

# **SIGATOKA TOWN COUNCIL**

## Annual Report for the Year 2014

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*Sigatoka River Valley*



# SIGATOKA TOWN COUNCIL



We envision Sigatoka Town as place where the Town Government generates relatively high quality of life for residents. Through sound and progressive policies for services and amenities. Where freedom and tolerance breed peace and harmony permitting industry and commerce to prosper for the benefit of all.



Our mission is to promote the health, welfare and convenience of the inhabitants of the Sigatoka Town Council area and to preserve its amenities and credit.



## Our Objectives

To fulfill out statutory responsibilities in the area of health, Town planning, traffic and entertainment of Sigatoka residents.

To provide adequate peace for the future expansion and the developments needs of the town.

To maintain and add to the existing facilities and services that meets the community needs and where possible exceeds present service.

To reduce congestion and overcrowded in town.

To provide adequate financial resources to meet the towns expenditure and ensure secure custody a proper accounting and reporting on the use of town's resources and assets.

To manage human resources employed in the delivery of municipal goods and services to the Sigatoka Community.



small town. BIG 

TAUNI HEWA, YALO VINA  
CHOTA SHAHAR, BADA DIL







**SIGATOKA TOWN COUNCIL**

**Annual Report AND  
Financial Statements  
2014**





## SIGATOKA TOWN COUNCIL

### ANNUAL REPORT FOR THE YEAR ENDED 2014

#### 1.0 Appointment of Special Administrator

Mr. Jay Whyte was appointed by the Government as the Special Administrator as in line with the amended Local Government Act, Cap. 125 from 11<sup>th</sup> June, 2013 till October, 2014.

#### 1.1 Meetings of The Council

Annual Council	-	-
Ordinary Council	-	12
Special Council	-	-
Emergency Council	-	-
Finance, Library & IT Committee	-	12
Market Committee	-	12
Traffic Committee	-	12
Prosecution Committee	-	12
Works, Parks & Gardens Committee	-	12
Health, Building & 3R Projects Committee	-	12
Staff & Tender Committee	-	12
Management Committee	-	12
Emergency	-	-
<b>Total Number of Meetings</b>		<b>108</b> =====

