

Scientific Research Organisation of Samoa

Annual Report 2019 – 2020



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Government of Samoa

Please address all correspondences to:

Hon. Minister of Agriculture & Fisheries

OFFICE OF THE MINISTER
MINISTRY OF AGRICULTURE & FISHERIES
(and SCIENTIFIC RESEARCH ORGANISATION OF SAMOA)

Honorable Speaker of the House
Legislative Assembly
MULINU'U

In accordance with the Scientific Research Organisation of Samoa's Acts 2006 (RDIS Act 200) and 2008 (SROD Act 2008). I am pleased to submit herein the 13th Annual Report of the Scientific Research Organisation of Samoa (SROS) for the year ended 30th June 2020. The Report is the record of the Organisation's performance during this financial year, in accordance with its mandate and output structure, and to be laid before the Legislative Assembly of Samoa.

Ma le fa'aaloalo lava

Honourable Lopao'o Natanielu Mu'a
MINISTER
SCIENTIFIC RESEARCH ORGANISATION OF SAMOA

1.1 STATEMENT TO THE PARLIAMENT

I. INTRODUCTION.

Scientific Research Organisation of Samoa (SROS) continues to serve and offer technical support to the private sectors in conducting scientific researches and sharing technical ideas to improve the quality of export products and farmer's local products. There are over 60 staff members employed by the organisation who are all based at their office located at Nafanua. SROS's most notable features are its ability to provide scientist positions to our fresh graduate students from overseas and local universities.

Also, SROS continues to work and strengthen their partnership with our industries, overseas and local universities and local communities through scientific researches thus providing an in-depth level of understanding and application of science to benefit Samoa's economy and its industries. SROS provides expert opinions to meetings or consultations regarding locally available tests, researches and new developments they are currently working on.

SROS has launched its new four years plan from 2020-2021 to 2023-2024 and inside the organisation's corporate plan clearly stated its business objectives for the next four years. The organisation planned the establishment of the commercial unit, the establishment of the food innovation centre, and the commencement of the drug analysis on biological samples, solar power battery and the establishment of the Agriculture research division. These new developments introduced by the organisation will widely benefit our people and especially our local farmers.

SROS still carry the ultimate goal of creating new ways and ideas to add value to our primary products. The organisation believes that adding value on the primary products will improve the quality and attract the attention of local and overseas markets to buy our local products. Furthermore, construct other alternative services that will offer job opportunities and source of income for our local farmers.

The support from the government and our continuous bilateral partnership with our external donors are the key funding assistance for SROS to achieve their goals and work plans for the next twelve months. Therefore, in this annual report highlights the utilisation of the government funds and donor funding by the organisation in the past twelve months. In addition, the report displays the key work achievements by each division in the last twelve months of the financial year 2019-2020.

Also, the annual report contains the audited financial statements and accounts for the financial year 2019-2020. Lastly, the Auditor's opinion on the financial and budget performances by the organisation.

2.1 SROS' VISION AND MISSION

SROS Vision

“To develop Samoa through science, technology and innovation”.

SROS' Mission Statement

“To drive, promote and improve the development of Samoa through research in the relevant economic sectors”

II. OBJECTIVES AND PRIORITIES

The research and development activities performed are geared by the Organisations objectives which are;

- a. To undertake scientific and technical research with the primary aim of adding value and developing functional prototypes of products and processes for the local or overseas markets.
- b. To provide relevant technical and quality testing services in goods, food & food products, narcotics, biological and environmental samples.
- c. To investigate research pathways utilising local resources for renewable energy generation and conduct environmental monitoring and impact assessments.
- d. To enhance the potential of Samoan natural products through biomedical, cosmetic and pharmaceutical research.
- e. To improve agricultural production, postharvest techniques and establish effective pest & disease control measures.
- f. To engage in consultancy services to improve the various developments sectors and promote science as a subject/career.
- g. To strengthen the partnership with the private sector and stakeholders to support the commercialisation of the Organisation's prototypes.
- h. To ensure effective staff development in scientific research and support services.
- i. To effectively manage the Organisation's financial, IT, human resources and assets.

3.1 MESSAGE FROM THE CHAIRPERSON

SROS' vision for the next four years is "to develop Samoa through science, technology and innovation. This new vision labels SROS as the only entity who can able to produce scientific results and outcomes that will boost our national economy.

Firstly, in the last twelve months, the organisation increased its investigative research in the fields of food science, plant and post-harvest, technical services, environment and renewable energy, and medicinal plants. This collective effort amongst the scientists of the organisation was inspired from the government major development priorities such as improving the income for local farmers, minimising dependency on import products, and investigate local plants to find a cure of non-communicable disease.

Our board of directors' decisions were guided by the core objectives of our corporate plan and making sure we made the right decision and should in line with the organisation core working objectives and strategic plans. The key role of the board of directors is making sure we utilise the funds and resources directly into the allocated work plans organised by the organisation management team.

The most notable achievement by SROS, when the Cabinet approved the stimulus package amount of 2.5 million tala for the implementation of the Commercial plans of the organisation. The funding was allocated for the construction of the new multipurpose building, and the procuring of the new state of the art equipment from overseas. Our core commercial objective is to create business opportunities and increase income for our local farmers.

All divisions within the organization able to achieve their work objectives, and carry out scientific studies and research to assist our local farmers and the private sector. SROS will continue to develop new products using the available new technology methods that have the potential to be commercialized. Besides, we are committed to maintaining the international accreditation status so that technical services sampling is available to our country. The result is to offer financial assistance to our local farmers and private sectors.

SROS will expand its operation in the next twelve months or the new fiscal year of 2020-2021 with the optimal goal by establishing two new divisions such as the Agriculture Research Division and the Commercial Division. Both new divisions will create new work opportunities for our science graduates from overseas and local universities and increase the organisation scientific research portfolio to serve our beloved country.

I would like to acknowledge the support of our SROS' Board of Directors, Management, and the dedicated staff who all have worked tirelessly and committed to ensuring that knowledge and services are made available to the people of Samoa that we proudly serve. Their combined effort and united with our vision is what shape the pathway of this organization and I am so grateful to lead this incredible group of people. We have achieved key work tasks that provides so much more development opportunities for continuous growth.

Thank You,



Sulamanaia Nu'uetolu Montini Ott

Chairman SROS' Board of Directors

4.1 CHIEF EXECUTIVE OFFICER REPORT

Talofa Lava,

This annual report depicts an exciting year when the Organisation went through a noticeable growth sprout. With an increase in laboratory capacity and personnel numbers, the organisation is now at a better stance to undertake a bigger workload and achieving its vision and mission.

The health and nutrition of our people are paramount to the Organisation. This is evident with all of SROS's divisions doing their part by either testing the drinking water, assessing river water quality, identifying beneficial plants for health and producing health products as to name a few.

For many years Samoa has relied on the use of local plants for the many illnesses affecting our people. It is for this reason that the Organisation has put a ton of effort into searching for plants that can reduce type 2 diabetes, stop the spread of cancer cells and have anti-microbial properties. And for every plant that is collected and investigated, it is also nursed in our shade houses and grown in the medicinal garden in the Nafanua SROS compound for ease of access in the future. The medicinal garden has now become a site for those who want to learn about the different medicinal plants in Samoa.

Over the past 10 years, the Organisation has produced a countless number of value-added products made from Samoa's natural resources and agriculture. The aim is for the products to be taken up by the private sector for local and international markets. But only a few of these SROS products have managed to reach the market. Although the Organisation has pushed for private-public partnerships as a way to entice the adoption of the products, it has come to no avail. Now the Organisation will commercial its products with the establishment of its own company. In June 2020, the Prime Minister and Cabinet approved the establishment of the Nafanua Pure Products Company under SROS management. A multi-purpose facility that will be built to house several state-of-the-art factory equipment with the sole purpose of processing locally sourced raw material.

