

NATIONAL FIRE AUTHORITY

2013

Annual Report

NATIONAL FIRE AUTHORITY

Annual Report 2013

TABLE OF CONTENTS

Chairman's Report	1
Corporate Governance	2
Chief Executive Officer's Report	3 - 12
<i>Overview</i>	3
<i>Financial Performance</i>	3
<i>Operational Performance</i>	5
<i>Our People</i>	12
Audited Financial Statements	14 - 39
<i>Directors' Report</i>	15 - 16
<i>Statement by Directors</i>	17
<i>Independent Auditors' Report</i>	18 - 19
<i>Income Statement</i>	20
<i>Statement of Changes in Equity</i>	21
<i>Statement of Financial Position</i>	22
<i>Statement of Cash Flows</i>	23
<i>Notes to and forming part of the Financial Statements</i>	24 - 37
<i>Detailed Income Statement</i>	38 - 39
Organization Structure	40
NFA Station Locations	41



Our Vision

*Building Community
Resilience towards Emergencies*

Our Mission

*Servicing and working with our
communities by providing effective
and efficient emergency
management services to protect and
safeguard the Nation and its people*

Our Values

*Courage
Honesty
Respect
Innovation
Team Work
Loyalty
Customer Service*

Our Slogan

Always Ready

Honorable Parveen Kumar Bala
Minister for Local Government, Housing, Environment,
Infrastructure and Transport
Level 3, Fiji FA House
Gladstone Road
Suva

Dear Honorable Minister

The recent review of the National Fire Authority's Strategic Framework has provided the new direction on how the Fire Service will move forward in delivering sustainable emergency response services to the people of Fiji and on par with international best practice.

The development of the National Fire Authority's new Strategic Plan for the five years from 2013 to 2017 has identified the expansion of NFA's role beyond Fire Response to an encompassing Emergency Management Services delivery. This new core business for the National Fire Authority necessitated the need to implement Reforms that will bring about the much needed improvements in all aspects of the Fire Service and capturing the new emergency response services that will now form the core duties of the National Fire Authority.

With the broadened core business of the National Fire Authority, a new Vision: "**Building Community Resilience towards Emergencies**" together with the new Mission and Organizational Values were formulated to support and provide a visionary and effective framework to the new core function: Emergency Management Services.

The review of the National Fire Service Act, 1994 and its Amendments was also well received by stakeholders who attended the consultation workshops that were conducted during the year as they were cognizant of the National Fire Authority's ability to provide a broader emergency response service. Therefore, the new Legislation, once passed by Parliament, will align the new core business of the Fire Service and expand the provision of these services beyond city and town boundaries.

The continued development of our people to provide the increasingly specialized skills required for Emergency Management Response, coupled with the instilling of the new corporate values into each employee, should bring about much improvements in the standard of services delivery, translating these as the new culture of the National Fire Authority.

We commend with much appreciation the support of all our strategic partners and stakeholders, both in the local and international environment, as we value their continued support and cooperation in capability building, training and professional development.

Yours faithfully

JOHN MASI O'CONNOR
CHAIRMAN

CORPORATE GOVERNANCE

The Authority's Governance Framework includes formalized Board and Sub-Committee arrangements in accordance with the National Fire Service Act, 1994 that will realize the development of strategies required for the Authority to achieve its agreed objectives and monitor progress and performance.

The Board of the National Fire Authority of Fiji is constituted under the National Fire Service Act, 1994 and provides for a Board of seven members comprising of the Chairman, Deputy Chairman and five other members who are appointed by the Minister for a term of three years.

The Chairman and Board Members are paid fees and allowances out of its fund as the Minister may determine. Members of the NFA Board are required to observe NFA's Code of Conduct and other requirements specified by NFA's Governance Framework. They are also required to disclose any conflict or economic interests.

The current Board was appointed by the Hon. Minister for Local Government, Housing, Environment, Infrastructure & Transport on 3rd April 2017 and comprise of the Chairman and four Members. The Board's term is for a period of three years.



John Masi O'Connor
Chairman



Mr Peter McPherson
Board Member



Ratu Aisea Waka Vosailagi
Board Member



Mr Satish Patel
Board Member



Mr Inia Naiyaga
Board Member

Chief Executive Officer's Report

Overview

The National Fire Authority (NFA) is a specialized fire and rescue service organization that provides firefighting, road accident rescue, urban search and rescue, hazardous materials rescue, natural disaster management, flood and swift water rescue and emergency ambulance services to protect life, property and the environment.

NFA's core strength is a service delivery model that ensures we share responsibility with our various communities to minimize the likelihood and consequences of emergencies. However, the pace of change in our environment, both internal and external, is increasing significantly, presenting the NFA with both challenges and opportunities. These changes will impact on our communities and will challenge the traditional way that we have delivered programs, products and services. To be relevant and valuable to Fiji's communities, the NFA will need to provide leadership to, with and across the sector to establish accountability for fire and emergency management outcomes.

During the year, the NFA continued to play a key role with our emergency service partners. NFA has expanded its work with the National Disaster Management Office, providing assistance for emergencies beyond the town and city boundaries. The NFA continues to work with other service providers to increase interoperability between agencies and in most instances, take the lead role during major disasters. In the past year the NFA proactively partnered with key stakeholders to review the National Fire Service Act and make necessary amendments that will ensure the efficient and effective service delivery by the men and women of the NFA.

Financial Performance

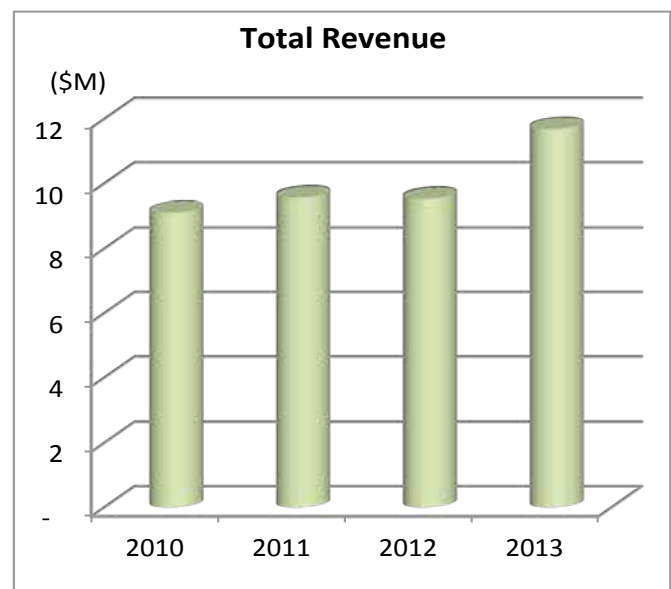
Revenue

Total Income - Total income for 2013 was \$11.76 million (Restated 2012: \$9.54 million). The increase in the total income during the year compared to last year is attributed to the increase in fire levy, structural fire safety income and receipt of ambulance operating grant during the year.

Statutory and Government Funding - NFA's operational expenditure were sustained through revenue generated from fire insurance levies (78%), water levies (3%), structural fire safety compliance earnings (9%) and from other sources (10%). Government had provided \$1 million (vip) for Capital Expenditure.

Sales of Goods and Services - NFA generated \$1.52 million during the year from the provision of goods and services to external bodies (an increase of 9% compared to 2012 (Restated) of \$1.4 million).

These included revenue generated from the provision of commercial training services, private fire alarm monitoring fees, structural fire safety compliance fees, inspections and fire investigation reports. The increase was mainly attributed to the increase in income from structural fire safety compliance.



Expenditure

Total Expenses - Total expenditure incurred for 2013 was \$8.7 million compared to \$8.8 million in 2012 (Restated).

Salaries and Wages was \$4.9 million in 2013 (Restated 2012: \$5.2 million) which accounted for 57% of the overall expenses.

Personnel Benefits - A total of \$5.4 million (Restated 2012: \$5.8 million) was spent on wages and salaries including other employee expenses such as superannuation, taxes, insurances and employee support activities.

Other Expenses - Other operating and administration expenses incurred during the year of \$2.4 million (Restated 2012: \$2.1 million) increased slightly compared to the previous year. These expenses include communications, insurance, motor vehicle repairs and fuel, staff training and fire station expenses.

