



# **SAVUSAVU TOWN COUNCIL**



## **ANNUAL REPORT 2008**



PARLIAMENT OF FIJI  
PARLIAMENTARY PAPER NO. 129 OF 2020





---

# **SAVUSAVU TOWN COUNCIL**

## **ANNUAL REPORT FOR THE YEAR 2008**

---







**SAVUSAVU TOWN COUNCIL**  
**P.O.BOX 201**  
**MAIN STREET**  
**SAVUSAVU**

---

**Tel No. : (679)8850261/ 8850243**

**Fax No. : (679)8850872**

**Email: [ssvtowncouncil@connect.com.fj](mailto: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 2008.

The report provides activities of the Council throughout the year.

The Annual Report 2008 has been prepared in the accordance with the provisions of section19  
(1) (a), (b) and (c) of the Local Government Act Cap.125.

Yours Faithfully

Seema Shiwani Dutt  
Chief Executive Officer  
**Savusavu Town Council**

## **Forward**

We are pleased to present Savusavu Town Council Annual Report for 2008. The report is designed to meet our obligations of the Local Government Act 125.

The 2008 Annual Report describes the organization's performance of the financial year against some of our objectives and Budget of the Council. The report tells us where we are doing well and where we can do better in helping the community realize its long-term goals.

Savusavu Town Council has integrated its Municipal Public Health developed in accordance with the (Public Health Act Cap 3) with its Council Plan to demonstrate that improving the quality of life of people in the municipality is the business of the whole organization. Every year the reporting requirements for the Municipal Public Health Act have been aligned and integrated with the Annual Report.



Seema Shiwani Dutt  
For Chief Executive Officer  
**Savusavu Town Council**

## **ANNUAL REPORT FOR THE YEAR 2008**



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

### **Appointment of Committees**

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

### **Meetings**

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

<i>a. Full Council.</i>	<i>.....11</i>
<i>b. Special Full Council</i>	<i>.....6</i>
<i>c. Building &amp; Health</i>	<i>.....10</i>
<i>d. Finance</i>	<i>.....10</i>
<i>e. Subdivision of Land</i>	<i>.....10</i>

### **Officers in the Council**

<i>Town Clerk/C.E.O (JP)</i>	<i>– Mr. Dharmendra Lal</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. James Billings</i>
<i>Typist Clerk</i>	<i>– Mrs. Unaisi Ibetabakaucere</i>
<i>Recorder Clerk</i>	<i>– Miss Minu Rita</i>
<i>Market Master</i>	<i>- Mr. Tandraiya Goundar</i>
<i>Rates Clerk</i>	<i>– Mr. Sanjesh Gounden</i>
<i>Total Labourers</i>	<i>- 9</i>

### **Council Solicitor**

- Munro Leys
- Siwatibau & Sloan

### **Council Auditors**

ERNST & YOUNG – Contracted by Auditor General's office

### **Finance**

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

#### **Town Rates Levy**

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

#### **December 2007**

Bank balance as at 31/12/07 - \$356.00



## **Town Rates Valuation**

The unimproved capital value of rateable land within the town was \$12,373,950.00. These comprised of 495 rateable 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.

## **Budget**

### **Recurrent Revenue & Expenditure**

The total current revenue and expenditure of the Council for final year ending 31<sup>st</sup> December, 2008 were as follows:

*Revenue – \$427,528.00*

*Expense – \$551,672.00*

*Deficit – \$124,144.00*

The rate levy for 2008 and rates income were estimated as follows on 1998 valuation:

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

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:**

**\$192,235.00 of 2008 rates.**

**\$0.00 Arrears of rates**

## **CAPITAL PROJECTS**

**The Council completed the following capital works in year 2008:**

### **MAJOR PROJECTS**

- **Road Upgrading & Maintenance**

**Fenton, Narains Height, Nakama, Naqelekula, Shiu Chand/Housing road, In front of Savusavu Hardware**

- **Drainage Works**

**Shiu Chand road, Narains Height, Hooper Street, Vunikoka, Fenton, Nakama Subdivision & Main Street**

### **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.

### **PUBLIC PARKS**

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

### **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*

## **FIELD WORK**

### **Labourers**

The Council has thirteen (13) 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*

### **MARKET**

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

- **Market Collection/2008 - \$88,236.00**

- **Market Washing**

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

### **Number of Visitors to the Council during the Year**

.....

