



# **RAKIRAKI TOWN COUNCIL**

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## **Annual Report for the Year Ended 2018**

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PARLIAMENT OF FIJI

PARLIAMENTARY PAPER NO. 238 OF 2020

# **RAKIRAKI TOWN COUNCIL**

ANNUAL REPORT  
(Section 19 – Local Government Act Cap 125)  
FOR THE YEAR ENDED DECEMBER 31, 2018

# **RAKIRAKI TOWN COUNCIL**

## **ANNUAL REPORT**

(Section 19 – Local Government Act Cap 125)

**FORTHEYEARENDED**

**DECEMBER 31, 2018**

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## **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 6<sup>th</sup> 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.

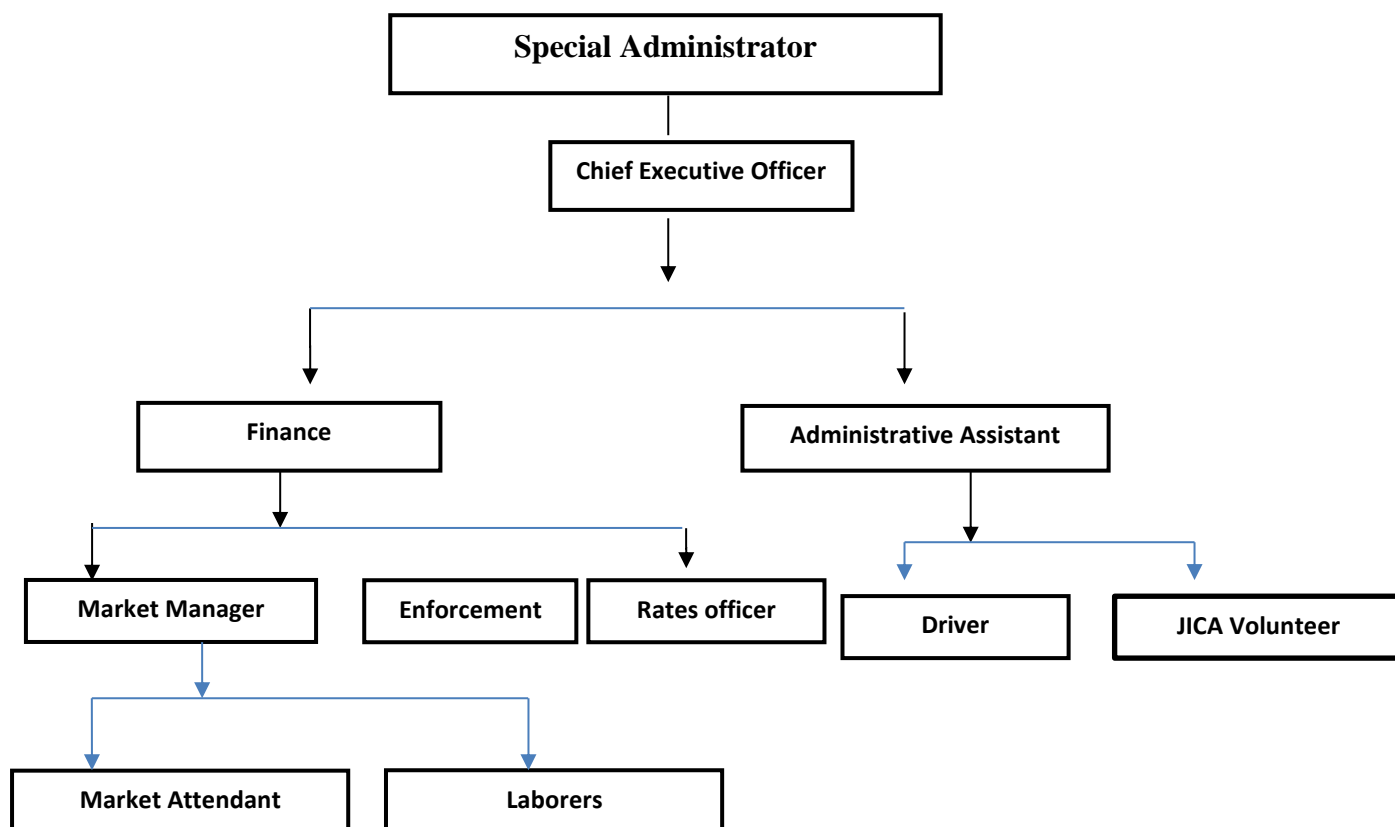
#### **Staff support Team**

Market	Suriya Nand
Administration	Rakesh Ravind Chandra Salesia Buka
Finance	Deepika Darshni Goundar
Enforcement	Epeli Vukinagauna Afbay Nand
Works Department	Ilaisa Vakaloloma
Labourers (12)	Sitiveni Uqe Satend Kumar Ravneel Kumar Rakesh Kumar Poasa Rareba Laisiasa Valesu Akuila Tukana Nemia Naulumatua Jovesa Koso Mataiasa Vosa Kolinio Raisamu Daniel Marshi Raj

Rates officer (2)	Saleshni Lata/Robert Matai