Depreciation and Amortization - The written down value of NFA's assets at cost or valuation which include land, buildings, leasehold improvements, vehicles, plant and machinery totalled \$6.7 million (Restated 2012: \$5.2 million). Depreciation expense was \$813,320 during 2013 (Restated 2012: \$915,700).

Assets

Total Assets - Total assets as at 31 December 2013 was \$15.1 million compared to a total of \$11.5 million in 2012 (Restated). This variation has been the result of an increase in cash on hand through prudent revenue collection and cost control measures, increase in held-to-maturity investment and property, plant and equipment.

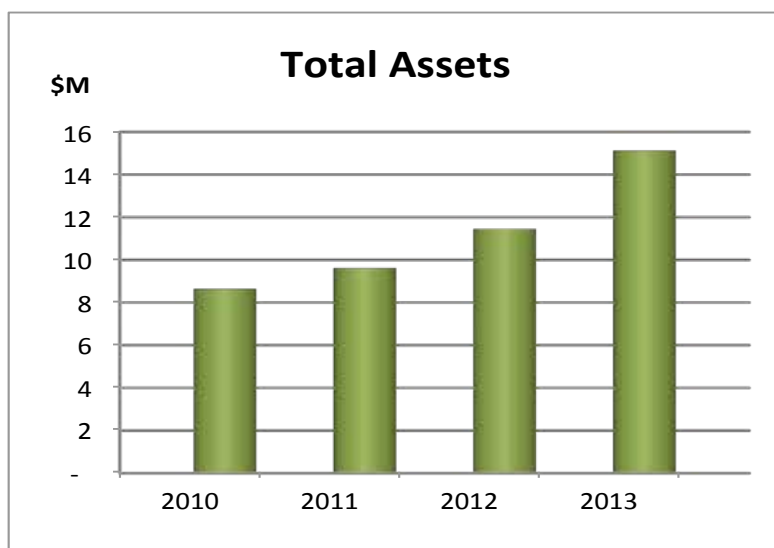
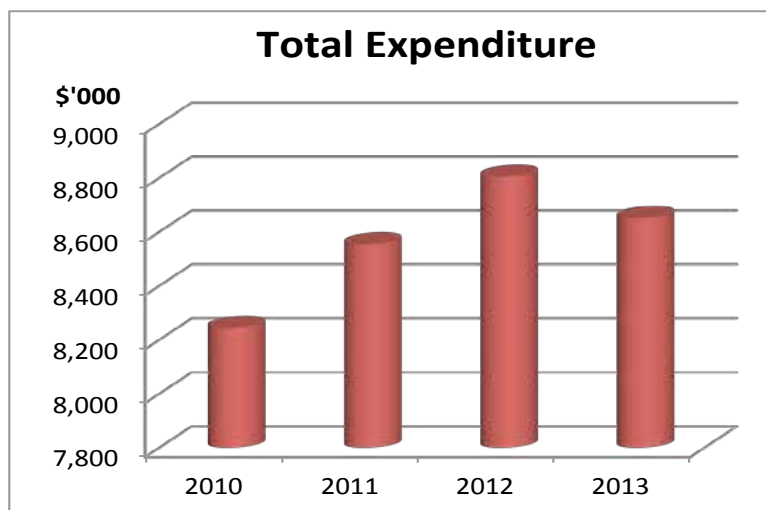
Current Assets - Current assets totalled \$8.4 million (Restated 2012: \$6.3 million) and included inventories and goods held in store (\$0.3 million), money owed to NFA (\$1.9 million), held to maturity investments (\$1.8 million) and cash at bank, deposits and prepayments made by NFA (\$4.5 million). The increase over the previous year was mainly attributed to an increase in cash at bank and Held-to-maturity investments.

Vehicles - After depreciation, the value of NFA's vehicles, which include the fire engines, totalled \$2,979,350 compared to \$1,723,733 in 2012 (Restated).

Plant, Machinery and Equipment - This includes computer hardware, general plant and communications equipment to a total value of \$2,104,090 (Restated 2012: \$1,572,672).

Land, Buildings and Leasehold Improvements - The value of NFA owned land, buildings and improvements totalled \$1,624,331 (Restated 2012: \$1,901,103).

Leasehold Land - The value of land owned by NFA totalled \$311,785 as at 31 December 2013.



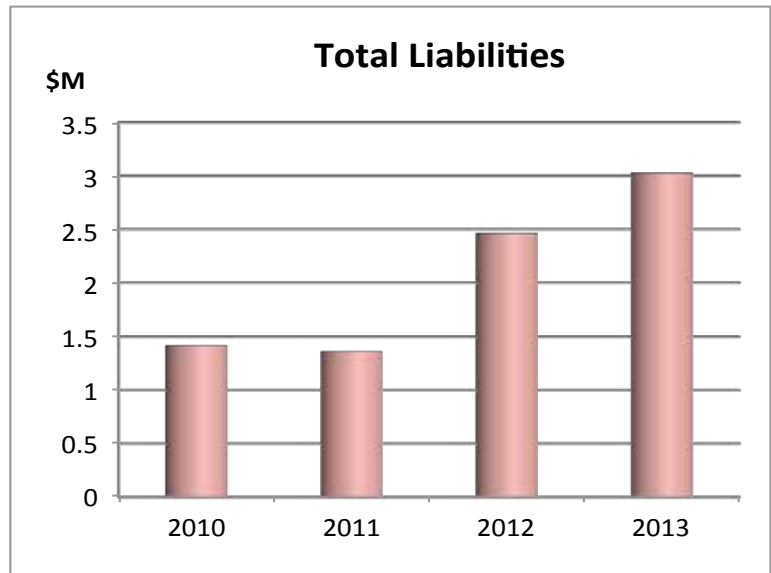
Liabilities

Total Liabilities - Total liabilities at 31 December 2013 amounted to \$3.03 million compared to the previous year's total of \$2.47 million (Restated 2012). The variation was mostly due to the deferment of Government grants received in 2013 as liability.

Employee Entitlements - A total of \$239,763 (Restated 2012: \$254,843) is accrued for annual leave and long service leave payments to staff. Most of this will become payable at a future date.

Goods or Services Payable - At the end of the year, a total of \$533,967 was owed for goods or services already provided but yet to be paid. This was a reduction of \$460,289 over the corresponding figure last year.

Details of the financial performance of the Authority for the year ended 31 December 2013 are provided under the audited financial statements section of this report.



Operational Performance

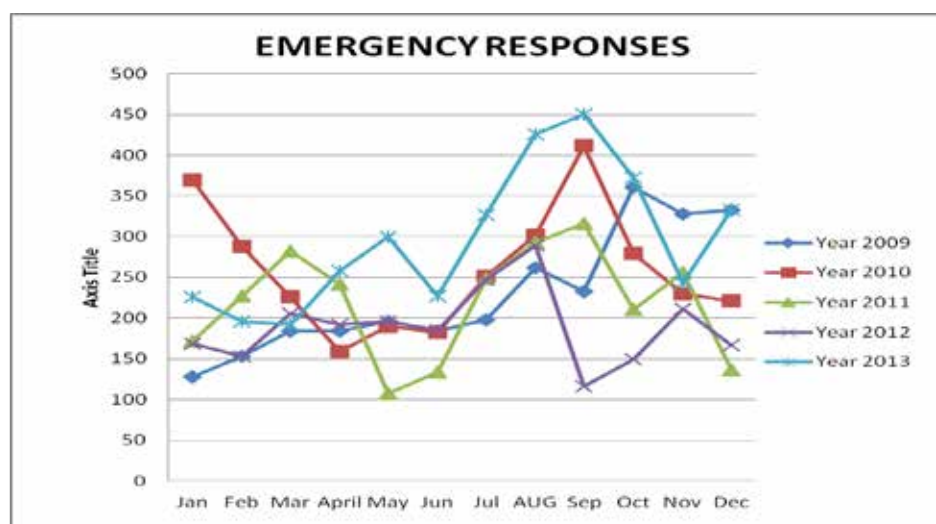
Emergency Incident Responses

The number of incidents attended to by NFA during the year totalled 3,553 (2012: 2,798) as tabulated below:

Incident	2013	2012
Property fire	120	95
Grass/Bush/Cane/Rubbish	1,029	505
Special services/ Malicious/ Others	142	381
Vehicle fires	54	7
Ship and Boat fires	6	1
Road Accident Rescue	104	7
Private Fire Alarms	653	638
Emergency Ambulance Service	1,445	1,164
Total	3,553	2,798

The comparative analysis of the Emergency Responses attended to by the NFA in all Divisions around the country for the years from 2009 to 2013 is illustrated in the graph, which shows a gradual increase and reaching the highest level in September 2013 similar to previous years.

