



SAVUSAVU TOWN COUNCIL



ANNUAL REPORT 2005



PARLIAMENT OF FIJI
PARLIAMENTARY PAPER NO. 126 OF 2020



SAVUSAVU TOWN COUNCIL

ANNUAL REPORT FOR THE YEAR 2005





SAVUSAVU TOWN COUNCIL

P.O.BOX 201

MAIN STREET

SAVUSAVU

Tel No. : (679)8850261/ 8850243

Fax No. : (679)8850872

Email: ssvtowncouncil@connect.com.fj

The Honorable Premila Kumar
Minister for Local Government, Housing & Community
Development
Gladstone Road
Suva

Dear Madam

I have much pleasure in submitting the Savusavu Town Council
Annual Report 2005.

The report provides activities of the Council throughout the year.

The Annual Report 2005 has been prepared in the accordance with
the provisions of section 19 (1) (a), (b) and (c) of the Local
Government Act Cap.125

Yours Faithfully

Seema Shiwani Dutt
For Chief Executive Officer
Savusavu Town Council

FORWARD

I am pleased to present the 2005 Annual Report for Savusavu Town Council. This provides us opportunity to reflect on the highlights and events that have transpired through the course of the Council' operation.

2005 has brought many challenges for the council. With only 578 ratepayers, business licenses and taxi, carrier operator's base fees were just limited to satisfy all need of the town. I hope all of this year's hard work is appreciated by our ratepayers and clients regardless of the financial difficulties faces by the council. During the year, we continued to build on our relationships with our Ministry to successfully complete town projects.

As I present to you our council's Annual Report for the year 2005, may all of us realize that we are part of the progress of our town, and each of us play a vital role in its growth and development. Opportunities are open for us to capitalize on our strengths and strengthen our weaknesses.



Seema Shiwani Dutt
For Chief Executive Officer
Savusavu Town Council

Annual Report for the Year 2005



1. Mayor & Councilors

The Mayor is elected on a year term and Councilors were each elected for a three year term.

Each members were elected by the Councilors of the year as follows:

Cr. Ram Pillai - ***His Worship the Mayor***
Cr. Shiu Shankar Singh - ***Deputy Mayor***
Cr. Peni Naulu(JP)
Cr. Vimal Prasad
Cr. Ali Hussein
Cr. Ravi C Maharaj
Cr. Pettine Simpson
Cr. Manoj Kumar
Cr. Ashok Kumar

2. Appointment of Committees

- a. Ordinary Full Council
- b. Finance, Administration, General Purpose
- c. Building , Health, Civic Amenities & Environment
- d. Subdivision of Land, Foreshore Development & Squatter Settlement

3. Meetings

Meetings held during the year by the Council were as follows:

- a. Full Council – 11 Meetings
- b. Special Full Council – 6 meetings
- c. Building & Health – 10 meetings
- d. Finance – 10 meetings
- f. Subdivision of Land – 10 meetings

4. Officers In the Council

| | |
|--|---------------------------|
| <i>Town Clerk/ C.E.O</i> | <i>– Mr. Dharmendra</i> |
| <i>Lal(JP)</i> | |
| <i>Accounts Clerk</i> | <i>– Mr. Shiu Chand</i> |
| <i>Cashier</i> | <i>– Miss Mere Ravisa</i> |
| <i>Enforcement Officer</i> | <i>– Mr. Wame Nabete</i> |
| <i>Health Inspector/ Building Surveyor</i> | <i>– Mr. Lusiana</i> |
| <i>Lawe</i> | |
| <i>Typist Clerk</i> | <i>– Mrs. Unaisi</i> |
| <i>Ibetabakaucere</i> | |
| <i>Recorder Clerk</i> | <i>– Miss Minu Rita</i> |
| <i>Market Master</i> | <i>- Mr. Tandraiya</i> |
| <i>Goundar</i> | |
| <i>Rates Clerk</i> | <i>– Mr. Sanjesh</i> |
| <i>Gounden</i> | |
| <i>Total Labourers</i> | <i>- 9</i> |

5. Council Solicitor

- Munro Leys
- Siwatibau & Sloan

6. Council Auditors

ERNST & YOUNG – Contracted by Auditor General's office

7. Finance

The finance and other records and improvements carried out during the year were as follows:

8. Town Rates Levy

| | |
|--------------------------------------|----------------------|
| <i>General Rates</i> | <i>: 0.0145</i> |
| <i>Special Loan Rate</i> | <i>: 0.0053</i> |
| <i>Total Cents in the \$:</i> | <i>0.0198</i> |

December 2004

Bank balance as at 31/12/04- \$1,164.00

9. Town Rates Valuation

The unimproved capital value of ratable land within the town was \$12,373,950.00. These comprised of 495 ratable properties with area of 249:4599 hectares and serving an estimated population of 3,000 people. The increase in valuation – U.C.V 2004: 15,703,060.00 of 567 properties, 26.9% increase. The Council went to the Ministry of Local Government to defer the implementation of the valuation.

