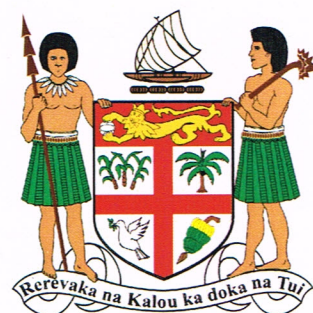




RAKIRAKI TOWN COUNCIL

Annual Report for the Year Ended 2017



PARLIAMENT OF FIJI

PARLIAMENTARY PAPER NO. 237 OF 2020

RAKIRAKI TOWN COUNCIL

ANNUAL REPORT
(Section 19 – Local Government Act Cap 125)
FOR THE YEAR ENDED DECEMBER 31, 2017

RAKIRAKI TOWN COUNCIL

ANNUAL REPORT

(Section 19 – Local Government Act Cap 125)

FORTHEYEARENDED

DECEMBER31,2017

TABLE OF CONTENTS

<u>Section</u>	<u>Page No.</u>
1. HISTORY	3
2. COPORATE OVERVIEW	4-5
2.1. Vision	
2.2. Mission	
2.3. Values	
2.4. Role and Responsibilities of the Council	
3. OFFICERS OF THE COUNCIL	6
4. Organization Chart / Structure	7
5. ADMIN & FINANCE	8-11
6. PUBLIC WORKS SERVICES	12
7. PARKS/GARDENS/SPACES	13
8. PUBLIC HEALTH/ENVIRONMENT/BUILDING & SUBDIVISION	13-14
9. PROJECT	14
10. HUMAN RESORCE/INDUSTRIAL RELATION	15
11. APPRECIATION	16

1.0 HISTORY

Rakiraki town boasts a number of historic sites and buildings. It has the first sugar mill in Fiji, the first Hindu Temple when the Fijians of Indian descent first settled in Fiji. It has the first primary school Established in western division; it has burial ground of the last cannibal “Udreudre”



1.1 ESTABLISHMENT

The Town of Rakiraki was legally declared on Thursday July 1 2010. The Public Service Commission approved the use of an office space in the government rented complex at Vaileka House where official operations commenced on Monday 6th July 2010.

1.2 POPULATION

It has about 4952 residents were recorded from 2007 Census .Rakiraki is an ideal city where people from various ethnic backgrounds have settled and have lived harmoniously and have prospered with their hard work and dedication. Total of 9 schools, 3 secondary schools & 6 primary schools.

1.3 LOCATION

The city is situated in the western side of Viti Levu, the largest island of Fiji. The city is surrounded with the blue Pacific Ocean on the western side together with sugar cane and pine trees on the other sides.

2.0 COPORATE OVERVIEW

2.1 Vision

The Rakiraki Town is a well-planned, healthy, safe and secure community with a strong community identity and sense of place. It is a full service, economically sustaining town where people can affordably live, work, shop and recreate.

It has an integrated open space, rivers, mountains and parks system that provide opportunities for residents to enjoy the natural resources of the community as well as quality, up to date infrastructure and facilities. The architecture and streetscape design provide for a small town, pedestrian oriented ambience. Neighborhood centers provide parks, shopping and community gathering opportunities in an appropriate mix and scale that promotes a feeling of community and connectedness.

Rakiraki has an active, educated and involved citizenry who provide invaluable resources to the town through their spirit of volunteerism and civic participation.

2.2 Mission

The town of Rakiraki mission is to create and sustain our community vitality and quality of life by:

- i. Planning well for our Town's future while preserving the traditions of our past;
- ii. Instilling a sense of belonging and connection within our community
- iii. Safeguarding our community;
- iv. Providing adequate and quality community facilities and services and programs;
- v. Ensuring the economic health and fiscal stability of the Town;
- vi. Balancing economic development with the social values, traditions and needs of the community;
- vii. Developing positive relations with our citizens, businesses and partners and promoting community involvement;

Providing opportunities for citizens to enjoy and participate in educational, cultural and artistic

VALUES

2.3 Values

The delivery of all services is based on the following core values:

Innovative and Transparent Leadership, Accountability, Integrity, Respect, Customer Focus, Environmental Sustainability, Teamwork and Commitment, Civic Pride and Safety.

2.4 Role and Responsibilities of the Council

The council is responsible for the formulation and implementation of town Bylaws and planning policies. To achieve this, the council defines the core business and responsibilities for 2018 as follows:

a) Corporate services

- i. Implementation of policy decisions for the overall administration of the council's budgeting, planning, financial and accounting control and managing human resources.

b) Local Government

- i. Implementation and evaluation of the performance of council and stakeholders for good governance of economic activities. Acts and regulations implementation.

c) Commercial Vehicles

- i. Provision of stands for public transportation and access of the public.

d) Market Operation

- i. Administer the provision of market services with specific emphasis on quality of products and regularized standards and infrastructure.

e) Women Vendors Overnight Accommodation

- i. Manage, coordinate and monitor the economic empowerment of women in line with the UN Women Partner Improving Market project and UNDP PC Millennium Market objectives.

f) Investment

- i. Partner with investment Fiji for profile marketing of Rakiraki to Local and overseas investors.

g) Commercialization

- i. Public Private Partnership/sole operations for additional revenue generations.