The trend began to decline in October and November and then a slight increase again during the month of December.



It is clear that the number of bush fires and sugar cane fires is high during the crushing season before it decreases when the crushing season is over.

Joint efforts with FSC and Security Agencies have been carried out to try and curb or reduce the number of such incidents.

We are also reviewing our awareness strategies to ensure that we target the adult population in order that they can influence fire safety behavior in their homes.

Fire Response - There is still much need for a change in public perspective and attitude towards fire safety as evident from the increase in the number of property fires from 95 in 2012 to 120 in 2013. A total of 103 structural fires (2012: 86) were attributed to an increase in residential property fires. There was also an increase in commercial fires from 9 in 2012 to 16 in 2013. It is, therefore, critical for every sector of the economy to work together with the NFA to reduce fire occurrences, especially for residential fires in the country.

Category	2013	2012
Commercial	16	9
Industrial	1	-
Residential	103	86
TOTAL	120	95

The attitudes of members of the communities should be to prevent unnecessary fires from occurring in the first place and assist in educating our families and friends on fire safety and fire prevention measures. This proactive approach to fires will help to stop the unnecessary occurrence of fires from destroying residential homes and displacing families in the event. This follows a total of 7 fatalities (2012: 12) resulting from residential fires that occurred during the course of the year.

Fire Causes - Having attended to a total of 120 (2012: 95) structural fires during the year, there was a sharp increase in electrical related fires which constituted 32% of the total structural fires when compared to 23% in the previous year. Arson-related structural fires also increased to 30% when compared to 26% for the previous year. Other common causes constituted 38% of the total structural fires for the year, a marked decline from 51% in 2012.

The NFA has been working very closely with the Fiji Electricity Authority to create awareness on electrical fire safety including the use of only registered electrical contractors to complete house wiring.

These fire causes can be prevented with a major change in people's attitudes towards the safe handling of fire and ensuring that the necessary fire safety precautions are taken at all times.

Causes of Fire	2013		2012	
	Occurrences	%	Occurrences	%
Electrical	38	32%	22	23%
Arson/Suspicious	36	30%	25	26%
Unattended cooking	13	11%	7	7%
Matches/Cigarette	9	8%	11	12%
Undetermined	3	3%	7	7%
Uncontrolled burning	-	-	1	1%
Prayer Diya	2	2%	2	2%
Kerosene/Benzene lantern/Stove	8	7%	3	3%
Mosquito Coil	5	4%	7	7%
Lit Candle	6	5%	10	11%
Total	120	100%	95	100%

Road Accident Rescue - NFA attended to a total of 104 (2012: 7) road accident rescue operations during the year. NFA's role in this emergency operation is to effectively provide lifesaving support to trapped and injured persons and subsequently their extrication from the vehicle, provide first aid treatment on the victims before rushing the injured to the nearest medical centre or hospital.

NFA's fire fighters have been trained and possess the required knowledge of a systematic approach to road accident rescue, basic first aid, other agency roles and resources, the importance of scene integrity, the basic construction of motor vehicles, use of relevant equipment, applying the techniques employed to effect extrication, critical incident stress and the importance of effective operational and emotional debriefing.

Hazardous Material Rescue - NFA responded to 13 (2012: 11) incidents relating to hazardous material during the year which mainly involved attendance to oil and fuel spillages and gas leakages.

Urban Search and Rescue - There were no incidents relating to urban search and rescue (USAR) operations during the year. This operation involves the location, rescue (extrication) and initial medical stabilization of victims trapped in confined spaces. Structural collapse is most often the cause of victims being trapped, but victims may also be trapped in transportation accidents such as elevators, etc. USAR operations have also involved pet rescue incidents involving the rescue of pets that have either fallen off a cliff or trapped high up in a tree.

Flood Water Rescue and Natural Disasters Response - Many areas in Fiji are susceptible to flooding and have required response and recovery efforts by NFA and other agencies. Flood water response and evacuation efforts have usually followed natural disasters. NFA's role in these operations have gradually gained acceptance and dependence by members of the community as the role of the firefighters in these operations relate to the ferrying of people across a flooded river or flooded land, evacuation or moving of people or animals to safety, search and recovery—searching floodwaters for missing people and rescuing people trapped by floodwaters, such as from their homes, roof tops, car roofs, house roofs or on trees. These rescue operations are often carried out during poor weather conditions where flood waters have been known to carry rubbish and debris that can flow with great force and pose much danger for our fire fighters. In most cases, fire crews have to work at night to meet the demands of the communities.

Special Services - Clearing out of fallen trees and debris from roads has been one of the special services provided by NFA's firefighters, particularly after natural disasters such as cyclones or heavy flooding. Good coordination between the National Disaster Management Office is essential in this multi-agency operation. Municipalities, businesses, hospitals and schools have usually engaged the services of the NFA to clear up debris and other silt in order to restore normalcy to the community at the quickest possible time.

Emergency Ambulance Response - Government continued to outsource its Emergency Ambulance Service (EAS) to the NFA during the year with the provision of Ambulance Services along the Suva-Nausori corridor and surrounding communities. Our emergency ambulance service provides non-emergency basic life support, advanced life support and a nurse or respiratory therapist staff during critical-care transportation services. NFA has three ambulances, each posted in Suva, Valelevu and Nausori Fire Stations. For 2013, NFA responded to 1,445 ambulance calls compared to 1,164 calls in the previous year.

Refresher courses on Emergency Medical Activities and Emergency operations were held during the year in all the divisions to keep our emergency personnel abreast with the emergency medical protocols and enhance their skills for the effective delivery of their roles during EAS emergencies.

Significant Incidents

January

- There were two separate fire incidents during the month involving commercial properties in Tavua and Nadi. The Shop & Save Supermarket in main street Tavua sustained major damages while the His & Hers Fashion Store in Nadi sustained major damages to their property. Effective firefighting by the firefighters prevented these commercial fires from spreading to nearby businesses.

February

- A major fire incident occurred at the QEB Military Camp in Nabua when fire destroyed one of the housing barracks and displacing families in the process.
- The Fire Safety Workbook for Years 5 and 6 was introduced into the Social Science Primary School curriculum with the launch of the new Pupil's Workbook and Teacher's Guide for students in Years 5 and 6 by the Minister for Local Government, Housing & Environment, Acting Minister for Education and UNICEF's Pacific Education Specialist. UNICEF donated \$40,000 for this initiative.

April

- A fire incident destroyed one of the dormitories at the Drauniivi Primary School.

May

- NFA purchased 6 second-hand fire trucks from CFA to boost NFA's capacity and capability. Two of these trucks were funded by the Government of Japan for deployment to Levuka and Korovou Fire Stations.
- NFA's newly designed Website was launched by the Minister for Local Government on 14th May 2013.

June

- A fire caused major damages to the Koro Sun Resort in Savusavu.
- NFA secured a second round of funding of \$40,000 with UNICEF for the development by the Ministry of Education of a new Pupil's Activity Workbook and Teacher's Manual on Fire Safety for pupils in Early Child Education (pre-school) and Years 1 and 2.

August

- A major fire incident occurred at the Queen Victoria School in Tailevu, completely destroying one of its dormitories.

November

- NFA entered the Fiji Business Excellence program for the first time and received the "Commitment Award" during the FBEA Awards held at the Sheraton Fiji Resort on 9th November 2013.

December

- The new NFA Strategic Plan and Framework 2013-2017 was officially launched by the NFA Board Chairman at a media conference held on 13th December 2013.
- A fire incident caused major damages to the Reddy Diamond main office and warehouse in Lautoka.
- The CDP courier warehouse in Walu Bay, Suva was also completely destroyed in a fire.
- A major fire incident occurred at Matavora Waters which completely destroyed the property.
- Pass out of 30 new Firefighter Recruits at Togalevu on 19th December 2013 following 8-weeks of grueling and challenging training.