Due to the increase in viral pandemics worldwide, SROS was requested by the government to set-up a diagnostic facility to test for viral diseases especially the coronavirus 2019 and the African swine fever. The Organisation successfully secured funding from the United Nations Development Program (UNDP) and United Nations Children's Fund (UNICEF) for the purchase of the molecular diagnostic equipment. These equipment have the potential to test for any pathogen of concern and the consumables needed can be supplied by any reputable supplier.

Since the establishment of the Organisation in 2006, there has been no proper reception area to welcome our visitors and clients. So to meet the increase in visitor numbers, the Organisation built its reception area which faced the entrance. The reception area includes a relaxing lounge, equipped library and welcoming SROS staff.

With the growing request from clients for SROS services, the Organisation has had to utilize its funds to build new or fully refurbish old laboratories to meet international standards for scientific research. In addition, new scientific research equipment and consumables were procured to meet the purpose of the laboratory. And importantly, safety protocols and equipment have been put in place for the protection of the scientists and facilities.

The Organisation continues to maintain its international accreditation status for biological and chemical analysis. This allows the local clients to have their tests analyzed locally knowing that the results are reliable and affordable. The list of accredited tests available increases annually based on the requests by our clients.

SROS has released its new corporate plan 2020-2024 with its new Vision and Mission to guide the delivery of its objectives. It's a clear plan that identifies scientific areas for research and commercial opportunities. This will allow the ultimate utilization of available resources to benefit the economy and people of Samoa.

Our SROS family was very proud to welcome the permanent movement of the agriculture scientists from the Ministry of Agriculture and Fisheries to the Organisation. The move is by the government to strengthen communication and usage of equipment between researchers in Samoa. Although we have been working with the agriculture scientists for many years, it always felt like there was a wall between us. Now we are one family of scientists.

This has truly been an exciting year and a journey to remember and we are truly thankful to the people of Samoa and our friends for being with us on this journey



Dr. Seuseu Joseph Tauati
Chief Executive Officer
SROS

5.1 TECHNICAL SERVICES DIVISION (TSD)

The Technical Services Division (TSD) continually endeavours to provide quality-assured technical and analytical services for its customers and stakeholders. These services have been executed by its three (3) laboratories namely;

- Chemical
- Biological
- Narcotics

These laboratories are well equipped with state of the art analytical equipment, internationally recognised accredited methods and competent scientists. The Technical Services expertise encompasses an array of microbiological, physical, chemical and narcotics analyses for products including but not limited to foods, waters, oils, animal feed, illegal drugs (narcotics) and soil.

Adding on top of its analytical responsibilities, this financial year sees TSD as a major player involved in the bioprospecting project specifically for anti-cancer research. The bioprospecting project is under the Biodiscovery Centre with thematic objectives of anti-cancer, antimicrobial and antidiabetic agents from Samoa medicinal plants and marine micro-organisms.

The TSD Division key achievements for this financial year 2019/2020 includes:

- Achieved the renewal of the International Accreditation status for its testing Laboratories (Biological and Chemical) under the new revised edition of the International Standard for Testing & Calibration Laboratories ISO 17025:2017.
- Achieved the satisfactory performance of its testing capacities, competency and methodologies at the Global Proficiency Testing Programme.
- Development of new methodologies for analysis as requested by clients and stakeholders.
- Partnership in testings with other government Ministries, Organisations and Corporation to monitor and evaluate projects, determine conformance to national & international standards and regulations as well as providing testing reports for court cases.
- Achievement on the upgrade of testing capacities through the procurement of new analytical equipment (Kjeldahl) to replace the more than 10 year's similar equipment. The instrument is specifically for nitrogen and protein analysis.
- Achievement on providing testing services to assist the Ministry of Health in their monitoring roles on all the registered bottled water companies. The objective was to do biological testing to ensure the safety of bottled water for public consumption, and compliance with National Drinking Water Standard (NDWS). The MOH received no complaints from the public and there was no outbreak of water-borne diseases. The incidences of bottled water companies being subjected to non-compliance being reduced.
- Achieved forty-five (45) cases for hard (illegal) drugs tested and submitted reports. Twenty-nine (29) cases for marijuana and sixteen (16) for hard drugs. In regards to hard drugs, two (2) cases for cocaine and fourteen (14) were methamphetamine (ice). All tested positive and reports were submitted to the Ministry of Police (MOP) for court proceedings.
- Achieved ten percentage (10%) increased of usage by the public and private sector, government ministries and state own enterprises (SOE) of testing services.

6.1 FOOD SCIENCE & TECHNOLOGY DIVISION (FSTD)

The Food Science & Technology is responsible for research on food material, through value addition using the appropriate technologies to develop new products and improve existing processing techniques. This involves food preservation, development of new and novel foods and ingredients, as well as food sensory, packaging and safety consideration.

The FSTD Division key achievements for this financial year include:

- a) Completed the first phase of the traditional fermented coconut dip (miki mafu) which is to confirm through sensory evaluation a formulation for a commercial product. The next phase is the study of the fermentation process which involves the analysis of the chemical composition and microbiological analysis to confirm the fermenters involved and changes which occur at the various stages of product development.
- b) Initiated and started the research on ava extract, analysis and product development. The kavalactics scanner was received which has allowed the instant analysis of ava powder available in the local market for kavalactone content. A process for the ethanol extraction of kavalactone is being trialled with a piece of encapsulating equipment on its way for capsules.
- c) In support of the local flour commercialisation development, research has started for a composite flour using breadfruit, banana and cassava. This is to ensure the sustainability of the operations with breadfruit being seasonal and also has competing uses as a fresh and frozen product. The research has started with the analysis of functional properties of flour from the various crops.
- d) A Service Agreement with Herb Science, a private company in New Zealand is being finalised after many negotiations, which involves processing trials for the supply of dehydrated local ginger for their use. Initial trials will be implemented before the whole process is costed to ensure the farmers get a good price for their produce. The Service Agreement will be finalised and signed soon.
- e) The cocoa fermentation comparative study continues for the tray and box fermentation methods for both Upolu and Savaii. This study will be finalised at the end of 2020.

7.1 PLANTS & POSTHARVEST TECHNOLOGIES DIVISION.

The Plants & Postharvest Technologies Division key functions are:

- Minimize agricultural post-harvest losses
- Ensure food security and food safety through improved postharvest handling
- Open access to overseas markets and
- Investigate pharmaceutical and cosmetic potential of Samoan plant natural products

The PPT Division key achievements for this financial year include:

- a) The submission of its final project report for ACIAR HORT 2017/014 Defining biotic constraints on fresh Samoan taro gaining market access into Australia, to ACIAR and the Department of Agriculture, Water and Environment, Australia. The report was well-received by DAWE, with recommendations required for the export pathway from Samoa to Australia. Specifically, DAWE is requesting for Samoa to define conditions for the hot water treatment of fresh Samoan taro before it can gain market access into Australia.