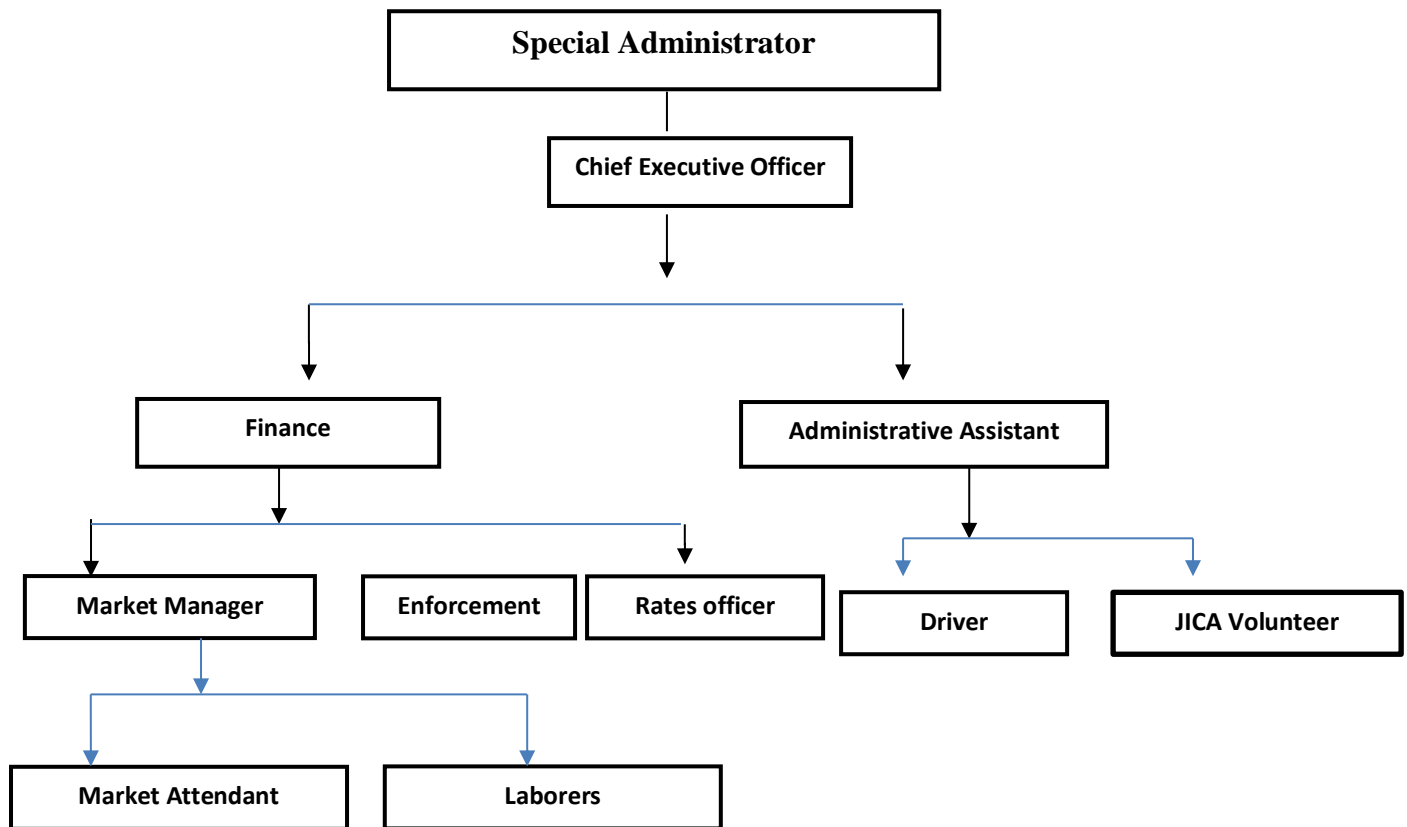
3.0 OFFICERS OF THE COUNCIL

The Principal Officer of the Council for the period of this report is the Interim Special Administrator, Ralulu Cirikiyasawa.

Staff support Team

Market	Ilaisa Vakaloloma Suriya Nand
Administration	Rakesh Ravind Chandra Salesia Buka
Finance	Deepika Darshni Goundar
Enforcement	Epeli Vukinagauna
Labourers (8)	Sitiveni Uqe Satend Kumar Ravneel Kumar Rakesh Kumar Poasa Rareba Laisiasa Valesu Tukana Nemia Naulumatua Jovesa Koso
Project /Rates officer	Emi Adi Vutevute
JICA Volunteer	Takhumi Kwashima

4.0 RAKIRAKI TOWN COUNCIL - ORGANISATION STRUCTURE 2017



5.0 FINANCE

5.1 Rates

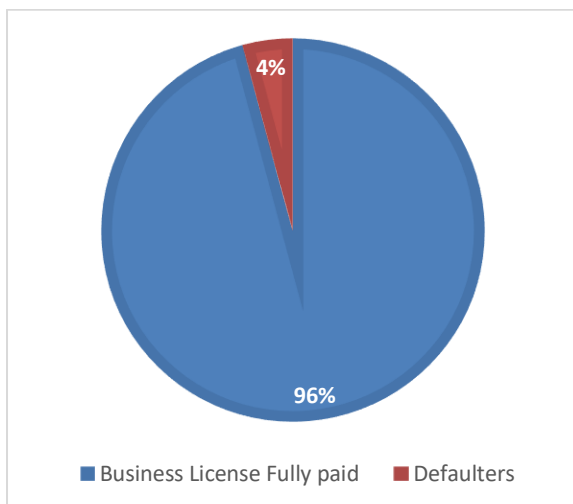
<u>Months</u>	<u>2017</u>
Jan	31862.36
Feb	5645.01
March	11080.84
April	1322.5
May	1837.71
June	393.2
July	1624.67
Aug	804.36
Sept	1127.18
Oct	2217.13
Nov	1965.7
Dec	1125.37
Total	61006.03

5.2 Garbage Fees

The Council levied garbage fees of \$23.00 per bin per annum; this is the rate that was being levied by the Rural Local Authority when operations were transferred to the Council of 28th September 2010. Garbage collection is Provided by the Council (New Compactor Truck was donated by the Government)

5.3 Business License Fees

The Business License survey team recorded two hundred and fourteen (214) business in town boundary.



The Enforcement officer is following up on the defaulters.

