Ltd

6	Reseal Vaitele Industrial, Vaitele Uta Rd, Olasina and Oli St (Pkg 1)	Ott Transport Co. Ltd
7	Reseal Vaiusu Road (Pkg 2)	Lucky Construction Co. Ltd
8	Reseal Vailoa Street (Pkg 3)	Lucky Construction Co. Ltd
9	Reseal Tulaele Road (Pkg 4)	Ott Transport Co. Ltd
10	Reseal Papaseea Road (Pkg 5)	Ott Transport Co. Ltd
11	Reseal Talimatau Rd, Siusega Road (Pkg 7)	Ulia Construction Co. Ltd
12	Reseal Malili Rd, SGP3 Rd, SPG4 Rd (Pkg 8)	Ulia Construction Co. Ltd
13	Sliding Rock Road (Pkg 9)	Silva Transport Co. Ltd
14	Construct South Coast Road from Siumu to Maninoa	Ott Transport Co. Ltd

5.1.4 Drainage Routine Maintenance

The routine maintenance of drainages within the vicinity of CBD has been divided into 4 zones. The Drainage Routine Maintenance Program is funded by the European Union through the Joint Water Sector and Sanitation Committee (JWSCC) whereby LTA is part of the Drainage and Sanitation Subsector under the JWSCC. Maintenance of these drainages included rehabilitation works for drainages, as well as reconstruction of small driveways for families that were within the vicinity of each relevant zone. Rehabilitation works under the Drainage Maintenance Scheme included a lot of redefinition works for poorly performing drainages such as areas in Laulii, Motootua and Vaitele.

Zone	Zone Boundaries	Contractor
1	Open Drainages Vaitele to Se'ese'e inclusive of the Sports Complex Tuanaimoto	Civil Care Works Ltd
2	Open Drainages Alafua to Matafele inclusive of Fugalei	Proveera Co. Ltd
3	Open Drainages Matafele to Lauli'i inclusive of Vaivase area and Vailima	R&R Construction Ltd
4	Closed Drainages within the Central Business District	Ott Transport

5.1.5 Road Routine Maintenance

The Routine Maintenance Program is an ongoing process for a 12 month period. There are twelve (12) zones in Upolu and ten (10) in Savaii with contracts publicly tendered out.

Zone	Upolu	Contractor
1	Vaiusu-Sinamoga, Afiamalu-Moataa	Ott Transport
2	Vaiusu-Vaimea-Sinamoga-Tafaigata-Aleisa	Silva Transport
3	Vaiusu-Faleula-Vaitele-Vaitele Uta	Lucky Construction
4	Faleula-Leauvaa-Aleisa-Aleisa	T&N Toleafoa
5	Leauvaa-Leulumoega Tuai-Leulumoega Tuai-Aleisa	Ulia Construction
6	Leulumoega Tuai-Safatoa Lefaga	National Carrier
7	Leulumoega Tuai-Safatoa Lefaga-Vaiee	Bluebird Construction
8	Vaiee-Afiamalu-Sapunaoa	Alafua Construction
9	Sapunaoa-Lotofaga-Lemafa-Lalomanu	R&R Construction
10	Sapoe-Lotofaga-Lemafa-Lalomanu	Lee Transport
11	Lemafa-Manunu & Saoluafata	Webster Works
12	Manunu-Saoluafata-Moataa-Vaivase Tai	King Construction

Zone	Savaii	Contractor
1	Salelologa - Lalomalava	Apia Lua Ltd
2	Lalomalava – Patamea via Vaiaata Road	Savaii Civil Operations
3	Sapapalii – Patamea via North West Coast Road	ON & Sons Constructions
4	Patamea – Paia	FICO Construction
5	Paia - Aopo Ford	Tama Ole Mau
6	Aopo Ford – Falealupo	Taua'e General
7	Falealupo – Samata	Trans & Works
8	Samata – Taga Ford	Yuhoi Construction
9	Taga Ford – Satufia	Salafai Construction
10	Satufia – Maota	Big Island Construction

5.1.6 Traffic Signals Maintenance

The Traffic Signals Maintenance Program covers the routine maintenance and rehabilitation works for all Traffic Signals within Apia and Salelologa, including maintenance for pedestrian crossing lights along Vaitele Street. A total of 18 Traffic Signal sites and six (6) pedestrian crossing lights were under this maintenance scheme and was funded by the LTA's (GoS) Budget Support for FY2013/14.