## **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. (***Ref. Attached***)

### **Health Inspector/Building Surveyor's report tabled by Town Clerk/C.E.O:**

#### **APPLICATIONS RECEIVED FOR CONSIDERATION**

STC REF NO.	OWNER	PROPOSAL	VALUE (\$)	BLDG FEES (\$)
19/08	Ram Sami f/n Govinda	Dwelling House	200,000.00	151.00
20/08	Manikam Goundan & Saras Wati	Carport & Driveway	1,200.00	22.00
21/08	Sirilo Dulunaqio	Amendment to dwelling	25,000.00	22.00
22/08	Dr. Mohammed Ishaque	Fencing	1,500.00	22.00
23/08	Greg Webster	Outline Application	850,000.00	2,000.00
24/08	Nasavusavu District School	Extension to Dwelling House	13,000.00	22.00
25/08	Vodafone Fiji	Booth	2,500.00	22.00
26/08	Anil Jacqueline & Behari Prasad	Extension to storeroom	3,500.00	22.00
27/08	Savusavu Village Marina	Marina	1,000.00	100.00
28/08	Devidass Prasad	Extension to dwelling house	10,000.00	22.00
29/08	Ganeshwar Prasad	Extension to dwelling	50,000.00	43.10
30/08	Nasavusavu Secondary School	Extension to Administration Block	12,250.00	100.00
31/08	Shiu Omkar Ramayan Mandali	Fencing and Toilet Block	3,000.00	22.00
329/08	Raj Kumar s/o Dasrath	Extension to dwelling	38,000.00	43.10

## **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.

**CR. PENI NAULU (JP)**  
**MAYOR**



Chief Executive Officer  
Seema Shiwani Dutt  
03/08/2020



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





8<sup>th</sup> Floor, Ratu Sukuna House,  
MacArthur Street,  
P. O. Box 2214,  
Government Buildings,  
Suva, Fiji Islands.

**REPUBLIC OF FIJI**  
**OFFICE OF THE AUDITOR GENERAL**

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



Excellence in Public Sector Auditing

File: 955/1

15 May 2012

Mr. Vijay Chand  
The Administrator  
Savusavu Town Council  
P.O. Box 201  
**SAVUSAVU**

Dear Mr. Chand

---

**AUDIT OF THE ACCOUNTS OF THE SAVUSAVU TOWN COUNCIL FOR THE YEAR ENDED 31  
DECEMBER 2008**

---

Two copies of the audited financial statements of the Savusavu Town Council for the year ended 31 December 2008 together with an audit report on them are enclosed.

A copy of the audit report is being sent to the Minister for Local Government, Urban Development, Housing and Environment in accordance with section 53 of the Local Government Act.

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

Yours sincerely

Tevita Bolanavanua  
**AUDITOR GENERAL**

cc: Minister for Local Government, Urban Development, Housing & Environment  
Mr. Dharmend Lal, Chief Executive Officer for Savusavu Town Council

Encl.







EXCELLENCE IN PUBLIC SECTOR AUDITING

---

# AUDITED FINANCIAL STATEMENT

## SAVUSAVU TOWN COUNCIL

31 DECEMBER 2008

---



SAVUSAVU TOWN COUNCIL  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008

---

12

Contents

Table of contents.....	1
Independent audit report.....	2-3
Council's statement.....	4
Statement of financial position .....	5
Statement of income and expenditure - General Fund.....	6-7
Statement of income and expenditure - Loan Rate Fund.....	8
Statement of income and expenditure - Street Light Account.....	9
Statement of cash flows .....	10
Notes to the financial statements.....	11-18



8<sup>th</sup> Floor, Ratu Sukuna House,  
MacArthur Street,  
P. O. Box 2214,  
Government Buildings,  
Suva, Fiji Islands.