5.4 Municipal Market Fees

Market Fees have not been reviewed since the operation were transferred from the Ra Rural Local Authority on the 28th September 2010. Current fees are:

- | | | | |
|------|--|---|--------------------------------|
| i. | Outside ground space (without tables) | - | 25 cents per block |
| ii. | Inside stall (with tables) | - | 45 cents per space per day |
| iii. | Digicel block stalls | - | \$1.15 cents per stall per day |
| iv. | Main market block | - | \$35 dollars per month |
| v. | Kava stall | - | \$2.30 per day |
| vi. | Refreshment Bar | - | \$206 per month |
| vii. | Fish market | - | 10 cents per kg |

5.5 Commercial Vehicle Base Fees

There are (2) taxi stands in the town boundary: -

Name of stand	No.of Taxi
Ra Sub-divisional Hospital	5
Rakiraki Market	67

5.6 Carriers

There is only (1) carrier stands in the town boundary: -

Name of stand	No.of Carriers
Rakiraki Market	25

Minibuses

Name of stand	No.of Minibuses
Rakiraki Market	3

5.7 RECURRENT REVENUE & EXPENDITURE

The total recurrent revenue and expenditure of the council for the year ending December 31, 2017 were as follows:-

<u>OPERATING INCOME</u>	ACTUAL 2017
<u>General Fund</u>	
Market Operations	\$ 40,500.00
Garbage Fees	\$ 12,000.00
Toilet Operations	\$ 25,000.00
Rent - Refreshment Bar	\$ 5,407.20
Permit fees	\$ 5,000.00
Hire Boardroom	\$ 2,000.00
Town Rates	\$ 188,000.00
Business License Fees	\$ 70,000.00
Commercial Vehicle Base Fees	\$ 40,000.00
Traffic Fines	\$ 1,500.00
Litter Fines	\$ 1,000.00
Rakiraki Carnival 2016	\$ 40,000.00
TOTAL OPERATING REVENUE	\$ 430,407.20
<u>CAPITAL GRANT & CHALLENGE FUND</u>	
Grant - MLGUDHE (Salary - CEO)	\$ 30,000.00
Capital Grant- Market Development	\$ 3,200,000.00
Carnival Convenience	\$ 10,000.00
Challenge Fund - 100 Parking Meter	\$ 65,691.08
TD04F Post Flood Cleanup Phase I	\$ 40,600.00
TD04F Post Flood Cleanup Phase II	\$ 9,400.00
Subsidy Grant	\$ 150,000.00
SPREP Grant	\$ 105,000.00
TOTAL CAPITAL & CHALLENGE FUND REVENUE	\$ 3,610,691.08

5.8 EXPENDITURE

EXPENDITURE	
Staff Wages	\$ 120,000.00
CEO- Additional Benefit	\$ 3,603.96
Dump Naria	\$ 30,000.00
CEO Vehicle / utility	\$ 45,000.00
Stationery	\$ 4,500.00
Public Toilet Expenses	\$ 5,400.00
Town Rates Expense	\$ 5,000.00
Office Expense	\$ 40,000.00
Servicing -Council Vehicle (FW 171)	\$ 5,000.00
Works Expenses/ Beautification	\$ 20,000.00
Petty Cash	\$ 4,800.00
Post Fiji - Box Rental	\$ 38.86
FNPF	\$ 24,000.00
Diesel (IL 135)	\$ 4,137.84
Fuel (FW 171)	\$ 2,100.00
LICI	\$ 5,450.20
Worshop & Meetings	\$ 3,000.00
Staff Training	\$ 500.00
IT Upgrade	\$ 10,000.00
Religious Festive Celebration	\$ 15,000.00
Carnival Expense	\$ 25,000.00
Vodafone Group call	\$ 2,560.25
Water Bill	\$ 6,600.25
Telephone Bill	\$ 320.00
Electricity Bill	\$ 9,978.63
BSP Health Insurance	\$ 1,646.31
BSP Life Insurance	\$ 1,037.80
PAYE - CEO	\$ 2,080.51
VAT	\$ 10,000.00
FBT - FW 171	\$ 479.00
FNU Levy	\$ 800.00
Clean Up Campaign	\$ 8,000.00
Motor Cycle (Scooter)	\$ 4,000.00
Centennial Celebration	\$ 3,000.00
TOTAL OPERATING EXPENSE	\$ 423,033.61
CAPITAL GRANT & CHALLENGE FUND	
Grant - MLGUDHE (Salary - CEO)	\$ 40,000.00
Capital Grant- Market Development	\$ 3,200,000.00
Carnival Convenience	\$ 10,000.00
Challenge Fund - 100 Parking Meter	\$ 65,691.08
TD04F Post Flood Cleanup Phase I	\$ 40,600.00
TD04F Post Flood Cleanup Phase II	\$ 9,400.00
SPREP Grant	\$ 105,000.00
TOTAL CAPITAL & CHALLENGE FUND EXPENSE	\$ 3,470,691.08
SUMMARY	
Income	\$ 4,041,098.28
Expenditure	\$ 3,893,724.69
DEFICIT/ SURPLUS	\$ 147,373.59

6.0 PUBLIC WORKS SERVICES

These services were offered to the public for the Council by the Fiji Roads Authority in terms of :

1. Street lights
2. Footpath

6.1 ROADS & DRAINS

The Council is awaiting the roads upgrade project from the Central Coordinating Agency for Roads but drain cleaning is carried out by the Market Staff.

The Fiji Roads Authority does routine maintenance work on the municipal roads whilst the Council assist with roadside grass cutting when required.

All Fiji Roads owned road drains are still maintained by the Council. This is an added expense to the Council with very minimal return from Fiji Roads Authority.

Normal Routine services and maintenance such as garbage /refuse collection , grass cutting in the town area, cleaning of public drains, clean up campaigns, mowing the road verges and upkeep of parks & gardens were carried out throughout the year

6.2 Other Services

- Mosquito spraying with Health Office
- Stray dogs campaign with Mins. of Agriculture
- Clean up campaign
- Waste collection (Outsourced)

7.0 PARKS /GARDENS/ OPEN SPACES

There is only one (1) park and no garden or open spaces in the Council. However, the Department of Lands & Survey is working on vesting of these spaces to the Council.

Planting of trees and flowers was also undertaken in the commercial and industrial areas as part of an ongoing beautification of the town and keep up with the image of Rakiraki being a “GREEN TOWN”

8.0 PUBLIC HEALTH /ENVIRONMENT/BUILDING & SUB-DIVISION

The Council has worked with the Ministry of Health in the integrated planning and public Health/environment management.