#### 1.2 Staff Details

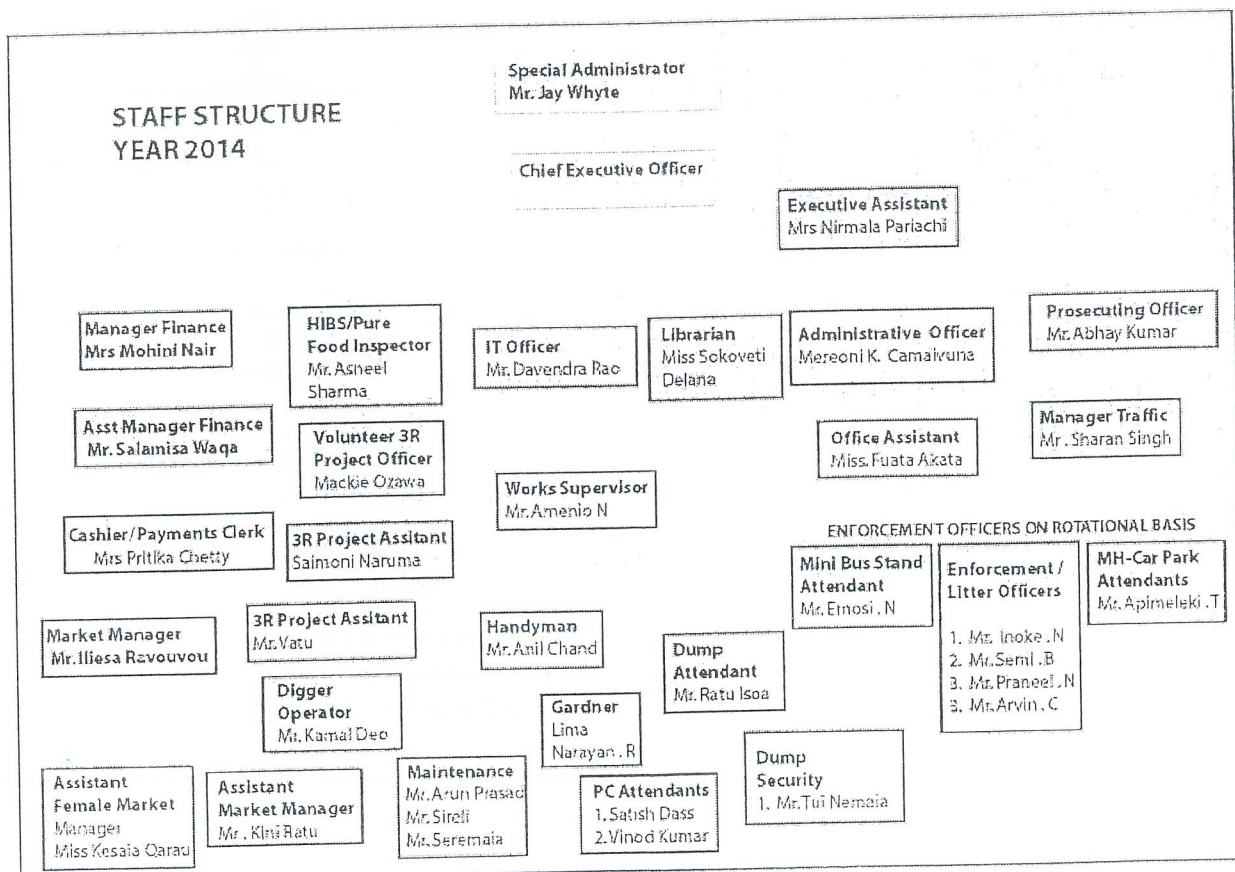
##### Established Staffs

<u>No.</u>	<u>Name</u>	<u>Position</u>
1.	Mr. Tulsi Ram	Chief Executive Officer [October, 2014]
2.	Mereoni Camaivuna	Operations Assistant 1
3.	Nirmala Pariachi	Operations Assistant II
4.	Salamisa Waqa	Debtors Clerk
5.	Mohini Nair	Senior Accounts Clerk
6.	Sharan Dip Singh	Parking Meter Attendant
7.	Abhay Kumar	Prosecutor
8.	Pritika Chetty	Cashier
9.	Sokoveti Delana	Librarian
10.	Kini Ratu	Market Assistant
11.	Iliesa Ravouvou	Market Master
12.	Kesaia Qarau	Asst. Market Master
13.	Fuata Pau'u	Office Assistant
14.	Emosi Nayabe	Parking Meter Attendant

**Un-established Staffs**

No.	Name	Position
1.	Ahmed Ali	Dump Attendant
2.	Anil Chand	Handyman
3.	Apimeleki	Labourer
4.	Chandraiya	Labourer
5.	Narayan Reddy	Gardener
6.	Sireli Naoba	Assistant. Gardener
7.	Limanivai	Assistant Gardener
8.	Kamal Chand	Digger Driver
9.	Ratu Isoa	Dump Attendant
10.	Arun Prasad	Carpenter
11.	Kemenieli Vatu	3R Assistant
12.	Seremaia N	Labourer
13.	Nemaia Tui	"
14.	Simione Vua	"

## 1.3



#### 1.4 Council's Service Delivery

Our Council provides a wide range of services to our ratepayers and the inhabitants of town. Services provided to them include:

1. Solid Waste Collection and Disposal Management
2. Public Areas Upkeep & Upgrade
3. Market Services
4. Street Light Services, Maintenance of Roads/Footpaths/Drains/Parks
5. Health and Building Inspections
6. Finance Management
7. General Administration of the Town
8. Parking Meter Services/Maintenance

#### 1.5 Solicitors for the Council

The Council engaged three [3 Law Firms during the year namely:

1. M/s Pillai, Naidu & Associates
2. M/S Samusamuvodre, Sharma & Associates
3. M/S West Law, Sigatoka

#### 1.6 Auditors for the Council

As per Section 50 of the Local Government Act, Cap 125, Auditor-General has been the Auditor for the Council.

#### 1.7 Visiting Dignatories

A list of Visitors who made courtesy visits to the Council Office during the ensuing year 2014 are as per the table down below:

No.	Name	Organisation
1.	Mr. Ross Jackett	New Zealand
2.	Mr. Ben Groenewald	Suva
3.	IP [PSO/CP] Mesake J. Sovasova	Suva
4.	ASP Samisoni Naqica [OC Sigatoka]	Sigatoka Police Station



2.0 **HEALTH & BUILDING REPORT – 2014**2.1 **Health Summary**

	Licence Type	Total Number
1.	Catering Premises	23
2.	Catering Premises (School)	4
3.	Mobile or Temporary Small Scale Catering	16
4.	Bake House	4
5.	Butcher Shop	5
6.	Retail and Catering (e.g. Retailer with fast food counter)	22

Total Number of Insanitary Condition Notice Served:	-	11
Total Number Statutory Notice Served:	-	Nil
Total No. of Condemnation Certificate Issued:	-	Nil
Total no. of House to House inspection	-	190

The house to house was conducted at the 3 wards of the Sigatoka Town similar to year 2013. In year 2014 mosquito spraying was done within the town boundary to ensure that town is free from Dengue Fever. The quarterly clean-up campaigns were conducted within the town boundary to allow the ratepayers and business houses to live in healthy environment. The ratepayers and business houses were to take advantage to clean and clear the overgrowth of grasses, white goods and discarded all items which can hold the water for the mosquitoes breeding.

2.2 **Building / Development Permit Summary Report****Number of Inspection Certificate Issued**

- Total Certificate of Inspection: - 1

**Building Development Permit Summary Report**

Item	Types of Building	Number	Value	Approval	Rejected	Remarks
1	Residential	1	\$ 75.00	-	-	-
2	Commercial	19	\$1,545,850.00	-	-	-
3	Civic	1	\$ 4,000.00	-	-	-
4	Industrial	-	-	-	-	-
5	Others	2	-	-	-	-

In the year 2014 there was a total of 23 building applications which were from Commercial, Residential and Civic development applications. Commercial was noted to have the higher number of applications which totaled up to the value of \$1,545,850.00. It was also noted that also at this year there were no subdivision and rezoning application received by the council.

**2.3 Environment Report**

The faith base group were supported the council to conduct clean campaign with in the town boundary. That the same time council tend to create awareness on the litter to the general public by means of the school kids.

That the council were engaged the night security at the dump site to ensure that no one can put open fire in the land –fill. Council was very concerned about the villagers and settlements close to the dump –site. Most of the earth drain was up-graded in town to ensure that all drains shall have proper openings to allow proper flow of rain water. It was done through de-silting.

**2.4 Illegal Dumping of Waste**

That the illegal dumping of wastes along the road sides were monitored by the Health Department.

**2.5 Contractual Works**

That the contractual works were carried out satisfactory.

