

# **SIGATOKA TOWN COUNCIL**

## Annual Report for the Year 2018

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**Stallions Horse Race**



# 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.

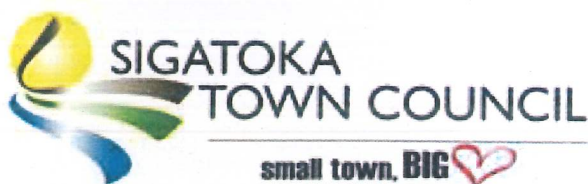
To provide adequate peace for the future expansion and the developments needs of the town.

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.

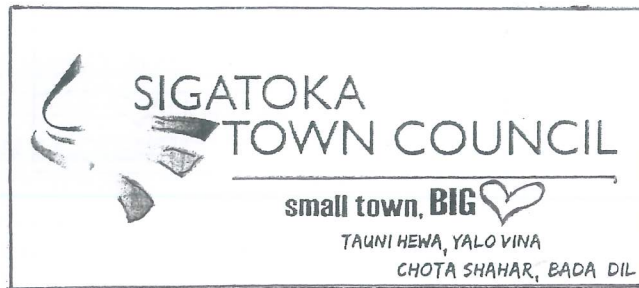
To manage human resources employed in the delivery of municipal goods and services to the Sigatoka Community.



small town, BIG 

TAUNI HEWA, YALO VINA  
CHOTA SHAHAR, BADA DIL





## **SIGATOKA TOWN COUNCIL**

# **Annual Report AND Financial Statements 2018**







## SIGATOKA TOWN COUNCIL

### ANNUAL REPORT FOR THE YEAR ENDED 2018

#### **1.0 SIGATOKA TOWN COUNCIL**

- 1.1 Mr. Tulsi Ram was appointed as the Chief Executive Officer for the Council with effect from December, 2014 to date. He was also appointed Acting Chief Executive Officer for Rakiraki Town Council in December 2018.

#### **1.2 Council Staff 2018**

##### **Administration Department**

Chief Executive Officer	-	Tulsi Ram
Executive Secretary	-	Nirmala Pariachi
IT Officer	-	Davendra Rao
Administration/HR Officer	-	Mereoni K Camaivuna
Office Assistant	-	Fuata Pau'u

##### **Finance Department**

Manager Finance	-	Mohini Nair
Assistant Manager Finance	-	Salamisa Waqa
Market Manager	-	Iliesa Ravouvou
Market Assistant	-	Arvin Chand
Cashier	-	Sereseini Kilivou

##### **Health & Building Department**

Health Inspector/Building Surveyor	-	Anand Sami Pillay
Litter Prevention Officer	-	(vacant)
3R Officer	-	Salanieta Kerekerelevu
Male PC Attendant 1	-	Senivalati Koroduadua
Male PC Attendant 2	-	Naruma Ratu
Male PC Attendant 3	-	Vinod Chand
Male PC Attendant 4	-	(Terminated)
Female PC Attendant 1	-	Melaia Drekevutu
Female PC Attendant 2	-	Watelaite Radinivuna
PC Cashier 1	-	Anish Govind
PC Cashier 2	-	Lavenia Cagilaba
PC Cashier 3	-	Makereta Bulikalaba

##### **Works Department**

Work Supervisor	-	(resigned)
Foreman	-	Peter Lucas
Carpenter	-	Rajnesh Lal
Welder	-	Nilesh Dutt
Welder	-	Mohammed Nazeem
Digger Driver	-	Kamal Deo
Unestablished	-	Ahmed Ali
Unestablished	-	Kamenieli Navatu
Unestablished	-	Narayan Reddy

Unestablished  
Unestablished  
Unestablished

- Limanivai Dusaino  
- Sireli Naoba  
- Simione Vua

#### **Traffic Department**

Manager Traffic  
Carpark Attendant  
Enforcement Officer  
Enforcement Officer  
Enforcement Officer  
Enforcement Officer  
Carpark Attendant

- Sharan Dip Singh  
- Emosi Nayabe  
- Semi Buakula  
- Waisea Narara  
- Taufiq Mohammed  
- Savenaca Nasome  
- Kini Ratu

### **1.3 Solicitors for the Council**

Nil

### **1.4 Auditors for the Council**

Auditor General of Fiji by virtue of Section 50 of the Local Government Act, Cap 125 has been the Auditor for the Council.

### **1.5 Meeting of the Council**

#### **Details Of Meeting of the Year 2018**

Particulars of Meetings	2018
Ordinary Council	12
Staff and Tender Committee	15
Finance, Library, IT Committee	12
Market Committee	12
Traffic Committee	12
Works, Parks & Gardens Committee	12
Health, Building & 3R Project	12
Beautification	12
HODs – All Government Departments	

### **2.0 RATES AND FINANCE - 2018**

#### **2.1 Town Rates Collection**

##### **Arrears:-**

2017 Rates In Arrears (as at 31/12/17)

- \$70,989.00

##### **Quarterly Target**

- \$17747.00 (25%)

**Rates Collected:-**

1 <sup>st</sup> Quarter	-	\$ 5795
2 <sup>nd</sup> Quarter	-	\$ 1995
3 <sup>rd</sup> Quarter	-	\$ 7500
4 <sup>th</sup> Quarter	-	\$ 7356

Total Arrears collected as at 31/12/18	-	\$22648
% Collected as at 31 <sup>st</sup> December	-	31%

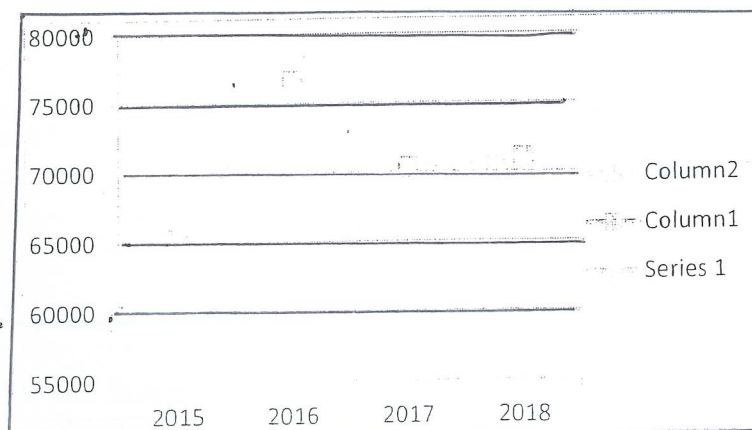
**Current**

Current Rates due on 1 January 2018	-	347502
Amount collected as at 31 December 2018	-	293992
Balance of Current Rates to be collected	-	55010
% Collected	-	84 %

**2.2 Rateable Properties According to Zoning**

1.	INDG	-	15
2.	SPEC	-	1
3.	RESB	-	104
4.	CDEV	-	5
5.	COMB	-	90
6.	CIVIC	-	20
7.	COMC	-	13

<b>Total Ratepayers</b>	<b>248</b>
	=====

**2.3 Summary of Arrears of Previous Years**



<u>Years</u>	<u>Arrears</u>
2012	66242
2013	45015
2014	46910
2015	65320
2016	76611
2017	70284
2018	70989

Rates not collected falls under un alienated Land and General. Council has been charging rates and is consistently negotiating with the Native Land Trust Board to have the same settled. From 2008 these un alienated land is not attracting rates as the Local Government Act Cap 125 has been amended to exclude un alienated properties from being charged rates.