However due to the absence of full-time health inspector with the Council, the Council depends on the time allocated by the Ministry of Health and its assistance and support the municipality.

The Council has also in partnership with the Ministry of Environment , has trained and appointed Litter Prevention Officer (LPO).In view of lack of resources to employ LPOs on a full time basis, the officers have been appointed on a voluntary basis.

8.1 SUMMARY OF INSPECTION

Types of Premises Inspected	Order	Completed
Repairs, cleaning of hotel, boarding houses	1	1
Illegal structures	3	2
Accumulation of refuse referred to contractor	-	-
Cleaning of overgrown grass	7	5
Repairs to water mains- referred to PWD	5	3
Supermarkets, markets, greengrocers	4	4
Improvements of Bakery	1	1
Inspection of nuisance from farm	5	3
Total	26	19

8.2 Registration of Food Premises

Refreshment Bar	12
Bake House	2
Hotels	1
Kava Pounding	1
Restaurants without Liquor	6
Butcher shops	2
Supermarket	5
Food shop	20
Hawkers	10
Total	59

8.3 NUMBER OF BUILDING INSPECTIONS CARRIED OUT DURING THE YEAR

TYPE OF DEVELOPMENT	New Applications	Alteration & Repairs	Extensions	Total for the Year
Residential	7	4	2	13
Commercial	1	-	1	2
Industrial	-	-	-	-
Hotels/Resorts	-	-	-	-
Schools	-	2	-	2
Civic	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL	8	6	3	17

9.0 PROJECT:

1. Ongoing New Market Complex

10.0 HUMAN RESOURCE & INDUSTRIAL RELATION

At the end of the year, the council had following employees on its payroll:-

Department	Permeant	Contract	Total
Admin & Finance		3	3
Market & Works		8	8
Enforcement Officer		1	1
Rates		2	1
Volunteer (JICA)		1	1
Total		15	15

[2017: 15]

10.1 RETIREMENT

None

10.2 RESIGNATION

None

10.3 TERMINATED

None

11.0 APPRECIATION

The council wishes to convey its appreciation and gratitude to the ratepayers for paying their rates and other dues to meet the running cost of the city administration.

The council also wishes to acknowledge the dedicated and loyal services rendered by its staff and employees.

RAKESH RAVIND CHANDRA
CEO – RAKIRAKI TOWN COUNCIL

**RAKIRAKI TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

CONTENTS

Council directory	2
Executive members report	3 - 4
Statement by executive members	5
Independent auditor report	6 - 8
Statement of comprehensive income	9
Statement of changes in equity	10
Statement of financial position	11
Statement of cash flow	12
Notes to the financial statements	13 - 21
Detailed statement of income and expenditure	22 - 23

**RAKIRAKI TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

Nature of operations:	Town Council
Accountants:	Alliance Financial and Management Limited Chartered Accountants and Business Advisors
Location:	Main Street Rakiraki Fiji Island
Bankers:	Bank of the South Pacific Rakiraki
Executive Members:	Chief Executive Officer (CEO) - Rakesh Chandra Secretary - Salesia Buka Treasurer - Deepika Darshni Goundar

**RAKIRAKI TOWN COUNCIL
EXECUTIVE MEMBERS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The Executive Members have pleasure in presenting their report together with the financial statements of the Rakiraki Town Council for the year ended 31 December 2017 and the Auditor's Report thereon.

Operating Results :-

	2017
	(\$)
The results of the year are summarised as below :-	
Operating profit after taxation of the Council for the year ended 31 December 2017 was	3,506,918
Retained earnings at the beginning of the year were	<u>(204,904)</u>
Accumulated profit at the end of the year	<u>3,302,014</u>

RESERVES

It is not proposed to make any transfer to reserves.

The state of the Council as at 31 December 2017 was :-

Total Assets	4,148,372
---------------------	------------------

and were financed by :-

Liabilities of	166,220
and Councils Surplus of	<u>3,982,152</u>
	<u>4,148,372</u>

Executive Members

The Executive Members in office at the date of this report are :-

Chief Executive Officer (CEO)-Acting - Tulsi Ram
Secretary - Salesia Buka
Treasurer - Deepika Darshni Goundar

PRINCIPAL ACTIVITIES

The principal activities of the Rakiraki Town Council during the year were to protect the welfare of the Rakiraki Town and its inhabitants.

BAD AND DOUBTFUL DEBTS

Prior to the completion of the Council's accounts, the Executive Members took reasonable steps to ascertain that action has been taken in relation to writing off bad debts and the making of provision for doubtful debts. In the opinion of the Executive Members, adequate provision has been made for doubtful debts.

As at the date of this report the Executive Members are not aware of any circumstances which would render the amount written off for bad debts, or the provision for doubtful debts in the Council inadequate to any substantial extent.

CURRENT ASSETS

Prior to the completion of the financial statements of the Council, the Executive Members took reasonable steps to ascertain whether any current assets were likely to realise in the ordinary course of the business their values as shown in the accounting records of the Council. Where necessary these assets have been written down or adequate provision has been made to bring the values of such assets to an amount they are expected to realise.

As at the date of this report the Executive Members are not aware of any circumstances which would render the values attributed to the current assets in the Council's financial statements misleading.

**RAKIRAKI TOWN COUNCIL
EXECUTIVE MEMBERS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

UNUSUAL TRANSACTION

In the opinion of the Executive Members, the results of the operation during the financial year were not substantially affected by any item, transaction or event of an abnormal character, nor has there arisen between the end of the financial year and the date of this report any item, transaction or an event of an abnormal character likely in the opinion of the Executive Members to affect substantially the results of the operations of the Council in the current financial year.

SIGNIFICANT EVENTS DURING THE YEAR

There were no significant events which lead to changes in the affairs of the Council during the financial year.

SUBSEQUENT EVENTS

No matter or circumstance has arisen since the end of the financial year that has 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 financial years subsequent to the financial year.