10. Budget

10.1 Recurrent Revenue & Expenditure

The total current revenue and expenditure of the Council for final year ending 31st December, 2005 were as follows:

Revenue – \$512,806.00

Expense – \$697,375

Deficit – \$184,569

The rate levy for 2005 and rates income were estimated as follows on 2004 valuation:

| RATE | LEVY STRUCK IN THE \$ | TOTAL U.C.V | RATE INCOME |
|----------------|--------------------------------------|------------------------|------------------------|
| GENERAL | 11,510,285 | 0.0145 | 166,899 |
| LOAN | 11,510,285 | 0.0053 | 61,005 |

The Savusavu Town Council has three (3) major sources of revenue:

1. *Town rates*
2. *Market fees*
3. *Business License*

During the year the Council collected:

\$207,799 of 2005 rates.

\$105,287 Arrears of rates

11. CAPITAL PROJECTS

Nil

12. PARKS & RECREATIONAL FACILITIES – GANILAU PARK

The Council continued to serve the needs of the sports people from the rural areas. Soccer and Rugby remains the major games played in town.

13. PUBLIC PARKS

The Council continued to maintain the parks to an acceptable standard.

14. BUSINESS LICENSE

The Council is the Licensing Authority under Business Licensing Act, Cap 204.

The following survey was executed regarding the business license:

- *Regular inspections before renewal of license*
- *Inspection on fire safety by National Fire Authority*

15. FIELD WORK

15.1 Labourers

The Council has nine (9) unestablished labourers carrying out all field works as follows:

Garbage Collection- Monday, Wednesday & Friday
Weeding/ Drainage
Raking (Main town) – from 6.00a.m
Flower Garden
Clearing of garbage Dump
Repair & Maintenance work of Council properties

16. MARKET

The market was under the management of a Market Master and controlled by the Market By-Laws.

16.1 Market Collection/2005 - \$85,499

16.2 Market Washing

The washing of the market is carried out once a month as required by the Health Department.

17. Number of Visitors to the Council during the Year

NIL

18. PUBLIC HEALTH

The Council continued to promote the Health Welfare and convenience of the inhabitants of the municipality within the limits of its resources.

Health Inspector's Report for the year.

HEALTH INSPECTOR/BUILDING SURVEYORS REPORT FOR THE MONTH MARCH 2005

APPLICATION RECEIVED FOR CONSIDERATION

| STC REF NO. | OWNER | PROPOSAL | VALUE (\$) | BLDG FEES (\$) | COMMENTS |
|----------------------------|---------------------|---------------------------------|-------------------|-------------------------------|---|
| 7/05 | Mohammed Aiyub Khan | Extension | 6,000 | 68.00 | Approved |
| 8/05 | Vishnu Holdings | Fencing, Pit Ramp | 17,000 | 106.00 | Approved for fencing ,ramps to be stamped by engineer |
| 9/05 | Pettine Simpson | Decking | 5,000 | 64.00 | Approved |
| 10/05 | Kelepi Tuibua | Extension | 25,000 | 142.00 | Under consideration subject to payment of fees. |
| 11/05 | Keshwa N Sewak | Extension,Renovation,Alteration | 22,000 | 135.00 | Approved subject to engineer stamp – Done |
| 12/05 | Amrit Prasad | Extension | 3,000 | 44.00 | Approved – For signing |
| 13/05 | Anne Pesamino | Fencing | 3,000 | 44.00 | Approved |

APPLICATION APPROVED

| STC REF NO. | OWNER | PROPOSAL | VALUE (\$) | BLDG FEES (\$) | COMMENTS |
|------------------------|---------------------|---------------------------------|-----------------------|---------------------------|---|
| 7/05 | Mohammed Aiyub Khan | Extension | 6,000 | 68.00 | Approved |
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| 12/05 | Amrit Prasad | Extension | 3,000 | 44.00 | Approved – For signing |
| 13/05 | Anne Pesamino | Fencing | 3,000 | 44.00 | Approved |