Fire Service Delivery

Fire Stations - NFA has established a total of sixteen fire stations around the country to ensure the prevention and early mitigation of fires in support of Government's efforts to enhance economic growth and protect lives and property. There are nine permanent fire stations which are manned by permanent career firefighters and eight volunteer fire stations which are manned by two permanent career firefighters and volunteer firefighters:

Division	Permanent Stations	Volunteer-based Stations
Central/East	Suva, Valelevu, Nausori (3)	Navua, Pacific Harbor, Levuka (3)
West	Lautoka, Nadi, Sigatoka, Ba (4)	Tavua, Rakiraki, Denarau (3)
North	Labasa and Savusavu (2)	Taveuni (1)
Total	9	7

NFA is striving to ensure that all Fire Stations are manned by permanent firefighters.

Fire appliances and Equipment - NFA had a total of 55 vehicles by the end of 2013 compared to 50 in 2012. This increase has been attributed to the purchase of 6 second hand fire trucks from Country Fire Authority in Victoria, Australia. During the year, one of NFA's fire trucks had to be written off the books of accounts after the truck sustained major damages when it caught fire whilst responding to another fire incident in June this year.

Also, during the year, NFA changed the supplier of fuel and lubricants for its vehicle fleet to Pacific Energy (SWP) Limited and the change is expected to bring about improvements in fuel efficiency for its vehicles.

Age of Vehicle Fleet - The average vehicle age for NFA's fleet of vehicles is 20 years. Vehicle fleet efficiency for the twelve months to December 2013 averaged at 83% compared to 80% in the previous year. The improvement is attributed to the more thorough repairs and maintenance schedule carried out particularly for the older vehicles following the purchase of six secondhand fire trucks from Country Fire Authority of Victoria, Australia during the year.

Water supply - Intermittent water supply in major areas, particularly in the Western Division, continued to be a major cause for concern for NFA and poses a major risk for our firefighting operations. Whilst consultations with the Water Authority of Fiji continue, Stations have identified alternative water sources as a secondary means of water supply like nearby rivers, creeks, swimming pools, water tanks and natural pools.

In the case of high risk areas without a secondary water source, discussions were held with community leaders to propose the installation of water tanks as an alternative water supply and a secondary water source for fire operations.

Fire hydrants - The strengthening of NFA's role and responsibility will facilitate the enforcement of fire safety compliance in all future new developments to include fire risk mitigating infrastructure and equipment, including the installation of fire hydrants as part of any new development project cost. A total of 84 (2012: 67) new fire hydrants were installed during the year. The new fire hydrants were installed in the following areas:

Division	2013	2012
Central/East	14	31
West	35	12
North	35	24
Total	84	67

This is a government funded project with the provision of \$300,000 for the purchase and installation of Fire Hydrants. NFA signed a Memorandum of Understanding with Water Authority of Fiji for the completion of this project.

All Stations conducted hydrant inspections during the year to carry out pressure testing, identification of defects and the clearance of surrounds and also clearance of the soils/sludge that have buried the underground fire hydrants. A total of 11,477 hydrants were found to be in good condition whilst 84 hydrants were defective and these have been reported to Water Authority of Fiji for repair works to be undertaken.

Risk Assessments and Pre-Planning exercises - Fire response preparedness is a crucial risk mitigating strategy and all NFA teams are required to conduct risk assessments and pre-planning exercises particularly for high-risk economic activities in their respective areas to pre-plan fire fighting strategies that will quickly mitigate or minimize the impact in the event of a fire incident occurring.

Our Stations have completed risk assessments and pre-plans for 240 properties with different levels of risk according to their contents and occupants. The teams have visited each of the buildings and conducted risk assessments and pre-planning strategies, documenting fire fighting capabilities and fire prevention strategies.

FIRE SAFETY COMPLIANCE

Structural Fire Safety - The Structural Fire Safety department was established in 2007 to reduce and prevent liabilities, improve capacity to deliver quality services and contribute to full compliance of fire safety requirements in accordance with the National Building Code of Fiji and National Fire Service Act, 1994. Structural fire safety activities involve business license renewals, Liquor license renewals, building plan approvals and fire safety compliance inspections.

NFA conducted a total of 8,275 inspections throughout the year which is a significant increase when compared to 5,346 inspections in the previous year. This is a marked improvement as NFA works with the municipalities to coordinate fire safety compliance as one of the essentials for annual business license renewals and liquor license renewals.

Commercial Training - NFA provides specialist fire-related training to commercial organizations and staff have worked very hard to provide the learning outcomes that customers expect. Businesses are required to comply with the requirements of the Health and Safety at Work (HASAW) promulgation with regard to fire safety awareness and training on the use of basic fire protection equipment to enable the early mitigation of fire incidents as and when they arise.

The basis for the establishment of this specialized department relates to the need to increase the level of fire safety awareness and training in the commercial sector through the delivery of structured programs, establish an additional income stream by charging commercial rates for the delivery of commercial training programs, and equip the community in preparedness and response for fire and other emergencies in line with NFA's Corporate Vision.

Under the Education Act, NFA is a recognized Private-Vocational Institution and conducts the following TPAF Grant claimable courses to organized groups throughout the year: *Fire Evacuation drills*, *Fire Safety at Work*, *Fire Warden training* and *Fire Team training*. The HASAW legislation has increased the requirement for companies that employ more than ten people to undertake at least one of the above mentioned training products. Organizations with staff greater than thirty will be required to undertake three of these training programs.

NFA delivered a total of 458 commercial training products during the year compared to 350 in the previous year.

Private Fire Alarm Monitoring System - NFA's GPRS Private Fire Alarm (PFA) Monitoring System continued to be centrally monitored at NFA's Suva Control Centre. The PFAM system utilizes the Vodafone mobile GPRS network as its primary link to facilitate the monitoring of fire alarms via an installed Alarm Signaling Equipment (ASE) interface at the building. NFA is the sole supplier and installer of the ASE interface units and facilitates the connection of the ASE interface to the GPRS network with the monthly rental of \$10 per ASE connection being borne by the building owner.

During the course of the year, NFA responded to a total of 653 PFA calls and these calls are analysed by our ICT Officers to ascertain the chargeable runs and those units found to be faulty are billed to the building owner to recover these costs.

Fire Safety Awareness - Community awareness activities have involved the delivery of fire safety messages to the various communities in each station area. Key fire safety messages delivered have been focused on the major causes of property fires. Electrical related fires ranked as the highest cause of property fires which constitute 32% of the total structural fires that occurred in 2013. Arson caused property fires ranked second at 30% whilst the balance of the other fire causes made up the remaining 28%.

During the year, there were a total of 8,867 different awareness programs delivered by the NFA teams around the country, covering a total of 124,594 people (2012: 83,460). Our awareness programs were targeted at the parents and adults and their responsibilities and accountability for the wellbeing of their children, in particular ensuring that children are supervised at all times by a responsible adult. House to house visitations proved to be very effective as fire officers took the opportunity to personally talk to families and provided them with fire prevention advice; they have also highlighted the areas or practices in the home that could cause unnecessary fires and corrective measures to avoid fire incidents.

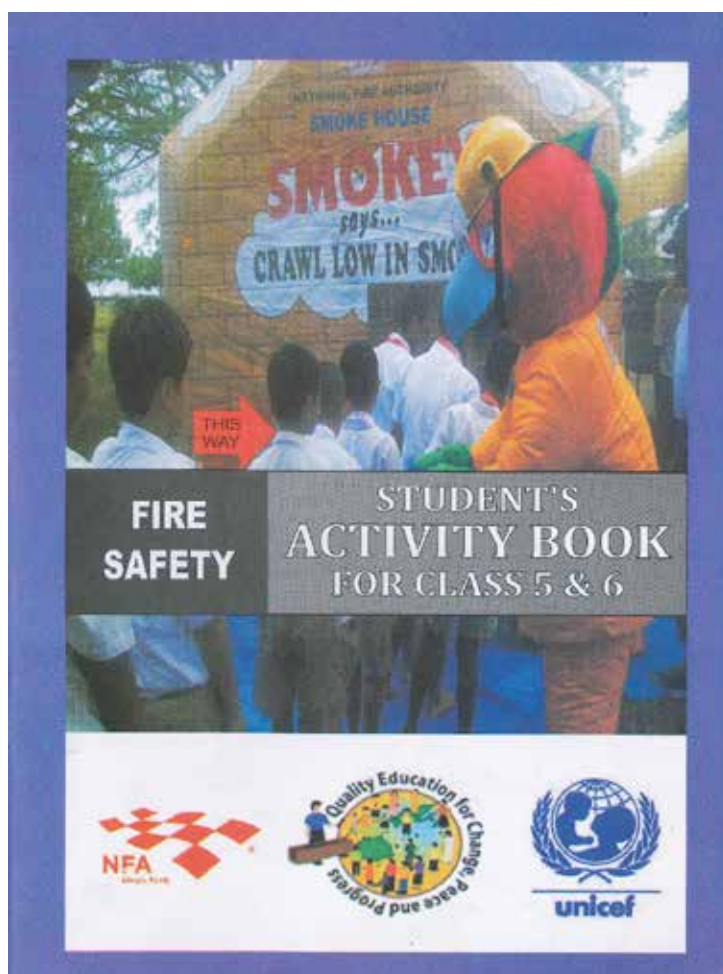
Partnership with the Fiji Sun also continued during the year with the weekly feature of Fire Safety articles in the Fiji Sun's Friday Shopper Page. Fire safety commercials were also produced and featured on selected prime time programs on both Fiji TV and FBC TV for the effective dissemination of fire safety and fire prevention messages to the public.