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#### **4.0 RAKIRAKI TOWN COUNCIL - ORGANISATION STRUCTURE 2018**



## **5.0 FINANCE**

### **Rates**

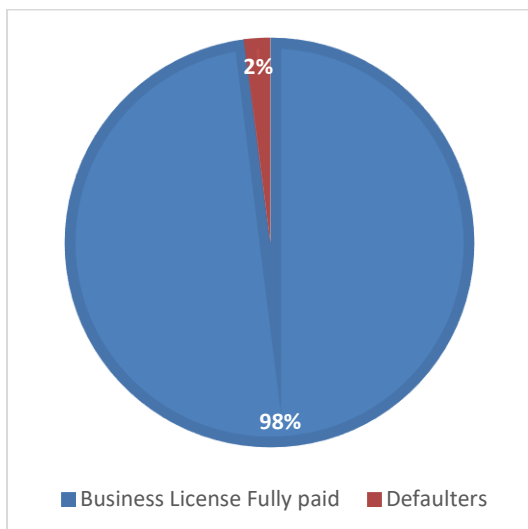
<b>Months</b>	<b>2018</b>
Jan	21434.9
Feb	14700.34
March	13807.73
April	8878.89
May	4939.55
June	12331.89
July	2411.8
Aug	1299.1
Sept	1245.95
Oct	2261.06
Nov	2714.2
Dec	4253
<b>Total</b>	<b>90278.41</b>

### **5.1 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 28<sup>th</sup> September 2010. Garbage collection is Provided by the Council ( New Compactor Truck was donated by the Government )

### **5.2 Business License Fees**

The Business License survey team recorded two hundred and thirty four (234) business in town boundary.



The Enforcement officer is following up on the defaulters.

### **5.3 Municipal Market Fees**

Market Fees have not been reviewed since the operation were transferred from the Ra Rural Local Authority on the

28<sup>th</sup> September 2010. Current fees are still maintained :

- |      |  |   |                                |
|------|--|---|--------------------------------|
| 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                |