	Contract Name	Contractor
1	Maintenance of Traffic Signals & Pedestrian Crossing Lights in Samoa	Telecomp-tronics Ltd

5.1.7 Donor Funded Projects

Two Donor funded projects, whereby Land Transport Authority is the Implementing Agency, were declared effective in 2013 and 2014 namely the Enhanced Climate Resilience of West Coast Road (CRWCR) and the Enhanced Road Access Project (ERAP) respectively. Both projects are five year projects and will be implemented simultaneously.

ERAP is USD\$27 million grant co-funded by Department of Foreign Affairs & Trade, Australia and the World Bank. CRWCR is USD\$14.8 million grant fully funded by the World Bank under its Pilot Program for Climate Resilience (PPCR). The only sub-components that were completed within the financial year 2013-14 were the 1) procurement and award of the Project Management Unit for ERAP and CRWCR as well as 2) procurement and award of the Design and Supervision of Leone Bridge; funded under ERAP. The rest of the subcomponents were in Terms of Reference build-up stage within the financial year under review:

	Contract Name	Firm
1	Project Management Unit for ERAP	IPA Consultants, Samoa
2	Project Management Unit for CRWCR	IPA Consultants, Samoa
3	Design & Supervision of Leone Bridge	OPUS International Consultants, NZ

5.2 Road Use Management

The continuously obligation of this section is to emphasize mandatory of all safety requirements annually and new vehicle for registration for safety inspection in all different models for roadworthiness and exhaust emission under Motor Vehicles

Fitness Guide 2002 which carry out by visual testing, road running brake testing, steering testing, emission testing visible for more than 10 seconds continuously idling, under body testing and board beam light testing.

5.2.1 Vehicle Inspection and Certification

All new vehicles must be registered and licensed first with the owner providing relevant documentations such as clearance document from the MOR (Customs) and Deregistration Certificate or Export Certificate from the original export country.

TYPES	TOTAL	
	UPOLU	SAVAII
Private	14,531	1,558
Taxi	2,730	168
Buses	384	71
Others	60	25
TOTAL	17,705	1,822

5.2.2 Driver Licenses

The priority is responsible to examine and review all applicants' application for a new, renewal driver license, learner permit and defensive driving course for Commercial driver license in different classes. The issuance of any new and commercial driver license is subjected on endorsement when passed a written test and practical driving skill test on road.

Details	New		Renew		Total
	Upolu	Savaii	Upolu	Savaii	
Private (5yrs)	2,646	907	2,581	389	6,523
Commercial (1yr)	431	125	2,288	342	3,186
Learner Permit (3mths)	26	0	0	0	26
Temporary	15,060	424	0	0	15,484
Total	18,163	1,456	4,869	731	25,219

5.2.3 Promotion and Road Safety Awareness Programs

The Road Safety Awareness Programs visited four villages in Savaii (Fusi Safotulafai, Vailoa Palauli, Samalaeulu and Neiafu) and six schools (Palauli and Tuasivi College, Iva, Satupaitea, Sagone and Taga Primary school). All programs were well attended and appraised by all.

Upolu targeted Government and Church primary schools from year one to year eight. The goal for this age gap is ensuring the effective enhancement of knowledge to assist their families to comply with safety regulations.

There were 76 primary schools visited this financial year with 73 Government and 3 Church schools. The number of participant for this financial year is 588 teachers, 19,126 students, 1,179 parents a total of 20,893 participants.