All ratepayers under arrears have either made arrangement for payments or are been taken to Court.

#### 2.4 Recurrent Revenue and Expenditure

The total recurrent revenue and expenditure of the Council for the year ending December, 2018 were as follows:

Year	Fund	Revenue	Expenditure	Deficit	Surplus
2018	General	\$1,425,021	\$1,446,869		\$21,848

#### 2.5 Current Loan

The Councils one (1) Loan Liabilities at BSP life outstands as at December 31<sup>st</sup>, 2018 amounted to **\$968,826.00**.

#### 2.6 Works On Contract

	<b>Services</b>	<b>Contractors</b>
1.	Garbage Contract Services	Sudesh Transport
2.	Streetlights	Fiji Roads Authority
3.	Grass Cutting, Drain Cleaning	Sudesh Transport
4.	Market Washing	Sudesh Transport

#### 3.0 MARKET

The Sigatoka Municipal Market is located right in the center of Sigatoka Town. Our market department consists of TWO staff currently, Market Manager and Assistant Market Manager, who perform the general collection of fees and general management of the Market.

	<u>Vendor Type</u>	<u>No. of vendor's in Operation</u>
1	Vegetable inside	465
2	Vegetable Outside	190
3	Grocery	137
4	Handicraft	15
5	Sweet cart	6
6	Juice & Food Parcel	35
7	Corn Sellers	28
8	Kai/Fresh Water muscles	78
9	Seaweed	19
10	Fish & Crabs	30
11	Seasonal Fruit – Mangoes, pineapple, madrine, ivi	25
12	Florists	10
	<b><u>Total market Vendors - 2018</u></b>	<b><u>1038</u></b>

**3.1 No. of vacant stalls – 8 vegetables and 5 grocery stall**  
**New Registered vendor – 5**

**3.2 Market Official Opening Hours**

Monday – Saturdays - 7.00am to 5.00pm

Vendors and farmers are also allowed to sell their produce after the closure of Market daily from 5.00pm.

**3.3 Female Vendors Accommodation**

The Female Vendors are taking advantage of the Accommodation since the inauguration in 2015. The Accommodation is managed by a fulltime Attendant who is responsible for the general cleaning and upkeeping of the ladies Accommodation. The fees is \$2.00 per person per night.

**3.4 Public Convenience**

The public convenience is open 24 hours after the grand opening in 2015. The public convenience is maintained by five (5) Attendants who are working on shift basis. There are three (3) Male Attendants and two (2) Female Attendants. Their Shift starts from 6.00am till 10.00pm and 1 male attendant to manage both the public convenience till 6.00am. They worked 45 hours per week.

**3.5 Partnership with UN-Women**

Sigatoka Town Council and UN-Women have bonded into a strong partnership and a very healthy relationship in working together to improve our market standard and also to assist our vendors at the same time by creating awareness on hygiene, cleanliness, and to promote their produce. They have donated table, chairs, Tents and PA system in the Market. Our Market Manager and CEO has meetings and workshop conducted by UN women for Market change and improvement.

**3.6 Revenue Details**

Market Stall fees	-	\$212,501.86
Public Convenience	-	\$93,549.25
Accommodation	-	\$4,943.92

**4.0 TRAFFIC AND ENFORCEMENT DEPARTMENT****4.1 Revenue for the Year 2018**

1	Parking Meter Tolls	\$ 37,212.60
2	Parking Meter Notice Fines	\$ 9,010.00
3	Other Offence Fines	\$ 8,480.00
4	MH Car Park	\$ 34,401.00
5	Market Car Park	\$ 28,779.60
6	Parking Permits	\$ 3,683.20
	<b>Total Revenue</b>	<b>\$121,566.40</b>

**4.2 Total Revenue and Expenditure**

The total revenue and expenditure of the Traffic Department for the year ending December, 2018 were as follows:

Year:	Fund	Revenue	Expenditure	Deficit	Surplus
2018	Traffic Department	\$121,566.40	\$105,144.90		\$16,421.50

**4.3 Number of Parking Meter**

We have a total of 137 Parking Meters installed around in town as follows:-

Location of Parking Meters	Total number in each street
SOLEVU	49
OPPOSITE JACKS RIVER SIDE	8
BOB LANE	2
MAIN STREET	7
MARKET ROAD	12
MISSION ROAD	25
VALLEY ROAD	17
OFF-MISSION ROAD	17
<b>TOTAL</b>	<b>137</b>



**TRAFFIC SIGN BOARDS**

Additional sign boards were installed in town to guide road users to be familiar with legal parking areas and do the right thing.

**PARKING METER VERIFICATION**

Parking Meter verification was sort out by Weight and Measures, Lautoka for 3 days in the month of April, 2018.

**TRAFFIC OPERATION WITHIN TOWN BOUNDRY**

This operation was conducted from 5.00pm to 6.00pm daily to combat on illegal operations of private cars who are operating as taxis.

**BUS STAND SURVEY**

During the month of October, 2018, a Bus Stand Survey was conducted to abate bus congested at the bus stand and upgrading of bus time table. This monitoring was persisted for a week.