BUILDING APPLICATION REFUSED

NIL

BUILDINGS UNDER INSPECTION

| STC REF NO. | APPLICANT | NATURE | COMMENTS |
|-------------|---------------------|-------------------------------|--|
| 7/05 | Mohammed Aiyub Khan | Floor | Satisfactory |
| 9/05 | Pettine Simpson | Footing , Floor | Satisfactory – they are putting up canvas roof |
| 9/04 | Wara | Deck | Satisfactory |
| 44/04 | Mod Narayan | Ceiling,Rafters,Beans, Etc,, | Satisfactory |
| 35/04 | Agin Deo | Final | Satisfactory |
| 48/04 | Manikam Narayan | Staircase | Satisfactory |
| | Husseins Hardware | Beans | Satisfactory |
| 12/04 | Ram Kumar | Footing | Satisfactory |
| 11/05 | Keshwa N Sewak | Footing, floor,columns & pads | Satisfactory as per approved plan. Inspections subject to agreement made – that Mr. Amzad Khan vacates the premises within 28 days of issue by Mr. Keshwa and copy to Council. |

Health Inspectors Report
Complaints Received for the Month of March,
2005

| Name & Address | Nature Of Complaint | Date Of Inspection | Action Taken | Notice Served |
|----------------|---|--------------------|---|--------------------------------------|
| Kara - Naqere | Still exits – recommended rectification | 21/03/05 | Letter sent to Rental Board/Housing Authority | Notice served |
| Yenkanna | Mosquitoes & Indiscriminant dumping | | Labourers sprayed his yard | - |
| Subarmani | Air con pipes, foul odor from drain and overgrowth by neighbour | 18/05/05 | Notice given to both Dayaram & Subarmani regarding foul odor from drain. Dayaram received a notice to rectify problem of overgrowth & air condition . Air condition okay , overgrowth still a problem | Notice served to Dayaram & Subarmani |

INSPECTION REPORT OF ALL RESTAURANTS
IN THE TOWN COUNCIL VICINITY

| Trade Name | Owners | Condition | Comments |
|-----------------------------------|-----------------|---|---|
| Savusavu Curry Place | Sabhit Lal | Satisfactory | All in operation in a satisfactory manner |
| Aunty Lily's Café | Lily Wong | Satisfactory | All in operation in a satisfactory manner |
| Bula Re | Tanda Rainibogi | Satisfactory | All in operation in a satisfactory manner |
| Sea Breeze Cafe | Babu | Satisfactory | All in operation in a satisfactory manner |
| Country Kitchen | | Satisfactory | All in operation in a satisfactory manner |
| Charan's Wine & Dine & Restaurant | | Problems identified have been rectified | All in operation in a satisfactory manner |
| Chong Pong Restaurant | Chong Pong | Liquor license to be revoked prior to making any other decision | All in operation in a satisfactory manner |
| Anderson Fong | Raymond Fong | Satisfactory | All in operation in a satisfactory manner |
| Emanuel's Restaurant | | Satisfactory | All in operation in a satisfactory manner |
| Captain's Café | | Satisfactory | All in operation in a satisfactory manner |
| Hidden Paradise Restaurant | | Satisfactory | All in operation in a satisfactory manner |
| Mo's Burgers | | Satisfactory | All in operation in a satisfactory manner |

For Councils information, All restaurant owners have been given medical examination forms the same with bake houses owners.

INSPECTION REPORT OF ALL BAKE HOUSES
IN THE TOWN COUNCIL VICINITY

| Trade Name | Owners | Condition | Comments |
|-------------------|------------------|------------------------------|---|
| Daily Bread Shop | Christopher Bali | Satisfactory upon inspection | Recommend approval subject to medical examination |
| Hot Bread Kitchen | - | Satisfactory upon inspection | Recommend approval subject to medical examination |
| Lee Mew Hin | Lee Mew Hin | Satisfactory upon inspection | Approval Granted to operate |

19. CONCLUSION

The Council also wishes to record sincere appreciation to the Minister and the staff of the Ministry of Local Government, Urban Development, and Housing & Environment for their continued support to the town of Savusavu.

We also wish to record with pleasure the support of the ratepayers continued interest in the town's progress.