5.2.4 Gas Emission Awareness Program

LTA in collaboration with MNRE are committed to the reduction of vehicle emission. Public awareness are carried out through radio, television, newspapers, communities and church conferences. The issue is real and we must send out the message so that our people will be aware of consequences if we do not comply.

5.2.5 Spot Checks and Road Blocks

Throughout this financial year, fifty nine spot checks and road blocks were conducted within and outside the two mile radius of town to monitor and enforce every offence that is listed in the Schedule of offence. These are offences committed during the financial year.

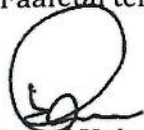
TYPE OF OFFENCE	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Unlicensed driver	121	162	89	90	112	88	87	113	139	95	108	78
Unlicensed Vehicle	56	69	41	67	47	51	40	65	67	94	84	38
Overloading	8	8	1	40	20	6	6	10	27	12	11	16
Use of mobile Phone	51	34	35	23	35	17	26	20	47	22	28	17
Registration plates	0	2	3	3	3	0	0	4	0	2	0	0
Traffic lights	42	33	13	30	47	21	66	53	42	16	39	19
Fixing plates	2	1	1	0	0	2	0	0	0	0	1	0
U-turn	1	3	0	3	2	2	5	1	1	0	4	1
Other	33	42	36	43	55	21	31	28	75	70	43	47

5.3 CONCLUSION:

The overall performance of the Authority in its fifth year of operation recorded a surplus. The major challenge faced by the Authority at year end was the closely monitoring of its road work expenses to be aligned with the budget. This was not an easy course to pursue as it involves a lot of challenges that were seen by many as threats. Despite the challenges, there were opportunities that were created which includes the strive for better services to the people of Samoa and the improvement of service delivery within the Infrastructure sector.

We wish to thank the Government of Samoa, various Ministries and Corporations, the business communities and the people of Samoa for their enormous support throughout the year.

Faafetai tele lava.



Leasi Vainalepa Galuvao
CHIEF EXECUTIVE OFFICER

LAND TRANSPORT AUTHORITY

30-Jun-14

FINANCIAL STATEMENTS

**LAND TRANSPORT AUTHORITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

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

AUDIT OFFICE

REPORT OF THE AUDIT OFFICE

TO THE BOARD OF DIRECTORS – LAND TRANSPORT AUTHORITY

We have audited the accompanying financial statements of the Land Transport Authority, which comprise the balance sheet as at 30 June 2014, and the income statement and statements of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. The Accounting Firm of SU'A MA PAUGA & Associates, Chartered Accountants, assisted in this audit.

Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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 on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Land Transport Authority as at 30 June 2014, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Our audit was completed on the 26th November 2014 and our opinion is expressed as at that date.

Apia, Samoa
4 December 2014


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

**LAND TRANSPORT AUTHORITY
CERTIFICATION BY DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2014**

We certify that the attached financial statements for the Land Transport Authority comprising of the Balance Sheet, Income Statement, Statement of Changes in Equity, Statement of Cash Flow and notes forming part of the financial statements for the year ended 30 June 2014:

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

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

We authorise the attached financial statements for issue on behalf of the directors of the Land Transport Authority.