- b) In addition, PPTD was able to publish some of its findings from the above project in the New Zealand Plant Protection Society Journal (Volume 73). Details for this publication are Maslen-Miller, A.; Fullerton, RA.; Tugaga, A.; Tunupopo, F.; Molimau-Samasoni, S.; Bowen, JK. MacDiarmid, RM. & Tyson, JL. (2020). Symptom expression of *Phytophthora colocasiae* in inoculated taro corms. *New Zealand Plant Protection* **73**: 1-5.
- c) The completion and submission of its joint technical report (with Massey University) on the Samoa Cocoa Industry Development Initiative Phylogenetic project. Our report highlights that identification of cocoa-based on morphology is unrealistic. Additionally, we recommended that for long term success, selection of best cocoa varieties for propagation should be based on both the genetics of the plant, as well as its favourable phenotype. Finally, we found that there was a huge discrepancy between on-farm identification and genetics of selected trees.
- d) The publication of some of its research findings from the ACIAR HORT 2014/077 Enhancing fruit production and postharvest handling systems in Fiji, Samoa and Tonga, in the Journal of Horticulture and Postharvest Research (Volume 3). The paper records findings that Samoan breadfruit is more prone to chilling injury than breadfruit from the Caribbean. Specifically, Caribbean breadfruit recorded chilling injury at 13C, while Samoan breadfruit exhibited chilling injury symptomology at temperatures as high as 17C. Details for this publication are Molimau-Samasoni, S.; Vaaiva, V. & Wills, RBH. (2020). Effect of low temperatures on the storage life of two Samoan breadfruits (*Artocarpus altilis*) cultivars. *Journal of Horticulture and Postharvest Research*. **3**: 91-96
- e) The establishment, completion and Launch of the Samoan Medicinal Plants Garden at SROS. The garden boasts more than 100 plants belonging to 83 different plant species used by Samoan traditional healers to treat various ailments. The garden was established with the long term vision of protecting Samoan plants used for medicinal purposes.
- f) Securing a new Consultancy Project to investigate COVID 19 Impacts on Farmers, Vendors and Consumers funded by FAO. The project aims to identify how COVID-19 has impacted farmers, vendors and consumers, and how Samoa can be better equipped to address emerging risks to food security with the country in preparation for any future shocks to the food system. The project is worth SAT\$38,230.00
- g) In this financial year, PPTD has collected 90 plants. Of the 90 collected plants, 61 (67%) were found to have antimicrobial activity, with the ability to inhibit the growth of at least one bacterial strain from the Clinical Laboratory at Moto'otua Hospital. Work is on-going to identify the bioactive chemical components of these extracts.

8.1 ENVIRONMENT AND RENEWABLE DIVISION (ERED)

ERED is responsible for investigating research pathways utilizing local resources for renewable energy generation. In addition, ERED conducts environmental impact assessments on an ongoing basis, to monitor and advise on current or potential local environmental threats on our natural resources.

ERED key achievements for this financial year include:

- a) Completed a comprehensive 12-month water quality study of 18 water resource sites throughout Upolu which includes rivers, lakes and natural spring pools. Recommendations and a full technical report submitted to MNRE to assist water resource management plans. Furthermore, additional

funding was sought and secured through an MOU with the Green Climate Fund (GCF) to ensure the continuation of this water monitoring program for at least another 12 months.

- b) Secured and initiated an environmental monitoring role with the national renewable energy IMPRESS project, to implement a monitoring program for the new Biomass Gasification Plant at Afolau with a focus on gas emissions from gasification plant while in operation.
- c) Completed the first phase of biogas research, which included a modified design and installation of a demonstration biogas unit at SROS, to suit local household and small-scale farms.
- d) Completed initial research phase into the design and trialling of a solar energy battery/storage unit to assist our renewable energy sector address issues associated with energy storage. The original battery design prototype as outlined in the original patent was successfully built and tested.
- e) Collected and prepared extracts from an additional 32 local plants and tested for bioactivity screening for anti-diabetes research. Plant extracts were screened against the enzyme alpha-glucosidase, from which 6 species showed positive bioactivity.
- f) Expanded on banana paper research through collaboration with the private sector to develop plant-based products as alternatives for conventional plastic products.
- g) Expanded on products made from taro ethanol and essential oils in light of the global pandemic - to produce sterilizing solutions and hand sanitizers.

9.1 CORPORATE SERVICES DIVISION (CSD)

The Corporate Service Division is responsible for the day to day operations of SROS, including a variety of responsibilities such as finance, human resources management, information technology (IT), marketing, administration functions and general services.

The CSD Division key achievements for this financial year include:

- a) Completed and submitted the budget estimates for the financial year of 2020-2021 at the Ministry of Finance. SROS' received the total grant of 3.4 million tala, and it was a 10% increase from the financial year of 2019-2020.
- b) Released and launched the new corporate plan for 2020-2024 in June 2020. The new corporate plan listed new work priorities of the organisation for the next four years.
- c) Submit all four quarterly report updates to the Ministry of Public Enterprises (MPE). The quarterly report consists of two main sections the performance and work plan updates from each division and the financial updates.
- d) Completed the renovation works for the Chemistry Laboratory, Renewable energy workshop shed, ERED new office extension, Waste Disposal area, Greenhouse location and the Agriculture research division new office. The projects were all funded by SROS, and approved by the Board of Directors.
- e) Procurement of consumables and scientific equipment for all technical divisions. Lead the procurement process, and make the payment on time to overseas suppliers.

- f) Achieved the staff recruitment and selection target to occupy all the vacant positions before the end of the previous financial year.
- g) Assist with the Medicinal Garden work to procure the materials and supplies to complete the project.
- h) Upgrade the internet connection and speed from 4 megabits to 10 megabits, and install new wifi connection to improve the internet connectivity in laboratories for online conferences and meeting with overseas counterparts.
- i) Lead the implementation of the Commercialisation division, by recruiting key personnel, the Chief Operation Officer, and Principal Marketing Officer.
- j) Recruited the project manager personnel for the construction of the multipurpose building.
- k) Finalised the tender process for the Construction of the Multipurpose Building, Microbiology office extension, and FSTD Building extension.
- l) Started the civil and structural works for the construction of the multipurpose building warehouse. The civil works included the site landscaping, clearing of the site, topographical measurement, and building drawing.

10.1 PROGRESS IN ACHIEVING THE CORPORATE PLAN (CP) 2017-2020

Priority Objectives	Activity
1. To promote the national economy of Samoa based on research and development.	<ul style="list-style-type: none"> • Gluten-free breadfruit flour • FAO funded consultancy on scientific research for food safety risk and post-harvest analysis of fresh produce in Samoa • ACIAR HORT 2014/077 regional fruit tree project • ACIAR HORT 2014/078 Cocoa Project • ACIAR HORT 2017/014 Taro Project • Better Border Biosecurity Project • SCIDI Cocoa Phylogenetics Project • Biogas Evaluation Project • Taro Whiskey and hand sanitiser • Biodiscovery Project • Biomass IMPRESS funded Project • New Commercial multipurpose building
2. To undertake scientific and technical research with the primary aim of adding value to local resources and services.	<ul style="list-style-type: none"> • PHAMA and TCM/EIF -funded cocoa value-adding • Frozen products pathway • Fruit spirits • ACIAR HORT 2014/078 Cocoa Project • Taro Whiskey • Essential Oils & Soap Project • Teabags, nonu drink, cinnamon powder, desiccated coconut Value-Added Project • Banana fibre paper • FAO Youth Value-Adding and Marketing Project • Water Monitoring Project
3. To develop functional prototypes of products and processes based	<ul style="list-style-type: none"> • Bio medicinal screening • Cocoa identification project

on scientific and technical research for the local or overseas markets.	<ul style="list-style-type: none"> • Biomass IMPRESS funded project • Biogas Evaluation project
4. To establish a partnership with the private sector and commercial interests to support the Organization's activities.	<ul style="list-style-type: none"> • SROS maintains IANZ Accreditation to maintain its international assurance of quality tests • Bottled water monitoring program with MOH • Narcotics analysis • MNRE funded waterfront project • Official and promotional visits to SROS • Maurice Wilkins Research Centre
5. To ensure effective training for researchers and technical research.	<ul style="list-style-type: none"> • Staff development activities were undertaken during this quarter comprised of courses, seminars and meetings attended by SROS staff
6. To augment and effectively manage financial and human resources of the organization.	<ul style="list-style-type: none"> • Facilities and asset register are maintained, and necessary repairs completed according to set schedules. • Financial position updated for monthly review by the Management. • Performance feedback to individual staff formally provided once a year via the staff performance appraisal process.