**REPUBLIC OF FIJI**  
**OFFICE OF THE AUDITOR GENERAL**

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



*Excellence in Public Sector Auditing*

**SAVUSAVU TOWN COUNCIL**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008**  
**INDEPENDENT AUDIT REPORT**

**Scope**

I have audited the financial statements of Savusavu Town Council for the year ended 31 December 2008 in accordance with the provisions of the Local Government Act and section 13 of the Audit Act. The financial statements consist of the Statement of Financial Position, Statement of Income and Expenditure, Statement of Cash Flows and accompanying notes. The Savusavu Town Council is responsible for the preparation and presentation of the financial statements and the information contained therein. My responsibility is to express an opinion on these financial statements based on my audit.

My audit has been conducted in accordance with Fiji Standards on Auditing to provide reasonable assurance as to whether the financial statements are free of material misstatements. The 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 were 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 Council's financial position, the results of its operations and cash flows.

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

**Qualifications**

- 1) Included in the current liabilities are un-identified land sales deposits amounting to \$427,456. The Council failed to provide details for the deposits. Thus, audit was not able to verify the existence and accuracy of the deposits. Accordingly, I am not able to satisfy myself if land sales deposits are fairly stated in the financial statements.
- 2) The Council has not provided any provision for doubtful debts for its rates debtors totaling \$191,412 as at 31 December 2008. If a charge of doubtful debts was recorded, it would result in a decrease of net surplus in the Statement of Income and Expenditure of General Fund. In addition, there is an un-reconciled variance of \$274,359 in the rates debtor's amount between the financial statements and MYOB listing. Accordingly, I was not able to satisfy myself if the rate debtors amounting to \$191,412 is fairly stated in the financial statements.
- 3) There is un-reconciled variance of \$81,380 between the VAT account in the general ledger and balance reflected in the Statement of VAT account provided by the Fiji Revenue and Customs Authority (FRCA). Accordingly, I am unable to satisfy myself if VAT receivable amounting to \$79,134 is fairly stated in the financial statements.
- 4) Payment vouchers relating to the month of April totaling \$43,096 were not provided for audit review. Accordingly, I am not able to confirm if those payments had been properly authorized and correctly recorded in the financial statements.

### **Qualified Audit Opinion**

In my opinion, because of the effects of the matters discussed in the qualification paragraphs, the financial statements do not present fairly the financial position of the Savusavu Town Council as at 31 December 2008 and the result of its operation for the year then ended.

### **Emphasis Of Matter**

Without further qualifications to the opinion expressed above, attention is drawn to the following matter:

- Included in the bank audit certificate is a bank account named Savusavu Town Council Navirea Tenants. The account was opened on behalf of the Navirea landowners to account for all rent from the tenants. The balance stated in the audit certificate totaled \$479.17. The Council did not include the amount in its financial statement for the year ended 31 December 2008.
- The value of all the roads, footpaths and drains of the Council has not been incorporated in the Statement of Financial Position as at 31 December 2008. As a result the amount reported under Property Plant and Equipment in the financial statement may not be fairly reflected.



Tevita Bolanavanua  
**AUDITOR GENERAL**  
Suva, Fiji

15 May 2012

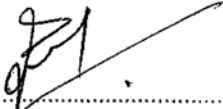


SAVUSAVU TOWN COUNCIL  
STATEMENT BY THE COUNCIL  
FOR THE YEAR ENDED 31 DECEMBER 2008

---

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 2008 and of the state of affairs and cash flows as at that date.



.....  
DHARMENDRA LAL  
TOWN CLERK / CEO  
DATE: 19/04/12



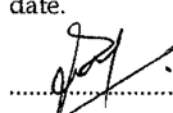
.....  
VIJAY CHAND  
SPECIAL ADMINISTRATOR  
DATE: 19/4/12

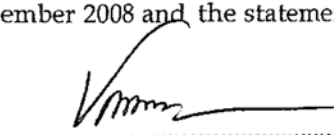
SAVUSAVU TOWN COUNCIL  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2008