**2.6 ENGINEERING / WORKS REPORT**

Basically small maintenance and beautification works were carried out by the Council's un-established staffs. Other major works were contracted out.

**2.7 Service Delivery:**

Works carried out are as follows: Grass cutting at the Koromumu Cemetery, Streetlight maintenance, Footpath maintenance, Public Convenience maintenance, road markings / road signs maintenance and market maintenance, Installing of new street lights at town end.

Rubbish collection outside town boundaries.

Installation of New Rubbish Bins

**2.8 Beautification Projects:**

General beautification works were carried out around town in all the wards; Vunasalu Ward, Lawaqa Ward and Laselase Ward. These works are planting of new flowers, painting of flower beds, trimming and pruning of hedges, and clearing of tree branches after TC Evans.

**2.9 Capital Projects:**

Listed here are some capital projects for the year; market upgrade (funded project), civic building interior upgrade.

**2.10 General Contractual Works**

Works that were contracted out are; Grass cutting, Drain Cleaning, Street Sweeping, tree pruning and Street light maintenance.

**3.0 Annual Accounts Audit - 2014****Rates**

No. of Ratepayers	Amount Charged per year (in a dollar on U.C Value)	Collection per year
2014	General Rate – 0.86c	\$124,459
248	Special Loan Rate – 1.25c	\$194,425
	Local Rate – 3.75c	\$ 28,616

Sigatoka Town Council had 248 rate payers in year 2014. It provides services such as Garbage Collection, Town sweeping, street cleaning, streetlight repairs and road maintenance to the ratepayers.

(Note: 41 properties were un-alienated for STC in year 2014).

**3.1 Reason Rates Charged by STC.**

1. General Rates – Council provides services such as Garbage collection, streetlight and road maintenance.
2. Special Loan Rates - is to service Loan repayments for the borrowings pre year 2000 by the Council.

**3.2 Business Licence**

Year	No. of Business License Holders	Amount Collected
2014	590	\$113,849

**3.3 Council Properties Management**

Sigatoka Town Council doesn't have a Property Manager but instead all the properties are managed by the Council in house and the day to day operations is the responsibility of the Finance Department. Council has **6 Tenants** which has occupied space in the Market area.

**3.4 Auditor General Opinion**


Sigatoka Town Council was provided the Audit Opinion – **Qualified Audit Opinion** in year 2014.



**3.5 Appreciation**

The Council wishes to record its appreciation to the ratepayers and citizens of the town for their co-operation.

The Council also acknowledges the dedicated services rendered by the Staffs and Employees and the support and co-operation of the Ministry of Local Government, Housing and Environment.



Tulsi Ram  
CHIEF EXECUTIVE OFFICER

# OFFICE OF THE AUDITOR GENERAL

*Excellence in Public Sector Auditing*



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



Telephone: (679) 330 9032  
Fax: (679) 330 3812  
Email: [info@auditorgeneral.gov.fj](mailto:info@auditorgeneral.gov.fj)  
Website: <http://www.oag.gov.fj>



File: 970/1

20 October 2015

The Chief Executive Officer  
Sigatoka Town Council  
P. O Box 118  
**SIGATOKA**

Dear Sir

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SIGATOKA TOWN COUNCIL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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Audited financial statements for Sigatoka Town Council for the year ended 31 December 2014 together with my audit report on them are enclosed.

Particulars of the errors and omissions arising from the audit have been forwarded to the management of Sigatoka Town Council for their actions.

Yours sincerely

Atunaisa Nadakuitavuki  
for AUDITOR GENERAL

Encl.

SIGATOKA TOWN COUNCIL  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

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# OFFICE OF THE AUDITOR GENERAL

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Suva, Fiji



Telephone: (679) 330 9032  
Fax: (679) 330 3812  
Email: [info@auditorgeneral.gov.fj](mailto:info@auditorgeneral.gov.fj)  
Website: <http://www.oag.gov.fj>



## INDEPENDENT AUDIT REPORT

### **SIGATOKA TOWN COUNCIL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

I have audited the accompanying financial statements of Sigatoka Town Council, which comprise the statement of financial position as at 31 December 2014, the statement of income and expenditure, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information as set out on Notes 1 to 18.

#### ***Management's Responsibility for the Financial Statements***

The Special Administrator and management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of Section 57(2) of the Local Government Act. These responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

#### ***Auditor's Responsibility***

My responsibility is to express an opinion on these financial statements based on my audit. I have conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Audit Opinion

In my opinion, the financial statements presents fairly in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the statutory provisions, in all material respects, the financial position of Sigatoka Town Council as at 31 December 2014, and its financial performance and its cash flows for the year then ended.