**5.0 HEALTH AND BUILDING****5.1 BUILDING STATISTICS**

	Type of Application	Received	Approved	Rejected	Total Value
1.	Building Application Within Town Boundary	15	15	NIL	\$1,212,000-00
	Building Application Received Extended Town Boundary	102	101	1	\$43,314,854.85
2.	Subdivision Application outside Town Boundary	39	26	-	13 Subdivision Applications are under process.
3.	Rezoning Application within Town Boundary	Nil	-	-	
	Rezoning Application outside town Boundary	9	8		1 Rezoning application is under Process

## 5.2 CERTIFICATE ISSUED BEFORE OCCUPY

Total No. of Completion Certificate issued - 21

## 6.0 TOWN PLANNING MANAGEMENT

6.1 Total No. Rezoning Application - 9

## 7.0 HEALTH REPORT

7.1 Total Number of Insanitary Condition Notice Served: - 25  
 7.2 Total Number Statutory Notice Served: - 2  
 7.3 Total No. of Condemnation Certificate Issued: - 5  
 7.4 Total No. of Health License Issued: - 72  
 7.5 Total No. of Litter Decree Notice Served - 8  
 7.6 Total No. of House to House Inspection - 152

## 8.0 MOSQUITOE SPRAYING

The mosquito spraying was carried out through out the year on quarterly basis. We thanked the Ministry of Health for providing the chemicals free of charge and their support had allowed us to carryout the duty satisfactorily.

## 9.0 DOG LICENSING EXERCISE

The dog trapping exercise was carried out with the assistance of the Ministry of Agriculture. There were 14 dogs trapped during the time frame of trapping exercise.

## 10.0 CONTRACTUAL WORKS

The Health /Building Department is monitoring the contractual works including grass- cutting, drain cleaning, street sweeping, paper collection and garbage collection services in town. Payment is released once the Health Inspector/ Building Surveyor justified the work that has been carried out on a fortnightly and monthly basis respectively.

## 11.0 CLEAN UP – CAMPAIGN

That the clean -up campaign were carried out with National Trust and Heritage in young Hands in year 2018 and it was very successful clean up – campaign.

## 13.0 3R REPORT

### 13.1 Home Composting

The home composting was introduced in Sigtoka Town in year 2011, through the technical assistance from JICA. The 3R Officer is engaged fulltime to monitor and promote 3R to the ratepayers and citizens of our town.

### 13.2 Market Green Waste

The Council has renewed green waste contract with OISCA for another period of 1 year. The green waste is taken to Oisca twice a week and the Council is receiving 30% of composted waste once processed. The Council is selling compost to interestd buyers at \$1.00 per kg. The total cash collected in 2018 - \$455.00.

### 13.3 Clean School Program

The primary schools in the Nadroga district continued to show case their talent and ideas in using what we call wastes as a resource in school. Continuous monitoring of schools and also Coũcil distribute of wheelie bins to 15 schools within town boundary and outside town boundary as well.



That the 45 Wheelie bins were distributed amongst 15 schools are as follows:

1. Sigatoka Special School
2. Sigatoka Methodist Primary School.
3. Sigatoka District School
4. Korotogo Andhra Primary School.
5. Cuvu District Primary School
6. Naidovi Primary School
7. Nadroumai Primary School
8. Nadroga Sangam Primary School
9. Kulukulu Primary School
10. Ratu illiesa Memorial School
11. Conua District School
12. Tuva Primary School
13. Nalagi Public School



14. Nokonoko District School.
15. St. Joan of Arc School.

#### 13.4 Environmental Awareness

The Sigatoka Town Council together in partnership with OISCA Fiji in Nasau did mangrove planting along the riverbank opposite Yavulo village river bank.

#### 14.0 PROJECTS AND MAINTENANCE

##### 14.1 2018 Achievements

1. Construction of V-Drains in front of MPI office at Lawaqa – Government funded project.
2. Refurbishment to Council Chambers
3. Solevu Drainage Work at Provincial Council side
4. Construction of Cuvu Market
- 5.

##### 15.0 Visiting Dignitaries Year 2018

#### 16.0 EMPLOYEES

##### 16.1 Establishment

An employment policy guideline was prepared and implemented by the Council during the year 2018. At the end of year 2018, the following employees were on the Council payroll:

<u>Department</u>	<u>Staff</u>	<u>Unestablished</u>	<u>Total</u>
Administration	3	1	4
Health, Building & Works	2	19	21
Parking Meter & Traffic	7	-	7
Finance	3	-	3
Market	2	-	2
<b>TOTAL</b>	<b>17</b>	<b>20</b>	<b>37</b>
	=====	=====	=====

##### 17.0 Events

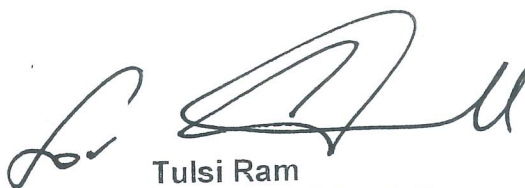
Council also has successfully organized the Coral Coast Carnival from

18.0' Appréciation

The Council records its appreciation for the co-operation, support and assistance it received from the ratepayers, residents, business houses and government departments.

I also wish to express my appreciation of the support and contribution by the Management and Staff in the successful management and prosperity of the Council during the year 2018.

Furthermore the Council in particular acknowledges 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



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File: 970/1

12 November 2019

Mr Tulsi Ram  
The Chief Executive Officer  
Sigatoka Town Council  
P O Box 118  
**SIGATOKA**

Dear Mr Ram

**SIGATOKA TOWN COUNCIL**  
AUDITED FINANCIAL STATEMENTS  
31 DECEMBER 2018

The audit of the financial statements of Sigatoka Town Council for the year ended 31 December 2018 together with my audit report on them are enclosed.

Particulars of the errors and omission arising from the audit have been forwarded to the management of the Council for necessary action.

Yours sincerely

Ajay Nand  
**AUDITOR-GENERAL**

Encl.



**SIGATOKA TOWN COUNCIL**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2018**

SIGATOKA TOWN COUNCIL  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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**SIGATOKA TOWN COUNCIL  
STATEMENT BY THE COUNCIL  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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In accordance with a resolution of the council, we state that:

- (a) the accompanying statement of comprehensive income of the council is drawn up so as to give a true and fair view of the results of the council for the year ended 31 December 2018;
- (b) the accompanying statement of changes in equity is drawn up so as to give a true and fair view of the movement in the council's funds for the year ended 31 December 2018;
- (c) the accompanying statement of financial position of the council is drawn up so as to give a true and fair view of the state of affairs of the council as at 31 December 2018;
- (d) the accompanying statement of cash flows is drawn up so as to give a true and fair view of the state of the cash flows of the council for the year ended 31 December 2018;
- (e) at the date of this statement there are reasonable grounds to believe the council will be able to pay its debts as and when they fall due; and
- (f) all related party transactions have been adequately recorded in the books of the council.

For and on behalf of the council and in accordance with a resolution of the management.