RELATED PARTY TRANSACTION

In the opinion of the Executive Members all related party transactions have been adequately recorded in the books of the Council.

OTHER CIRCUMSTANCES

As at the date of this report:

- (i) No charge on the assets of the Council has been given since the end of the financial year to secure the liabilities of any other person;
- (ii) No contingent liabilities have arisen since the end of the financial year for which the Council could become liable; and
- (iii) No contingent liabilities or other liabilities of any Council has become or is likely to become enforceable within the period of twelve months after the end of the financial year which in the opinion of the Executive Members will or may substantially affect the ability of the Council to meet its obligation as and when they fall due.

As at the date of this report the Executive Members are not ware of any circumstances that have arisen not otherwise dealt with in this report which would make adherence to the existing method of valuation of assets or liabilities of the Council misleading or inappropriate.

Dated at Suva this 23th day of June, 2019

Signed in accordance with a resolution of the Executive Members.



Chief Executive Officer



Secretary



Treasurer

RAKIRAKI TOWN COUNCIL
STATEMENT BY EXECUTIVE MEMBERS
FOR THE YEAR ENDED 31 DECEMBER 2017

In accordance with a resolution of the Executive Members of Rakiraki Town Council we state that in the opinion of the Executive Members :-

- (a) The accompanying statement of comprehensive income is drawn up so as to give a true and fair view of the results of the Council for the year ended 31 December 2017;
- (b) The accompanying statement of changes in equity for the year ended 31 December 2017 is drawn up so as to give a true and fair view of the movement in Councils funds;
- (c) The accompanying statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Council as at 31 December 2017;
- (d) The accompanying statement of cash flows is drawn up so as to give a true and fair view of the cash flow of the Council for the year ended 31 December 2017;
- (e) At the date of this statement there are reasonable grounds to believe that the Council will be able to pay its debts as and when they fall due;
- (f) All related party transactions have been adequately recorded in the books of the Council; and
- (g) The financial statements have been prepared in accordance with Applicable Accounting Standards and the Local Government Act.

Signed for and on behalf of the Executive Management and in accordance with a resolution of the Executive Members.



Chief Executive Officer (Acting)



Secretary



Treasurer

Dated at Suva this 28th day of June, 2019

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements of Rakiraki Town Council

Disclaimer of Opinion

I have audited the financial statements of Rakiraki Town Council, which comprise the statement of financial position as at 31 December 2017, 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.

I do not express an opinion on the accompanying financial statements of Rakiraki Town Council. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. The Council was unable to provide various records and supporting documents to support trade and other receivables balance, trade and other payables balance and various income account. The subsidiary records not prepared and provided by the Council, and missing records have provided limitation to the scope of my audit, thus, prevent me from forming an opinion on the financial report taken as a whole.
2. The Council recorded trade and other receivables balance of \$326,274 in the statement of financial position as at 31 December 2017. Included in the balance were VAT receivable of \$167,688. The Council was unable to provide me with documentations to support the above balance. As a result I was unable to determine whether any adjustment might have been necessary in respect of the Council's VAT receivable balance at year end and any corresponding adjustments to the elements making up the statement of comprehensive income and statement of financial position.

In addition, included in the trade and other receivables balance are long outstanding debts of \$89,982 or 60% of the total trade and other receivables balance. The Council did not provide provision for doubtful debts, therefore, I am unable to ascertain whether trade and other receivables of \$326,274 has been fairly stated in the financial statements.

3. The Council recorded trade and other payables balance of \$166,220 in the statement of financial position as at 31 December 2017. Included in the amount are other creditors of \$5,392, and sundry deposits of \$12,081. The Council was unable to provide any documentation to support the above balances. 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 trade and other payables 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.

4. The Council recorded town general rates income of \$65,046, market income of \$37,936, toilet income of \$18,653, bus station/commercial/taxis income of \$35,993, business, trading and other licenses income of \$59,598, and garbage collection fees of \$16,743 in the detailed statement of income and expenditure. The Council was unable to provide appropriate supporting documents to support the above balances. In addition, the rates income, garbage fees and business license were recorded on a cash basis. 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 town general rates, market, toilet income, bus station/commercial/taxis, business, trading and other licenses income, and garbage collection fees 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.
5. The Council recorded UNDP grant of \$1,920,000 and government grant of \$1,752,844 as income instead of liability even though conditions attached to the grant have not been met. In addition, the Council did not account for VAT of \$158,532 on grant received from UNDP. Therefore, I am unable to ascertain whether government grant received from UNDP of \$1,920,000 and government grant of \$1,752,844 has been fairly stated as income in the financial statements.
6. The Council has not disclosed capital commitments of \$1,124,139, restricted cash of \$1,128,764 and provision of annual leave in the financial statements which is a non-compliance to the disclosure requirement of IFRS for SMEs. In addition, the Council was unable to provide me with documentations to support the transition to IFRS for SME. Consequently, I was unable to determine whether any adjustments to the financial statements in respect of the transition to IFRS for SMEs were necessary.
7. The Council was unable to provide Solicitors confirmation at balance date. Consequently, I was unable to determine whether any disclosures to the financial statements in respect of contingent liabilities were necessary.
8. A disclaimer of opinion was issued on the 2016 financial statements. I was unable to obtain sufficient and appropriate audit evidence to ascertain the accuracy of the opening balances. Therefore, I am unable to satisfy myself concerning the opening balances disclosed in the statement of financial position of the Council and the impact it may have on the determination of the closing balances of the 2017 financial statements.

Emphasis of Matter

I draw attention to Note 3 of the financial statements which state that the Executive Management provides policies for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. The Company did not have a Risk Management Policy in place.

Other Matter

The Council did not have a documented Disaster Recovery Plan and Business Continuity Plan in place.

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

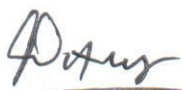
My responsibility is to conduct the audit of the Rakiraki Town Council's financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion of these financial statements.

I am independent of the Rakiraki Town Council within the meaning of International Ethics Standards Board for Accountant's *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to my audit of the financial statements in Fiji, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code.