Atunaisa Nadakuitavuki  
for AUDITOR GENERAL



Suva, Fiji  
20 October 2015

**SIGATOKA TOWN COUNCIL  
GENERAL FUND ACCOUNT  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014**

Page 4

		Re-stated	
	Notes	2014	2013
<b>CURRENT ASSETS</b>			
Cash on hand		\$ 200	200
Cash at bank	3(a)	579,623	152,610
Term deposits	3(b)	61,080	60,000
Debtors	4	109,243	469,504
Sundry advances	5	11,285	10,506
Prepayments and electricity deposits	6	10,753	10,197
Inventory		15,648	-
VAT receivable		-	40,824
<b>TOTAL CURRENT ASSETS</b>		<b>787,832</b>	<b>743,841</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	1,740,240	1,287,243
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,740,240</b>	<b>1,287,243</b>
<b>TOTAL ASSETS</b>		<b>2,528,072</b>	<b>2,031,084</b>
<b>EQUITY AND LIABILITIES</b>			
Accumulated funds / (losses)	8	281,404	255,790
<b>CURRENT LIABILITIES</b>			
VAT payable		34,053	-
Employee entitlement		19,668	19,633
Income received in advance	13	56,030	58,083
Creditors and other accruals		359,532	206,640
Loan funds	9	156,000	156,000
Sundry deposits	10	59,317	57,817
Lease liability	11	15,258	15,258
Deferred income	12	9,191	9,191
<b>TOTAL CURRENT LIABILITIES</b>		<b>709,049</b>	<b>522,622</b>
<b>NON-CURRENT LIABILITIES</b>			
Loan funds	9	1,108,097	1,146,550
Lease liability	11	22,878	38,136
Deferred income	12	406,644	67,986
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,537,619</b>	<b>1,252,672</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>\$ 2,528,072</b>	<b>2,031,084</b>

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 13 to 22.

**COUNCIL'S STATEMENT**

In our opinion, the financial statement have been properly drawn up so as to show a true and fair view of the Sigatoka Town Council's operations for the year ended 31 December 2014 and of the state of affairs and cash flows as at that date.

Chief Executive Officer

Tulsi Ram

Date: 12/10/2015

Manager Finance

Mrs. Mohini Nair

Date: 12/10/15



SIGATOKA TOWN COUNCIL  
GENERAL FUND ACCOUNT  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2014

Page 5

	Notes	2014	2013
The income for the year was derived from:			
General rates		\$ 130,705	119,433
General rates on state land		2,577	2,577
Local rates		28,616	28,616
Interest on overdue rates		14,939	16,536
Fees and charges			
Interest earned		1,350	1,000
Advertisement		1,878	3,131
Business licence		113,849	113,029
Building fees		3,662	16,320
Bus stand charges		13,245	11,375
Commercial vehicle		8,532	8,424
Taxi		55,101	55,951
Cemetery		2,276	2,219
Garbage		128,832	125,277
Illegal parking fines		4,743	4,005
Interest others		6,570	5,659
Library		2,492	1,076
Legal action		-	546
Market fees		240,881	246,224
Miscellaneous		36,561	19,935
Rental properties		64,205	64,322
Grant UN women		-	8,696
Car parking contribution		435	2,790
Car parking fees (MH / Market)		32,621	41,832
Loading & unloading zone		7,827	8,456
Mini van		15,534	15,799
Amortisation of deferred income	12	9,191	9,191
Monetary contribution		1,956	3,044
Special Traffic Operation		1,071	3,167
5% gate takings - Sports Council		11,394	1,558
FSC grass cutting		882	4,556
Revenue - Others (new taxis, carrier, minivan, garbage)		19,906	53,024
Jack's Retail Limited - income realised		4,710	4,256
3R project		309	2,105
Mooring fees		822	-
Tipping fees - outsiders		20,220	-
Wheel barrow		508	-
Donation - Fijian Resort		30,000	-
Total income		\$ 1,018,400	1,004,129

SIGATOKA TOWN COUNCIL  
GENERAL FUND ACCOUNT  
STATEMENT OF COMPREHENSIVE INCOME [CONT'D]  
FOR THE YEAR ENDED 31 DECEMBER 2014

Page 6

	Notes	2014	Re-stated 2013
The expenditure for the year was incurred on			
<b>Re-current</b>			
Audit fees		\$ 9,000	9,000
Uniforms		15,203	5,451
Depreciation		75,294	69,306
Doubtful debts		7,172	8,972
Garbage service		45,300	39,619
Legal expenses		6,559	2,892
Mayoral, Councillors allowance & civic reception		4,824	6,846
Office expenses		5,140	3,820
Printing, stationery & advertising		26,528	22,201
Salaries & related payments		480,303	440,806
Telecom/fax/internet/courier		15,614	17,120
Travelling expenses		10,154	16,868
3R project		4,186	4,269
Electricity		32,855	39,387
NPTC levy		2,484	2,740
Insurance		11,850	8,747
Market		19,760	24,915
Miscellaneous		28,727	6,546
Public convenience		6,379	8,907
Roads, drains, paths & verges		67,090	178,616
Water		14,549	8,553
<b>Total re-current expenditure</b>		<b>888,971</b>	<b>925,581</b>
<b>Capital expenditure</b>			
Footpath, road marking/patching		-	1,815
General maintenance		44,709	5,801
Koromumu cemetery		-	517
Valuation fees		5,450	1,500
Loss on disposal / written off		-	319
Nayawa drains upgrade		-	17,438
Maintenance of mini bus stand		-	4,603
River bank upgrade		-	3,768
Maintenance of office furniture / equipment		2,888	2,402
Children's park		21,645	-
Rubbish dump / digger maintenance		29,444	51,746
Flood		-	136
Streetlights		-	58,766
Upgrade administration building		8,777	3,823
Beautification of town		8,650	8,426
UN women grant		-	4,347
FRA - road upgrade		-	73,609
Capital projects		27,155	7,612
Loss on sale of rubbish bins		10,649	-
<b>Total capital expenditure</b>		<b>\$ 159,367</b>	<b>246,628</b>

SIGATOKA TOWN COUNCIL  
GENERAL FUND ACCOUNT  
STATEMENT OF COMPREHENSIVE INCOME [CONT'D]  
FOR THE YEAR ENDED 31 DECEMBER 2014