Signature



Signature

CHAIRPERSON
Land Transport Authority
Apia, Samoa
24 / 11 / 14

DIRECTOR
Land Transport Authority
Apia, Samoa
24 / 11 / 14

**LAND TRANSPORT AUTHORITY
BALANCE SHEET
AS AT 30 JUNE 2014**

	NOTE	2014 \$	2013 \$
<u>EQUITY</u>			
Government Contribution	3	988,602	988,602
Accumulated Funds	4	1,252,479	1,186,891
Total Equity		2,241,081	2,175,493
<i>Represented by:</i>			
<u>CURRENT ASSETS</u>			
Cash and Cash Equivalents	5	8,155,871	6,330,810
Accounts Receivables	7	103,599	189,653
Cyclone Disaster Fund	8	8,717,678	11,657,363
Other Receivables	9	54,629	253,843
Inventory	10	202,470	209,418
Total Current Assets		17,234,247	18,641,087
<u>Less: CURRENT LIABILITIES</u>			
Accounts Payable		10,580	18,919
Provisions and Accruals	11	11,159,457	10,709,783
Retention		3,802,900	3,439,691
With-Holding taxes		1,552,077	2,138,058
VAGST Payable	20	2,247,184	4,315,171
Total Current Liabilities		18,772,198	20,621,622
Working Capital Deficit		(1,537,951)	(1,980,534)
<u>Add: NON-CURRENT ASSETS</u>			
Properties, Plants and Equipment	12	3,779,032	4,156,027
NET ASSETS		2,241,081	2,175,493

This statement must be read in conjunction with the accompanying notes.

**LAND TRANSPORT AUTHORITY
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

	NOTE	2014 \$	2013 \$
INCOME			
Total Government grants	13	35,236,699	30,878,355
Less : Road Capital and Maintenance Costs	16	41,256,434	36,760,382
Net Government Grant after Road Costs		-6,019,735	-5,882,027
Add : Operating Income	14	12,043,660	11,532,173
Total Income		6,023,925	5,650,146
Less : EXPENDITURE			
Operating Expenditure			
Audit fees		36,001	32,000
Depreciation	12	674,261	713,949
Directors fees and expenses	19 (i)	60,101	65,448
Personnel costs	15	3,605,680	3,293,040
Supplies - license plates	10	156,581	141,816
Other administrative expenses	17	1,425,714	1,706,646
Total Operating Expenditure		5,958,338	5,952,899
NET EXCESS/(DEFICIT)		65,587	(302,752)

This statement must be read in conjunction with the accompanying notes.

**LAND TRANSPORT AUTHORITY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014**

	NOTE	Government Contribution \$	Accumulated Funds \$	Total \$
2013				
Balance at 1 July 2012	3	988,602	1,489,643	2,478,245
Surplus/Deficit	4	-	(302,752)	(302,752)
Balance at 30 June 2013		988,602	1,186,891	2,175,493
2014				
Balance at 1 July 2013	3	988,602	1,186,891	2,175,493
Surplus	4	-	65,588	65,588
Balance at 30 June 2014		988,602	1,252,479	2,241,081

This statement must be read in conjunction with the accompanying notes.

**LAND TRANSPORT AUTHORITY
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2014**

	NOTE	2014 \$	2013 \$
CASH FLOWS RECEIVED/(USED) IN OPERATING ACTIVITIES			
Cash Received from Government	13	35,236,699	30,878,355
Cash Received from Customers		11,789,578	11,378,821
Cash Paid to Contractors		(36,502,351)	(36,760,382)
Cash Paid to Suppliers & Employees		(8,401,599)	(5,287,336)
<i>Net Cash (Used)/Received in Operating Activities</i>		<u>2,122,327</u>	<u>209,458</u>
CASH FLOWS RECEIVED/(USED) IN INVESTING ACTIVITIES			
Interest from Term Deposits		-	199,124
Acquisition of Property, Plant & Equipment		(297,266)	(653,747)
Proceed for Sale of Fixed Assets		-	413,570
<i>Net Cash (Used) in Investing Activities</i>		<u>(297,266)</u>	<u>(41,053)</u>
CASH FLOWS RECEIVED/(USED) IN FINANCING ACTIVITIES			
Net Cash Received/(Used) in Financing Activities		-	-
NET INCREASE / (DECREASE) IN CASH			
		1,825,061	168,405
Cash and Cash Equivalents at beginning of year		6,330,809	6,162,404
CASH AND CASH EQUIVALENTS AT YEAR END		<u><u>8,155,870</u></u>	<u><u>6,330,809</u></u>
<i>Represented by:</i>			
Total Cash and Cash Equivalents	5	<u><u>8,155,870</u></u>	<u><u>6,330,809</u></u>

This statement must be read in conjunction with the accompanying notes.

**LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

1. GENERAL

The Land Transport Authority was set up on 1 July 2009, and became independent from the Ministry of Works, Transport and Infrastructure.

Its main functions are set out in section 5 of the Land Transport Act 2007, is to provide maintenance of the national road network and control of road users in Samoa.

The Authority's operations are directed by a seven member board of directors. The Board consists of a Chairman who is the CEO of the MWTI.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Statement of compliance

The financial statements are prepared in accordance with the Land Transport Act 2007, Public Finance Management Act 2001, Public Bodies (Performance & Accountability) Act 2001 and applicable International Financial Reporting Standards appropriate for public benefit entities.

b. Basis of Preparation

The financial statements are prepared on the accrual basis using the historical cost convention unless otherwise stated.

c. Presentation and Foreign currencies

The financial statement balances are presented in Samoan Tala (SAT\$) and has been rounded to the nearest Tala. Transactions in foreign currencies are translated to Samoan tala at exchange rate ruling at the date of the transaction. Receivable and Payable balances in foreign currencies are converted at ruling rate at balance sheet date. Any exchange gain or loss arising from conversion are recognised in the Income & Expenditure Statement.

d. Grants Recognition

Grants are from the Government of Samoa which included :

- i. Government Budget Allocation to support the financing of the operation of the Authority.
- ii. Fuel Levy based on diesel/fuel usage at a rate of 35sene per litre.

Grants are recognised as income in the period to match with the costs for which they are intended to compensate, on a systematic basis. There are no restrictions and contingencies attached with the Government Grants except for the Authority to meet all its objectives and works as proposed in its Budget Statement that submits to the Ministry of Finance every year.

**AND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation. Depreciation is charged using the straight-line method at the rates as follows:

Item	Rate
Building	2.5%
Furniture and Fittings	20%
Plant and Equipment	20%
Motor Vehicle	20%
Office Equipment	20%
Land	0%

f. Road capital works not capitalised.

All costs for Road Capital works are recognised in the Statement of Income and Expenditure. These costs cannot be capitalised as LTA is not holding legal ownership or have total control of Lands where the roads were built thereon.

g. Receivables

Receivables are stated at their expected realisable value after providing for bad debts.

h. Payables

Payables represent liabilities for goods and services that are unpaid at balance sheet date.

i. Provisions.

i(a). Provisions for Capital and Maintenance Works.

A provision is established to recognise for claims of capital and maintenance works that have already been done but both the actual amounts and timing to pay for these Claims are not specifically known at balance date. An estimation was therefore carried out to determine the value of works been completed at balance date but have not paid or claimed yet.

i(b). Provision for Doubtful Debts

After a review of individual debts a provision is assessed and established to cover for all debts and it is confirmed their collectibility is no longer probable or in doubt.

j. Cash and cash equivalents

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

k. Value Added Goods and Services Tax (VAGST)

The Motor Vehicle Registration and Licenses income and expenditures are the only items that subject to VAGST on a cash basis. All other revenues and expenses are not entitled to VAGST and therefore recorded as Vagst inclusive.

l. Income Tax Exempt

The Authority is exempted from income tax under its principal ACT.

**LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Employee benefits

The statutory benefits that the Authority provides for all its Staff are:

- i. 5% for SNPF
- ii. 1% of ACC
- iii. Leave Entitlements and others.

n. Inventory

Inventory is valued at the lower of cost and net realizable value using the FIFO basis. The cost of inventories comprises all costs associated with the bringing the inventories to its present condition and location.