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 not 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
5 July 2019

RAKIRAKI TOWN COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 (\$)	2016 (\$)
Income		4,023,258	430,721
Total Income		4,023,258	430,721
Administrative expenses	5	13,095	16,668
Marketing expenses	6	1,900	1,952
Other operating expenses		438,198	527,374
Depreciation expenses		62,797	89,185
Total Expenditure		515,990	635,179
Net surplus/(deficit) for the year		3,507,268	(204,458)
Finance cost		350	446
Net surplus/(deficit) for the year		3,506,918	(204,904)

The statement of comprehensive income is to be read in conjunction with the accompanying notes.

RAKIRAKI TOWN COUNCIL
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 (\$)	2016 (\$)
Balance at the beginning of the year	475,234	680,138
Net surplus / (deficit) for the year	<u>3,506,918</u>	<u>(204,904)</u>
Balance at the end of the year	<u>3,982,152</u>	<u>475,234</u>

The statement of changes in equity is to be read in conjunction with the accompanying notes.

RAKIRAKI TOWN COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Notes	2017 (\$)	2016 (\$)
Current Assets			
Cash and cash equivalents	7	1,144,859	34,055
Trade and other receivables	8	326,274	147,327
Total current assets		1,471,133	181,382
Non Current Assets			
Property, plant and equipment	9	2,677,239	478,037
Total non-current assets		2,677,239	478,037
TOTAL ASSETS		4,148,372	659,419
Current Liabilities			
Trade and other payables	10	166,220	184,185
Total current liabilities		166,220	184,185
TOTAL LIABILITIES		166,220	184,185
NET ASSETS		3,982,152	475,234
Accumulated Fund			
Accumulated funds		3,982,152	475,234
TOTAL COUNCIL'S FUND		3,982,152	475,234


In our opinion the financial statements have been properly drawn up so as to show a true and fair view of the Rakiraki Town Council's operations for the year ended 31 December 2017 and the state of affairs as at that date.


Chief Executive Officer
Tusli Ram

Date: 28/06/2019


Secretary
Salesia Buka

Date: 28/6/19


Treasurer
Deepika Darshni Goundar

Date: 28/06/19

The statement of financial position is to be read in conjunction with the accompanying notes.

RAKIRAKI TOWN COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 (\$)	2016 (\$)
Cash flows from operating activities			
Receipts from customers		3,844,311	379,254
Payments to suppliers and employees		(471,507)	(424,453)
Net cash provided / (used) by operating activities	11 (ii)	<u>3,372,804</u>	<u>(45,199)</u>
Cash flows from investing activities			
Acquisition of property, plant & equipment		(2,262,000)	(73,886)
Net cash used by investing activities		<u>(2,262,000)</u>	<u>(73,886)</u>
Net increase / (decrease) in cash and cash equivalents		1,110,804	(119,085)
Cash and cash equivalents at the beginning of the year		34,055	153,140
Cash and cash equivalents at the end of the year	11 (i)	<u>1,144,859</u>	<u>34,055</u>

The statement of cash flow is to be read in conjunction with the accompanying notes.

**RAKIRAKI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

NOTE 1. GENERAL INFORMATION

The principal activities of the Rakiraki Town Council during the year were to protect the welfare of Rakiraki Town and its inhabitants.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial statement prepared by Rakiraki Town Council is in accordance with the Local Government Act and International Financial Reporting Standards for Small and Medium Enterprises ('IFRS for SMEs') as required by the Fiji Institute of Accountants. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of presentation

The financial statements have been prepared in accordance with 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.

In the application of IFRS, management is required to make judgments, estimates and assumptions about 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. Judgments made by management in the application of IFRS for SME's that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

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.

b) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

c) Trade receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Council will not be able to collect all amount due according to the original terms of the receivables.

d) Inventories

Inventories are stated at a lower of cost and estimated selling price less cost to complete and sell. Cost is determined using first-in-first out (FIFO) method. The cost of finished goods and work in progress comprises packaging cost, raw materials, direct labour, other direct cost and related production overheads. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less cost to complete and sell; the impairment loss is recognised immediately in profit or loss.

RAKIRAKI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Employee Benefits and Entitlements

Liabilities for wages and salaries expected to be settled within 12 months of the reporting date are accrued up to the reporting date.

The liability for annual leave is recognized in the provision for employee benefits. Liabilities for annual leave are expected to be settled within 12 months of the reporting date and are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Contributions to Fiji National Provident Fund are expensed when incurred.

e) Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Land is not depreciated. Depreciation on the other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method on the basis of maximum rates allowed by Fiji Revenue and Customs Services.

Building	2.5%
Plant & Machinery	12%
Motor vehicle	18%

f) Trade Payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

g) Share Capital

Ordinary shares are classified as equity.

Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of direct cost of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

h) Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Council's activities. Revenue is shown net of value added tax, returns, rebates and discounts.

i) Borrowing Costs

Borrowing costs directly attribute to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the respective assets. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

RAKIRAKI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (Fiji Currency).

(b) Transactions and balances

Foreign currency transactions are translated into the Fiji currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other (losses)/gains – net'.

k) Income Tax

The Council is exempt from Income tax in accordance with the provisions of Section 17 of the Income Tax Act.

l) Value Added Tax (VAT)

Revenue, expenses and assets are recognised net of the amount of respective vat except:-

- where the value added tax incurred on the purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables are stated with the amount of value added tax included and payables are stated with the amount of value added tax included.

The net amount of valued added tax recoverable or payable to the tax authority is included as part of the receivables or payables in the statement of financial position.

n) Comparatives

The comparative figures are the for the year ended 31 December 2016 and have been regrouped where considered necessary.

NOTE 3. FINANCIAL RISK MANAGEMENT

The Council's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, interest rate risk and regulatory risk), credit risk, liquidity risk and operational risk.

The Council does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Risk management is carried out by executive management. Executive management identifies, evaluates and monitors financial risks in close co-operation with the operating units. The Executive Management provides policies for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

RAKIRAKI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 3. FINANCIAL RISK MANAGEMENT (continued)

a) Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates, interest rate, equity prices, and credit spreads will affect the Council's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimising the return on risk.