11.1 KEY FINANCIAL AND BUDGET PERFORMANCES

I. SUMMARY BUDGET FOR FY2019-2020

SROS budget for the current financial year was 3.4 million tala, and 4% was the increased from the last financial year 2018-2019. The budget was fully utilised for payment of personnel, operating and the procurement of scientific machines.

II. SUMMARY OF EXPENDITURE COSTS

Most of the costs of the expenditure are listed in the administrative, personnel, financial and occupancy expenses. The expenditures spending for the current financial was increased by 9% from the last financial year spending amount.

The two major expenditure costs were the personnel and administrative. Personnel cost increases by 18% and the spending surges came from the Government's COLA salaries incentive program, and vacant positions were fully occupied by new employees recruited before the end of the current financial year. As for the Administrative cost 23% was the increased rate compared to last FY19-18, the rise in the spending came from internal projects especially the renovation of the existing buildings, and general expenses.

III. SUMMARY OF REVENUE PERFORMANCE

SROS main revenue came from the following sources:

Revenue Source	Amount	Details
1. Government Grant	\$3,468,341 million tala	The approved budget for FY19-20
2. Technical Services Income	\$235,181 thousand tala	Sampling testing revenue
3. Other Income	\$189,107 thousand tala	Consultancy fees, sales of products,

Technical Services revenue drops by 2% compared to the revenue collected in the FY2018-2019. The suspension of the testing services in November 2019 and early February 2020 because of the national lockdown had an impact on the TSD's revenue collection.

IV. SUMMARY OF CAPITAL COSTS

In the current financial year, the total budget that was spent on procuring assets was 782,622 thousand tala. This amount was the budget from SROS and the Donor funds from UNDP and UNICEF. The new laboratory equipment procured including the qPCR machine for testing of the African Swine Flu (ASF) and the Covid19.

SROS carried out three major building renovations for the Chemistry laboratory, new Reception area, and the Biodiscovery centre.

12.1 OUTLOOK FOR NEXT YEAR (FY2020-2021)

SROS aims to continue to improve its scientific research methods and assist the private sectors and the government ministries in scientific testing and consultancy services.

Therefore the following are the major tasks and targets for the organisation inside the financial year of 2020-2021:

- a) Launching of the Nafanua Pure Products Company Limited.
- b) Construction of the multipurpose warehouse building for the Commercial division.
- c) Commencement of the Agriculture research division in SROS and Nu'u. The new division deals with all agriculture researches.
- d) Construction of the Microbiology Building Extension.
- e) Construction of the Food and Science technology building extension.
- f) Maintain and continue the Technical Services testing IANZ international accreditation.
- g) Offer consultancy services to Government Ministries, Government funded projects and private sectors.
- h) Continue the capacity development and professional skills for the Staff through local and overseas training.
- i) Continue to work closely with donor partners, private sectors, local and overseas Universities.
- j) Secure funding from the Government and Donor partners for new scientific projects.
- k) Purchase new Distillers to maximise the production of the taro whiskey.
- l) Purchase the semi-commercial breadfruit flour production system.

13.1 FUTURE RISKS AND UNCERTAINTIES

I. Future Risks

- ✓ Pandemics and lockdown both have a major impact on SROS' services especially the shortage of consumables supplies.
- ✓ One of the ongoing risks is staff turnover. SROS' scientists are becoming the target by other Government Ministries and Regional offices. These offices offered better salary benefits and attractive remuneration packages.
- ✓ Replacing existing scientific machines is very costly. SROS' need to replace and upgrade the existing experimental machines and devices to improve the quality of testing results.
- ✓ Increase of requests for scientific research that is outside of the organisation ability. There are multiple requests from local and exporters and SROS can carry out the work.
- ✓ Copyright and patent for high-value-added products and scientific methodologies such as the Medicinal Plants.

II. Uncertainties

- ✓ New government priorities and policies impact current work policies and plans. Therefore, SROS need to re-allocate funds and resources to accommodate the new government priorities for SROS.
- ✓ Scientific research to assist the country responds to current and future pandemics.
- ✓ The pressure to commercialise the prototype products, and SROS' requires to change its mandate.
- ✓ Looking for private investors to take up the commercialisation side, but there are no interested parties to engage with SROS.

14.1 CSO IMPLEMENTATION (WHERE APPLICABLE)

- ✓ Not applicable to SROS in this financial year.

Audited Financial Statements

The Scientific Research Organisation of Samoa
For the year ended 30th of June 2020

The Scientific Research Organisation of Samoa
Financial statements
For the year ended 30 June 2020

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**The Scientific Research Organisation of Samoa
Management responsibility statement
For the year ended 30 June 2020**

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements are the responsibility of Management. The financial statements have been prepared according to International Financial Reporting Standards and include amounts based on management's best estimates and judgments.

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

The Board of Directors oversees Management's responsibilities for financial reporting. The financial statements have been reviewed and approved by the Board of Directors on recommendation from Management.

Our independent auditors, BDO, having been appointed by the Auditor General and Controller of the Independent State of Samoa, have audited our Financial Statements. The accompanying independent auditors' report of the Samoa Audit Office outlines the scope of their examination and their opinion.



Dr. Seuseu Tauati
Chief Executive Officer

Apia, Samoa

Dated: 28/10/2020 _____



Alailepule Christopher Lei Sam
Manager, Corporate Services
Division
Apia, Samoa

Dated: 28/10/2020 _____

**The Scientific Research Organisation of Samoa
Director's report
For the year ended 30 June 2020**

The Directors present their report together with the financial statements of The Scientific Research Organisation of Samoa for the year ended 30 JUNE 2020 as set out on the accompanying pages and the auditors' report thereon in accordance with the Public Finance Management Act 2001 and the Public Bodies and Accountability Act 2001.

Directors

The Directors of the Organisation at any time during the financial year were:

Sulamanaia Nu'uetolu Montini Ott	Chairman
Dr. Satupaitea Viali	Director
Manuleleua Dr. Sonny Lameta	Director
Jewel Monica Adeline Cook	Director
Tusani Iosefatu Reti	Director
Masoe Leilua Iosefa Tautua	Director
Nive Tauiliili	Director
Dr. Seuseu Tauati	Ex-Officio/CEO

The new Board of Directors' appointments were formalised on the 4th March 2020 for a term of three (3) years as per F.K. (19)43.

Principal Activity

The principal activity of The Scientific Research Organisation of Samoa is to conduct scientific research and develop technologies which outcomes are of great value in the development and sustainability of value-added goods and services for export and to achieve reduction on fuel imports and greenhouse gas emissions. There has been no significant change in the principal activity of the Organisation during the year or any of the classes of business that it operates in.

State of Affairs

In the Opinion of the Directors:

- i. the accompanying Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash Flows are drawn up so as to give a true and fair view of the operations and results of the Organisation for the year ended 30 June 2020.
- ii. the accompanying Statement of Financial Position is drawn up so as to give a true and fair view of the state of affairs of the Organisation as at 30 June 2020.

Operating Results

The net loss for the year is **\$(261,587)** 2019: Net loss **\$(261,705)**.

Dated at _____ this _____ day of _____ 2020.

Going concern

The financial statements of the Organisation have been prepared on a going concern basis. We consider the application of the going concern principle to be appropriate in the preparation of these financial statements as we believe that the Organisation has adequate funds to meet its liabilities when they fall due over the next 12 months from the date of the Director's report.

Current assets

Prior to the completion of the Organisation's financial statements the directors took reasonable steps to ascertain that the current assets of the Organisation were shown in the accounting records at a value equal to or below the value that would be expected to be realized in the ordinary course of the business.