### **5.6 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	74

### **Carriers**

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

Name of stand	No.of Carriers
Rakiraki Market	34

### **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, 2018 were as follows:-

<b>OPERATING INCOME</b>	<b>Total</b>
Business License	\$ 58,729.38
Market Fees/ Referrals	\$ 49,285.35
Commercial Vehicle base fees	\$ 40,980.24
Garbage Fees	\$ 19,596.61
Town Rates	\$ 90,278.41
Toilet Fees	\$ 24,678.50
Traffic Fines	\$ 1,050.00
Litter Fines	\$ 320.00
Rent	\$ 4,507.20
Permit Fees	\$ 4,257.85
Hire Boardroom & FSC Ground	\$ 870.00
Tender Fees	\$ 429.80
Building Fees	\$ 3,125.50
MLG - CEO'S Salary	\$ 40,000.00
MLG - FSC Power Supply	\$ 94,808.00
MLG - Drainage & Mitigation	\$ 470,000.00
MLG - Market Development	\$ 840,000.00
MLG - Extended Local Authority	\$ 12,500.00
MLG - Cleanup Campaign	\$ 4,000.00
UN Women - Market Development	\$ 1,120,000.00
AD Town & Country Planning	\$ 1,375.84
Refund	\$ 135,560.67
Tabacco Fine	\$ 1,600.00
Administration Fees - Drainage	\$ 4,000.00
Misc (Photocopy)	\$ 7.80
Purchase of Compost Bins	\$ 150.00
<b>Total Revenues Collected</b>	<b>\$ 3,022,111.15</b>

## **5.8 EXPENDITURE**

<b><u>Expenses</u></b>	
Office Expense	\$ 879,732.29
Staff Wages	\$ 196,461.79
CEO Additional Benefit	\$ 3,463.35
FNPF	\$ 35,657.41
Vodafone (Group ph)	\$ 8,597.12
Telecom	\$ 395.30
Petty Cash	\$ 4,436.80
Energy Fiji Limited	\$ 7,325.66
Printing & Stationary	\$ 4,011.70
General Maintenance	\$ 163,144.50
Vehicle service (FW 171 & IL 135)	\$ 11,123.56
Council Vehicle Fuel - FW 171	\$ 4,120.68
Vehicle Fuel - Tulsi - HT 720	\$ 291.40
Council Vehicle Fuel - IL 135	\$ 5,522.12
PAYE- CEO	\$ 1,661.28
Insurance	\$ 7,248.68
Workshop/Meeting	\$ 6,432.40
Toilet Exp	\$ 4,828.45
Water Bill	\$ 7,571.42
Ra Provincial Map	\$ 51.05
Land Surveyor	\$ 900.00
Refund	\$ 308.20
Rates Exp	\$ 600.00
Advertisement	\$ 2,937.70
Audit Fees	\$ 3,600.00
FRCA - FBT	\$ 479.00
Garbage ( Dump) Exp.	\$ 320.00
Labors Safety Wears	\$ 4,386.21
Grass Cutting (Premix)	\$ 652.36
General/ Market Exp.	\$ 2,573.95
FNU Levy	\$ 2,103.43
Accounting Fees	\$ 1,700.00
Girmit Remembrance Exp	\$ 470.00
Post Fiji - Rental Fees 2019	\$ 38.86
Farewell - CEO	\$ 516.00
<b>Total Expenses Collected</b>	<b>\$ 1,373,662.67</b>
<b>Surplus/ Deficit</b>	<b>\$ 1,648,448.48</b>

## **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 name as Korowaqa Childrens Park. This project was initially funded by the Ministry of Social Welfare.

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”

## **7.1 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.

## **7.2 SUMMARY OF INSPECTION**

<b>Types of Premises Inspected</b>	<b>Order</b>	<b>Completed</b>
Repairs, cleaning of hotel, boarding houses	2	2
Illegal structures	4	3
Accumulation of refuse referred to contractor	-	-
Cleaning of overgrown grass	6	5
Repairs to water mains- referred to Water Authority	5	3
Supermarkets, markets, greengrocers	4	4
Improvements of Bakery	1	1
Inspection of nuisance from farm	5	4
<b>Total</b>	<b>27</b>	<b>22</b>

## **7.3 Registration of Food Premises**

Refreshment Bar	12
Bake House	2
Hotels	1
Kava Pounding	1
Restaurants without Liquor	4
Butcher shops	2
Supermarket	5
Food shop	15
Hawkers	6
<b>Total</b>	<b>53</b>