Unfavourable changes to duty and tax regulations may expose the Council to a decline in revenues. To minimise this risk, the Council implements appropriate strategies to ensure that products and prices remain attractive. The Council operates in Fiji and changes to governments and the policies they implement affect the economic situation and ultimately the revenue of the Council. To address this, the Council reviews its pricing and product range regularly and responds appropriately to these changes.

(i) Foreign exchange risk

The Council undertakes transactions denominated in foreign currencies. Consequently, exposures to exchange rate fluctuation. Exchange rate exposures are managed within approved policy parameters. Major foreign exchange transactions relates to importation of goods of which settlement is based on spot rates. Foreign currency risk arises from recognised assets and liabilities that are denominated in a currency that is not the Council's functional currency. As a measure, the Council negotiates competitive rates with its bankers to minimise losses and maximise gains when foreign exchange receipts and payments become due.

(ii) Price risk

The Council does not have investments in equity securities quoted on stock exchange and hence is not exposed to equity securities price risk. The Council is not exposed to commodity price risk.

The salaries and wages payable to workers are subject to relevant wages regulations and employment legislation particularly the Fiji Employment Regulations Promulgation.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Council. The Council has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Council's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management on a regular basis.

Trade accounts receivable consist of customers spread across geographical areas. Ongoing credit evaluations are performed on the financial condition of accounts receivables.

The Council does not have any significant credit risk exposure to any single counterparty or any Council of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Council's maximum exposure to credit risk.

(c) Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting obligations for its financial liabilities. Prudent and careful management of the Council's liquidity position is essential in order to ensure that adequate funds are available to meet the Council's ongoing financial obligations.

RAKIRAKI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 3. FINANCIAL RISK MANAGEMENT (continued)

(d) Operational Risk

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

(e) Capital risk management

The Council's objectives when managing capital are to safeguard the Council's ability to continue as a going concern in order to provide returns for Councils and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Council may adjust the amount of dividends paid to Councils, return capital to Councils, issue new shares and/or sell assets to reduce debt.

The Council monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

	2017 (\$)	2016 (\$)
The gearing ratios at 31 December 2017 and 2016 were as follows:		
Total borrowings	-	-
Less: Cash on hand and at bank	1,144,859	34,055
Net debt	(1,144,859)	(34,055)
Total equity	3,982,154	475,235
Total capital (Equity + Net debt)	2,837,295	441,180
Gearing ratio % (Net debt / Total capital)	(0.40)	(0.08)

(f) Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The carrying values of financial liabilities are estimated to approximate their fair values.

NOTE 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In application of the Council's accounting policies, which are described in note 2, the Executive Members are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The Council makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year and in future are discussed below.

RAKIRAKI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical Judgments in Applying the Entity's Accounting Policies

(a) Impairment of accounts receivable

Impairment of accounts receivable balances is assessed at an individual level. All debtors in the 90+ days category are considered impaired and provided for on a specific basis after detailed review of individual account balances. Receivables considered uncollectable are written off in the year in which they are identified.

(b) Impairment of property, plant and equipment

The Council assesses whether there are any indicators of impairment of all property, plant and equipment and investment property at each reporting date. Property, plant and equipment and investment property are tested for impairment and when there are indicators that the carrying amount may not be recoverable, a reasonable provision for impairment is created. The director's and management's assessment of recoverable amount involves making a judgment, at the particular point in time, about inherent uncertain future outcomes of events or conditions. Accordingly, subsequent events may result in outcomes that are significantly different from assessment.

For the year ended 31 December 2015, no provision for impairment has been made as the Council reasonably believes that no indicators for impairment exist.

NOTE 5. ADMINISTRATIVE EXPENSES	2017 (\$)	2016 (\$)
Printing and stationery	4,238	7,124
Office expenses	7,157	7,644
Accounting fees	1,700	1,900
	<u>13,095</u>	<u>16,668</u>

NOTE 6. MARKETING EXPENSE

Advertising and marketing expense	<u>1,900</u>	<u>1,952</u>
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NOTE 7. CASH AND CASH EQUIVALENTS

Petty cash	1,077	915
Cash at bank - Westpac account no. 9803225102	-	1,206
Cash at bank - BSP account no. 9093521	-	785
Cash at bank - BOB market account	1,115,356	-
Cash at bank - Operational account	14,959	-
Cash at bank - Capital account	13,408	31,149
Cash at bank - BOB carnival account	59	-
	<u>1,144,859</u>	<u>34,055</u>

NOTE 8. TRADE AND OTHER RECEIVABLES

Town rates	149,561	141,099
Garbage collection	49	50
Bus base collection	976	758
Taxi base collection	2,007	248
Carrier base collection	654	1,027
Minibus base collection	4,420	3,791
Business license	919	354
VAT receivables	167,688	-
	<u>326,274</u>	<u>147,327</u>

Trade receivables principally comprise amounts outstanding for sales.

RAKIRAKI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 8. TRADE AND OTHER RECEIVABLES (continued)

	2017	2016
	(\$)	(\$)

Trade receivables that are less than 3 months past due are not considered impaired. These relate to a number of customers. Ageing of past due but not impaired trade accounts receivable:

0 - 30 days	31,717	29,465
60 - 90 days	55,505	51,564
Over 90 days	71,364	66,297
	158,586	147,327

NOTE 9. PROPERTY, PLANT AND EQUIPMENT

(i) Fixed assets are stated at cost and have been included in the accounts on the following basis:

Plant and equipment - at cost	215,455	221,290
Office building and equipment - at cost	2,418,127	200,153
Motor vehicle - at cost	43,658	56,594
Net Written Down Value	2,677,240	478,037

ii) Reconciliations

Reconciliations of the carrying amounts of property, plant and equipment by class at the beginning and end of the financial year.