**The Scientific Research Organisation of Samoa
Director's report
For the year ended 30 June 2020**

At the date of this report, the directors are not aware of any circumstances which would render the values attributable to the current assets in the Organisation's financial statements misleading.

Related party

All related party transactions have been adequately recorded in the financial statements and disclosed in the notes to the financial statements.

Events subsequent to balance date

There was no impact of the Covid19 to The Scientific Research Organisation of Samoa operation in the current financial year. Government of Samoa continues to support the Organisation through financial and budget support. The Scientific Research Organisation of Samoa was also appointed by the Government as one of the key agencies to assist the Government to respond to any COVID19 outbreak.

No other matters or circumstances have arisen since the end of the financial year which would require adjustment to or disclosure in the financial statements.

Other circumstances

As at the date of this report:

- no charge on the assets of the Organisation has been given since the end of the financial year to secure the liabilities other person;
- no contingent liabilities have arisen since the end of the financial year for which the Organisation could become liable;
- no contingent liabilities or other liabilities of the Organisation have become or are likely to become enforceable within period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Organisation to meet its obligations as and when they fall due.

As at the date of this report, the directors are not aware of any circumstances that have arisen, not otherwise dealt with report or the Organisation's financial statements, which would make adherence to the existing method of assets or liabilities of the Organisation misleading or inappropriate.

Unusual transactions

The result of the Organisation's operations during the financial year and up to the date of this report, has not in the opinion the directors, been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

This report is made in accordance with a resolution of the Board of Directors and signed on behalf of the Board:



Sulamanaia Nu'uetolu Montini Ott
Chairman
Apia, Samoa

28/10/20



Dr. Satupa'itea Viali
Director
Apia, Samoa

28/10/20

The Scientific Research Organisation of Samoa
Statement of income and expenditure
For the year ended 30 June 2020

		2020	2019
INCOME	Notes	SAT\$	SAT\$
Grants from Government of Samoa		3,468,341	3,332,837
Technical services income		235,181	240,369
Donor project income	12(a)	1,029,444	757,315
Cancer project fund	12(b)	117,791	98,054
Other income	13	189,107	134,458
Total income		5,039,864	4,563,033
EXPENDITURES			
Audit fees - current		24,150	23,805
Audit fees - FY18/19 over-accrued		(214)	(345)
Depreciation	11	482,090	486,465
Personnel costs	14	2,526,480	2,062,409
Occupancy costs	15	200,856	229,396
Administrative costs	16	954,320	738,250
Donor project costs	17(a)	392,832	757,315
Cancer project cost	17(b)	117,791	-
Other costs	18	490,291	418,649
Directors fees & board expenses	21	112,855	108,792
Total expenditures		5,301,451	4,824,738
Net Loss		(261,587)	(261,705)

The accompanying notes form part of this financial statement.

The Scientific Research Organisation of Samoa
Statement of financial position
As at 30 June 2020

		2020	2019
	Notes	SAT\$	SAT\$
Accumulated Funds			
Opening balance		3,422,609	3,684,314
Less: loss		(261,587)	(261,705)
Closing balance		<u>3,161,022</u>	<u>3,422,609</u>
 Represented by:			
Current assets			
Cash and cash equivalent	5	3,046,907	1,750,807
Trade and other receivables	6	362,536	112,532
Prepayments		63,242	54,959
Stock on hand		132,898	135,288
Total current assets		<u>3,605,583</u>	<u>2,053,586</u>
 Current liabilities			
Trade payables		108,494	73,242
Other creditors and accruals	7	114,862	70,291
Allowance for staff benefits	8	122,530	100,124
Deferred income	9	3,644,003	1,171,511
Total current liabilities		<u>3,989,889</u>	<u>1,415,168</u>
 Working capital		(384,306)	638,418
 Non Current assets			
Property, plant and equipment	11	3,545,328	2,784,191
Net assets		<u>3,161,022</u>	<u>3,422,609</u>

The accompanying notes form part of this financial statement.

Signed for and on behalf of the Directors of The Scientific Research Organisation of Samoa:



Signature
Sulamanaia Nu'uetolu Montini Ott
Chairman

Apia, Samoa

28/10/20



Signature
Dr. Satupa'itea Viali
Director

Apia, Samoa

28/10/20

The Scientific Research Organisation of Samoa
Statement of changes in accumulated funds
For the year ended 30 June 2020

	2020	2019
	\$	\$
Accumulated funds		
Opening balance	3,422,609	3,684,314
Less: deficit	<u>(261,587)</u>	<u>(261,705)</u>
Closing balance	<u>3,161,022</u>	<u>3,422,609</u>
Total accumulated funds	<u>3,161,022</u>	<u>3,422,609</u>

The Scientific Research Organisation of Samoa
Statement of cash flows
For the year ended 30 June 2020

		2020	2019
	Notes	SAT\$	SAT\$
Cash flows from/(to) operating activities			
Cash received from Government of Samoa		3,468,341	3,332,837
Cash received from	- Technical services	235,181	240,369
	- Sales Breadfruit Flour - Gluten Free fund	-	19,133
	- Consultancy services	200	30,000
	- ACIAR Project Funds	108,998	250,732
	- FAO Consultancy	-	74,603
	- TCM Project Funds	16,871	66,133
	- Cocoa Phylogenetics	-	9,882
	- Avocado Margarine	2,762	10,405
	- PHAMA Cocoa Project	-	5,620
	- Water Supply & Sanitation Funds - Income	13,322	5,685
	- Other income	189,106	134,458
Cash paid for expenses		<u>(1,495,454)</u>	<u>(4,079,187)</u>
Net cash flow by operating activities		<u>2,539,327</u>	<u>100,670</u>
 Cash flows from/(to) investing activities			
Purchase of property, plant and equipment	11	<u>(1,243,227)</u>	<u>(547,675)</u>
Net cash used by investing activities		<u>(1,243,227)</u>	<u>(547,675)</u>
 Net increase/(decrease) in cash		1,296,100	(447,005)
 Cash and cash equivalent at the beginning		1,750,807	2,197,812
 Cash and cash equivalent at the end	5	<u>3,046,907</u>	<u>1,750,807</u>

The accompanying notes form part of these Financial Statements

1. General

The Research and Development Institute of Samoa is an independent corporate body constituted and operating under the provisions of the Research and Development Institute of Samoa (RDIS) Act 2006 and amendments. Its name changed to The Scientific Research Organisation of Samoa (SROS) on 20th November 2008 following amendment of the Act. It is currently located at Nafanua.

The Scientific Research Organisation of Samoa objectives are:

- a) to promote the national economy of Samoa based on research and development;
- b) to undertake scientific and technical research with the primary aim of adding value to local resources or services;
- c) to develop functional prototypes of products and processes based on scientific and technical research for the local or overseas markets;
- d) to establish partnership with the private sector and commercial interests to support the Organisation's activities; and
- e) ensure effective training for researchers and professionals engaged in scientific and technical research.

2. Adoption of new and revised Standards

New standards adopted as at 1st January 2019

IFRS 16 'Leases'

IFRS 16 will replace IAS 17 'Leases' and three related Interpretations. It completes the IASB's long running project to overhaul lease accounting. Leases will be recorded in the statement of financial position in the form of a right-of-use asset and a lease liability. There are two important reliefs provided by IFRS 16 for assets of low value and short-term leases of less than 12 months.