**FOR CR. RAM PILLAI
MAYOR**



Seema Shiwani Dutt
Chief Executive Officer
03/08/2020



Justin Hunter
Special Administrator (Chair)
03/08/2020



REPUBLIC OF THE FIJI ISLANDS

OFFICE OF THE AUDITOR GENERAL



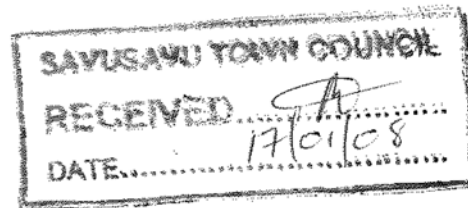
8th Floor, Ratu Sukuna House, ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES
MacArthur Street,
P. O. Box 2214,
Government Buildings,
Suva, Fiji Islands.

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

File: 955/1

7 January 2008

Cr. Peni Sereikau Naulu
The Lord Mayor of Savusavu
Savusavu Town Council
P O Box 201
SAVUSAVU



Dear Cr. Naulu

**AUDIT OF SAVUSAVU TOWN COUNCIL FOR THE YEAR ENDED 31
DECEMBER 2005**

Two copies of the financial statements of the Savusavu Town Council for the year ended 31 December 2005 together with the audit reports are enclosed.

A copy of the audit report is being sent to the Interim Minister for Local Government, Urban Development and Public Utilities as required under section 53 of the Local Government Act.

Particulars of errors and omissions arising from the audit have been forwarded to the Town Clerk/Chief Executive Officer for his information and necessary action.

Eroni Vatuloka
Auditor-General

Cc: Minister for Labour, Industrial Relations, Employment, Local Government, Urban Development and Housing.

Encl.

CONFIDENTIAL

SAVUSAVU TOWN COUNCIL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

Contents

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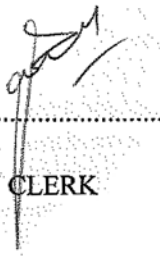
SAVUSAVU TOWN COUNCIL

GENERAL FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2005

COUNCIL'S STATEMENT

In our opinion the Financial Statements have been properly drawn up so as to show a true and fair view of the Savusavu Town Council's operations for the year ended 31 December 2005 and of the state of affairs as at that date.


.....

TOWN CLERK


.....

MAYOR



REPUBLIC OF THE FIJI ISLANDS

OFFICE OF THE AUDITOR GENERAL



8th Floor, Ratu Sukuna House, ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES
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SAVUSAVU TOWN COUNCIL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2005

INDEPENDENT AUDIT REPORT

Scope

I have audited the financial statements of the Savusavu Town Council for the year ended 31 December 2005 in accordance with section 57(2) of the Local Government Act and section 13 of the Audit Act. The Savusavu Town Council is responsible for the preparation and presentation of the financial statements and the information they contain. My responsibility is to express an opinion on these financial statements based on my audit.

My audit was conducted in accordance with the Fiji Standards on Auditing to provide reasonable assurance as to whether the financial statements are free of material misstatements. My audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Fiji Accounting Standards and statutory requirements so as to present a view which is consistent with my understanding of the Savusavu Town Council's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

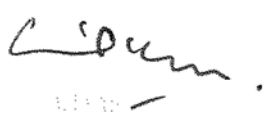
Qualifications

- a) The Council has recorded total receivable of \$287,926 and no provision for doubtful debts was provided. I consider that a provision of \$57,911 is required to fully account for the Council's doubtful debts at year end. Moreover, the Council has not disclosed in the financial statements an amount owed to the Government of \$19,101 for health services provided to the Council from 1982 to 1990. The additional provision and expenditures incurred for health services, if recorded, would increase the net deficit of the General Fund of the Council by \$77,012 and reduce the accumulated General Fund balance by the same amount.
- b) There were no records to substantiate the amount of \$448,142 of deposits received on sale of land. Thus, the audit was unable to apply necessary procedures to obtain an assurance on the accuracy of the amount stated.
- c) Property, Plant and Equipment have not been accounted for and depreciated in accordance to Fiji Accounting Standard (FAS) 16. In addition, assets purchased from government grants have not been accounted in accordance to FAS 20 'Accounting for Government Grants'.
- d) Attention is drawn to Note 1 of the Financial Statements. At 31 December 2005 the Council's liabilities exceeded its assets by \$209,438 (2004: \$109,960). Accordingly there

is a significant uncertainty as to whether the Council will be able to continue as a going concern and whether it will be able to pay its debts as they become due and payable and realise its assets and extinguish its liabilities in the normal course of business and at the amounts in the Financial Statements. The Financial Statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities, that might be necessary should the entity not be able to continue as a going concern.