Fire Safety Education in Schools - The teaching of fire safety as part of the primary and pre-school curriculum was a major milestone for NFA in partnership with the Ministry of Education and UNICEF.

The Pupil's Workbooks and Teacher's Guides on Fire Safety for students in Years 5 & 6 were developed by the Ministry of Education and included as part of the Health Science curriculum for a more focused and in-depth teaching of fire safety to the young at this early age.

The new Fire Safety curriculum was launched during the year by the Minister for Local Government, Housing & Environment.

With UNICEF's confirmation to continue funding the development of a similar curriculum especially for the Pre-School and Years 1 & 2 children, the Ministry of Education made preparations for its Curriculum Development Unit to commence the work during the year-end school holidays.



Our People

The total number of staff employed by the NFA as at 31 December 2013 was 333 compared to 332 in the previous year.

Category	2013	2012
Career firefighters (Permanent)	280	252
Administration & Technical Staff (Permanent)	21	21
Total Permanent Staff	301	273
Temporary & Auxiliary Firefighters (Paid)	7	12
<i>Community Volunteers (Unpaid)</i>	25	47
Total Manpower	333	332

Community Volunteers - At 31st December 2013, NFA had a total of 25 community volunteers (2012: 47) who are not paid any allowances or wages but volunteer their time for firefighting operations whenever required.

Recruitments - A total of 30 new Career Firefighters was recruited in December 2013 after completing the eight weeks Basic Firefighter Training program held at the Togalevu Naval Base. These new Firefighters were posted for duties to the various Fire Stations around the Country. Also, during the year, 3 Auxiliary Firefighters completed training and were appointed as Career Firefighters. The new Manager ICT was also recruited during the year.

Resignation - One employee resigned during the year to migrate overseas.

Retirements - Four of our employees retired from the Fire Service upon reaching 55 years.

Termination - One employee was terminated during the year.

Launch of the New NFA Website - NFA's new website: www.nfa.com.fj was launched during the year by the Minister for Local Government, Housing and Environment. The newly designed website now enables regular updating of the NFA website to be done in-house by the ICT and Corporate Affairs departments, on a regular basis.

Social Networking - With the popular social media network, NFA opened a *Facebook* account: [firerescuefiji](https://www.facebook.com/firerescuefiji) to facilitate the communication of NFA events and sharing of pictures which can be easily accessed by the public. This has been a very popular site that is monitored by the Corporate Affairs Section.

Staff E-Newsletter - *Bokobuka News* is NFA's electronic newsletter, a bi-monthly issue produced in-house as a communiqué for the employees. Articles on staff promotions, new appointments, overseas training, current affairs and new developments feature prominently in the newsletter.

Media Relations - NFA continued to receive positive feedback in the media on our operations. This involved media appearances by senior officers and the release of a total of 144 media statements into the main stream media on fire incidents and NFA's operations.

NATIONAL FIRE AUTHORITY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013



Our Vision

*Building Community
Resilience towards Emergencies*

Our Mission

*Servicing and working with our
communities by providing effective
and efficient emergency
management services to protect and
safeguard the Nation and its people*

Our Values

*Courage
Honesty
Respect
Innovation
Team Work
Loyalty
Customer Service*

Our Slogan

Always Ready

**NATIONAL FIRE AUTHORITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

CONTENTS	<i>Page</i>
Directors' Report	15 - 16
Statement by Directors	17
Independent Auditors' Report	18 - 19
Income Statement	20
Statement of Changes in Equity	21
Statement of Financial Position	22
Statement of Cash Flows	23
Notes to and forming part of the Financial Statements	24 - 37
Detailed Income Statement	38 - 39

NATIONAL FIRE AUTHORITY DIRECTORS REPORT YEAR ENDED 31 DECEMBER 2013

In accordance with a resolution of the Authority, the members submit the statement of financial position of the Authority as at 31 December 2013, and the related income statement, statement of changes in equity and statement of cash flows for the year ended 31 December 2013 and report as follows:

Authority's members

The names of the Authority's members during the year and up to the date of this report were:

Member	Appointed	Term Expired	Resigned
John O'Connor	03/04/2017		
John Low	17/05/2007		01/01/2013
Peter McPherson	31/12/2007	31/12/2015	
Satish Badal	17/05/2007		01/01/2013
Jone Mika	17/05/2007		01/01/2013
Mosese Kama	01/04/2012		31/12/2012
Hiagi Foraete	01/04/2012	31/12/2015	
Commander Francis Kean	01/01/2013	31/12/2015	
Waka Vosailagi	16/01/2013	31/12/2015	
Lesimemata Maravuakula	01/01/2013	31/12/2015	
Chandu Umaria	01/01/2013	31/12/2015	
Satish Patel	03/04/2017		
Inia Naiyaga	03/04/2017		

State of affairs

In the opinion of the directors:

- there were no significant changes in the state of affairs of the Authority that occurred during the financial period under review not otherwise disclosed in this report or the financial statements; and
- the accompanying statement of financial position gives a true and fair view of the state of affairs of the Authority as at 31 December 2013 and the accompanying income statement, statement of changes in equity and statement of cash flows gives a true and fair view of the result, changes in equity and cash flows of the Authority for the period then ended.

Principal activities

The principal activities of the Authority during the course of the financial year were to coordinate the Emergency Management Service activities for the purpose of fire protection and managing other emergencies and establish courses of training to members of the fire service.

Operating result

The operating profit of the Authority for the year 31 December 2013 was \$3,103,744 (2012: \$739,798).

Reserves

There were no amounts transferred to or from reserves during the year.

NATIONAL FIRE AUTHORITY DIRECTORS REPORT (CON'T) YEAR ENDED 31 DECEMBER 2013

Dividends

There was no dividend paid during the year.

Other matters

As at the date of this report:


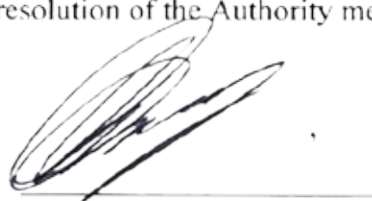
- (a) The Authority's members are not aware of any circumstance which would render the values attributed to current assets in the Authority's financial statements misleading.
- (b)
 - (i) No charge of the assets of the Authority has been given since the end of the financial year to secure the liabilities of any other person;
 - (ii) No contingent liabilities have arisen since the end of the financial year for which the Authority could become liable except as disclosed in the financial statements;
 - (iii) As at the date of this report, the Authority members are not aware of any circumstances that have arisen, not otherwise dealt with in the report, which would make adherence to the existing method of valuation of assets or liabilities of the Authority misleading or inappropriate; and
 - (iv) Apart from the matters specifically referred to in the financial statements, in the opinion of the Authority members the results of the operations of the Authority during the financial year were not substantially affected by any item, transaction or event of an abnormal nature.

Events subsequent to balance date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Authority, to affect significantly the operations of the Authority, the results of those operations, or the state of affairs of the Authority, in subsequent financial years.