The current location (land) of the Organisation is leased from Ministry of Natural Resources and Environment with a fixed amount of \$16.00 per annum. The Organisation is a beneficiary body which offers services that supported the community and most of its research findings are funded and supported by the Government funds and resources including the land. The Scientific Research Organisation of Samoa's location (land) is the property of the Government and Ministry of Natural Resources and Environment is the responsible entity who manages and allocates land properties with the sole purpose of serving the people. In case the Organisation becomes a trading body then further discussion with the responsible Ministry to review the terms and conditions of the lease. At the moment any development by The Organisation such as the construction of a new building, The Organisation should seek permission from the Land Board.

The Organisation has no long-term lease and at that moment has sought relief under the standard since its leases are of low value as well as short term of less than 12 months.

3. Statement of significant accounting policies

a. Basis of preparation

The financial statements of The Scientific Research Organisation of Samoa ("Organisation") have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3. Statement of significant accounting policies (continued)

a. Basis of preparation (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Organisation takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

b. Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Organisation operates (the "functional currency") which is the Samoan Tala (WST). The Organisation operates in Samoa and therefore the financial statements are presented in Samoan Tala which is the Organisation's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the transactions at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss. Monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transactions.

Foreign exchange gains and losses that relate to borrowings and cash equivalents are presented in profit or loss together with all other foreign exchange gains and losses and are presented in profit or loss at a net amount.

c. Government grants

The fair value of government grants are not recognised until there is reasonable assurance that the Organisation will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Organisation recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Organisation should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Organisation with no future related costs are recognised in profit or loss in the period in which they become receivable.

Government grants towards staff re-training costs are recognised as income over the periods necessary to match them with the related costs and are deducted in reporting the related expense.

Government grants relating to the acquisition of property, plant and equipment are treated as deferred income and released to profit or loss over the expected useful lives of the assets concerned.

3. Statement of significant accounting policies (continued)

d. Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Organisation becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when, it is extinguished, discharged, cancelled or expires.

Classification and measurement of financial assets

Classification and initial measurement

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets of the Organisation are classified into the amortised cost category only and consist of cash and cash equivalents, bank term deposits and trade receivables. The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets at amortised cost

Assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in 'interest income' using the effective interest rate method.

Impairment of financial assets

The Organisation assesses on a forward-looking basis the expected credit loss associated with trade and other receivables carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Organisation applies the simplified approach due to the short-term nature of the financial assets, which requires expected lifetime losses to be recognized from the initial recognition of the receivables.

Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Organisation or the counterparty.

3. Statement of significant accounting policies (continued)

Classification and measurement of financial assets (continued)

The Organisation's financial liabilities include trade and other payables and are classified into the amortised cost category.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Organisation designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

e. Cash and cash equivalents

Cash and cash equivalents comprises of petty cash, cash at bank and cash held by other Government Ministries for relevant projects form an integral part of the Organisation's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

f. 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 estimated useful lives, using the straight-line method.

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

Buildings and improvements	5%
Roads	20%
Motor vehicles	20%
Laboratory equipment	20%
Furniture and fittings	20%
Office and other equipment	20%

g. Income tax

The Scientific Research Organisation of Samoa is not subject to taxation.

h. Stock on hand

Stock on hand are stated at the lower of cost and net realisable value.

i. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rentals payable under operating leases are charged to statement of income and expenditure on a straight-line basis over the term of the relevant lease.

3. Statement of significant accounting policies (continued)

j. Provisions

A provision is recognized in the statement of financial position when the Organisation 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.

k. Employee benefits

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

Liabilities for employees' entitlements to salaries and wages, annual leave, long service 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.

Liabilities for other employee entitlements, which are not expected to be paid or settled within twelve months of reporting date, are accrued in respect of all employees at the present value of future amounts expected to be paid. A provision of one-third of sick leave balance as at year end is taken into account as a liability.

ii. *Superannuation contributions*

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

4. Financial risk management

Financial risk factors

The Organisation's activities expose it to financial risks such as market risks related to cash flow interest risk, credit risk and liquidity risk. Risk management is carried out by management and the Board of Directors. They evaluate and monitor financial risks in all areas of the business.

Cash flow interest risk.

Cash flows interest rate risk is the potential for a change in interest rates to change net interest costs and earnings in the current reporting period and in future years. The risk is managed closely by the management and the directors within approved policy parameters.

Cash flow interest risk (continued)

The Organisation has interest-bearing asset in the form of term deposits. This is at fixed interest rate and hence, there are no interest rate risks during the period of investment.

For re-investment of term deposits, the Organisation negotiates an appropriate interest rate with the banks and invests with the bank which offers the highest interest return. Given the fixed nature of interest rates, the Organisation has a high level of certainty over the impact on cash flows arising from interest income derived from these term deposits.

4. Financial risk management (continued)

Credit risk

Credit risk is the risk of financial loss to the Organisation if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Organisation's receivables from customers. The Organisation's exposure to credit risk is influenced mainly by individual characteristics of each customer.

The Organisation's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Board through Management monitors and manages the approval of credit whereby each new customer is analysed individually for creditworthiness before the Organisations' standard payment and delivery terms and conditions are offered. A good portion of accounts receivable customers include Government Ministries and State-Owned Enterprises. Management consider these accounts receivable as representing a low risk of credit default.

However specific provision has been made for those customers where the organisation has assessed that there is no chance of recovery. Refer to note 6 for details of the movement in impairment provision.

Liquidity risk

Liquidity risk is the risk that the Organisation will not be able to meet its financial obligations as they fall due. The Organisation's approach to managing liquidity risk is to ensure, as far as

possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Organisation's reputation. The Organisation carries out cash flow projections taking into account cash inflows and outflows annually which assist it in monitoring cash flow requirements and optimizing its cash returns on investments. Typically, the Organisation ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations. Cash position is monitored on a daily basis.

Other risks

Operational risk

Operational risk is the risk of loss arising from systems failure, human error and fraud. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial crisis. The Organisation cannot eliminate all operational risk, but through a control framework and by monitoring and responding to potential risks, the Organisation is able to manage risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment procedures.

5. Cash and cash equivalent

	2020	2019
	SAT\$	SAT\$
Petty cash	500	500
Cash at ANZ Bank (Samoa) Limited - main account	(21,090)	264,889
Cash at Westpac Bank Ltd - Technical Services	549,487	837,545
ANZ Bank (Samoa) Limited: project account		
- SPC / PARDI Funds	59,600	-
- FAO Consultancy Fund	-	74,603
- PHAMA Cocoa	-	4,205
- FAO Youth	-	33,659
- TCM EIF Tier II Project Fund	16,871	66,133
- Water Supply & Sanitation Fund - MNRE	-	5,685
- Commercialisation funds	176,904	-
- MNRE - Stream Profiling	17,775	-
- COVID19 testing - UNDP	540,955	-
- IMPRESS Project	64,511	-
- Others	1,641,394	463,588
Total cash and cash equivalent	3,046,907	1,750,807

6. Trade and other receivables

	2020	2019
	SAT\$	SAT\$
Trade receivables	121,604	184,264
Other receivables	240,932	27,257
Less: Provision for doubtful debt	-	(98,989)
Total trade and other receivables	362,536	112,532

The Organisation uses the simplified model for calculating lifetime expected credit losses (ECL) and has applied the probability of default (PD) to the overall portfolio of debtors as they share similar credit characteristics being mainly Government Ministries and State-Owned Enterprises.