Dated this 2<sup>nd</sup> day of November 2019.



Chief Executive Officer  
Mr. Tulsi Ram



Manager Finance  
Ms. Mohini Nair



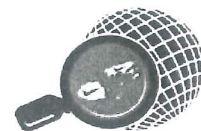
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## INDEPENDENT AUDITOR'S REPORT

### Sigatoka Town Council

#### Qualified Opinion

I have audited the financial statements of Sigatoka Town Council, which comprise the Statement of Financial Position as at 31 December 2018, the Statement of Comprehensive Income, 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.

In my opinion, except for the effects of the matters described in the basis of Qualified Opinion paragraphs, the accompanying financial statements give a true and fair view of the financial position of Sigatoka Town Council as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities ("IFRS for SMEs").

#### Basis for Qualified Opinion

1. The Council recorded sundry deposits of \$63,917 and sundry advances of \$4,879 in the statement of financial position as at 31 December 2018. The Council was unable to provide any documentations to support the sundry deposit of \$57,817 out of the total of \$63,917 and sundry advances of \$4,879. As a result, I was unable to verify the completeness and accuracy of the balances and also unable to determine whether any adjustments might have been necessary in respect of sundry deposits, and sundry advances balance at the end of the financial year and any corresponding adjustments to the elements making up the statement of comprehensive income and statement of financial position.
2. There was an unreconciled variance of \$65,806 between the VAT payable amount reflected in the financial statements and the Statement of VAT account provided by Fiji Revenue and Customs Services. The Council was unable to provide documentary evidence to substantiate the variance. As a result, I am unable to ascertain whether the VAT payable balance of \$58,097 has been fairly stated in the financial statements.

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 the Council in accordance with the International Ethics Standards Board for Accountants' *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.

#### Emphasis of Matter

Apart from the restricted cash at bank of \$234,089, the Council continues to incur operating losses, which indicate that the Council may not be generating adequate cash flows to be able to pay its debts as and when they fall due.

## **Other Matters**

- The Council did not tender capital works carried out for Cuvu Market construction and landfill upgrade in accordance with the requirements of the Manual of Accounts for Municipal Councils in Fiji even though payments made to certain suppliers exceeded the limit of \$10,000.
- The Council did not maintain proper records of recruitment and variances were noted between the number of staffs listed as recruited during the financial year 2018 and the number of new additions in the pay report. Satisfactory explanations were not provided for the variance.

## **Responsibilities of the Management for the Financial Statements**

The management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS for SMEs and the Local Government Act (CAP 125) 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 Council'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 Management are responsible for overseeing the Council'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 Council's internal control.



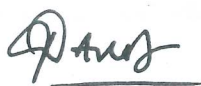
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council'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 the Council 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 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 Local Government Act (Cap 125), in my opinion:

- a) proper books of account have been kept by the Council, 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 Local Government Act (Cap 125), in the manner so required.



Ajay Nand  
**AUDITOR-GENERAL**



Suva, Fiji  
12 November, 2019



**SIGATOKA TOWN COUNCIL  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018**

<b>INCOME</b>	<b>Notes</b>	<b>2018 \$</b>	<b>Re-stated 2017 \$</b>
Rates	3.1	360,494	356,706
Parking meter	3.2	55,359	67,651
Other fees and charges	3.3	1,006,389	966,899
<b>Total income</b>		<b>1,422,242</b>	<b>1,391,256</b>
<b>EXPENSES</b>			
<b>General fund</b>			
Administrative and operating costs	3.5	628,527	710,536
Depreciation		97,362	91,080
Employees salaries and benefits		549,901	516,014
Bank charges/interest and discount allowed		22,551	24,140
<b>Total general fund expenses</b>		<b>1,298,341</b>	<b>1,341,770</b>
<b>Special loan expenses</b>			
Interest - BSP Life (Fiji) Limited		66,071	82,294
<b>Total special loan expenses</b>		<b>66,071</b>	<b>82,294</b>
<b>Parking meter expenses</b>			
Depreciation		4,183	3,189
Other operating costs	3.4	7,764	3,141
Salaries and related payments		55,845	53,405
<b>Total parking meter expenses</b>		<b>67,792</b>	<b>59,735</b>
<b>Total expenses</b>		<b>1,432,204</b>	<b>1,483,799</b>
<b>Operating surplus/(deficit) for the year</b>		<b>(9,962)</b>	<b>(92,543)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(9,962)</b>	<b>(92,543)</b>

*The statement of comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 21.*

**SIGATOKA TOWN COUNCIL  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>2018</b>	<b>Re-stated 2017</b>
	<b>\$</b>	<b>\$</b>
<b>General fund</b>		
Balance at the beginning of the year	(130,157)	82,434
Deficit for the year	(125,884)	(212,591)
Balance at the end of the year	<u>(256,041)</u>	<u>(130,157)</u>
<b>Special loan fund</b>		
Balance at the beginning of the year	256,881	144,749
Surplus for the year	128,355	112,132
Balance at the end of the year	<u>385,236</u>	<u>256,881</u>
<b>Parking meter fund</b>		
Balance at the beginning of the year	22,733	14,817
(Deficit)/surplus for the year	(12,433)	7,916
Balance at the end of the year	<u>10,300</u>	<u>22,733</u>
<b>Total equity</b>	<b><u>139,495</u></b>	<b><u>149,457</u></b>

**SIGATOKA TOWN COUNCIL  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018**

	Notes	2018 \$	Re-stated 2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	303,929	790,084
Term deposits	5	66,992	65,317
Debtors	6	141,473	137,456
Sundry advances	7	4,879	4,879
Prepayments and electricity deposits	8	9,412	9,200
<b>Total current assets</b>		<u>526,685</u>	<u>1,006,936</u>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	9	2,622,226	1,787,258
<b>Total non current assets</b>		<u>2,622,226</u>	<u>1,787,258</u>
<b>TOTAL ASSETS</b>		<u><b>3,148,911</b></u>	<u><b>2,794,194</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Council municipal fund</b>			
Accumulated funds	10	139,495	149,457
<b>Total equity</b>		<u>139,495</u>	<u>149,457</u>
<b>CURRENT LIABILITIES</b>			
Bank overdraft	11	55,657	96,622
VAT payable		58,097	31,039
Employee entitlement		19,942	10,839
Loan funds	12	156,000	156,000
Creditors and other accruals		96,391	52,242
Sundry deposits	13	63,917	63,717
Deferred income	14	37,269	34,123
Income received in advance	15	30,379	41,808
<b>Total current liabilities</b>		<u>517,652</u>	<u>486,390</u>
<b>NON-CURRENT LIABILITIES</b>			
Loan funds	12	812,826	902,755
Deferred income	14	1,678,938	1,255,592
<b>Total non-current liabilities</b>		<u>2,491,764</u>	<u>2,158,347</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>3,148,911</b></u>	<u><b>2,794,194</b></u>

*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 11 to 21.*

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 2018 and of the state of affairs as at that date.