#### 7.4 NUMBER OF BUILDING INSPECTIONS CARRIED OUT DURING THE YEAR

TYPE OF DEVELOPMENT	New Applications	Alteration & Repairs	Extensions	Total for the Year
Residential	6	-	2	8
Commercial	-	-	1	1
Industrial	-	-	-	-
Hotels/Resorts	-	-	-	-
Schools	2	-	2	4
Civic	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL	8	-	5	13

#### **8.0 PROJECT:**

1. Ongoing New Market Complex
2. Drainage Projects Phase Two – Ministry of Waterways

## **9.0 HUMAN RESOURCE & INDUSTRIAL RELATION**

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

<b>Department</b>	<b>Permeant</b>	<b>Contract</b>	<b>Total</b>
Admin & Finance		3	3
Market & Works		14	14
Enforcement Officer		2	2
Rates		2	2
<b>Total</b>		<b>21</b>	<b>21</b>

[2018: 21 ]

### **RETIREMENT**

*None*

### **RESIGNATION**

*None*

### **TERMINATED**

*None*

## **10.0 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.

**TULSI RAM**  
**ATING CEO – RAKIRAKI TOWN COUNCIL**

**RAKIRAKI TOWN COUNCIL  
FINANCIAL STATEMENTS  
31 DECEMBER 2018**

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

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RAKIRAKI TOWN COUNCIL  
COUNCIL DIRECTORY  
FOR THE YEAR ENDED 31 DECEMBER 2018

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Nature of operations:	Town Council
Accountants:	Alliance Financial and Management Services Pte Limited Suva
Location:	Main Street Rakiraki Fiji Island
Bankers:	Bank of the South Pacific Rakiraki
Executive Members:	Acting Chief Executive Officer (CEO) - Tulsi Ram Secretary - Salesia Buka Treasurer - Deepika Darshni Goundar

**RAKIRAKI TOWN COUNCIL  
EXECUTIVE MEMBERS REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 2018 and the Auditor's Report thereon.

**Operating Results :-**

	<b>2018 (\$)</b>
The results of the year are summarised as below :-	
Operating profit after taxation of the Council for the year ended 31 December 2018 was	1,914,719
Retained earnings at the beginning of the year were	<u>3,982,152</u>
<b>Accumulated profit at the end of the year</b>	<b><u>5,896,871</u></b>

**RESERVES**

It is not proposed to make any transfer to reserves.

The state of the Council as at 31 December 2018 was :-

<b>Total Assets</b>	<b>6,101,573</b>
and were financed by :-	
Liabilities of	204,702
and Councils Surplus of	<u>5,896,871</u>
	<b><u>6,101,573</u></b>

**Executive Members**

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

Chief Executive Officer (CEO)- Acting - Mark Hirst Tuilau  
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.

#### 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 aware 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 16<sup>th</sup> day of March 2020

Signed in accordance with a resolution of the Executive Members.

  
.....  
Special Administrator

  
.....  
Secretary

  
.....  
Treasurer

RAKIRAKI TOWN COUNCIL  
STATEMENT BY EXECUTIVE MEMBERS  
FOR THE YEAR ENDED 31 DECEMBER 2018


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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 2018;
- (b) The accompanying statement of changes in equity for the year ended 31 December 2018 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 2018;
- (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 2018;
- (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.

  
.....  
Special Administrator

  
.....  
Secretary

  
.....  
Treasurer

Dated at Suva this 16<sup>th</sup> day of March 2020



# 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 comprises of 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.