	Notes	2008	2007
<b>CURRENT ASSETS</b>		\$	\$
Cash at bank	2	28,365	46,757
Receivables	3	258,271	248,604
VAT receivable		79,134	70,941
<b>Total current assets</b>		<u>365,769</u>	<u>366,302</u>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	4	613,354	603,491
<b>Total non current assets</b>		<u>613,354</u>	<u>603,491</u>
<b>TOTAL ASSETS</b>		<u>979,123</u>	<u>969,793</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable & accruals		123,668	59,441
Bank overdraft		176,322	128,990
Land sales deposits	5	447,357	447,357
Refundable deposits		4,282	1,000
Term loans	7	29,028	23,028
<b>Total current liabilities</b>		<u>780,657</u>	<u>659,816</u>
<b>NON CURRENT LIABILITIES</b>			
Deferred income	6	88,733	102,906
Other loan		9,500	9,500
Term loans	7	76,593	101,671
<b>Total non current liabilities</b>		<u>174,826</u>	<u>214,077</u>
<b>TOTAL LIABILITIES</b>		<u>955,483</u>	<u>873,893</u>
<b>NET ASSETS</b>		<u>23,640</u>	<u>95,900</u>
<b>MUNICIPAL FUNDS</b>			
Reserves	8	235,641	235,641
Accumulated losses	9	(212,001)	(139,741)
<b>TOTAL MUNICIPAL FUNDS</b>		<u>23,640</u>	<u>95,900</u>

The accompanying notes form an integral part of this Statement of Financial Position.

In our opinion the Financial Statements have been properly drawn up to show a true and a fair view of the Savusavu Town Council's operations for the year ended 31 December 2008 and the statement of affairs as at that date.

  
DHARMENDRA LAL  
TOWN CLERK / CEO  
DATE: 19/4/12

  
VIJAY CHAND  
SPECIAL ADMINISTRATOR  
DATE: 19/4/12

SAVUSAVU TOWN COUNCIL  
STATEMENT OF INCOME AND EXPENDITURE - GENERAL FUND  
FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	\$	\$
<b>INCOME</b>		
Amortisation of deferred income	14,173	14,173
Backhoe hire	7,936	3,590
Building fees	4,745	2,582
Business, trading and other licenses	34,257	38,176
Caravan lease	100	-
Garbage dump charges	9,514	9,538
Gate takings	4,693	2,855
General rates	192,235	166,943
Grant	-	35,556
Interest - overdue rates	16,861	1,755
Jetty lease	1,000	1,000
Land sales	-	4,927
Litter fine	124	-
Market fees and charges	88,236	84,953
Market kiosk rent	15,384	13,258
Miscellaneous	9,318	7,412
Refund	5,219	313
Sale of food items	401	-
Taxi, bus and carrier stand fees	23,232	23,294
Telecom drainage	-	890
Webster lease	100	-
Vunikoka bridge	-	2,847
<b>Total income</b>	<b>427,528</b>	<b>414,062</b>
<b>EXPENDITURE</b>		
Advertising	3,185	3,084
Audit and accounting fees - Current	11,000	3,800
- Prior year	38,422	-
Back hoe - maintenance	39,656	17,815
Civic reception	9,930	9,924
Depreciation	37,842	33,938
Foreshore development	500	-
FLGA subscription	664	1,082
TPAF levy	1,919	1,726
Garbage services	18,734	17,172
General expenses	6,161	6,335
Health & safety	3,755	2,012
	<b>171,768</b>	<b>96,887</b>

SAVUSAVU TOWN COUNCIL  
STATEMENT OF INCOME AND EXPENDITURE - GENERAL FUND  
FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	\$	\$
EXPENDITURE (CONT'D)	171,768	96,887
Incidental & emergency	4,950	1,427
Insurance	7,433	7,451
Interest and bank charges	14,421	10,394
Land rent	612	612
Land dealing expenses	(1,716)	65,503
Legal expenses	22,092	13,793
Market expenses	60	1,769
Mayoral allowance - Current	3,500	3,500
- Prior year	875	-
Park and beautification	7,345	1,426
Office equipment - maintenance	11,597	4,658
Office and market - maintenance	7,608	2,247
Office stationery, postage, printing and advertising	6,648	4,498
Public toilet - maintenance	4,230	3,702
Rezoning fees	-	923
Roads and drains - maintenance	2,826	14,648
Rubbish bins and dump	4,539	1,781
Salaries, wages and allowances	198,979	197,121
Security	2,737	1,787
Sitting allowance	6,060	5,488
Staff training and welfare	2,434	-
Taxi/ carrier stand	937	-
Travelling and incidental expenses	24,254	15,466
Utilities	37,616	34,550
Valuation fees	9,867	280
Total expenditure	551,672	489,909
Net loss for the year	(124,144)	(75,847)
Accumulated losses at the beginning of the year	(6,534)	69,313
Accumulated losses at the end of the financial year	(130,678)	(6,534)