  
Chief Executive Officer  
Mr. Tulsi Ram

Date: 21/1/19

  
Manager Finance  
Ms. Mohini Nair

Date: 21/1/19



**SIGATOKA TOWN COUNCIL  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		1,349,147	1,313,669
Payments to suppliers and employees		(1,165,585)	(1,391,620)
Net cash (used) / provided by operating activities	23(i)	<u>183,562</u>	<u>(77,951)</u>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		<u>(936,513)</u>	<u>(16,382)</u>
Net cash flows used in investing activities		<u>(936,513)</u>	<u>(16,382)</u>
<b>Cash flows from financing activities</b>			
Receipt of Government grant		463,761	18,349
Lease repayments		-	(7,620)
Loan repayments		<u>(156,000)</u>	<u>(68,177)</u>
Net cash flows (used) / provided in financing activities		<u>307,761</u>	<u>(57,448)</u>
Net decrease in cash and cash equivalents		(445,190)	(151,781)
Cash and cash equivalent at the beginning of the year		<u>693,462</u>	<u>845,243</u>
<b>Cash and cash equivalent at the end of the year</b>	23(ii)	<u><b>248,272</b></u>	<u><b>693,462</b></u>

*The statement of cash flow is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 21.*

**NOTE 1: BASIS OF PREPARATION**

The financial statements have been prepared on accrual basis under the historical cost convention using the accounting policies described below and except where stated, do not take into account current valuations of non-current assets. The financial statements are presented in Fijian dollars and all values are rounded to the nearest dollar, except when otherwise indicated.

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.

**Statement of compliance**

The financial statements of Sigatoka Town Council have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities ("IFRS for SMEs") issued by the International Accounting Standards Board and the Local Government Act.

**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) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

**(b) Investments and other financial assets**

*Initial recognition of financial instruments*

The classification of financial instruments at initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics. All financial instruments are measured initially at their fair value plus, in the case of financial assets and financial liabilities not at fair value through profit and loss, any directly attributable increment costs of acquisition or issue.

*Receivables*

Rates receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Rates receivables are initially recognized as receivables from the commencement of each rating period (inclusive of VAT where applicable). After initial measurement loans and receivables are carried at amortized cost using the effective interest method less any allowance for impairment. Gains or losses are recognized in the income statement when the receivables are derecognized or impaired, as well as through the amortization process. Bad debts are written-off as incurred.

**(c) Revenue**

Revenue is recognized 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.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(d) Income tax**

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

**(e) Employee entitlements**

Provision is made for benefits accruing to employees in respect of salaries/wages and annual leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using remuneration rate expected to apply at the time of settlement.

**(f) 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 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	33.0%
Furniture and fittings	7.0%
Motors vehicle	20.0%
Office equipment	7.0%
Plant and machinery	7.0%
Land and building	2.5%

**(g) Trade and other receivables**

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

**(h) 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 recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. All impairments losses are recognized in the statement of comprehensive income.

**(i) Trade and other payables**

Trade and other payables are stated at their cost.

**(j) Deferred income**

Government and other grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match them with the related costs for which the grant are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related assets.



**SIGATOKA TOWN COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(k) Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the lessee. All other leases are classified as operating leases.

**Finance lease**

Rights to assets held under finance leases are recognized as assets of the Council at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

**Operating lease**

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

	2018	2017
	\$	\$

**NOTE 3. OPERATING REVENUE AND EXPENSES**

**NOTE 3.1 Rates income**

General rates	121,883	121,883
General rates on state land	2,577	2,577
Local rates	28,616	28,616
Special loan rates	194,426	194,426
Interest on overdue rates	12,992	9,204
	<u>360,494</u>	<u>356,706</u>

**NOTE 3.2 Parking meter income**

Infringement fines	7,764	13,547
Parking meter tolls	34,121	37,887
Parking permit	3,484	2,489
Miscellaneous	9,990	13,728
	<u>55,359</u>	<u>67,651</u>

**NOTE 3.3 Other fees and charges income**

Amortization of capital grant	41,979	22,886
Government grant	40,093	18,349
Business license fees	126,576	124,225
Fees, charges and rent	312,718	305,754
Garbage fees	93,796	106,632
Interest	6,875	7,226
Market fees	210,302	235,608
Car park	60,442	58,376
Public convenience	93,665	82,115
Others	19,943	5,728
	<u>1,006,389</u>	<u>966,899</u>

**NOTE 3.4 Other operating costs - parking meter**

Parking meter verification	3,000	-
Parking meters maintenance	2,951	1,488
Printing and stationery	1,313	1,356
Other expenses	500	297
	<u>7,764</u>	<u>3,141</u>

**SIGATOKA TOWN COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTE 3. OPERATING REVENUE AND EXPENSES (continued)**

	2018	2017
	\$	\$
<b>NOTE 3.5 Administrative and operating expenses - general fund</b>		
Auditor's remuneration	9,340	9,000
Doubtful debts	33,471	12,891
Garbage service	65,256	64,704
Legal expenses	-	300
Office expenses	6,607	8,709
Printing, stationery and advertising	20,873	17,331
Repairs and maintenance	279,260	373,969
Telecom/fax/internet/courier	10,862	13,463
Travelling expenses	23,746	21,580
Electricity expenses	22,505	22,846
NPTC levy	4,710	2,775
Insurance	15,931	11,020
Market	11,282	12,313
Public convenience	28,265	28,067
Security Services	28,407	28,637
Water	34,434	32,929
Other expenses	33,578	50,002
	<b>628,527</b>	<b>710,536</b>

**NOTE 4. CASH AND CASH EQUIVALENTS**

Cash on hand	200	200
Capital fund	65,627	55,518
Grants and donation account	234,089	734,366
New market/bus stand	187	-
Town extended boundary	3,826	-
	<b>303,929</b>	<b>790,084</b>

The cash at bank balance of \$234,089 is not available for use except for the purpose of the riverbank project.

**NOTE 5. TERM DEPOSITS**

Term deposit	<b>66,992</b>	<b>65,317</b>
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Term deposit relates to a fixed deposit with Bank of South Pacific for a term of 12 months earning an interest of 2.85 % per annum where the interest is added to the principal upon maturity.