I do not express an opinion on the accompanying financial statements of Rakiraki Town Council. Because of the significance of the matters 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 me those payment vouchers to support transactions totaling \$168,697 recorded in various expenses account which make up expenditure totaling \$842,434 as disclosed in the Statement of Comprehensive income for the year ended 31 December 2018. In addition, the Council could not provide supporting records to support a credit adjustment of \$131,850 made in the repairs and maintenance account which make up administrative expenses totaling \$785,499. As a result, I was unable to verify the completeness and accuracy of these expenditure balances and also unable to determine whether any adjustments might have been necessary in respect of the various expenditure account 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. I was not provided with the monthly VAT reconciliations to support the VAT receivable as at 31 December 2018 of \$238,099 as reported in Note 8 of the financial statements. As a result, I was unable to verify the completeness and accuracy of the balance and also 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.
3. The Council disclosed Trade and Other Receivables as at 31 December 2018 as \$380,214 out of which \$97,748 are long outstanding debts. Provision for doubtful debts has not been provided for during the year. As a result, I was unable to verify the completeness and accuracy of the balance and also unable to determine whether any adjustments might have been necessary in respect of the trade and other receivables 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 did not disclose Provision of Employee Benefits in the Statement of Financial Position as at 31 December 2018, which is a departure from the requirement of Section 28 – Employee Benefits, of the IFRS for SMEs. As a result, I was unable to determine whether any adjustments might have been necessary in respect of the provision of annual leave balance at



the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and the Statement of Financial Position.

5. The Council recorded government grant and UNDP grant totaling \$2,423,653 for the year ended 31 December 2018 out of which \$1,890,642 was for the market project. The market project of \$1,890,642 were not recorded as a liability as required under section 24 – Government Grant of the IFRS SME as conditions attached to the grant have not been fully met. As a result, I was unable to verify the completeness and accuracy of the balance and also unable to determine whether any adjustments might have been necessary in respect of the government grant and UNDP grant 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.
6. The Council could not facilitate to provide a 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.
7. A disclaimer of opinion was issued on the 2017 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 2018 financial statements.

#### **Other Matters**

- 1) The Council have yet to put in place the Risk Management Policy, Disaster Recovery Plan/Business Continuity Plan and Business Plan.
- 2) Note 9 to the financial statements which records construction of the new market work in progress of \$4,119,539. There was a significant delay in the completion of the new market project which were funded by UN Women and Government grant with an estimated project cost of \$5,830,000 (VIP). The new market project is still work in progress without any evidence of approval provided for audit for an extension of the completion date after July 2018.
- 3) The Council recorded a net surplus of \$1,914,719 during 2018 compared to \$3,506,918 in 2017. By excluding the grant totaling \$2,423,953, the Council would have incurred a net loss and negative cash flows from operating activities which may indicate that the Council may not be generating adequate cash inflows to be able to pay its debts as and when they fall due.

#### **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.



Ajay Nand  
**AUDITOR-GENERAL**



Suva, Fiji  
26 March 2020

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

	Notes	2018 (\$)	2017 (\$)
Income		2,781,674	4,023,258
<b>Total Income</b>		<b>2,781,674</b>	<b>4,023,258</b>
Administrative expenses	5	785,499	403,317
Marketing expenses	6	4,248	1,900
Other operating expenses		52,687	47,977
<b>Total Expenditure</b>		<b>842,434</b>	<b>453,194</b>
Net surplus for the year		1,939,240	3,570,064
Finance cost		24,521	63,146
<b>Net surplus for the year</b>		<b>1,914,719</b>	<b>3,506,918</b>

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 2018

	2018 (\$)	2017 (\$)
Balance at the beginning of the year	3,982,152	475,234
Net surplus / (deficit) for the year	<u>1,914,719</u>	<u>3,506,918</u>
<b>Balance at the end of the year</b>	<b><u>5,896,871</u></b>	<b><u>3,982,152</u></b>