Qualified Audit Opinion

In my opinion, because of the effects of the matters referred to in the qualification paragraphs, the financial statements do not present fairly the financial position of the Council as of 31 December 2005 and the result of its operations and cash flows for the year then ended.


Eroni Vatuloka
AUDITOR GENERAL

Suva, Republic of the Fiji Island
14 January 2008

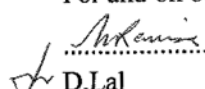


SAVUSAVU TOWN COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2005


| | Notes | 2005 \$ | 2004 \$ |
|--------------------------------------|-------|-------------------------|-------------------------|
| CURRENT ASSETS | | | |
| Cash | 2 | 86,194 | 1,164 |
| Receivables | 6 | 364,746 | 470,145 |
| Total current assets | | <u>450,940</u> | <u>471,309</u> |
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | 3 | <u>347,399</u> | <u>165,779</u> |
| Total non current assets | | <u>347,399</u> | <u>165,779</u> |
| TOTAL ASSETS | | <u>798,339</u> | <u>637,088</u> |
| CURRENT LIABILITIES | | | |
| Bank overdraft | | 156,154 | 108,222 |
| Creditors and other accruals | 4 | 552,917 | 517,010 |
| Deferred income | 1(e) | 131,252 | 23,717 |
| Loans | | 19,423 | - |
| Provision for long service leave | | 4,601 | 4,240 |
| Total current liabilities | | <u>864,347</u> | <u>653,189</u> |
| NON CURRENT LIABILITIES | | | |
| Loans | 5 | 133,930 | 84,359 |
| Other loans | | 9,500 | 9,500 |
| Total non current liabilities | | <u>143,430</u> | <u>93,859</u> |
| TOTAL LIABILITIES | | <u>1,007,777</u> | <u>747,048</u> |
| NET (DEFICIT) | | <u>(209,438)</u> | <u>(109,960)</u> |
| ACCUMULATED FUNDS | | | |
| Accumulated general fund (Page 7) | | 17,307 | 201,876 |
| Fire service fund | | 1,736 | 1,736 |
| Loan rate fund (Page 8) | | (206,301) | (291,392) |
| Street lighting fund (Page 9) | | (22,180) | (22,180) |
| TOTAL (DEFICIT) | | <u>(209,438)</u> | <u>(109,960)</u> |

The accompanying notes form an integral part of this balance sheet.

For and on behalf of the board and in accordance with a resolution of the Council.



 D.Lal
 Town Clerk/CEO



 Peni Naulu
 Mayor

SAVUSAVU TOWN COUNCIL
STATEMENT OF INCOME AND EXPENDITURE - GENERAL FUND
FOR THE YEAR ENDED 31 DECEMBER 2005

| | Notes | 2005 | 2004 |
|--------------------------------------|-------|----------------|----------------|
| | | \$ | \$ |
| INCOME | | | |
| Amortisation of deferred income | | 6,566 | 2,763 |
| Arrears of rates recovered | | 105,287 | 26,804 |
| Building fees | | 2,998 | 6,310 |
| Business, trading and other licenses | | 28,987 | 34,993 |
| Garbage dump charges | | 7,387 | 7,718 |
| Gate takings | | 9,921 | 591 |
| General rates | | 118,895 | 152,719 |
| Grant | | 15,956 | - |
| Interest - overdue rates | | 18,770 | 904 |
| Land sales | | 65,846 | 45,497 |
| Market fees and charges | | 85,499 | 65,427 |
| Market kiosk rent | | 12,837 | 14,692 |
| Miscellaneous | | 13,367 | 6,587 |
| Taxi and carrier stand | | 20,490 | 20,890 |
| Total income | | 512,806 | 385,895 |
| EXPENDITURE | | | |
| Audit and accounting fees | | 19,799 | 6,333 |
| Civic areas | | 2,724 | 3,605 |
| Civic reception | | 2,065 | 1,158 |
| Computer networking | | 2,943 | - |
| Depreciation | | 16,667 | 12,098 |
| Dog poisoning | | - | 471 |
| Election expenses | | 10,255 | - |
| Footpath way | | 370 | - |
| Flea market | | 21,714 | 2,885 |
| FNTC levy | | 2,141 | 2,629 |
| Freight and cartage | | - | 60 |
| Garbage services | | 27,780 | 19,137 |
| General expenses | | 12,357 | 781 |
| Ground maintenance | | 25,814 | 17,511 |
| Incidental & emergency | | 2,592 | 5,570 |
| Insurance | | 8,910 | 10,077 |
| Interest and bank charges | | 16,868 | 8,471 |
| Land rent | | 689 | 955 |
| Legal expenses | | 21,549 | 15,894 |
| Loss on disposal | | 2,249 | - |
| Mayoral allowance | | 5,000 | 6,250 |
| Miscellaneous | | 18,248 | 7,458 |