7. Other creditors and accruals

	2020	2019
	SAT\$	SAT\$
Accrued expenses	77,429	28,644
Audit fees	24,150	24,150
Electricity	13,267	17,497
Land lease	16	-
Total other creditors and accruals	114,862	70,291

8. Allowance for staff benefits

	2020	2019
	SAT\$	SAT\$
Staff annual leave entitlements	122,530	100,124
Total allowance for staff benefits	122,530	100,124
Movement for allowance of staff benefits		
Balance at beginning of the year	100,124	92,919
Additional allowance during the year	42,919	22,295
Utilised during the year	(20,513)	(15,090)
Balance at year end	122,530	100,124

9. Deferred income

Donors	Opening balance (2019)	Additional funding	Expenses	Cost Capitalised	Transfer	Ending balance (2020)
SPC Consultancy/PARDI	56,983	-	59,600	-	(2,617)	-
Coconut Oil Refinement Fund	270,769	-	-	-	-	270,769
Avocado Margarine Fund	184,879	-	2,762	-	-	182,117
PHAMA - Frozen Taro Project Fund	314	-	-	-	-	314
PHAMA - Cocoa Fermentation Project Fund	3,214	-	-	-	-	3,214
TCM EIF Tier II Project Fund	528,896	-	16,849	-	-	512,047
Photosynthetic Bacteria Research Fund	4,961	-	-	-	-	4,961
Water Supply & Sanitation Fund - MNRE	12,094	-	13,322	-	(1,228)	-
Cocoa Phylogenetics	1,266	-	1,228	-	-	38
FAO LOA	428	-	-	-	-	428
FAO Youth	10,367	-	-	-	-	10,367
ACIAR Project Fund 2017/044	2,156	-	2,500	-	(344)	-
SCIDI Project	6,980	-	5,951	-	-	1,029
PEAR Project	9,176	-	-	-	-	9,176
SPC/ACIAR cocoa project	14,935	-	17,295	-	(2,360)	-
IMPRESS Project	41,998	57,942	64,511	-	-	35,429
MNRE - Water Stream Profiling Project	-	20,000	17,775	-	-	2,225
MNRE - Water Sector Monitoring Project	-	46,260	-	-	-	46,260
Commercialisation Project	-	2,500,000	81,248	95,656	-	2,323,096
COVID19 testing machine - UNDP	-	783,489	540,955	-	-	242,533
SIDS Donated Assets	22,095	-	22,095	-	-	-
Total Deferred liability	1,171,511	3,407,691	846,091	95,656	(6,549)	3,644,003

10. Amortisation schedule

The amortisation schedule relates to the donated assets for the Organisation activities from the Government of Samoa after the hosting of the Small Islands Developing State (SIDS) meeting in September 2014. These assets are amortised to income over 5 years for office equipment which are the same rates at which the assets are depreciated.

	2020 SAT\$	2019 SAT\$
Costs of donated assets		
SIDS assets funded by the Government of Samoa	120,520	120,520
Total cost of assets	120,520	120,520
Accumulated amortisation		
Opening accumulated amortisation	98,425	74,321
Amortisation for current year	22,095	24,104
Closing accumulated amortisation	120,520	98,425
Unamortised amount	-	22,095
Current portion of amortisation	22,095	24,104
Non - current portion of amortisation	(22,095)	(2,010)
Unamortised amount	-	22,094

11. Property, plant and equipment

	Buildings & Roads	Equipment & Furnitures	Lab Equipment	Motor vehicles	TOTAL
Cost	SAT\$	SAT\$	SAT\$	SAT\$	SAT\$
1 July 2019	3,069,471	1,997,892	4,424,165	602,483	10,094,011
Additions	316,412	144,193	782,622	-	1,243,227
Disposals	-	-	-	-	-
At 30 June 2020	3,385,883	2,142,085	5,206,787	602,483	11,337,238
Accumulated depreciation					
1 July 2019	1,237,368	1,798,653	3,831,149	442,650	7,309,820
Depreciation	159,251	95,606	165,233	62,000	482,090
Disposals	-	-	-	-	-
At 30 June 2020	1,396,619	1,894,259	3,996,382	504,650	7,791,910
Carrying amount					
30 June 2019	1,832,103	199,239	593,016	159,833	2,784,191
30 June 2020	1,989,264	247,826	1,210,405	97,833	3,545,328

12. Donor project income

(a) Donor project income	2020	2019
Projects - Ministry of Finance	SAT\$	SAT\$
ACIAR Project Fund - 2014/077	108,998	250,732
Republic of Korea funds - Fruit Wine fund	-	19,559
Turkey - Breadfruit Project	-	9,882
Bio-ethanol - Turkey	2,000	50,202
	110,998	330,375

Donor project funds

SPC/PARDI Project	59,600	767
Avocado fruits collection	2,762	10,405
PHAMA Frozen Taro Project fund	-	4,949
PHAMA Cocoa Project	-	5,620
FAO Consultancy fund	-	74,603
FAO LOA	-	6,525
TCM EIF Tier II Project fund	16,871	66,133
ACIAR Project Fund - 2017/014	2,500	5,027
MNRE - Water Supply & Sanitation Project	13,322	5,685
FAO Youth Income	-	33,659
IMPRESS Project	64,511	3,820
SCIDI Project	5,951	15,525
PEAR Project	-	8,824
Biomass Project Income	-	145
SPC ACIAR Cocoa Project Income	17,295	-
MNRE - Water Stream Profiling Income	17,775	-
COVID19 testing - UNDP	540,955	-
Commercialization Project	176,904	-
	<u>918,446</u>	<u>241,687</u>

Projects funded by SROS

Building Reserve Funds Income	-	44,913
Taro & Rum Project Income	-	82,437
Medicinal Project income	-	38,769
Sales Breadfruit Flour - Gluten Free fund	-	19,133
	<u>-</u>	<u>185,252</u>
Total Donor project income	<u>1,029,444</u>	<u>757,315</u>

(b) Cancer research funds

Cancer research funds	117,791	98,054
	<u>117,791</u>	<u>98,054</u>

13. Other income

	2020	2019
	SAT\$	SAT\$
Amortisation income	22,095	24,104
Consultancy fees	200	-
Other income	166,812	110,354
Total Other income	<u>189,107</u>	<u>134,458</u>

14. Personnel costs

	2020	2019
	SAT\$	SAT\$
Salaries and wages	2,324,173	1,880,082
NPF employer contributions	162,271	134,710
ACC employer levies	21,270	19,072
Higher duty allowances	18,766	28,545
Total Personnel costs	<u>2,526,480</u>	<u>2,062,409</u>

15. Occupancy costs

	2020	2019
	SAT\$	SAT\$
Electricity	200,840	227,279
Land lease	16	2,117
Total Occupancy costs	200,856	229,396

16. Administrative costs

	2020	2019
	SAT\$	SAT\$
Advertising and promotions	27,844	29,571
Bank charges	9,057	1,996
Internet charges	85,694	37,770
Fees, license and registrations	5,538	7,585
Rental / hire	154,804	41,132
Fuel and oil	36,833	25,35
Printing and stationery	66,054	54,007
Repairs and maintenance - motor vehicles	29,421	20,648
Repairs and maintenance - building	77,033	29,284
Repairs and maintenance - office equipment	10,007	9,028
Repairs and maintenance - plant & equipment	235	255
Subscriptions	4,293	7,417
Telephone, fax and postages	27,577	25,048
Travel and accommodation	55,877	42,187
DSA / transit / permit visa & incidental allowances	51,183	91,745
Water supplies	13,190	9,232
Insurance	61,775	84,508
Local travel	21,108	18,470
Consultancy fees	790	-
General expenses	216,007	104,029
Doubtful debt	-	98,989
	954,320	738,250

17. (a) Donor project costs

	2020	2019
	SAT\$	SAT\$
(a) Projects - Ministry of Finance		
ACIAR Project 2014/077	108,998	250,732
Fruit Wine Project costs	-	19,559
Turkey Breadfruit	-	9,882
Bio-ethanol Project	2,000	50,202
	110,998	330,375

17. (a) Donor project costs (continued)