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 2018

	Notes	2018 (\$)	2017 (\$)
<b>Current Assets</b>			
Cash and cash equivalents	7	1,197,974	1,144,859
Trade and other receivables	8	380,214	326,274
<b>Total current assets</b>		<b>1,578,188</b>	<b>1,471,133</b>
<b>Non Current Assets</b>			
Property, plant and equipment	9	4,523,385	2,677,239
<b>Total non-current assets</b>		<b>4,523,385</b>	<b>2,677,239</b>
<b>TOTAL ASSETS</b>		<b>6,101,573</b>	<b>4,148,372</b>
<b>Current Liabilities</b>			
Trade and other payables	10	204,702	166,220
<b>Total current liabilities</b>		<b>204,702</b>	<b>166,220</b>
<b>TOTAL LIABILITIES</b>		<b>204,702</b>	<b>166,220</b>
<b>NET ASSETS</b>		<b>5,896,871</b>	<b>3,982,152</b>
<b>Accumulated Fund</b>			
Accumulated funds		5,896,871	3,982,152
<b>TOTAL COUNCIL'S FUND</b>		<b>5,896,871</b>	<b>3,982,152</b>

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

  
Special Administrator  
Mark Hirst Tuilau  
Date: 16/3/20

  
Secretary  
Salesia Buka  
Date: 16/3/20

  
Treasurer  
Deepika Darshni Goundar  
Date: 20/03/20

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 2018

	Notes	2018 (\$)	2017 (\$)
<b>Cash flows from operating activities</b>			
Receipts from customers		2,861,717	3,844,311
Payments to suppliers and employees		(938,145)	(471,507)
<b>Net cash provided / (used) by operating activities</b>	11 (ii)	<u>1,923,572</u>	<u>3,372,804</u>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant & equipment		(1,870,457)	(2,262,000)
<b>Net cash used by investing activities</b>		<u>(1,870,457)</u>	<u>(2,262,000)</u>
Net increase / (decrease) in cash and cash equivalents		53,115	1,110,804
Cash and cash equivalents at the beginning of the year		<u>1,144,859</u>	<u>34,055</u>
<b>Cash and cash equivalents at the end of the year</b>	11 (i)	<u><b>1,197,974</b></u>	<u><b>1,144,859</b></u>

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



**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.



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

**e) 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.

**f) 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%

**g) Trade Payables**

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

**h) 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.

**i) 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.

**j) 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.

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

**k) 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'.

**l) Income Tax**

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

**m) 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 for the year ended 31 December 2017 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.



**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.

**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.

	2018 (\$)	2017 (\$)
The gearing ratios at 31 December 2018 and 2017 were as follows:		
Total borrowings	-	-
Less: Cash on hand and at bank	1,197,974	1,144,859
Net debt	(1,197,974)	(1,144,859)
Total equity	6,049,884	3,982,154
Total capital (Equity + Net debt)	4,851,910	2,837,295
Gearing ratio % (Net debt / Total capital)	(0.25)	(0.40)

**(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 2018

**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 2018, no provision for impairment has been made as the Council reasonably believes that no indicators for impairment exist.

<b>NOTE 5. ADMINISTRATIVE EXPENSES</b>	<b>2018 (\$)</b>	<b>2017 (\$)</b>
Accounting fees	32,551	1,700
CEO's salary	40,460	39,683
Equipment hire expenses	7,344	13,015
Infrastructure upgrade	3,810	-
Printing, postage & stationary	3,940	4,238
Office expenses	1,295	7,157
Motor vehicle expenses	18,419	12,376
Repair & maintenance	123,030	107,021
Superannuation	27,895	21,057
Salary and wages	179,958	166,138
Sub-contractor fees	308,426	-
Telephone	9,417	5,282
Travelling expenses	8,759	6,517
Utilities	20,195	19,133
	<u>785,499</u>	<u>403,317</u>

**NOTE 6. MARKETING EXPENSE**

Advertising and marketing expense	<u>4,248</u>	<u>1,900</u>
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**NOTE 7. CASH AND CASH EQUIVALENTS**

Petty cash	359	1,077
Cash at bank - BOB rural account	464	-
Cash at bank - BOB rates account	974	-
Cash at bank - BOB market account	1,053,081	1,115,356
Cash at bank - BOB operational account	5,588	14,959
Cash at bank -BOB capital account	1,909	13,408
Cash at bank -BOB drainage account	129,943	-
Cash at bank - BOB carnival account	5,656	59
	<u>1,197,974</u>	<u>1,144,859</u>

The cash at bank balance of \$1,183,024 is not available for use except for the purpose new market construction amounting to \$1,053,081 and drainage project works amounting to \$129,943.