Page 7

	<u>Notes</u>	<u>2014</u>	<u>Re-stated 2013</u>
<b>Financial expenses</b>			
Bank charges & interest	\$	3,163	4,087
Discount allowed		25,905	15,642
<b>Total financial expenditure</b>		<u>29,068</u>	<u>19,729</u>
<b>Total expenditure</b>		<u>1,077,406</u>	<u>1,191,938</u>
<b>Net (deficit) / surplus for the year</b>		(59,006)	(187,809)
<b>Deficit balance at 1 January</b>		<u>(648,785)</u>	<u>(460,976)</u>
<b>Net deficit balance as at 31 December</b>	\$	<u>(707,791)</u>	<u>(648,785)</u>

SIGATOKA TOWN COUNCIL  
SPECIAL LOAN FUND ACCOUNT  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2014

Page 8

	Notes	2014	2013
The income for the year was derived from			
Special loan rate	\$	184,821	179,594
Special loan rate on Stateland		10,894	10,894
Total income		195,715	190,488
The expenditure for the year was incurred on			
Interest - BSP Life (Fiji) Limited		117,547	137,752
Total expenditure		117,547	137,752
Net surplus for the year		78,168	52,736
Deficit balance at 1 January		(141,879)	(194,615)
Net deficit balance as at 31 December	\$	(63,711)	(141,879)



SIGATOKA TOWN COUNCIL  
PARKING METER FUND ACCOUNT  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014

Page 9

	Notes	2014	2013
<b>CURRENT ASSETS</b>			
Funds for parking meter		\$ 6,452	17,553
<b>TOTAL CURRENT ASSETS</b>		<b>6,452</b>	<b>17,553</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	10,608	12,957
<b>TOTAL NON-CURRENT ASSETS</b>		<b>10,608</b>	<b>12,957</b>
<b>TOTAL ASSETS</b>		<b>17,060</b>	<b>30,510</b>
<b>CURRENT LIABILITIES</b>			
Employee entitlement		795	1,108
Creditors and accruals		177	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>972</b>	<b>1,108</b>
<b>TOTAL LIABILITIES</b>		<b>972</b>	<b>1,108</b>
<b>NET ASSETS</b>		<b>16,088</b>	<b>29,402</b>
<b>ACCUMULATED FUNDS</b>		<b>\$ 16,088</b>	<b>29,402</b>

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 13 to 22.

**COUNCIL'S STATEMENT**

In our opinion, the financial statements have been properly drawn up so as to show a true and fair view of the Sigatoka Town Council's operations for the year ended 31 December 2014 and of the state of affairs and cash flows as at that date.



Chief Executive Officer

Tulsi Ram

Date: 12/10/2015



Manager Finance

Mrs. Mohini Nair

Date: 12/10/15

**SIGATOKA TOWN COUNCIL  
PARKING METER FUND ACCOUNT  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2014**

Page 10

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
<b>The income for the year was derived from</b>			
Infringement fines	\$	6,872	6,138
Parking meter tolls		38,596	42,749
Miscellaneous		16	-
Parking permit		3,416	3,433
<b>Total income</b>		<b>48,900</b>	<b>52,320</b>
<b>The expenditure for the year was incurred from</b>			
Office rental		-	90
Bank charges		238	308
Road, footpath marking / patching		3,365	13,444
Depreciation		2,349	2,349
Printing & stationery		848	787
Training levy		415	206
Salaries & related payments		48,429	46,481
Parking meter verification		2,800	5,200
Parking meters maintenance		1,297	3,158
Office expenses		-	288
Travelling cost		-	1,523
Electricity		2,473	2,965
<b>Total expenditure</b>		<b>62,214</b>	<b>76,799</b>
<b>Net deficit for the year</b>		<b>(13,314)</b>	<b>(24,479)</b>
<b>Net surplus balance as at 1 January</b>		<b>29,402</b>	<b>53,881</b>
<b>Net surplus balance as at 31 December</b>	<b>\$</b>	<b>16,088</b>	<b>29,402</b>

**SIGATOKA TOWN COUNCIL  
GENERAL FUND ACCOUNT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

Page 11

	Notes	2014 Inflows/ (Outflows)	2013 Inflows/ (Outflows)
<b>Cash flows from operating activities</b>			
Cash was provided from:			
Rates and other revenue		\$ 1,537,580	1,017,484
Interest		8,502	6,659
		<u>1,546,082</u>	<u>1,024,143</u>
Cash was applied to:			
Payments to suppliers and employees		(766,289)	(857,777)
		<u>779,793</u>	<u>166,366</u>
Net cash flows provided by operating activities			
<b>Cash flows from investing activities</b>			
Cash was applied to:			
Payments for plant and equipment		(35,534)	(18,604)
Payment for capital purchases		(492,757)	(617,232)
		<u>(528,291)</u>	<u>(635,836)</u>
Net cash flows used in investing activities			
<b>Cash flows from financing activities</b>			
Cash was provided from:			
Loan rate		-	190,488
Government grant		347,849	
Cash was applied to:			
Lease liability		(15,258)	(15,258)
Loan repayments		(38,453)	(18,248)
Interest on loan		(117,547)	(137,752)
		<u>176,591</u>	<u>19,230</u>
Net cash flows provided by financing activities			
		<u>428,093</u>	<u>(450,240)</u>
Net increase / (decrease) in cash held			
		<u>212,810</u>	<u>663,050</u>
Cash at the beginning of the year			
Cash at the end of the year (inclusive of term deposit)	18(a)(ii)	\$ <u>640,903</u>	<u>212,810</u>