SAVUSAVU TOWN COUNCIL
STATEMENT OF INCOME AND EXPENDITURE - GENERAL FUND
(CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2005

| | Notes | 2005 \$ | 2004 \$ |
|---|-------|----------------------|-----------------------|
| Office equipment - maintenance | | 5,901 | 10,587 |
| Office and market - maintenance | | 20,062 | 32,951 |
| Office stationery, postage, printing and advertising | | 16,042 | 12,571 |
| Public toilet - maintenance | | 1,543 | 748 |
| Roads and drains - maintenance | | 19,874 | 11,901 |
| Rubbish bins and dump | | 5,819 | 5,775 |
| Salaries, wages and allowances | | 173,517 | 148,611 |
| Sitting allowance | | 10,130 | 7,890 |
| Staff training and welfare | | 1,176 | 4,032 |
| Street light charges and maintenance | | 13,997 | 6,943 |
| Subscriptions - FLGA | | 876 | 1,508 |
| Survey and engineering fees | | 2,023 | 7,722 |
| Taxi stand | | 584 | 3,185 |
| Town planing fees | | - | 507 |
| Traveling and incidental expenses | | 25,235 | 12,639 |
| Utilities | | 31,398 | 28,291 |
| Valuation fees | | 470 | 6,706 |
| | | <u>549,381</u> | <u>423,910</u> |
| Capital Expenditure | | | |
| Bus shelter | | 2,233 | 121 |
| Foreshore development | | 2,219 | 685 |
| Narain & Nakama road upgrading | | 75,532 | - |
| New market extension | | 66,050 | - |
| Parcel seller shed | | - | 11,852 |
| Window grill | | 1,960 | - |
| | | <u>147,994</u> | <u>12,658</u> |
| Total expenditure | | <u>697,375</u> | <u>436,568</u> |
| Net deficit for the year | | (184,569) | (50,673) |
| Accumulated funds at the beginning of the year | | <u>201,876</u> | <u>252,549</u> |
| Accumulated funds at the end of the financial year | | <u>17,307</u> | <u>201,876</u> |

The accompanying notes form an integral part of this income statement.

SAVUSAVU TOWN COUNCIL

STATEMENT OF INCOME AND EXPENDITURE - LOAN RATE FUND

FOR THE YEAR ENDED 31 DECEMBER 2005

| | Notes | 2005 \$ | 2004 \$ |
|--|-------|-------------------------|-------------------------|
| INCOME | | | |
| Loan rate | | 88,904 | 52,919 |
| Total income | | <u>88,904</u> | <u>52,919</u> |
| EXPENDITURE | | | |
| Principal repayment | | 3,813 | 10,510 |
| | | <u>3,813</u> | <u>10,510</u> |
| Net surplus for the year | | 85,091 | 42,409 |
| Accumulated deficit at the beginning of the year | | <u>(291,392)</u> | <u>(333,801)</u> |
| Accumulated deficit at the end of the financial year | | <u><u>(206,301)</u></u> | <u><u>(291,392)</u></u> |

The accompanying notes form an integral part of this income statement.

SAVUSAVU TOWN COUNCIL
STATEMENT OF INCOME AND EXPENDITURE - STREET LIGHTING
FUND
FOR THE YEAR ENDED 31 DECEMBER 2005

| | Notes | 2005 \$ | 2004 \$ |
|--|-------|------------|------------|
| INCOME | | | |
| Street lighting rate | | - | - |
| Total income | | - | - |
| EXPENDITURE | | | |
| Street lights and maintenance | | - | - |
| | | - | - |
| Net surplus/(deficit) for the year | | - | - |
| Accumulated deficit at the beginning of the year | | (22,180) | (22,180) |
| Accumulated deficit at the end of the financial year | | (22,180) | (22,180) |

The accompanying notes form an integral part of this income statement.