Dated at Suva this 26th day of May 2017

Signed for and on behalf of the Authority in accordance with a resolution of the Authority members


Chairman
Member



**NATIONAL FIRE AUTHORITY
STATEMENT BY DIRECTORS
YEAR ENDED 31 DECEMBER 2013**

In accordance with a resolution of the members of the National Fire Authority, we state that in the opinion of the members:

- i. the accompanying statement of financial position of the Authority is drawn up so as to give a true and fair view of the state of affairs of the Authority as at 31 December 2013;
- ii. the accompanying income statement of the Authority is drawn up so as to give a true and fair view of the results of the Authority for the period ended 31 December 2013;
- iii. the accompanying statement of changes in equity of the Authority is drawn up so as to give a true and fair view of the changes in equity of the Authority for the period ended 31 December 2013;
- iv. the accompanying statement of cash flows of the Authority is drawn up so as to give a true and fair view of the cash flows of the Authority for the period ended 31 December 2013;
- v. at the date of this statement, there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due; and
- vi. all related party transactions have been adequately recorded in the books of the Authority.

For and behalf of the Authority and in accordance with a resolution of the Authority's members.

Dated at Suva this 26th day of May 2017


Chairman
Member

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



6-8TH Floor, Ratu Sukuna House
2-10 McArthur St
P. O. Box 2214, Government Buildings
Suva, Fiji

Telephone: (679) 330 9032
Fax: (679) 330 3812
E-mail: info@auditorgeneral.gov.fj
Website: <http://www.oag.gov.fj>

**Independent Auditor's Report****Report on the Audit of the Financial Statements****Opinion**

I have audited the financial statements of National Fire Authority, which comprise the statement of financial position as at 31 December 2013, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Basis of Opinion

In my opinion, the accompanying financial statements present fairly the financial position of National Fire Authority as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

I conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of National Fire Authority in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Management and Directors for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS and National Fire Services (Amendment) Act, 2009 and for such internal control as the management determines 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, management is responsible for assessing the National Fire Authority'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 the management intend to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the National Fire Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA 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 the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

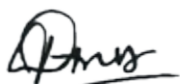
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a 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 National Fire Authority'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 management's and directors' use of 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 National Fire Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause National Fire Authority 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.

I communicate with the management and directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the National Fire Services (Amendment) Act, 2009 in my opinion:

- a) proper books of account have been kept by National Fire Authority, so far as it appears from my examination of those books,
- b) the accompanying financial statements:
 - a. are in agreement with the books of account; and
 - b. to the best of my information and according to the explanations given to me, give the information required by the National Fire Services (Amendment) Act, 2009 in the manner so required.



Ajay Nand
AUDITOR GENERAL



Suva, Fiji
2 June, 2017

**NATIONAL FIRE AUTHORITY
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	2013 \$	Restated 2012 \$
Income			
Revenue	2	11,755,711	9,544,757
Expenses			
Personnel expenses	3	(5,446,539)	(5,802,611)
Depreciation		(813,320)	(915,700)
Operating and administration expenses	4	(2,392,108)	(2,086,648)
		(8,651,967)	(8,804,959)
Net operating surplus for the period		<u>3,103,744</u>	<u>739,798</u>

The Income Statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 24-37.

**NATIONAL FIRE AUTHORITY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 \$	Restated 2012 \$
Retained profits		
Balance at the beginning of the year	8,987,454	8,247,656
Net operating surplus for the year	<u>3,103,744</u>	<u>739,798</u>
Balance at the end of the year	<u>12,091,198</u>	<u>8,987,454</u>

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 24-37.

NATIONAL FIRE AUTHORITY **STATEMENT OF FINANCIAL POSITION** **AS AT 31 DECEMBER 2013**

	Note	2013	Restated 2012
Current assets		\$	\$
Cash and cash equivalent	5	4,500,952	3,902,155
Held-to-maturity investments	6	1,808,595	700,000
Prepayments	7	5,562	3,370
Trade and other receivables	8	1,833,414	1,459,747
Inventories	9	266,964	190,995
Total current assets		8,415,487	6,256,267
Non-current assets			
Property, plant and equipment	10	6,707,771	5,197,508
Total non-current assets		6,707,771	5,197,508
Total assets		15,123,258	11,453,775
Current liabilities			
Trade and other payables	11	533,967	994,256
Employee entitlements	12	89,739	88,805
Total current liabilities		623,706	1,083,061
Non-current liabilities			
Deferred revenue	13	2,258,330	1,217,222
Employee entitlements	12	150,024	166,038
Total non-current liabilities		2,408,354	1,383,260
Total liabilities		3,032,060	2,466,321
Net assets		12,091,198	8,987,454
Equity			
Retained profits		12,091,198	8,987,454
Total equity		12,091,198	8,987,454
Commitments and contingent liabilities	14, 15		

Signed in accordance with the resolution of the members of the Authority


Chairman


Member

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 24-37.

NATIONAL FIRE AUTHORITY **STATEMENT OF CASH FLOWS** **FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013	Restated 2012
		\$	\$
Cash flows from operating activities			
Cash receipts in the course of operations		10,917,453	9,879,705
Cash payments in the course of operations		(8,360,838)	(7,855,695)
Net cash from operations		2,556,615	2,024,010
Government grant received		1,517,391	869,565
Net cash from operating activities		<u>4,074,006</u>	<u>2,893,575</u>
Cash flows from investing activities			
Payment for Held-to-Maturity Investment		(1,108,595)	(500,000)
Proceeds from sale of property, plant and equipment		44,500	24,572
Payments for property, plant and equipment		(2,411,114)	(419,873)
Net cash used in investing activities		<u>(3,475,209)</u>	<u>(895,301)</u>
Net increase in cash and cash equivalents		598,797	1,998,274
Cash and cash equivalents at the beginning of the year		<u>3,902,155</u>	<u>1,903,881</u>
Cash and cash equivalents at the end of the year	5	<u>4,500,952</u>	<u>3,902,155</u>

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 24-37.

NATIONAL FIRE AUTHORITY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

National Fire Authority (the "Authority") is a fully owned Government of Fiji entity domiciled in Fiji. The financial statements were authorised for issue with a resolution of the members on 26th May 2017.

The significant accounting policies which have been adopted in the preparation of these financials statements are:

a) Statement of compliance

The financial statements of National Fire Authority have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

b) Adoption of International Financial Reporting Standards (IFRS)

The Authority has adopted IFRS with effect from 1 January 2007.

c) Basis of preparation

The financial statements are presented in Fiji dollars rounded to the nearest dollar. They have been prepared on the basis of historical costs and, except where stated, do not take into account changing money values or current valuation of non-current assets.

Where necessary, the comparative information has been reclassified to achieve consistency in disclosure with the current financial year amounts and other disclosures.

The accounting policies have been consistently applied and, except where there is a change in accounting policy are consistent with those of the previous year.

d) Foreign currency transactions

Foreign currency transactions are translated to Fiji currency at rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies are converted to Fiji currency at the rates of exchange ruling at balance date. All exchange gains or losses whether realised or unrealised are included in the incomes statement.

e) Use of estimates and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

NATIONAL FIRE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CON'T)

e) Use of estimates and judgment (continued)

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements including the following notes:

Note 1(f) – Property, plant and equipment impairment

Note 1(g) – Allowance for doubtful debts

Note 1(h) – Impairment

Note 1(m) – Employee entitlements

f) Property, plant and equipment

(i). Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Costs include expenditure that is directly attributable to the acquisition of the asset. Profits and losses on disposal of property, plant and equipment are taken into account in determining the results for the year.

Property, plant and equipment that are being constructed or developed for the future use is classified as work in progress and stated at cost.

(ii). Depreciation

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives using the following rates:

• Land and buildings	10%
• Leasehold improvements	over the unexpired period of the lease
• Fire engines	5% - 10%
• Motor vehicles	20%
• Radio equipment	10%
• Fire fighting equipment	10%
• Office equipment	20%
• Furniture and fittings	15%
• Computer equipment	20%

Profits and losses on disposal of property, plant and equipment are taken into account in determining the results for the year.

(iii). Subsequent expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major improvements, renovations and overhaul expenditure, is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognised in the income statement as an expense as incurred.

NATIONAL FIRE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Trade and other receivables

Trade and other receivables are stated at their cost less allowance for doubtful debts and impairment losses. The collectability of trade receivables is assessed on monthly basis and at balance date and impairment losses are recognised in the income statement.

h) Impairment

The carrying amount of assets is reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated at balance date. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. All impairment losses are recognised in the incomes statement. The recoverable amount of trade receivables is the estimated future cash flows expected from the asset.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

i) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand. For the purposes of the Statement of Cash Flows cash and cash equivalents consist of cash and cash equivalents as defined above.

k) Trade and other payables

Trade and other payables are stated at cost.