**NOTE 6. DEBTORS**

Rates	83,095	70,989
Bus stand	2,928	2,338
Business license	1,573	1,596
Commercial vehicle	2,430	1,944
Garbage fees	38,483	27,305
Rental properties	17,106	17,875
Taxi base	5,170	4,068
Fiji Sugar Corporation	3,230	3,230
Mini van	5,480	3,927
WAF / education / labour	7,172	7,172
Taxi, carrier, mini van others	1,126	2,675
Staff Loan	281	378
Other debtors	6,870	6,850
	<b>174,944</b>	<b>150,347</b>
Less: Allowance for doubtful debts	<b>(33,471)</b>	<b>(12,891)</b>
	<b>141,473</b>	<b>137,456</b>

**SIGATOKA TOWN COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

<b>NOTE 7. SUNDRY ADVANCES</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Other advances	3,159	3,159
Mayoral advances	1,486	1,486
Telephone	200	200
Electricity	22	22
Land	10	10
Post box key	2	2
	<u>4,879</u>	<u>4,879</u>

**NOTE 8. PREPAYMENTS AND ELECTRICITY DEPOSITS**

Electricity deposit	5,527	5,527
Insurance prepayments	3,885	3,673
	<u>9,412</u>	<u>9,200</u>

**NOTE 9. PROPERTY, PLANT AND EQUIPMENT**

**GENERAL FUND**

Land and building

*Cost:*

At 1 January	1,871,937	1,871,937
Additions	222,642	-
At 31 December	<u>2,094,579</u>	<u>1,871,937</u>

*Depreciation and impairment*

At 1 January	519,866	473,069
Depreciation	50,024	46,797
At 31 December	<u>569,890</u>	<u>519,866</u>

Net book value	<u>1,524,689</u>	<u>1,352,071</u>
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Computers

*Cost:*

At 1 January	23,707	18,335
Additions	3,364	5,372
At 31 December	<u>27,071</u>	<u>23,707</u>

*Depreciation and impairment*

At 1 January	16,825	13,700
Depreciation	4,441	3,125
At 31 December	<u>21,266</u>	<u>16,825</u>

Net book value	<u>5,805</u>	<u>6,882</u>
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Furniture and fittings

*Cost:*

At 1 January	40,509	37,477
Additions	4,560	3,032
At 31 December	<u>45,069</u>	<u>40,509</u>

*Depreciation and impairment*

At 1 January	13,259	10,498
Depreciation	1,136	2,761
At 31 December	<u>14,395</u>	<u>13,259</u>

Net book value	<u>30,674</u>	<u>27,250</u>
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**SIGATOKA TOWN COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	\$	\$
<b>NOTE 9. PROPERTY, PLANT AND EQUIPMENT (Cont'd)</b>		
<u>Motor vehicle</u>		
Cost:		
At 1 January	167,048	169,148
Disposal	-	(2,100)
At 31 December	167,048	167,048
 <i>Depreciation and impairment</i>		
At 1 January	116,214	101,398
Depreciation	17,478	14,816
At 31 December	133,692	116,214
Net book value	33,356	50,834
 <u>Office equipment</u>		
Cost:		
At 1 January	66,892	66,754
Additions	8,495	138
At 31 December	75,387	66,892
 <i>Depreciation and impairment</i>		
At 1 January	29,092	24,574
Depreciation	4,882	4,518
At 31 December	33,974	29,092
Net book value	41,413	37,800
 <u>Plant and Machinery</u>		
Cost:		
At 1 January	273,778	270,947
Additions	4,091	2,831
At 31 December	277,869	273,778
 <i>Depreciation and impairment</i>		
At 1 January	115,904	96,842
Depreciation	19,403	19,062
At 31 December	135,307	115,904
Net book value	142,562	157,874
 <u>Work in Progress</u>		
Work in progress beginning balance	142,138	137,092
Work in progress – Riverbank Retaining Wall	440,552	5,046
Work in progress – Bus stand/ Market	247,010	-
Work in progress – Lawaqa drains	86,384	-
Less: Capitalised to land and buildings	(97,773)	-
	818,311	142,138
 <b>PARKING METER FUND</b>		
<u>Plant and Machinery</u>		
Cost:		
At 1 January	42,495	42,495
Additions	17,190	-
At 31 December	59,685	42,495

SIGATOKA TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 9. PROPERTY, PLANT AND EQUIPMENT (Cont'd)	2018	2017
	\$	\$
<b>PARKING METER FUND (continued)</b>		
<i>Plant and Machinery (continued)</i>		
<i>Depreciation and impairment</i>		
At 1 January	31,079	28,104
Depreciation	3,969	2,975
At 31 December	35,048	31,079
Net book value	24,637	11,416
<i>Computers</i>		
<i>Cost:</i>		
At 1 January	3,059	3,059
At 31 December	3,059	3,059
<i>Depreciation and impairment</i>		
At 1 January	2,066	1,853
Depreciation	214	213
At 31 December	2,280	2,066
Net book value	779	993
Net written down value	<u>2,622,226</u>	<u>1,787,258</u>
Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.		
<b>Land and building</b>		
Carrying amount at beginning	1,352,071	1,398,868
Additions	222,641	-
Depreciation expense	(50,023)	(46,797)
Balance as at 31 December	1,524,689	1,352,071
<b>Motor vehicle</b>		
Carrying amount at beginning	50,834	67,750
Disposal	-	(2,100)
Depreciation expense	(17,478)	(14,816)
Balance as at 31 December	33,356	50,834
<b>Computers</b>		
Carrying amount at beginning	6,882	4,635
Additions	3,364	5,372
Depreciation expense	(4,441)	(3,125)
Balance as at 31 December	5,805	6,882
<b>Furniture and fittings</b>		
Carrying amount at beginning	27,250	26,979
Additions	4,560	3,032
Depreciation expense	(1,136)	(2,761)
Balance as at 31 December	30,674	27,250
<b>Office equipment</b>		
Carrying amount at beginning	37,800	42,180
Additions	8,494	138
Depreciation expense	(4,881)	(4,518)
Balance as at 31 December	41,413	37,800