3. GOVERNMENT CONTRIBUTION

This represents total value of assets and liabilities transferred to the Authority from prior year, when it became independent from the Ministry of Works, Infrastructure and Transport on 1 July 2009. Capital contributed by the Government is classified as equity. The items are listed as follows:

	2014	2013
	\$	\$
Motor Vehicle registration fees receivable	158,508	158,508
Building	705,000	705,000
Furniture and Fittings	105,899	105,899
Plant & Equipment	6,795	6,795
Motor Vehicle	499,129	499,129
Office Equipment	163,974	163,974
Employment Benefit	(88,703)	(88,703)
Contract Retention	(562,000)	(562,000)
Total	988,602	988,602

4. ACCUMULATED FUNDS

The excess of the current year from the Income Statement is transferred to the equity account as accumulated funds.

**LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

	2014 \$	2013 \$
5. CASH AND CASH EQUIVALENTS		
Petty Cash - Savaii	300	300
Petty Cash - Upolu	1,000	1,000
Cashier's Float	700	500
ANZ Samoa Bank	7,954,810	1,138,418
Westpac Bank	199,061	768,630
Term deposit (<i>Refer Note 6</i>)	-	4,421,961
Total	8,155,871	6,330,810
6. TERM DEPOSIT		
Balance at year end	-	4,421,961
7. ACCOUNTS RECEIVABLES		
Accounts Receivables	88,206	192,277
Prior Years - MV Registration	-	166,649
Staff Debtors	15,393	-
	103,599	358,926
<i>Provision for doubtful debts</i>	-	(169,273)
Total	103,599	189,653
8. CYCLONE DISASTER FUND	8,717,678	11,657,363
Represented by :		
Balance at 01 July 2013	11,657,363	
Add : Additional Claims in FY 2013/2014	1,560,315	
Less: Reimbursement from Government	(4,500,000)	
Total Cyclone Disaster Fund	8,717,678	
Less : Provision for Cyclone Disaster Fund-Note 11a	-8,717,678	
Balance at 30 June 2014	-	
<p>These were emergency works after Cyclone Evan in December 2012 majoring in Roads clearance, collecting and dumbering debris, refilling and patching of roads, bridges blockages river damp and mostly the reconstruction of roads for mostly affected areas like Vaimauga and Safata Districts as well as the Cross Island road at Tiavi. The Fund will be recovered through the Government Budget Allocation in the following years.</p>		
9. OTHER RECEIVABLES		
Prepayments	15,700	41,418
Prepaid Insurance	5,000	7,253
Prepaid Transmitter	1,458	-
Prepaid Uniform	9,090	-
Return Chqs	7,909	-
Accured Interest - Term Deposits	-	36,417
World Bank Reimbursable Expenses	15,472	12,411
Other Receivables	-	156,344
Total	54,629	253,843

LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013						
	\$	\$						
10. INVENTORY								
Licence Plates	<u>202,470</u>	<u>209,418</u>						
	Quantity							
Opening Stock at 1 July 2013	3674	311,277						
Add: Purchases	2625	149,633						
Total Available stock	<u>6299</u>	<u>351,234</u>						
Closing stock at 30 June 2014	<u>3548</u>	<u>209,418</u>						
Total stock issue/Cost of Goods sold	<u>2751</u>	<u>141,816</u>						
11. PROVISION AND ACCRUALS	<u>11,159,457</u>	<u>10,709,783</u>						
Represented by :								
(a) Provisions: (Refer to Note 1(a))								
Provision for Cyclone Disaster Fund - refer to Note 8.	8,717,678	7,102,335						
Provision for Capital and Maintenance Works	2,194,429	3,379,577						
Total Provisions	<u>10,912,107</u>	<u>10,481,912</u>						
(b) Accruals:								
Provision for long service leave	-	481						
Accrued expenses	108,519	62,683						
Accrued Audit fees	36,001	32,000						
Accrued salaries	60,937	54,432						
Accrued NPF	3,047	-						
Accrued ACC	1,219	-						
Accrued Staff Leave	-	15,266						
Accrued Lease	26,000	26,000						
Plates in Transit	11,628	-						
Other Employment benefits	-	37,010						
Total Accruals	<u>247,350</u>	<u>227,871</u>						
Grand Total	<u>11,159,457</u>	<u>10,709,783</u>						
12. PROPERTY, PLANT AND EQUIPMENT								
	Buildings	Furniture & Fittings	Plant & Equipment	Motor Vehicles	Office Equipment	Land	Fence	Total
	\$	\$	\$	\$	\$	\$		\$
<u>COST</u>								
2014								
Balance 1 July 2013	2,269,261	158,284	6,795	1,908,194	1,225,448	477,785	41,021	6,086,788
Additions	66,164				231,102			297,266
Disposals	-							-
Balance 30 June 2014	<u>2,335,425</u>	<u>158,284</u>	<u>6,795</u>	<u>1,908,194</u>	<u>1,456,550</u>	<u>477,785</u>	<u>41,021</u>	<u>6,384,054</u>
<u>ACCUMULATED DEPRECIATION</u>								
2013								
Balance 1 July 2013	213,871	57,461	5,424	1,030,474	623,531			1,930,761
Depreciation	67,738	21,067	1,356	366,395	217,705			674,261
Disposals								-
Balance at 30 June 2014	<u>281,609</u>	<u>78,528</u>	<u>6,780</u>	<u>1,396,869</u>	<u>841,236</u>			<u>2,605,022</u>
<u>CARRYING AMOUNT</u>								
Balance 1 July 2013	<u>2,055,390</u>	<u>100,823</u>	<u>1,371</u>	<u>877,720</u>	<u>601,917</u>	<u>477,785</u>	<u>41,021</u>	<u>4,156,027</u>
Balance 30 June 2014	<u>2,053,816</u>	<u>79,756</u>	<u>15</u>	<u>511,325</u>	<u>615,314</u>	<u>477,785</u>	<u>41,021</u>	<u>3,779,032</u>

LAND TRANSPORT AUTHORITY
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	2014	2013
	\$	\$
13. GOVERNMENT GRANTS		
Government Contribution	30,736,699	29,878,355
Cyclone Evan's Fund	4,500,000	1,000,000
Total Governments Fund	<u>35,236,699</u>	<u>30,878,355</u>
14. OPERATING INCOME		
Motor vehicle registration income	9,834,676	9,240,412
Fines and fees	95,598	114,932
Driver's license	1,295,205	1,179,307
* Other revenues	818,181	997,522
Total Other Income	<u>12,043,660</u>	<u>11,532,173</u>
* Other Revenues		
Interest Received	44,042	199,124
Lease received	5,280	1,515
Lab Testing fees	26,307	-
Contract Retention (MWTI)	254,082	-
Other Administration Fees	488,470	312,339
Consultancy Works	-	28,060
Gain On Disposal Assets	-	16,838
Samoa Quarry Payments	-	439,646
	<u>818,180</u>	<u>997,522</u>
15. PERSONNEL COSTS		
Salaries and wages	2,980,555	2,688,909
Casual Wages	19,691	16,502
Overtime paid	122,440	84,231
Employment leave benefits	560	99,713
Ending Contract Benefits	761	21,302
HDA Allowance	36,594	15,176
Staff Xmas Bonus	120,521	101,299
NPF Contribution	153,043	120,920
ACC Levies	30,574	24,160
Advisory Committee	120,129	109,541
Other Allowances	20,813	11,286
Total Personnel Costs	<u>3,605,680</u>	<u>3,293,040</u>
16. ROAD MAINTENANCE COSTS		
Capital Works - Upolu	9,173,881	8,565,068
Capital Works - Savaii	3,648,535	4,169,492
Emergency Roads Repairing Cost	1,036,168	-
Periodic Maintenance - Upolu	6,647,298	6,888,760
Periodic Maintenance - Savaii	920,188	460,975
Routine Maintenance - Upolu	7,359,373	9,259,296
Routine Maintenance - Savaii	3,543,853	3,395,198
Lawn Mowing Contracts	1,167,344	517,121
Roads Opening Expense	110,699	4,473
Roads Sign Maintenance Cost	52,050	-
Humps Painting Cost	8,970	-
Cyclone Evan Rehabilitation Works - Provision	1,615,343	2,500,000
Cyclone Evan Rehabilitation Works - recovered by the Government	4,500,000	1,000,000
Drainage Rehabilitation	1,330,981	-
Traffic Lights Maintenance	141,753	-
Total Road Maintenance Costs	<u>41,256,434</u>	<u>36,760,382</u>