NATIONAL FIRE AUTHORITY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l) Provisions

A provision is recognised in the balance sheet when the Authority has a legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required.

m) Employee entitlements

(i). Wages, salaries and annual leave

Liabilities for wages and salaries, incentives and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Payments for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii). Long service leave and gratuity benefits

The liability for long service leave and gratuity benefits is recognised in employee entitlements measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

n) Deferred revenue

Deferred revenue classified as non-current consists of deferred government grants related to acquisition of property, plant and equipment and underground fire hydrant which will be amortised over its useful life.

o) Income Tax

The Authority is exempt from income tax under the provisions of Section 17(24) of the Income Tax Act.

p) Revenue recognition

Revenue represents income earned from fees charged for fire services, insurance fire levy, interest earned, commission received and water levy and is recognised on accrual basis.

NATIONAL FIRE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) Revenue recognition (continued)

(i). *Amortisation of deferred revenue*

The benefits arising from the assets acquired by the Authority from those received from the Fiji Government and other organisations are credited to income statement at the rate those assets are depreciated.

(ii). *Fire levy contributions*

Fire levy contributions are brought to account on an accrual basis at 0.06% of the total of all sums insured during the year.

(iii). *Water levy contributions*

Water levy contributions are brought to account on an accrual basis at a rate of \$0.50 per water meter per month as provided for in the National Fire Service (Amendment) Act 1997.

q) Expenses

(i). *Personnel*

Personnel cost comprising of wages and salaries paid to staff as well as the Authority's contribution of superannuation and other contributions as required by law are recognised in the income statement.

(ii). *Operating lease commitments*

The Authority has determined, based on an evaluation of the terms and conditions of the arrangements, that it does not retain all the significant tasks and rewards of ownership of the property and so accounts for the contracts as operating leases.

r) Comparative information

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

The comparative for trade and other payables have been restated from \$1,197,643 as reported earlier in 2012 financial statements to \$994,256 resulting in an increase in the retained earnings for 2012 by \$203,387.

NATIONAL FIRE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s) Standards, amendments and interpretations issued but not yet effective

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Authority's accounting periods beginning on or after 1 January 2012 or later periods, but the Authority has not early adopted them. No significant impact is expected to arise out of these standards, amendments and interpretations.

- IAS 1, Presentation of Financial Statements (effective from 1 January 2013);
- IAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2013);
- IAS 36 (Amendment), 'Impairment of assets' (effective from 1 January 2013).

2. INCOME	2013	Restated 2012
	\$	\$
Amortisation of deferred income	128,457	52,707
Fire levy contributions	9,200,239	8,008,966
Government grants	347,826	-
Private fire alarm rental, attendance and special services	205,323	186,559
Structural fire safety	1,081,523	815,011
Water levy contributions	337,284	53,384
Other income	455,059	428,130
	<u>11,755,711</u>	<u>9,544,757</u>

3. PERSONNEL EXPENSES

Wages and salaries	4,892,621	5,217,990
Gratuity payment	-	37,416
FNPF contributions	497,926	502,094
TPAF levy	55,992	45,111
	<u>5,446,539</u>	<u>5,802,611</u>

The total number of employees at the end of the financial year was 333 (2012: 332).

NATIONAL FIRE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

4. OPERATING AND ADMINISTRATION EXPENSES	2013	Restated 2012
	\$	\$
Accounting fees	-	9,869
Audit fees	7,600	15,104
Advertising	51,787	15,586
Bank charges	9,474	10,129
Communication	103,738	116,868
Community awareness	10,162	11,106
Electricity	63,734	86,171
Fire fighting expenses	25,479	18,179
Fire station expenses	70,882	49,773
Insurance	253,140	217,665
Motor vehicle - fuel	208,092	257,345
- Insurance	39,968	28,769
- Repairs	407,102	294,498
Premises rental and rates	81,068	99,754
Repairs and maintenance – others	78,915	48,647
Staff training	244,128	199,572
Travel and accommodation	65,681	21,633
Uniform	72,085	58,034
Other expenses	599,073	527,946
	<u>2,392,108</u>	<u>2,086,648</u>

5. CASH AND CASH EQUIVALENTS

Cash at bank	4,497,022	3,898,225
Cash on hand	<u>3,930</u>	<u>3,930</u>
	<u>4,500,952</u>	<u>3,902,155</u>

6. HELD-TO-MATURITY INVESTMENTS

Term deposits	<u>1,808,595</u>	<u>700,000</u>
---------------	------------------	----------------

Term deposits are placed with financial institutions in Fiji at terms of 12 months. The interest rate of these deposits range from 3.10% to 3.75%.

7. PREPAYMENTS

Prepayment	<u>5,562</u>	<u>3,370</u>
------------	--------------	--------------

NATIONAL FIRE AUTHORITY **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 DECEMBER 2013**

8. TRADE AND OTHER RECEIVABLE

	2013	Restated 2012
	\$	\$
Trade accounts receivable	1,842,632	1,445,120
Less: provision for doubtful debts	(24,560)	(45,000)
	<u>1,818,072</u>	<u>1,400,120</u>
Deposits	8,852	9,052
Staff advances	6,015	8,681
VAT receivable	475	41,894
	<u>1,833,414</u>	<u>1,459,747</u>
<i>Provision for doubtful debts</i>		
Opening balance	45,000	13,403
Movement during the year	(20,440)	31,597
	<u>24,560</u>	<u>45,000</u>

9. INVENTORIES

Consumables and spares	<u>266,964</u>	<u>190,995</u>
------------------------	----------------	----------------

**NATIONAL FIRE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

10. PROPERTY PLANT AND EQUIPMENTS

	Land and buildings	Fire engines	Motor vehicles	Radio equipment	Fire fighting equipment	Office equipment	Furniture & fittings	Computer equipment	Station requirements	Rescue equipment	Other assets	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Cost</i>												
Balance at 1 January 2013	5,159,866	4,212,035	485,763	546,908	1,740,443	91,028	156,065	250,882	143,055	149,428	707,783	13,643,256
Acquisitions	56,098	1,519,211	-	130,302	207,360	1,733	8,596	78,517	16,625	-	469,937	2,488,379
Disposals	(45,405)	(233,637)	-	(1,412)	(37,893)	(922)	(1,422)	(13,661)	(7,086)	-	(23,478)	(364,916)
Balance at 31 December 2013	5,170,559	5,497,609	485,763	675,798	1,909,910	91,839	163,239	315,738	152,594	149,428	1,154,242	15,766,719
<i>Accumulated depreciation</i>												
Balance at 1 January 2013	3,258,763	2,624,026	350,039	444,876	1,009,668	79,179	137,371	169,585	68,592	69,732	233,917	8,445,748
Depreciation charge for the year	287,465	171,813	35,108	32,812	146,259	4,152	7,095	37,054	21,336	14,992	55,234	813,320
Disposals	(176,964)	(176,964)	-	(928)	(11,737)	(922)	(1,403)	(11,737)	(4,514)	(3,652)	(3,652)	(200,120)
Balance at 31 December 2013	3,546,228	2,618,875	385,147	476,760	1,144,190	82,409	143,063	206,639	85,414	84,724	285,499	9,058,948
<i>Carrying amount</i>												
At 1 January 2013	1,901,103	1,588,009	135,724	102,032	730,775	11,849	18,694	81,297	74,463	79,696	473,866	5,197,508
At 31 December 2013	1,624,331	2,878,734	100,616	199,038	765,720	9,430	20,176	109,099	67,180	64,704	868,743	6,707,771

The carrying amount of property, plant and equipment has been adopted as the deemed cost. The asset revaluation reserve arising from the revaluation of land and buildings in 2002 has been transferred to retained earnings upon transition to IFRS.