**SIGATOKA TOWN COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

<b>NOTE 9. PROPERTY, PLANT AND EQUIPMENT (Cont'd)</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Plant and equipment</b>		
Carrying amount at beginning	157,874	174,105
Additions	4,090	2,831
Depreciation expense	(19,402)	(19,062)
Balance as at 31 December	<u>142,562</u>	<u>157,874</u>
<b>Work in progress</b>		
Opening balance	142,138	137,092
Work in progress – Riverbank Retaining Wall	440,552	5,046
Work in progress – Bus stand/ market	247,010	-
Work in progress – Lawaqa drains	86,384	-
Less capitalised to Land & Building	(97,773)	-
	<u>818,311</u>	<u>142,138</u>
Net written down value - General fund account	<u>2,596,810</u>	<u>1,774,849</u>
<b>PARKING METER FUND</b>		
<b>Plant and machinery</b>		
Carrying amount at beginning	11,416	14,391
Additions	17,190	-
Depreciation expense	(3,969)	(2,975)
Balance as at 31 December	<u>24,637</u>	<u>11,416</u>
<b>Computers</b>		
Carrying amount at beginning	993	1,206
Depreciation expense	(214)	(213)
Balance as at 31 December	<u>779</u>	<u>993</u>
Net written down value - Parking meter account	<u>25,416</u>	<u>12,409</u>
<b>Total property, plant and equipment</b>	<u><b>2,622,226</b></u>	<u><b>1,787,258</b></u>
<b>NOTE 10. ACCUMULATED FUNDS</b>		
General fund account	(256,041)	(130,157)
Special loan fund account	385,236	256,881
Parking meter fund account	10,300	22,733
Net accumulated funds	<u><b>139,495</b></u>	<u><b>149,457</b></u>
<b>NOTE 11. BANK OVERDRAFT</b>		
General fund	<u><b>55,657</b></u>	<u><b>96,622</b></u>
The bank overdraft are secured by the term deposit account number 9675135 of \$60,000.		
<b>NOTE 12. LOAN FUNDS</b>		
<u>BSP Life (Fiji) Limited</u>		
Balance at 1 January	1,058,755	1,132,461
Add: interest and other fees	66,071	82,294
	<u>1,124,826</u>	<u>1,214,755</u>
Less: loans repaid	(156,000)	(156,000)
Balance as at 31 December	<u><b>968,826</b></u>	<u><b>1,058,755</b></u>



**SIGATOKA TOWN COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTE 12. LOAN FUNDS (continued)**

Loans raised by the Council bear interest charges at the rate of 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.

	2018	2017
Analyzed as :	\$	\$
Current	156,000	156,000
Non-current	812,826	902,755
	<u>968,826</u>	<u>1,058,755</u>

**NOTE 13. SUNDRY DEPOSITS**

Car park development	34,007	34,007
Council properties	26,293	26,093
Security deposit	1,747	1,747
Nomination fee	1,240	1,240
Market stall	500	500
Unknown deposit	100	100
Ticket booth	30	30
	<u>63,917</u>	<u>63,717</u>

**NOTE 14. DEFERRED INCOME**

The amount represents Back Hoe Digger which was donated by the Japanese Government in 2008 and capital grant contribution by government for the Nayawa Children's Park in 2015.

Balance as at 1 January 2017	1,289,715	1,307,891
Less: amortization charge	<u>(37,269)</u>	<u>(18,176)</u>
	1,252,446	1,289,715
Add: Government grant	463,761	-
Balance as at 31 December 2017	<u>1,716,207</u>	<u>1,289,715</u>
Analyzed as:		
Current	37,269	34,123
Non-current	<u>1,678,938</u>	<u>1,255,592</u>
	<u>1,716,207</u>	<u>1,289,715</u>

**NOTE 15. INCOME RECEIVED IN ADVANCE**

Income received in advance comprises of the following:

Lease space - Tramline Tappoo Limited	7,904	9,728
Parking space – Tappoo Limited duty free conc, retailers & wholesalers	6,930	8,316
Parking space – Jack's Retail Limited	11,500	13,000
Rates received in advance	288	2,289
Taxis, business license and bus station fees received in advance	3,757	8,475
	<u>30,379</u>	<u>41,808</u>

- (a) The amount represents leasing of an open space between the tramline and the Council's 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	9,728	11,552
Less : lease income realized up to 31 December	<u>(1,824)</u>	<u>(1,824)</u>
Balance as at 31 December	<u>7,904</u>	<u>9,728</u>

**SIGATOKA TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTE 15. INCOME RECEIVED IN ADVANCE (continued)**

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

	2018 \$	2017 \$
<b>Tappoo Limited</b>		
Balance as at 1 January	8,316	9,702
Less: Parking space income realized up to 31 December	(1,386)	(1,386)
Balance as at 31 December	<u>6,930</u>	<u>8,316</u>
<b>Jack's Retail Limited</b>		
Balance as at 1 January	13,000	14,500
Less: Parking space income realized up to 31 December	(1,500)	(1,500)
Balance as at 31 December	<u>11,500</u>	<u>13,000</u>

**NOTE 16. DISCOUNT ON RATES**

On the approval of the Ministry of Local Government, the Council allowed a discount of 7% on rates paid in full during the period from 1 January to 28 February 2018.

**NOTE 17. CAPITAL COMMITMENT**

Capital commitments as at 31 December 2018 amounted to \$535,697 for various capital and project development works (2017: \$734,366).

**NOTE 18. CONTINGENT LIABILITIES**

Contingent liabilities exist with respect to legal claim of \$25,400.

Other than the matter disclosed as contingent liabilities, the Council is of the opinion that there is no material claim that required provisions or disclosure in the financial statements.

**NOTE 19. EVENTS 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 20. GOVERNMENT GRANT**

The Council received grant totalling VIP\$549,201 (VEP\$503,854) from the Government of Fiji. The grant were received and used for the following purpose:

- (i) \$463,761 (VEP) were recognized in the deferred income liability account and were used for the purchase of land for the new bus stand/market, Lawaqa drains, and construction of Cuvu Market; and
- (ii) \$40,093 (VEP) were recognized in income and were used for the litter awareness funds distribution programme, general clean-up campaign and anti-litter programme in Sigatoka Town, maintenance and upgrading of drains, and services provided outside town boundary.

**NOTE 21. PRINCIPAL ACTIVITIES**

The principal activity of the Council is to provide for the health, welfare and convenience of the inhabitants of Sigatoka Town Council and to preserve amenities or credit thereof.

**SIGATOKA TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTE 22. COUNCIL DETAILS**

**Council Incorporation**

The Council is a municipal council in Fiji established under the Local Government Act (cap 125 Rev. 1985) and section 5 of the Subsidiary Legislation.