SAVUSAVU TOWN COUNCIL  
 STATEMENT OF INCOME AND EXPENDITURE - LOAN RATE FUND  
 FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	\$	\$
<b>INCOME</b>		
Loan rate	72,392	62,876
<b>Total income</b>	<u>72,392</u>	<u>62,876</u>
<b>EXPENDITURE</b>		
Interest	6,601	9,133
<b>Total expenditure</b>	<u>6,601</u>	<u>9,133</u>
<b>Surplus for the year</b>	65,791	53,743
Accumulated losses at the beginning of the year	(105,251)	(158,994)
<b>Accumulated losses at the end of the financial year</b>	<u>(39,460)</u>	<u>(105,251)</u>

SAVUSAVU TOWN COUNCIL  
 STATEMENT OF INCOME AND EXPENDITURE - STREET LIGHT ACCOUNT  
 FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	\$	\$
<b>INCOME</b>		
Street light rate	-	-
<b>Total income</b>	-	-
<b>EXPENDITURE</b>		
Street light expenses	13,907	7,512
<b>Total expenditure</b>	13,907	7,512
<b>Losses for the year</b>	(13,907)	(7,512)
Accumulated losses at the beginning of the year	(29,692)	(22,180)
<b>Accumulated losses at the end of the financial year</b>	<b>(43,599)</b>	<b>(29,692)</b>

SAVUSAVU TOWN COUNCIL  
STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 \$ Inflows/ (Outflows)	2007 \$ Inflows/ (Outflows)
<b>Cash flows from operating activities</b>			
Receipts from customers		476,080	531,918
Payments to trade creditors, other creditors and employees		(468,421)	(450,851)
Interest Received		-	-
Interest paid		(6,601)	(9,133)
Net cash used / provided by Operating Activities	10 (a) (i)	<u>1,059</u>	<u>71,934</u>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant & equipment		<u>(47,705)</u>	<u>(82,484)</u>
Net cash used in Investing Activities		<u>(47,705)</u>	<u>(82,484)</u>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		<u>(19,078)</u>	<u>(16,275)</u>
Net cash used in / provided by Financing Activities		<u>(19,078)</u>	<u>(16,275)</u>
Net decrease in cash and cash equivalents		(65,725)	(26,825)
Cash and cash equivalent at the beginning of the year		(82,233)	(55,408)
Cash and cash equivalent at the end of the year	10 (a) (ii)	<u><u>(147,958)</u></u>	<u><u>(82,233)</u></u>

*The accompanying notes form an integral part of this Statement of Cashflow.*

SAVUSAVU TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008

---

**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. As at 31 December 2008, the Council's current liabilities exceeded its current assets by \$414,888 (2007:\$293,514). To be able to meet its obligations the Council will need to realise its assets, obtain additional 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 2008. 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. The financial statements have been prepared on the basis of historical cost and do not take into account changing money values.

**(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 acquired through government grants are treated as deferred income which is recognised on a systematic and rational basis over its useful life.

**(c) Depreciation**

The Councils' fixed assets are depreciated over their estimated useful lives using the straight line method at the following rates.

	<u>Rate</u>
Buildings	2.5%
Furniture and Equipment	10%
Plant, Machine and tools	10%
Motor vehicles	10%
Road, footpath and drains	10%
Street Lights	10%

SAVUSAVU TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2008

- (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.

NOTE 2.	CASH AT BANK	2008	2007
		\$	\$
	ANZ Land Dealings Account	28,025	46,285
	Westpac Grant Account	296	356
	Petty Cash	44	116
		<u>28,365</u>	<u>46,757</u>

NOTE 3.	RECEIVABLES		
	<b>General Fund</b>		
	Rate debtors	191,412	178,683
	Nakama tenants	34,165	40,273
	Navaqiqi tenants	15,769	15,769
	Sundry debtors	15,487	12,441
	Rent arrears	1,438	1,438
		<u>258,271</u>	<u>248,604</u>