**PARKING METER FUND ACCOUNT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	<u>Notes</u>	<u>2014 Inflows/ (Outflows)</u>	<u>2013 Inflows/ (Outflows)</u>
<b>Cash flows from operating activities</b>			
Cash was provided from:			
Rates and other revenue	\$	48,900	52,320
		48,900	52,320
Cash was applied to:			
Payments to suppliers and employees		60,001	74,290
Net cash flows used in operating activities		(11,101)	(21,970)
Net decrease in cash held		(11,101)	(21,970)
Cash at the beginning of the year		17,553	39,523
Cash at the end of the year	18(b)(ii)	<u>6,452</u>	<u>17,553</u>

**NOTE 1. BASIS OF PREPARATION**

**(a) Basis of preparation**

The financial statements for Sigatoka Town Council until 31 December 2013 were prepared in accordance with Fiji Accounting Standards (FAS). The transition to International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) is accounted for in accordance with Section 35 'Transition to the IFRS for SMEs' with 1 January 2013 being the date of transition.

There were no adjustments on the opening statement of financial position as at 1 January 2013 and the amounts reported previously. The financial statements prepared in accordance with previous Fiji Accounting Standards generally complies with IFRS for SMEs requirements. Refer note 8.

In the application of IFRS for SMEs, the management is required to make judgments, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accrual basis of accounting is adopted for all financial transactions.

**(b) Statement of compliance**

The financial statements of Sigatoka Town Council (the Council) has been prepared in accordance with IFRS for SMEs.

**(c) Application of International Financial Reporting Standard for Small and Medium-sized Entities**

This is the first set of financial statements prepared by Sigatoka Town Council in accordance with the IFRS for SMEs issued by the International Accounting Standards Board. The principal accounting policies adopted by Sigatoka Town Council are stated to assist in a general understanding of these financial statements. The accounting policies adopted are consistent with those of the previous year except as stated otherwise.

All amounts are stated in Fijian currency.

**(d) Comparatives**

Where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current period amounts.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

**(a) Revenue**

Revenue is recognised in the Statement of Comprehensive Income when charged to the ratepayers by the Council. The major sources of revenue are collections in the form of general rates, loan rates and rental income from the Council's properties.

**(b) Income tax**

Under Section 17(4) of the Income Tax Act, the Council is exempt from tax on its income.

**(c) Property, Plant and Equipment**

**Acquisition**

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of overheads.

**Depreciation**

Depreciation has been provided using straight line method so as to write off the assets over estimated useful lives.

The principal rates adopted are:

Computers	33%
Furniture & fittings	7%
Motors vehicle	20%
Office equipment	7%
Plant & machinery	7%
Land & building	2.5%

**(d) Employee entitlements**

Contributions are paid to the Fiji National Provident Fund on behalf of employees to secure retirement benefits and the cost are included in the Statement of Comprehensive Income.

**(e) Trade and other receivables**

Trade and other receivables are stated at their cost less impairment losses.

**(f) Impairment**

The carrying amount of the Council's assets are 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 each balance date. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. All impairments losses are recognised in the Statement of Comprehensive Income.

**(g) Trade and other payables**

Trade and other payables are stated at their cost.



**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(h) Deferred income**

Grants relating to assets are included as deferred income and are credited to the Statement of Comprehensive Income on a straight line basis over expected useful lives of the related assets.

**NOTE 3. CASH AT BANK**

		2014	2013
a) BSP Bank	- General Fund	\$ (46,199)	(523,047)
	- Capital Fund	600,067	689,528
	- Nayawa Project Account	3,622	3,682
	- Grants & Donation Account	28,585	-
		<u>586,075</u>	<u>170,163</u>

Disclosed as:

Cash at bank - General Fund Account	579,623	152,610
Cash at bank - Parking Meter Account	6,452	17,553
	<u>586,075</u>	<u>170,163</u>

**b) Investments**

Term deposit	61,080	60,000
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**NOTE 4. DEBTORS**

Rates	70,013	46,910
Bus stand	237	412
Business licence	1,208	2,062
Commercial vehicle	1,047	1,185
Garbage fees	28,979	27,299
Rental properties	158	2,409
Taxi base	2,438	2,307
Fiji Sugar Corporation	1,014	254
Mini van	2,469	4,920
WAF / education / labour	7,172	7,172
Taxi, carrier, minivan others	1,654	8,892
Wheel barrow	26	-
Monetary contribution	-	4,050
Amount owed by FRA	-	370,604
	<u>116,415</u>	<u>478,476</u>
Less: allowance for doubtful debts	(7,172)	(8,972)
	<u>109,243</u>	<u>469,504</u>

**NOTE 5. SUNDRY ADVANCES**

Other advances	3,159	3,159
Mayoral advances	1,486	1,486
Dishonoured cheques	6,406	5,177
Telephone	200	200
Electricity	22	22
Land	10	10
Post box key	2	2
Staff wages and salaries advance	-	450
	<u>11,285</u>	<u>10,506</u>

\$

**NOTE 6. PREPAYMENTS AND ELECTRICITY DEPOSITS**

	2014	2013
Electricity deposit	\$ 5,526	3,326
Insurance prepayments vehicle / building	5,227	5,743
Training levy prepayments	-	1,128
	<u>10,753</u>	<u>10,197</u>