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

**NOTE 8. TRADE AND OTHER RECEIVABLES**

	2018 (\$)	2017 (\$)
Town rates	130,059	149,561
Garbage collection	6,313	49
Bus base collection	1,125	976
Taxi base collection	3,070	2,007
Carrier base collection	219	654
Minibus base collection	1,080	4,420
Business license	249	919
VAT receivables	238,099	167,688
	<u>380,214</u>	<u>326,274</u>

Trade receivables principally comprise amounts outstanding for sales. Trade receivables are non-interest bearing and are generally settled on 0-90 days terms.

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
60 - 90 days	12,055	55,505
Over 90 days	130,060	71,364
	<u>142,115</u>	<u>158,586</u>

**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	8,174	6,662
Office building and equipment	364,948	370,017
Motor vehicle	30,722	43,658
Work in progress	4,119,539	2,256,902
<b>Net Written Down Value</b>	<u>4,523,385</u>	<u>2,677,239</u>

**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	49,824	45,724
Accumulated depreciation	(39,062)	(36,566)
Depreciation	(2,588)	(2,496)
	<u>8,174</u>	<u>6,662</u>

Office equipment

Office equipment - at cost	771,279	767,560
Accumulated depreciation	(397,543)	(350,177)
Depreciation	(8,788)	(47,366)
	<u>364,948</u>	<u>370,017</u>

Motor vehicle

Motor vehicle - at cost	119,679	119,679
Accumulated depreciation	(76,021)	(63,085)
Depreciation	(12,934)	(12,936)
	<u>30,724</u>	<u>43,658</u>

Work in progress

Work in progress-construction of new market	4,119,539	2,256,902
	<u>4,119,539</u>	<u>2,256,902</u>

<b>Net Written Down Value</b>	<u>4,523,385</u>	<u>2,677,239</u>
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**RAKIRAKI TOWN COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTE 10. TRADE AND OTHER PAYABLES**

	2018 (\$)	2017 (\$)
Trade creditors	21,902	148,747
Other creditors	13,709	5,392
Sundry deposits	12,081	12,081
Funding assistance payable	131,910	-
Accrued audit fees payable	25,100	-
	<u>204,702</u>	<u>166,220</u>

**NOTE 11. STATEMENT OF CASH FLOW**

**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	359	1,077
Cash at bank - BOB rural account	464	-
Cash at bank - BOB rates account	974	-
Cash at bank - BOB market account	1,053,081	1,115,356
Cash at bank - BOB operational account	5,588	14,959
Cash at bank - BOB Capital account	1,909	13,408
Cash at bank - BOB drainage account	129,943	-
Cash at bank - BOB carnival account	5,656	59
	<u>1,197,974</u>	<u>1,144,859</u>

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

Net surplus / (deficit) for the year	1,914,719	3,506,918
<u>Add Non Cash Item</u>		
Depreciation	<u>24,311</u>	<u>62,797</u>
	1,939,030	3,569,715
<u>Changes in assets and liabilities</u>		
(Increase) / decrease in receivables	(53,940)	(178,947)
(Decrease) / increase in payables and accruals	<u>38,482</u>	<u>(17,964)</u>
Net cash provided by operating activities	<u>1,923,572</u>	<u>3,372,804</u>

**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 2017. The figures for the last year have been regrouped where considered necessary.