NOTE 4.	PROPERTY, PLANT & EQUIPMENT		
	(a) Land & building	157,268	157,268
	Add: Revaluation	235,641	235,641
	Add: Additions	16,142	-
	Less: Accumulated depreciation	(30,842)	(23,366)
		<u>378,209</u>	<u>369,543</u>

SAVUSAVU TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 4(a)	PROPERTY, PLANT & EQUIPMENT (CONT'D)	2008 \$	2007 \$
	Motor vehicle - at cost	195,831	195,831
	Less: Accumulated depreciation	(97,130)	(77,547)
		<u>98,701</u>	<u>118,284</u>
	Office furniture - at cost	24,458	22,500
	Add: Additions	-	1,958
	Less: Accumulated depreciation	(15,894)	(13,448)
		<u>8,564</u>	<u>11,010</u>
	Office equipment - at cost	41,859	39,836
	Add: Additions	2,756	2,022
	Less: Accumulated depreciation	(19,334)	(14,872)
		<u>25,281</u>	<u>26,987</u>
	Plant, machines and tools - Costs	2,493	2,493
	Add: Additions	882	-
	Less: Accumulated depreciation	(459)	(121)
		<u>2,916</u>	<u>2,372</u>
	Street lights - Costs	21,824	21,824
	Less: Accumulated depreciation	(2,792)	(610)
		<u>19,032</u>	<u>21,214</u>
	Roads and drains - Costs	54,187	54,187
	Less: Accumulated depreciation	(1,461)	(106)
		<u>52,726</u>	<u>54,081</u>
	WIP		
	Nakama stage 3		
	Costs	-	-
	Add: Additions	24,025	-
	Less: Disposals	-	-
		<u>24,025</u>	<u>-</u>
	Nakama stage 4		
	Costs	-	-
	Add: Additions	3,900	-
	Less: Disposals	-	-
		<u>3,900</u>	<u>-</u>
	Total wip	27,925	-
	Written Down Value of Property, plant & equipment	<u>613,354</u>	<u>603,491</u>

SAVUSAVU TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	\$	\$
<b>NOTE 4 (b). <u>Movements in Carrying Amount</u></b>		
Movements in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.		
<u>Land &amp; buildings</u>		
Carrying amount at the beginning	369,543	140,975
Add: Revaluation	-	235,641
Add: Additions	16,142	-
Less: Depreciation expense	(7,476)	(7,073)
Balance as at 31 December 2008	<u>378,209</u>	<u>369,543</u>
<u>Motor vehicle</u>		
Carrying amount at the beginning	118,284	137,867
Less: Depreciation expense	(19,583)	(19,583)
Balance as at 31 December 2008	<u>98,701</u>	<u>118,284</u>
<u>Office furniture</u>		
Carrying amount at the beginning	11,010	11,405
Add: Additions	-	1,958
Less: Depreciation expense	(2,446)	(2,353)
Balance as at 31 December 2008	<u>8,564</u>	<u>11,010</u>
<u>Office equipment</u>		
Carrying amount at the beginning	26,986	29,057
Add: Additions	2,756	2,022
Less: Depreciation expense	(4,462)	(4,093)
Balance as at 31 December 2008	<u>25,280</u>	<u>26,986</u>
<u>Plant, machines &amp; tools</u>		
Carrying amount at the beginning	2,372	-
Add: Additions	882	2,493
Less: Depreciation expense	(338)	(121)
Balance as at 31 December 2008	<u>2,916</u>	<u>2,372</u>

SAVUSAVU TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 4 (b).	Movements in Carrying Amount ( Cont't)	2008 \$	2007 \$
	<u>Streetlights</u>		
	Carrying amount at the beginning	21,214	-
	Add: Additions	-	21,824
	Less: Depreciation expense	(2,182)	(610)
	Balance as at 31 December 2008	<u>19,032</u>	<u>21,214</u>
	<u>Roads &amp; drains</u>		
	Carrying amount at the beginning	54,081	-
	Add: Additions	-	54,187
	Less: Depreciation expense	(1,355)	(106)
	Balance as at 31 December 2008	<u>52,726</u>	<u>54,081</u>
	<u>Work in progress</u>		
	Carrying amount at the beginning	-	-
	Add: Additions	27,925	-
	Less: Disposals	-	-
	Balance as at 31 December 2008	<u>27,925</u>	<u>-</u>
	Written Down Value of Property, Plant & Equipment	<u>613,353</u>	<u>603,491</u>

NOTE 5. LAND SALES DEPOSITS

The following deposits were made on land purchases for Nakama Subdivision Stage 2 and 3.