	2020 SAT\$	2019 SAT\$
Donor project funds		
SPC/PARDI Project	59,600	767
PHAMA Cocoa Project	-	5,620
FAO Consultancy costs	-	74,603
TCM EIF Tier II Project costs	16,871	66,133
ACIAR Project 2017/014	2,500	5,027
IMPRESS Project	64,511	3,820
Avocado Margarine Project	2,762	10,405
Water Supply & Sanitation Funds - MNRE costs	13,322	5,685
Biomass Project costs	-	145
FAO Youth project costs	-	33,659
FAO LOA Project	-	6,525
PHAMA Frozen Taro	-	4,949
PEAR Project	-	8,824
SCIDI Project	5,951	15,525
Stream Profiling Project - Water Sector	17,775	-
SPC/ACIAR Cocoa Project	17,295	-
Commercialization	81,248	-
	<u>281,833</u>	<u>241,687</u>
Projects funded by SROS		
Building Reserve Costs	-	44,913
Taro & Rum Project	-	82,437
Medicinal Project	-	38,769
Breadfruit Flour costs	-	19,133
	<u>-</u>	<u>185,252</u>
Total donor project costs	<u>392,832</u>	<u>757,315</u>

17. (b) Cancer project costs

	2020 SAT\$	2019 SAT\$
Cancer project costs	117,791	-
Total cancer project costs	<u>117,791</u>	<u>-</u>

18. Other costs

	2020	2019
	SAT\$	SAT\$
Lab consumables	305,513	185,119
Freight and handling costs	24,195	31,106
Accreditation costs	56,981	81,769
Plant hire expenses	1,100	887
Interviewing panel allowances	200	710
Gas expenses	2,428	544
Clothing allowance costs	4,607	6,600
Cleaning expenses	17,016	12,013
Staff training costs	6,262	50
Telephone allowances costs	-	300
Professional services expenses	9,394	2,211
Awareness expenses	-	27,450
Other internal project costs	31,774	62,289
Office catering costs	30,822	7,601
	490,291	418,649

19. Project grants

The following projects are currently carried out by the Organisation as the Implementing agency, in which the actual Organisations funds are held by Government via the Ministry of Finance (MOF). Per confirmation from MOF, the following balances represent the unused Organisations funds at balance date.

Project description	Balance as at 30/06/2019	Funds received	Funds expended	Balance as at 30/06/2020
IUCN Biodiesel Project Funds - MNRE	23,283	-	-	23,283
Turkey Grant (Breadfruit Project)	14	-	-	14
Republic of Korea - Fruit Wine Project	7	-	-	7
Japanese Embassy - Sustainable Growth of Fragrant				
Plants for Poverty Reduction Project	15,270	-	-	15,270
ACIAR funded Regional Fruit Tree Project	196,497	-	122,394	74,103
Total Project Grants held at MOF	235,071	-	122,394	112,677

- i. IUCN Biodiesel Project Funds - Ministry of Natural Resources & Environment: To determine the optimum conditions and characteristics of the alkali process for biodiesel production using *Jatropha* oil as a feedstock.
- ii. Turkey Grant (Breadfruit Project): To identify breadfruit pathogens, especially virulent strains, present during pre-and post-harvest of breadfruits, and determine phylogenetic relation between the isolated pathogen strains.
- iii. Republic of Korea - Fruit Wine Project: To produce wine-like beverages from various ripen fruits that are grown, available and abundant in Samoa, for domestic and export markets.

20. Project grants (continued)

- iv. Japanese Embassy - Sustainable Growth of Fragrant Plants for Poverty Reduction Project: To promote orchids and fragrant oils as another means for income generation and job creation in the rural communities.

- v. ACIAR funded Regional Fruit Tree Project: To increase the efficiency of breadfruit and pineapple value chains through improved productivity and postharvest handling practices, and to enhance private sector and Government research and extension capacities in support of fruit industry development.

21. Related parties

a) Directors

The names of persons who were Directors of the Organisation with sitting allowance and annual directors fees paid out during the financial year were as follows:

Sulamanaia Nu'uetolu Montini Ott (Chairman)
 Asiata Dr. Satupa'itea Viali (Director)
 Dr. Sonny Manuleleua Lameta (Director)
 Tusani Iosefatu Reti (Director)
 Masoe Leilua Iosefa Tautua (Director)
 Nive Tauiliili (Director)

	2020	2019
	\$	\$
(i) Board expenses	2,788	2,240
Balance represents board expenses for meetings held throughout the year.		
(ii) Directors' fees	110,067	106,552
Total directors' fees and board expenses	112,855	108,792

b) Key Management Personnel

The key management personnel are those persons having authority and responsibility for planning, directing and controlling activities of the Organisation during the financial period were:

Chief Executive Officer - Dr. Seuseu Tauati
 CEO Executive Assistant - Frances Belford - Viali
 Corporate Services Manager - Alailepule Christopher Lei Sam
 Technical Services Manager - Dr. Pousui Fiame Leo
 Environment & Renewable Energy Manager - Annie Toailoa
 Plant & Postharvest Technology Manager - Dr. Masuisuiolemalieta Seesei Molimau-Samasoni
 Food Technology Manager - Tuimaseve Kuinimeri Finau
 Business Development Specialist Manager - Fauono Sina Mualia

The remuneration of key management salaries for the period was as follows:

	2020	2019
	\$	\$
Salaries and short-term employee benefits	706,934	699,196

22. Capital commitments

There are no capital commitments at year end (2019: nil).

23. Subsequent events

There was no impact of the Covid19 to The Scientific Research Organisation of Samoa operation in the current financial year. Government of Samoa continues to support the Organisation through financial and budget support. The Scientific Research Organisation of Samoa was also appointed by the Government as one of the key agencies to assist the Government to respond to any COVID19 outbreak.

No other matters or circumstances have arisen since the end of the financial year which would require adjustment to or disclosure in the financial statements.

24. Approval of financial statements

These financial statements were approved by the board of directors and authorised for issue on the date the accounts were signed.

INDEPENDENT AUDITORS REPORT

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

Please address all correspondences
to the Controller and Auditor General



P.O Box 13
APIA, SAMOA

AUDIT OFFICE

REPORT OF THE AUDIT OFFICE

TO THE GOVERNING BODY IN CHARGE OF GOVERNANCE – SCIENTIFIC RESEARCH ORGANISATION OF SAMOA

Audit Opinion

We have audited the accompanying Financial Statements of the Scientific Research Organisation of Samoa which comprise the Statement of Financial Position as at 30 June 2020, the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, a Summary of Significant Accounting Policies and Other Explanatory Notes. The Accounting Firm of BDO, Chartered Accountants, assisted in the audit. The Engagement Partner on the audit resulting in this Independent Auditor's Report is Hanalei Betham.

In our opinion, the financial statements give a true and fair view of the financial position of the Scientific Research Organisation of Samoa as at 30 June 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the Scientific Research Organisation of Samoa in accordance with the ethical requirements that are relevant to our audit of financial statements in Samoa, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Responsibilities of Those Charged with Governance for the Financial Statements

Directors and Management are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as directors and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, directors and management are responsible for assessing the Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Scientific Research Organisation of Samoa or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organisation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with these International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a

INDEPENDENT AUDITORS REPORT

material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors and Management regarding, among other matters, the significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

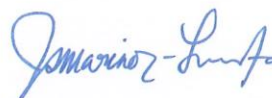
In our opinion the financial statements of the Organisation have been prepared in accordance with and complies with the requirements of:

- i. Public Bodies (Performances and Accountability) Act 2001, and the
- ii. Public Finance Management Act 2001.

We also confirm that:

- a. we have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b. the Organisation has kept financial records sufficient to enable the financial statements to be prepared and audited.

Apia, Samoa
29 October 2020



Jaslyn T. Mariner-Leota
ASSISTANT CONTROLLER AND AUDITOR GENERAL