SAVUSAVU TOWN COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2005

| | Notes | 2005 Inflows/ (Outflows) | 2004 Inflows/ (Outflows) |
|--|-------|--------------------------------|--------------------------------|
| Cash flows from operating activities | | | |
| Receipts from customers | | 676,628 | 409,619 |
| Payments to trade creditors, other creditors and employees | | (632,729) | (421,844) |
| Interest received | | 18,770 | 904 |
| Net cash used in Operating Activities | 7(i) | <u>62,669</u> | <u>(11,321)</u> |
| Cash flows from investing activities | | | |
| Acquisition of property, plant & equipment | | <u>(91,757)</u> | <u>(15,067)</u> |
| Net cash used in Investing Activities | | <u>(91,757)</u> | <u>(15,067)</u> |
| Cash flows from financing activities | | | |
| Repayment of borrowings | | <u>66,186</u> | <u>(10,510)</u> |
| Net cash used in Financing Activities | | <u>66,186</u> | <u>(10,510)</u> |
| Net decrease in cash and cash equivalents | | 37,098 | (36,898) |
| Cash and cash equivalent at the beginning of the year | | <u>(107,058)</u> | <u>(70,160)</u> |
| Cash and cash equivalent at the end of the year | 7(ii) | <u>(69,960)</u> | <u>(107,058)</u> |

The accompanying notes form an integral part of this cash flow statement.

SAVUSAVU TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Statements have been prepared on a going concern basis, which contemplates the continuity of business activities. At 31 December 2005 the Council's liabilities exceeded its assets by \$209,438 (2004: \$109,960). To be able to meet its obligations the Council+B475 will need to continue to realise assets, obtain additional funds and obtain the support of creditors to a debt repayment plan.

Set out hereunder are the significant accounting policies adopted by the Council in the preparation of the Accounts for the year ended 31 December 2005. Unless otherwise stated similar policies were followed in the previous year. All amounts are stated in Fijian currency.

(a) Basis of Accounting

The accrual basis of accounting is adopted for all financial transactions with the exception of interest. The financial statements have been prepared on the basis of historical cost and do not take into account changing money values, or current valuation of non-current assets.

(b) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation as at the balance date. When assets are retired or otherwise disposed, the related cost is removed from the accounts and any profit or loss arising there from is included in the statement of income and expenditure. Assets financed from Government Grants are expensed rather than capitalised by the Council.

(c) Depreciation

The Council has adopted the policy of depreciating the assets purchased using straight line method of depreciation at the rate of 10% per annum. Assets financed from loan funds are written down in value by the actual amount of principal repaid.

(d) Income Tax

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

(e) Deferred income

Donations received in the form of property, plant and equipment is treated as deferred income which are recognised as income on a systematic basis over the useful life of the asset.

(f) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

SAVUSAVU TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2005

| NOTE 2. CASH ON HAND & AT BANK | | 2005 | 2004 |
|---|--|----------------|----------------|
| | | \$ | \$ |
| ANZ - Land dealings account | | 19,935 | 290 |
| Grant account | | 65,253 | - |
| Petty cash | | 1,006 | 874 |
| | | <u>86,194</u> | <u>1,164</u> |
| NOTE 3. PROPERTY, PLANT AND EQUIPMENT | | 2005 | 2004 |
| | | \$ | \$ |
| Land - at cost | | 190,869 | 120,869 |
| Less: Write down of assets representing actual principal amount | | (37,515) | (36,510) |
| | | <u>153,354</u> | <u>84,359</u> |
| Motor Vehicle - at cost | | 195,830 | 81,729 |
| Less: Accumulated depreciation | | (38,380) | (26,404) |
| | | <u>157,450</u> | <u>55,325</u> |
| Office Furniture - at cost | | 22,500 | 15,000 |
| Less: Accumulated depreciation | | (8,845) | (6,750) |
| | | <u>13,655</u> | <u>8,250</u> |
| Office equipment - at cost | | 13,756 | 17,325 |
| Addition | | 9,941 | 7,006 |
| Less: Accumulated depreciation | | (757) | (6,486) |
| | | <u>22,940</u> | <u>17,845</u> |
| Total property, plant and equipment, net - General Fund | | <u>347,399</u> | <u>165,779</u> |