Land Sales Deposits	19,901	19,901
Unidentified Land Sales Deposits	427,456	427,456
	<u>447,357</u>	<u>447,357</u>



SAVUSAVU TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	\$	\$

NOTE 6. Deferred Income

This component of benefits realised represents the cost of Backhoe Digger and Garbage Truck donated. The value of the vehicles totalling \$168,200 was transferred to deferred income and to be amortized over the number of years, the two motor vehicles are used as mentioned in Note 1(e). The benefits are derived as follows:

Opening balance	102,906	117,079
Less: Benefits realised from fixed assets	14,173	14,173
Ending balance	<u>88,733</u>	<u>102,906</u>

NOTE 7. TERM LOANS

General Fund

Balance as at 1 January	124,699	140,974
Loan Raised	-	-
	<u>124,699</u>	<u>140,974</u>
Bank Fees	350	420
Interest	6,601	8,713
	<u>131,650</u>	<u>150,107</u>
Repayment	26,029	25,408
	<u>105,621</u>	<u>124,699</u>
Represented in the balance sheet as:		
Current	29,028	23,028
Non-current	76,593	101,671
	<u>105,621</u>	<u>124,699</u>

Term Loans of the Council are as follows:

The loan from Westpac Banking Corporation is secured by crown lease no: 1197 with a monthly repayment of \$1,419 for interest and principal.

The loan from Fiji National Provident Fund is secured by debenture on all the Council's assets and charge on Council's bank accounts with a monthly repayment of \$1,000 for interest and principal.

SAVUSAVU TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	\$	\$
<b>NOTE 8. RESERVES</b>		
The asset revaluation reserves represents the movements in asset valuations upon the periodic revaluation of Council's assets.		
<u>Asset Revaluation Reserve</u>		
Opening Balance	235,641	-
Valuation during the year	-	235,641
Asset revaluation reserve	<u>235,641</u>	<u>235,641</u>
<b>NOTE 9. ACCUMULATED LOSSES</b>		
Accumulated general fund (Page 8)	(130,678)	(6,534)
Fire Service Account	1,736	1,736
Loan rate fund (Page 9)	(39,460)	(105,251)
Street Light Account (Page 10)	(43,599)	(29,692)
	<u>(212,001)</u>	<u>(139,741)</u>
<b>NOTE 10. NOTES TO THE STATEMENT OF CASH FLOWS</b>		
(a)		
(i) Reconciliation of Net Cash provided by Operating Activities to Net Surplus		
Net deficits for the year - General fund	(124,144)	(75,847)
Net deficits for the year - Loan rate fund	65,791	53,743
Depreciation and amortisation	37,842	33,938
Net cash provided by operating activities before changes in assets and liabilities	<u>(20,511)</u>	<u>11,834</u>
Change in assets and liabilities:		
Increase / (decrease) in receivable	(17,859)	62,094
Decreases in other liabilities	(24,798)	(21,970)
Decreases in creditors and borrowings	64,227	19,976
Net cash inflows from operating activities	<u>1,059</u>	<u>71,934</u>
(ii) Cash and Cash Equivalents		
Cash on hand	28,365	46,757
Cash at Bank	(176,322)	(128,990)
	<u>(147,957)</u>	<u>(82,233)</u>

**SAVUSAVU TOWN COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

---

**NOTE 11. CAPITAL COMMITMENTS**

Capital commitment as at 31 December 2008 was NIL.

**NOTE 12. CONTINGENCIES**

Contingencies as at 31 December 2008 was NIL.

**NOTE 13. PRINCIPAL ACTIVITY**

The Savusavu Town Council was established under the Local Government Act to provide for the health, welfare and convenience of the inhabitants of the Savusavu Town Municipality and to preserve the amenities or credit thereof.

**NOTE 14. SUBSEQUENT EVENTS**

Since the end of the financial year, the Council is not aware of any matter or circumstance not otherwise dealt with in the report or financial statements that has significantly or may significantly affect the operations of the Council, the results of those operations or state of affairs of the Council in subsequent years.