NATIONAL FIRE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

11. TRADE AND OTHER PAYABLE	2013	Restated 2012
	\$	\$
Trade accounts payable and accrued liabilities	<u>533,967</u>	<u>994,256</u>
12. EMPLOYEE ENTITLEMENT		
Annual leave		
Opening Balance	88,805	68,043
Movement during the year	<u>934</u>	<u>20,762</u>
Represented by Current	<u>89,739</u>	<u>88,805</u>
Long service leave		
Opening Balance	166,038	117,023
Movement During the Year	<u>(16,014)</u>	<u>49,015</u>
Represented by: Non-Current	<u>150,024</u>	<u>166,038</u>
13. DEFERRED REVENUE		
Opening Balance	1,217,222	130,395
Add: grant received from Fiji Government	1,169,565	1,139,534
Less: provision for amortisation	<u>(128,457)</u>	<u>(52,707)</u>
Closing Balance – 31 December	<u>2,258,330</u>	<u>1,217,222</u>
14. COMMITMENTS		
Capital expenditure - Approved by the board and committed	<u>2,885,990</u>	<u>4,863,650</u>
Operating lease commitments payable are as follows:		
Not later than one year	<u>12,269</u>	<u>19,046</u>

The Authority is committed to minimum annual land lease rentals of \$2,160 on various leases.

15. CONTINGENT LIABILITIES

Contingent liabilities as at balance date was \$Nil (2012: \$Nil).

NATIONAL FIRE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

16. RELATED PARTIES

Identity of related parties

The Authority is wholly owned by the Government of the Republic of Fiji. The Authority undertook various transactions with Government owned entities on normal trading terms and conditions.

Directors and executive officers

The directors of the Authority in office at any time during the year were:

Member	Appointed	Term Expired	Resigned
John Low	17/05/2007		01/01/2013
Peter McPherson	31/12/2007	31/12/2015	
Satish Badal	17/05/2007		01/01/2013
Jone Mika	17/05/2007		01/01/2013
Hiagi Foraete	01/04/2012	31/12/2015	
Commander Francis Kean	01/01/2013	31/12/2015	
Waka Vosailagi	16/01/2013	31/12/2015	
Lesimemata Maravuakula	01/01/2013	31/12/2015	
Chandu Umaria	01/01/2013	31/12/2015	

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that Authority.

During the year the following persons were the executives identified as key management personnel, with the greatest authority and responsibility for the planning, directing and controlling the activities of the Authority:

<i>Name</i>	<i>Current title</i>
John O'Connor	Chief Executive Officer
Qionilau Moceitai	Chief Fire Officer
Mileta Seniroqa	Manager Human Resource and Corporate Affairs
Peleki Leweniqila	Divisional Fire Officer – North
Timoci Nakaruru	Acting Divisional Fire Officer – Central Eastern
Raj Durgeshwaran Pillay	Divisional Fire Officer – West / Acting Deputy Chief Fire Officer
Gopal Reddy	Acting Divisional Fire Officer – West

NATIONAL FIRE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

16. RELATED PARTIES (CONTINUED)

Key management personnel compensation

The aggregate compensation of the key management personnel comprises only short-term benefits and is set out below:

	2013	Restated 2012
	\$	\$
Short term benefits	49,699	41,615

All transactions with related parties are made on normal commercial terms and conditions.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Authority's activities expose it to a variety of financial risks: market risk and credit risk.

Risk management is carried out by management of the Authority. The Authority's members provide direction for overall risk management covering specific areas, such as mitigating market risk and credit risk.

Risk is inherent in the Authority's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Authority's continuing profitability and each individual within the Authority is accountable for the risk exposure relating to his or her responsibilities. The Authority is exposed to credit risk and market risks.

The independent risk control process does not include business risks such as changes in the environment, technology and industry. They are monitored through the Authority's strategic planning process.

Risk management structure

The Board of Directors is ultimately responsible for identifying and controlling risks. The Directors have set up sub committees to be responsible for managing and monitoring specific risks such as audit, finance, human resource and credit.

Board of Directors

The Board of Directors is responsible for the overall risk management approach and for approving the risk strategies and principles.

NATIONAL FIRE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

(a) Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Authority's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i). Political climate

The Authority operates in Fiji and changes to governments and the policies they implement affect economic situation and ultimately the revenues of the Authority. To address this, the Authority will review its pricing regularly and responds to change in policies appropriately.

(ii) Interest rate risk

At the reporting date the Authority did not have any interest-bearing financial instruments.

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

Credit risk is managed by management with board oversight. Credit risk arises from cash and cash equivalents as well as credit exposure to outstanding receivables. The Authority monitors receivables balances on an ongoing basis with the result that the Authority's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Authority. On time payments from customers are monitored on a daily basis.

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure to credit risk at the reporting date was:

	Note	Carrying amounts 2013	Restated 2012
		\$	\$
Cash and cash equivalents		4,500,952	3,902,155
Trade and other receivables		1,833,414	1,459,747
		<u>6,334,366</u>	<u>5,361,902</u>

Trade receivables

The table below summarises the ageing of trade receivables as at 31 December based on contractual undiscounted payments:

	0 – 30 days (\$)	30 – 60 days (\$)	60 – 90 days (\$)	> 90 days (\$)
31 December 2013				
Trade receivables	90,482	7,502	21,053	171,460
31 December 2012				
Trade receivables	48,154	38,237	16,763	315,825

Refer to note 8 for movement in the allowance for impairment in respect of trade receivables.

NATIONAL FIRE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

19. PRINCIPAL ACTIVITIES

The principal activities of the Authority during the course of the financial year were to coordinate the Emergency Management Service activities for the purpose of fire protection and managing other emergencies and establish courses of training to members of the fire service.

The Authority operates predominantly from their head office at Argo Street, Walu Bay. However, there are operational centres at Nausori, Valelevu, Pacific Harbour, Navua, Sigatoka, Nadi, Denarau, Lautoka, Ba, Tavua, Rakiraki, Labasa, Savusavu, Taveuni, and Levuka.

20. AUTHORITY DETAILS

Authority incorporation

The Authority was incorporated in Fiji under the National Fire Service Act, 1994.

Registered office

The registered office of the Authority is located at:

Argo Street
Walu Bay
P O Box 207
SUVA

NATIONAL FIRE AUTHORITY DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

	Year-to-date 2013	Year-to-date Restated 2012
Income		
Amortisation of deferred revenue	128,457	52,707
Commission	14,077	14,462
Commercial training	234,937	267,099
Fire levy contributions	9,200,239	8,008,966
Government grants	347,826	-
Miscellaneous	30,118	8,104
Private fire alarm rental, attendance & connection fees	205,323	186,559
Rental income – Vodafone	12,000	12,000
Special services	7,328	27,914
Structural fire safety	1,081,523	815,011
TPAF Grant	66,376	44,944
Gain on sale of fixed assets	-	24,572
Interest	51,462	7,837
Gain from sale of ASE's	38,761	21,198
Water levy contributions	337,284	53,384
Total income	11,755,711	9,544,757
Less: Operating and Administration Expenses		
Accounting fees	-	9,869
Audit fees	7,600	15,104
Advertising	51,787	15,586
Bank charges	9,474	10,129
Board expenses	36,201	37,535
Commission	(4,404)	4,404
Communication	103,738	116,868
Community awareness	10,162	11,106
Depreciation	813,320	915,700
Doubtful debt	(20,440)	31,597
Electricity	63,734	86,171
Entertainment	410	1,066
Fire fighting expenses	25,479	18,179
Fire station expenses	70,882	49,773
FNPF	497,926	502,094
Gratuity payment	-	37,416
Insurance	253,140	217,665
Legal expenses	10,923	11,344

NATIONAL FIRE AUTHORITY
DETAILED INCOME STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

	Year-to-date 2013	Year-to-date Restated 2012
Loss on sale of fixed assets	31,312	-
Meeting expenses	1,918	993
Miscellaneous expenses	2,162	4,650
Motor vehicle - fuel	208,092	257,345
- Insurance	39,968	28,769
- Repairs	407,102	294,498
Natural Disaster	1,648	11,071
Office expenses	5,796	5,424
Postage and freight	3,656	4,464
Premises rental and rates	81,068	99,754
Printing and stationery	65,767	46,925
Professional fees	70,726	53,647
Repairs and maintenance -- others	78,915	48,647
Repeater Rental	6,900	35,525
Salaries and wages	4,892,621	5,217,990
Staff amenities	1,714	2,304
Staff training and recruitment expense	244,128	199,572
Subscriptions and donations	13,966	16,217
Subsistence allowances	70,713	26,550
Travel and accommodation	65,681	21,633
TPAF levy	55,992	45,111
Uniform	72,085	58,034
Volunteer brigade	293,828	222,198
Water	6,277	12,032
Total operating and administration expenses	8,651,967	8,804,959
Net surplus for the year	3,103,744	739,798

National Fire Authority Organization Structure 2013