**Registered Office and Principal Place of Business**

The registered office and principal place of business of the Council is located at:

Civic Building  
Queens Road  
Sigatoka

	2018	2017
	\$	\$

**NOTE 23. NOTES TO THE STATEMENT OF CASH FLOWS**

**(i) Reconciliation of net cash provided by operating activities to net deficit**

Net surplus/(deficit) for the year	(9,962)	(114,322)
Depreciation	101,545	94,269
Deferred income	(37,269)	-
Interest on loan	66,071	-
Interest on term deposits	(1,675)	-
Net cash provided by operating activities before changes in	118,710	(20,053)
 (Increase)/decrease in receivables	 (4,229)	 8,763
Increase / (decrease) in creditors and other accruals	44,149	(34,407)
Increase / (decrease) in other liabilities	24,932	(8,980)
Increase / (decrease) in other assets	-	(23,274)
Net cash inflows from operating activities	<b>183,562</b>	<b>(77,951)</b>

**(ii) Cash and Cash Equivalents**

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

Cash at bank	303,929	790,084
Bank overdraft	(55,657)	(96,622)
	<b>248,272</b>	<b>693,462</b>



**SIGATOKA TOWN COUNCIL**  
**DETAILED STATEMENT OF INCOME AND EXPENDITURE - GENERAL FUND**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>The income for the year was derived from:</b>		
General rates	121,883	121,883
General rates on state land	2,577	2,577
Local rates	28,616	28,616
Interest on overdue rates	12,992	9,204
<u>Fees and charges</u>		
Interest earned	2,432	3,009
Advertisement	1,220	-
Business license	126,576	124,225
Building fees	6,545	3,459
Bus stand charges	14,884	14,937
Commercial vehicle	13,602	13,142
Taxi	47,132	49,069
Cemetery	1,934	2,461
Garbage	93,796	106,632
Interest others	4,443	4,217
Library	125	353
Legal action	40	-
Market fees	210,302	235,608
Miscellaneous	58,439	35,284
Rental properties	128,572	117,820
Multipurpose court hire	1,362	264
Car parking fees	60,442	58,376
Loading & unloading zone	7,999	7,825
Mini van	13,377	13,377
Amortization of deferred income	37,269	18,176
Government grant	40,093	18,349
Special traffic operation	357	-
5% gate takings - Sports Council	1,626	10,807
Revenue - others (new taxis, carrier, minivan, garbage)	21,332	15,220
Jack's Retail Limited - income realized	4,710	4,710
3R project	984	507
Tipping fees – outsiders	4,205	6,514
Wheel barrow	-	150
Ladies accommodation	4,948	5,857
Public convenience	93,665	82,115
STC events	-	13,325
Gain on sale	-	1,111
Town extended boundary-Town planning fees	3,978	-
<b>Total income</b>	<b>1,172,457</b>	<b>1,129,179</b>

**SIGATOKA TOWN COUNCIL**  
**DETAILED STATEMENT OF INCOME AND EXPENDITURE - GENERAL FUND (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	\$	\$
<b>The expenditure for the year incurred on:</b>		
Audit fees	9,340	9,000
Depreciation	97,362	91,080
Doubtful debts	33,471	12,891
Electricity	22,505	22,846
Garbage service	65,256	64,704
Insurance	15,931	11,020
Legal expenses	-	300
Local Government forum	723	837
Council expenses	2,336	-
Market	11,282	12,313
Mataqali - market negotiation	1,100	3,450
Miscellaneous	22,486	16,999
NPTC levy	4,710	2,775
Office expenses	6,607	8,709
Printing, stationery and advertising	20,873	17,331
Public convenience	28,265	28,067
Salaries and related payments	545,134	510,380
Staff benefit	4,767	5,634
Security Services	28,407	28,637
STC events - carnival/Stka day	-	20,164
Telecom/fax/internet/courier	10,862	13,463
Travelling expenses	23,746	21,580
3R project	241	243
Uniforms	6,692	8,309
Water	34,434	32,929
General maintenance	11,098	24,682
Maintenance of mini bus stand	-	4,179
River bank upgrade	-	537
Maintenance of office furniture/equipment	1,204	4,135
Children's park	-	2,065
Rubbish dump/digger maintenance	35,728	70,242
Streetlights	-	3,068
Upgrade administration building	6,763	21,512
Upkeep of roads, drains, paths and verges	202,992	202,278
Beautification of town	18,862	14,753
Capital projects	-	21,793
Ladies accommodation	2,613	4,725
<b>Total administrative and operating expenditure</b>	<u>1,275,790</u>	<u>1,317,630</u>
<b>Financial expenses</b>		
Bank charges and interest	3,769	4,324
Discount allowed	18,782	19,816
<b>Total financial expenditure</b>	<u>22,551</u>	<u>24,140</u>
<b>Total expenditure</b>	<u>1,298,341</u>	<u>1,341,770</u>
<b>Net deficit for the year</b>	<u><u>(125,884)</u></u>	<u><u>(212,591)</u></u>

**SIGATOKA TOWN COUNCIL**  
**DETAILED STATEMENT OF INCOME AND EXPENDITURE - SPECIAL LOAN ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>The income for the year was derived from:</b>		
Special loan rate	183,532	183,532
Special loan rate on State land	10,894	10,894
<b>Total income</b>	<u>194,426</u>	<u>194,426</u>
 <b>The expenditure for the year was incurred on:</b>		
Interest – BSP Life (Fiji) Limited	66,071	82,294
<b>Total expenditure</b>	<u>66,071</u>	<u>82,294</u>
 <b>Net surplus for the year</b>	<u><u>128,355</u></u>	<u><u>112,132</u></u>



**SIGATOKA TOWN COUNCIL  
DETAILED STATEMENT OF INCOME AND EXPENDITURE - PARKING METER  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>The income for the year was derived from:</b>		
Infringement fines	7,764	13,547
Parking meter tolls	34,121	37,887
Miscellaneous	-	3,791
Illegal parking	9,990	9,937
Parking permit	3,484	2,489
<b>Total income</b>	<u>55,359</u>	<u>67,651</u>
 <b>The expenditure for the year was incurred on:</b>		
Depreciation	4,183	3,189
Printing and stationery	1,313	1,356
Training levy	500	297
Salaries and related payments	55,845	53,405
Parking meter verification	3,000	-
Parking meters maintenance	2,951	1,488
<b>Total expenditure</b>	<u>67,792</u>	<u>59,735</u>
 <b>Net (deficit) / surplus for the year</b>	<u><b>(12,433)</b></u>	<u><b>7,916</b></u>