Plant and equipment

Plant and equipment - at cost	312,901	312,901
Accumulated depreciation	(91,611)	(80,778)
Depreciation	(5,835)	(10,833)
	215,455	221,290

Office equipment

Office equipment - at cost	2,757,285	495,286
Accumulated depreciation	(295,133)	(235,866)
Depreciation	(44,026)	(59,267)
	2,418,126	200,153

Motor vehicle

Motor vehicle - at cost	119,679	119,679
Accumulated depreciation	(63,085)	(44,000)
Depreciation	(12,936)	(19,085)
	43,658	56,594

Net Written Down Value	2,677,239	478,037
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NOTE 10. TRADE AND OTHER PAYABLES

Trade creditors	148,747	148,333
Other creditors	5,392	7,292
Sundry deposits	12,081	1,907
VAT payable	-	26,653
	166,220	184,185

RAKIRAKI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 11. STATEMENT OF CASH FLOW

	2017	2016
	(\$)	(\$)

i) Cash balance at the end of the year

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 financial position as follows: -

Petty cash	1,077	915
Cash at bank - Westpac account no. 9803225102	-	1,206
Cash at bank - BSP account no. 9093521	-	785
Cash at bank - BOB market account	1,115,356	-
Cash at bank - Operational account	14,959	-
Cash at bank - Capital account	13,408	31,149
Cash at bank - BOB carnival account	59	-
	<u>1,144,859</u>	<u>34,055</u>

ii) Reconciliation of net cash flows provided by the operating profit after tax

Net surplus / (deficit) for the year	3,506,918	(204,904)
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Add Non Cash Item

Depreciation	<u>62,797</u>	<u>89,185</u>
	3,569,715	(115,719)

Changes in assets and liabilities

(Increase) / decrease in receivables	(178,947)	(51,468)
(Decrease) / increase in payables and accruals	<u>(17,964)</u>	<u>121,988</u>

Net cash provided by operating activities	<u>3,372,804</u>	<u>(45,199)</u>
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NOTE 12. PRINCIPAL ACTIVITY

The principal activities of the Rakiraki Town Council during the year were to protect the welfare of the Rakiraki Town and its inhabitants.

NOTE 13. COMPARATIVES

The comparatives are the audited figures for the year ended 31 December 2016. The figures for the last year have been regrouped where considered necessary.

NOTE 14. COUNCIL DETAILS

The Council was incorporated in Fiji under the Local Government Act .

(i) Registered Office

P O Box 68
Main Street
Rakiraki

Principal Place of Business

Main Street
Rakiraki

NOTE 15. SEGMENT REPORTING

(i) Industry segment

The Council operates predominantly to protect the welfare of the Rakiraki Town and its inhabitants.

(ii) Geographic Segment

The Council operates in Rakiraki and therefore has only one geographical area for reporting purposes.

RAKIRAKI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 16. RELATED PARTIES

a) Executive Members

The names of persons who were Executive Members of the Council at any time during the financial year are as follows:

Chief Executive Officer (CEO) - Rakesh Chandra
Secretary - Salesia Buka
Treasurer - Deepika Darshni Goundar

b) Amounts due to, and Receivable from Related Parties

Appropriate disclosure of these amounts is contained in the respective notes to the financial statements.

c) Key Management Personnel

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

During the year, the Special Administrator was identified as key management personnel. The remuneration of the key management personnel during the year was as follows:

	2017 (\$)	2016 (\$)
Salary, fees, superannuation and other benefits	40,042	30,599

NOTE 17. CAPITAL COMMITMENTS

Capital commitment at balance date is \$NIL (2016 - \$NIL)

NOTE 18. CONTINGENT LIABILITIES

Contingent liability at balance date is \$NIL (2016 - \$NIL)

NOTE 19. CONTINGENT ASSETS

Contingent assets at balance date is \$NIL (2016 - \$NIL)

RAKIRAKI TOWN COUNCIL
DETAILED STATEMENT OF INCOME & EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	(\$)	(\$)
INCOME		
Building and subdivision	13,421	1,578
Bus station / commercial / taxis	35,993	31,543
Business, trading and other licenses	59,598	53,563
CEO's salary - grant	30,000	30,000
Garbage collection fees	16,743	22,500
Town general rates	65,046	92,699
Market	37,936	34,383
Municipal (permit / traffic / fine)	1,229	10,042
Rent	4,226	3,630
Solid waste	1,138	-
Toilet income	18,653	19,616
Sundries	2,467	3,427
Government grant	1,752,844	96,000
UNDP grant	1,920,000	-
Sponsorship	58,870	31,591
Interest	5,094	150
Total Income	4,023,258	430,721
LESS EXPENSES		
Administration Expense		
Accounting fees	1,700	1,900
Printing, postage and stationery	4,238	7,124
Office expense	7,157	7,644
Total Administration Expenses	13,095	16,668
Marketing Expense		
Advertising and marketing	1,900	1,952
Total Marketing Expense	1,900	1,952
Other Operating Expenses		
Allowance	5,081	11,011
Cleaning expense	9,904	17,630
Carnival expense	19,295	12,944
CEO's salary	39,683	30,000
Equipment hire expense	13,015	15,020
Entertainment	2,272	3,762
Fringe benefit tax	359	599
FNU levy	1,833	706
Garbage truck hire	-	23,200
Miscellaneous	2,633	379
Motor vehicle expenses	12,376	12,379
Repair and maintenance	107,021	228,768
Staff amenities and training	6,600	2,358
Superannuation	21,057	15,665
Salary and wages	166,138	126,655
Telephone	5,282	4,274
Travelling expense	6,517	3,699
Utilities	19,133	18,324
Total Other Operating Expenses	438,198	527,374
Total Expenses	453,193	545,994

RAKIRAKI TOWN COUNCIL
 DETAILED STATEMENT OF INCOME & EXPENDITURE (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
EXPENSES (continued)	(\$)	(\$)
Earnings before Interest, Tax and Depreciation	3,570,065	(115,273)
Depreciation	62,797	89,185
Interest and bank charges	350	446
Total Interest and Depreciation expenses	63,147	89,631
Net surplus / (deficit) for the year	3,506,918	(204,904)