**NOTE 7. PROPERTY, PLANT AND EQUIPMENT**

**GENERAL FUND**

Computers	14,195	12,115
less provision for depreciation	(10,107)	(6,322)
	<u>4,088</u>	<u>5,793</u>
Furniture & fittings	24,006	17,266
Less: provision for depreciation	(6,870)	(5,561)
	<u>17,136</u>	<u>11,705</u>
Land & building	1,871,937	1,413,766
Less: provision for depreciation	(379,471)	(340,309)
	<u>1,492,466</u>	<u>1,073,457</u>
Motor vehicle - lease liability	81,758	76,280
Less: provision for depreciation	(38,231)	(22,884)
	<u>43,527</u>	<u>53,396</u>
Office equipment	54,743	47,898
Less: provision for depreciation	(16,447)	(12,689)
	<u>38,296</u>	<u>35,209</u>
Plant & machinery	209,937	160,959
Less: provision for depreciation	(65,210)	(53,276)
	<u>144,727</u>	<u>107,683</u>
Net written down value	\$ <u>1,740,240</u>	<u>1,287,243</u>

SIGATOKA TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]  
FOR THE YEAR ENDED 31 DECEMBER 2014

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NOTE 7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	2014	2013
<b>PARKING METER FUND</b>		
Plant & machinery	\$ 30,501	30,501
Less: provision for depreciation	(21,528)	(19,393)
	8,973	11,108
Office equipment	3,059	3,059
Less: provision for depreciation	(1,424)	(1,210)
	1,635	1,849
Net written down value	10,608	12,957
<b>Movements in carrying amounts for each class of property, plant and equipment</b>		
<b>GENERAL FUND</b>		
<b>Land and building</b>		
Carrying amount at beginning	1,073,457	1,108,801
Additions	458,171	-
Depreciation expense	(39,162)	(35,344)
Balance as at 31 December	1,492,466	1,073,457
<b>Motor vehicle</b>		
Carrying amount at beginning	53,396	68,652
Additions	5,478	-
Depreciation	(15,347)	(15,256)
Balance as at 31 December	43,527	53,396
<b>Computers</b>		
Carrying amount at beginning	5,793	4,949
Addition	2,080	3,988
Depreciation expense	(3,785)	(3,144)
Balance as at 31 December	4,088	5,793
<b>Furniture and fittings</b>		
Carrying amount at beginning	11,705	10,289
Additions	6,740	2,490
Depreciation expense	(1,309)	(1,074)
Balance as at 31 December	17,136	11,705
<b>Office equipment</b>		
Carrying amount at beginning	35,209	26,303
Additions	6,845	12,126
Depreciation expense	(3,758)	(3,220)
Balance as at 31 December	\$ 38,296	35,209



**NOTE 7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

**2014 2013**

Movements in carrying amounts for each class of property, plant and equipment (cont'd)

**GENERAL FUND (CONT'D)**

**Plant & equipment**

Carrying amount at beginning	\$ 107,683	118,951
Additions	48,977	-
Depreciation expense	(11,933)	(11,268)
Balance as at 31 December	144,727	107,683
Net written down value	1,740,240	1,287,243

**PARKING METER FUND**

**Plant and machinery**

Carrying amount at beginning	11,108	13,243
Depreciation expense	(2,135)	(2,135)
Balance as at 31 December	8,973	11,108

**Computers**

Carrying amount at beginning	1,849	2,063
Depreciation expense	(214)	(214)
Balance as at 31 December	1,635	1,849
Net written down value	10,608	12,957

On transition to IFRS for SME's the Council has elected to measure property, plant and equipment at deemed costs, and has used revalued amounts at 1 January 2013 as the deemed cost. The effect of the revaluation, to revalued amount for property, plant and equipment previously held in the carrying amount of property, plant and equipment was \$816,597 at 1 January 2013. No transition adjustment was required for the transfer of Asset Revaluation Reserve associated with these items as it had already been recorded as part of accumulated funds during the prior years.

**NOTE 8. ACCUMULATED FUNDS**

This consists of:

General Fund Account	(707,791)	(648,785)
Special Loan Fund Account	(63,711)	(141,879)
Asset Revaluation Reserve	816,597	816,597
Adjustment - debtors	229,857	229,857
Adjustment [VAT & debtors]	6,452	-
Net accumulated funds	281,404	255,790

- (a) The Council adopted accrual basis of accounting in 2003. An adjustment was made to accumulated funds to record debtors balances relating to prior year that are still owing at the current balance date.
- (b) The Council has changed its basis of preparation of financial statements to IFRS for SMEs with 1 January 2013 being the date of transition. In accordance with Section 35 'Transition to the IFRS for SMEs', general purpose reserves are to be transferred to accumulated funds at the date of transition. However, no transition adjustment is required in respect to general purpose reserves maintained by the Council as it had already recorded its reserves as accumulated funds in prior years.

**SIGATOKA TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**NOTE 9. LOAN FUNDS**

	2014	2013
<b>BSP Life (Fiji) Limited</b>		
Balance at 1 January	\$ 1,302,550	1,320,798
Add: Interest and other Fees	117,547	137,752
	1,420,097	1,458,550
Less: loans repaid	(156,000)	(156,000)
Balance as at 31 December	1,264,097	1,302,550

Loans raised by the Council bear interest charges at the rate of 7.5% per annum and are repayable over a period of twenty years. All loans are raised under the provisions of the Local Government Act and are secured on the assets of the Council.

**Analysed as :**

Current	156,000	156,000
Non-current	1,108,097	1,146,550
	1,264,097	1,302,550

**NOTE 10. SUNDRY DEPOSITS**

Car park development	34,007	34,007
Council properties / shop - security	21,693	20,193
Security deposit	1,747	1,747
Nomination fee	1,240	1,240
Market stall	500	500
Unknown deposit	100	100
Ticket booth	30	30
	59,317	57,817

**NOTE 11. LEASE LIABILITY**

<b>Credit Corporation (Fiji) Limited</b>		
Opening balance	53,394	68,652
Less: repayments	(15,258)	(15,258)
Closing balance	38,136	53,394

Finance lease from Credit Corporation (Fiji) Limited was undertaken to finance the purchasing of motor vehicle registration number FY489 at an interest rate of 8.5% per annum for a term of 5 years.