LAND TRANSPORT AUTHORITY
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	2014	2013
	\$	\$
17. OTHER ADMINISTRATIVE EXPENSES		
Advertising	52,094	72,164
Bad Debts	88,783	-
Promotions & Marketing	8,805	11,923
Catering and Facility Hire	417	3,511
Ministerial Support	7,740	2,179
Gifts and Donations	5,248	6,400
Cleaning	16,720	16,626
Bank Charges	9,776	9,909
Hardware and Tools	803	574
Uniform	82,428	-
Health and Safety	6,155	34,812
Insurance	60,778	83,048
Land Lease	52,000	26,000
Motor Vehicle Expenses	196,765	185,950
Membership and Subscription Fees	53,231	16,000
Printing and Stationaries	235,107	223,409
Postal	130	-
Rent, Leases and Contracts	28,118	21,369
Repairs and Maintenance	56,847	75,428
Road Safety Expenditure	9,503	6,191
Spare Parts (Consumables)	304	9,416
Training fees	13,326	4,327
Travelling Costs (Local)	44,904	52,077
Travelling Costs (Overseas)	15,678	25,804
Utilities (<i>Refer Note 18</i>)	355,598	352,875
Samoa Quarry Expense(refer note Quarry other income)	-	442,395
Office Supplies	24,455	24,257
Total Other Administration Expenses	1,425,714	1,706,646
18. UTILITIES EXPENSES		
Electricity	148,840	174,245
Telephone, Fax and Cellphone	144,844	124,768
Internet	56,394	45,208
Water	5,520	8,656
Total Utilities Expenses	355,598	352,875

**LAND TRANSPORT AUTHORITY
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FOR THE YEAR ENDED 30 JUNE 2014**

19. RELATED PARTY TRANSACTIONS

i) Directors compensation

All Directors with the exception of those appointed from Government Corporations and Ministries receive a director's fee and sitting allowances. Government regulations specify that director's fees are \$6,500 per year and sitting allowances of \$250 per meeting.

	2014	2013
	\$	\$
Director's fees	24,088	25,710
Sitting allowances	10,490	18,514
Catering for board meeting	9,549	11,707
Gifts and other board expenses	15,974	9,517
Total	60,101	65,448

ii) Key Management Personnel Costs

There are nine (9) representatives of Management Personnel employ by the Land of Transport Board of Directors, and their remuneration during the Year 2014

Salaries and short term employment benefits	736,704	704,742
<i>Employers contribution to:</i>		
National Provident Fund	36,835	35,235
Accident Compensation Corporation	7,367	7,047
Total	780,906	747,024

20 The VAGST Payable

The VAGST payable is subject to an assessment that should be carried out by the Ministry for Revenue to verify the actual VAGST amount the Authority is liable to pay.

21 CAPITAL COMMITMENT

The Authority continues with its major function of road capital and maintenance works, major overhaul of roads within and around Tuanaimato zone in preparation for the upcoming SIDS meeting in August to September 2014.

Except as stated, the Directors are not aware of any other capital commitments as at period end.

22 CONTINGENT LIABILITIES

The directors are not aware of any contingent liabilities as at period end.