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

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**NOTE 14. COUNCIL DETAILS**

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

<b>(i) Registered Office</b> P O Box 68 Main Street Rakiraki	<b>Principal Place of Business</b> Main Street Rakiraki
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**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.

**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:

	2018 (\$)	2017 (\$)
Salary, fees, superannuation and other benefits	<u>40,939</u>	<u>40,042</u>

**NOTE 17. CAPITAL COMMITMENTS**

Capital commitments as at 31 December 2018 amounted to \$1,045,172 for construction of new Rakiraki market and \$129,507 for drainage project works (2017: Nil).

**NOTE 18. CONTINGENT LIABILITIES**

Contingent liability at balance date is \$NIL (2017 - \$NIL)

**NOTE 19. CONTINGENT ASSETS**

Contingent assets at balance date is \$NIL (2017 - \$NIL)



RAKIRAKI TOWN COUNCIL  
DETAILED STATEMENT OF INCOME & EXPENDITURE  
FOR THE YEAR ENDED 31 DECEMBER 2018

INCOME	2018 (\$)	2017 (\$)
Building and subdivision	4,101	13,421
Bus station / commercial / taxis	42,285	35,993
Business, trading and other licenses	59,997	59,598
CEO's salary - grant	40,000	30,000
Garbage collection fees	18,066	16,743
Town general rates	63,323	65,046
Market	43,211	37,936
Municipal (permit / traffic / fine)	2,665	1,229
Rent	7,245	4,226
Solid waste	661	1,138
Toilet income	22,641	18,653
Sundries	4,906	2,467
Government grant	1,303,953	1,752,844
UNDP grant	1,120,000	1,920,000
Sponsorship	24,500	58,870
Ground hire	8,700	-
Stall fees	9,450	-
Interest	5,970	5,094
<b>Total Income</b>	<b>2,781,674</b>	<b>4,023,258</b>
<b>LESS EXPENSES</b>		
<b>Administration Expense</b>		
Accounting fees	32,551	1,700
CEO's salary	40,460	39,683
Equipment hire expenses	7,344	13,015
Infrastructure upgrade	3,810	-
Printing, postage and stationary	3,940	4,238
Office expenses	1,295	7,157
Motor vehicle expenses	18,419	12,376
Repair and maintenance	123,030	107,021
Superannuation	27,895	21,057
Sub-contractors fees	308,662	-
Salary and wages	179,722	166,138
Telephone	9,417	5,282
Travelling expenses	8,759	6,517
Utilities	20,195	19,133
<b>Total Administration Expenses</b>	<b>785,499</b>	<b>403,317</b>
<b>Marketing Expense</b>		
Advertising and marketing	4,248	1,900
<b>Total Marketing Expense</b>	<b>4,248</b>	<b>1,900</b>
<b>Other Operating Expenses</b>		
Allowance	4,170	5,081
Cleaning expense	10,008	9,904
Carnival expense	15,478	19,295
Entertainment	8,658	2,272
Fringe benefit tax	599	359
FNU levy	2,103	1,833
Miscellaneous	1,750	2,633
Staff amenities and training	7,095	6,600
Valuation and survey	2,826	-
<b>Total Other Operating Expenses</b>	<b>52,687</b>	<b>47,977</b>
<b>Total Expenses</b>	<b>842,434</b>	<b>453,194</b>

RAKIRAKI TOWN COUNCIL  
 DETAILED STATEMENT OF INCOME & EXPENDITURE (CONT'D)  
 FOR THE YEAR ENDED 31 DECEMBER 2018

EXPENSES (continued)	2018 (\$)	2017 (\$)
Earnings before Interest, Tax and Depreciation	1,939,240	3,570,064
Depreciation	24,311	62,797
Interest and bank charges	210	349
<b>Total Interest and Depreciation expenses</b>	<b>24,521</b>	<b>63,146</b>
<b>Net surplus for the year</b>	<b>1,914,719</b>	<b>3,506,918</b>

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