**Analysed as:**

Current finance lease	15,258	15,258
Non-current finance lease	22,878	38,136
	38,136	53,394

**NOTE 12. DEFERRED INCOME**

**Back Hoe Digger**

The amount represents Back Hoe Digger which was donated by the Japanese Government in 2008 which is treated in accordance with Section 24 of the IFRS for SME's:

Balance as at 1 January 2014	77,177	86,368
Add: Government grant	347,849	
Less: amortisation charge	(9,191)	(9,191)
Balance as at 31 December 2014	415,835	77,177
<b>Analysed as:</b>		
Current	9,191	9,191
Non-current	406,644	67,986
	\$ 415,835	77,177

**NOTE 13. INCOME RECEIVED IN ADVANCE**

	2014	2013
Income received in advance comprises of the following:		
Lease space - Tramline Tappoo Limited (a)	\$ 15,200	17,024
Parking space - Tappoo Limited duty free conc, retailers & wholesalers (b)	12,474	13,860
Parking space - Jack's Retail Limited (b)	17,500	19,000
Rates received in advance	8,555	8,161
Taxis & B/L & bus received in advance	2,301	38
	<u>56,030</u>	<u>58,083</u>

- (a) The amount represents leasing of an open space between the tramline and STC garden to Tappoo Limited effective for the next 10 years and is treated in accordance with Section 20 of the IFRS for SMEs':

**Tappoo Limited**

Balance as at 1 January (2013: 25 April)	17,024	18,240
Less : lease income realised up to 31 December	<u>(1,824)</u>	<u>(1,216)</u>
Balance as at 31 December	<u>15,200</u>	<u>17,024</u>

- (b) The amount represents reservation of parking space to Tappoo Limited and Jack's Retail Limited effective for the next 10 and 15 years and is treated in accordance with Section 20 of the IFRS for SMEs':

**Tappoo Limited**

Balance as at 1 January	13,860	7,400
Additions	-	8,000
Less: parking space income realised upto 31 December	<u>(1,386)</u>	<u>(1,540)</u>
Balance as at 31 December	<u>12,474</u>	<u>13,860</u>

**Jack's Retail Limited**

Balance as at 1 January	19,000	20,500
less: parking space income realised upto 31 December	<u>(1,500)</u>	<u>(1,500)</u>
Balance as at 31 December	<u>\$ 17,500</u>	<u>19,000</u>

**NOTE 14. DISCOUNT ON RATES**

The Council in its 2014 budget granted discount on rates as follows:

Rates paid in full on or before 31 January 2014 - 10%  
Rates paid in full on or before 28 February 2014 - 5%

**NOTE 15. CAPITAL COMMITMENT**

Capital expenditure commitments as at 31 December 2014 amounted to \$Nil (2013: \$Nil)

**NOTE 16. CONTINGENT LIABILITIES**

Contingent liabilities as at 31 December 2014 amounted to \$Nil (2013: \$Nil).



**NOTE 17. EVENT SUBSEQUENT TO BALANCE DATE**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Council, the results of those operations, or the state of affairs of the Council in future financial years.

**NOTE 18. CASH FLOW RECONCILIATION**

	2014	2013
<b>(a) General fund account</b>		
<b>i. Reconciliation of the net surplus from operating activities</b>		
General fund	\$ (59,006)	(558,413)
Loan rate fund	78,168	52,736
Depreciation	75,294	69,306
Amortisation of capital grant	(9,191)	617,232
Interest on loan	117,547	(190,488)
Loss on sale of rubbish bin	10,649	137,752
Discount allowed	25,905	
Doubtful debts	7,172	
	246,538	128,125
Changes in assets and liabilities		
(Increase) / decrease in debtors	327,184	60
(Increase) / decrease in prepayments and electricity deposits	(556)	-
Increase / (decrease) in creditors and other accruals	152,892	20,041
Increase / (decrease) in VAT payable/receivable	81,329	-
Increase / (decrease) in other liabilities	-	29,673
Increase / (decrease) in employee entitlements	35	3,229
Increase / (decrease) in deferred income	-	(9,191)
Increase / (decrease) in income received in advance	(2,053)	-
Increase / (decrease) in sundry deposits	1,500	-
Increase / (decrease) in inventory	(26,297)	-
(Increase) / (decrease) in sundry advance	(779)	(5,571)
Net cash inflows from operating activities	779,793	166,366
<b>ii. Reconciliation of cash</b>		
For the purpose of statement of cash flows, cash includes cash at bank and on hand net of outstanding		
Cash at bank	640,903	152,810
<b>(b) Parking meter fund account</b>		
<b>i. Reconciliation of the net deficit from operating activities</b>		
Net cash flows from operations		
Net deficit from operations	(13,314)	(24,479)
Add: depreciation	2,349	2,349
Increase / (decrease) in liabilities	(136)	160
Net cash flows used in operating activities	\$ (11,101)	(21,970)



NOTE 18. CASH FLOW RECONCILIATION (CONT'D)

2014

2013

(b) Parking meter fund account (cont'd)

ii. Reconciliation of cash

For the purpose of statement of cash flows, cash includes cash at bank and on hand. Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in statement of financial position as follows:

Cash	\$	6,452	17,553
	\$	6,452	17,553