SAVUSAVU TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2005

| NOTE 3. | PROPERTY, PLANT AND EQUIPMENT (Continued) | 2005 | 2004 |
|---------|--|----------------|----------------|
| | | \$ | \$ |
| (a) | Movements in Carrying Amounts - General Fund | | |
| | Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year. | | |
| | General Fund | | |
| | <u>Land and buildings - at cost</u> | | |
| | Carrying amount at beginning | 84,359 | 94,869 |
| | Additions | 70,000 | - |
| | Repayment of loan | (1,005) | (10,510) |
| | Balance as at 31 December | <u>153,354</u> | <u>84,359</u> |
| | <u>Motor vehicles - at cost</u> | | |
| | Carrying amount at beginning | 55,325 | 58,200 |
| | Additions | 114,101 | 5,298 |
| | Depreciation expense | (11,976) | (8,173) |
| | Balance as at 31 December | <u>157,450</u> | <u>55,325</u> |
| | <u>Office Furniture - at cost</u> | | |
| | Carrying amount at beginning | 8,250 | 9,750 |
| | Additions | 7,500 | - |
| | Depreciation expense | (2,095) | (1,500) |
| | Balance as at 31 December | <u>13,655</u> | <u>8,250</u> |
| | <u>Office Equipment - at cost</u> | | |
| | Carrying amount at beginning | 17,845 | 13,264 |
| | Additions | 9,942 | 7,006 |
| | Disposal | (4,090) | - |
| | Depreciation expense | (757) | (2,425) |
| | Balance as at 31 December | <u>22,940</u> | <u>17,845</u> |
| | Total property, plant and equipment, net - General Fund | <u>347,399</u> | <u>165,779</u> |

SAVUSAVU TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2005

| NOTE 4. CREDITORS AND OTHER ACCRUALS | \$ | \$ |
|---|----------------|----------------|
| Land sales deposits | 448,142 | 450,507 |
| VAT payable | - | 3,209 |
| Accounts payable and accruals | 104,775 | 63,194 |
| Deposits | - | 100 |
| | <u>552,917</u> | <u>517,010</u> |

NOTE 5. LOAN FUND LESS REPAYMENTS

The loans raised by the Council bear no interest charges. While repayments by scheduled installment of principal were made in respect of one loan, no repayment was made for the other. The loan raised under the provisions of the Local Government Act is covered by registered mortgage No. 307227 by the Town Council over crown lease no. 11197 and limited guarantee by The Government of Fiji.

| | \$ | \$ |
|--------------------------|----------------|---------------|
| Opening balance | 84,359 | 94,869 |
| Add: Additional drawdown | 70,000 | - |
| Less: Loans repaid | (1,006) | (10,510) |
| Closing balance | <u>153,353</u> | <u>84,359</u> |

Disclosed as:

| | | |
|---------------------|----------------|---------------|
| Current portion | 19,423 | 10,510 |
| Non current portion | 133,930 | 84,359 |
| | <u>153,353</u> | <u>94,869</u> |

| NOTE 6. RECEIVABLES | \$ | \$ |
|----------------------------|----------------|----------------|
| Nakama tenants | 85,380 | 55,602 |
| Navaqiqi tenants | 42,875 | 114,666 |
| Rate arrears | 147,230 | 287,436 |
| Sundry debtors | 12,441 | 12,441 |
| | <u>287,926</u> | <u>470,145</u> |
| VAT receivable | 76,820 | - |
| | <u>364,746</u> | <u>470,145</u> |

SAVUSAVU TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2005

NOTE 7. NOTES TO THE STATEMENT OF CASH FLOWS

| (i) Reconciliation of Net Cash provided by Operating Activities to Net Surplus | 2005 | 2004 |
|---|---------------|-----------------|
| | \$ | \$ |
| Net (deficit)/surplus for the year | (99,478) | (8,264) |
| Depreciation | 16,667 | 12,098 |
| Provision for employee entitlements | 361 | 377 |
| Loan principal repayment | 3,813 | 10,510 |
| Net cash provided by operating activities before changes in assets and liabilities | (78,637) | 14,721 |
| Change in assets and liabilities: | | |
| Increase in receivables | 105,399 | (31,827) |
| Decrease/(increase) in creditors and borrowings | 35,907 | 5,785 |
| Net cash inflows used in operating activities | 62,669 | (11,321) |

(ii) Cash and Cash Equivalents

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

| | 2005 | 2004 |
|--------------------|-----------------|------------------|
| | \$ | \$ |
| Cash on hand | 86,194 | 1,164 |
| Bank overdraft (a) | (156,154) | (108,222) |
| | (69,960) | (107,058) |

- (a) The bank overdraft is secured over the Registered Mortgage No. 307227 by the town council over Crown Lease No. 11197

NOTE 8. EXPENDITURE COMMITMENTS

- (a) Capital Expenditure Commitments - Nil (2004 - Nil)
(b) Operating Leases - Nil (2004 - Nil)

