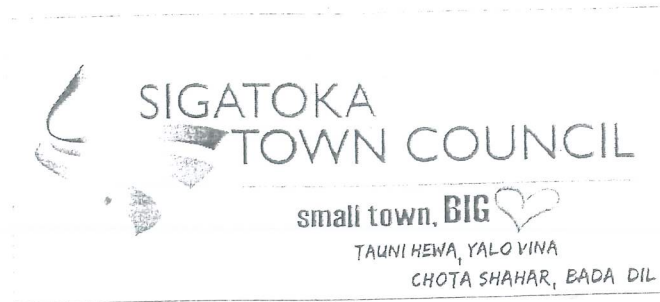




SIGATOKA TOWN COUNCIL

Annual Report for the Year 2011





SIGATOKA TOWN COUNCIL

Annual Report AND Financial Statements 2011

SIGATOKA TOWN COUNCIL
ANNUAL REPORT FOR THE YEAR ENDED 2011

1.0 Appointment of Special Administrator

Mr. Aisea Tuidraki was appointed by the Government as the Special Administrator as in line with the amended Local Government Act, Cap. 125 from February, 2009 to June 13, 2013.

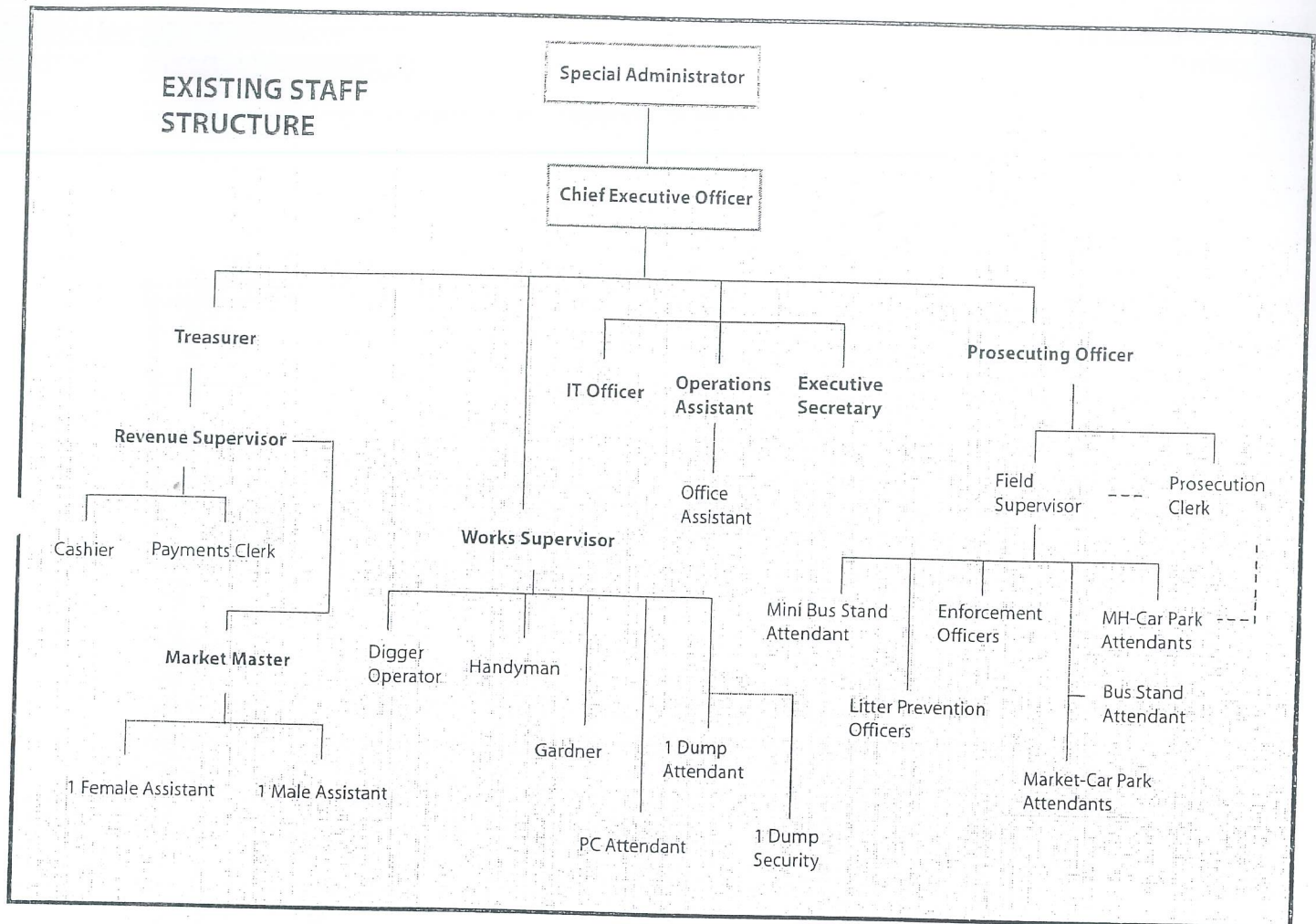
1.1 Meetings of The Council

Annual Council	-	-
Ordinary Council	-	12
Special Council	-	-
Emergency Council	-	-
Finance, Library & IT Committee	-	10
Market Committee	-	10
Traffic Committee	-	10
Prosecution Committee	-	10
Works, Parks & Gardens Committee	-	10
Health, Building & 3R Projects Committee	-	10
Staff & Tender Committee	-	10
Management Committee	-	32
Emergency	-	-
Total Number of Meetings		114
		=====

1.2 Staff Details

Established Staffs

<u>No.</u>	<u>Name</u>	<u>Position</u>
1.	Anand Sami Pillay	Town Clerk/Chief Executive Officer
2.	Mereoni Camaivuna	Operations Assistant 1
3.	Nirmala Pariachi	Operations Assistant II
4.	Mohini Nair	Senior Accounts Clerk
5.	Salamisa Waqa	Debtors Clerk
6.	Abhay Kumar	Prosecutor
7.	Ms. Eseta Leawere	HI/Building Surveyor
8.	Ms. Sokoveti Delana	Cashier
9.	Sharan Dip Singh	Parking Meter Attendant
10.	Taufiq Ameer Mohammed	Town Ranger
11.	Rajesh Ram	Town Ranger
12.	Mr. Emosi Nayabe	Enforcement Officer
13.	Ms. Mereia Mairewa	Office Assistant



1.4 Council's Service Delivery

Our Council provides a wide range of services to our ratepayers and the inhabitants of town. Services provided to them include:

1. Solid Waste Collection and Disposal Management
2. Public Areas Upkeep & Upgrade
3. Market Services
4. Street Light Services, Maintenance of Roads/Footpaths/Drains/Parks
5. Health and Building Inspections
6. Finance Management
7. General Administration of the Town
8. Parking Meter Services/Maintenance

1.5 Solicitors for the Council

The Council engaged three [3] Law Firms during the year namely:

1. M/s Pillai, Naidu & Associates
2. M/S Samusamuvodre, Sharma & Associates
3. M/S West Law, Sigatoka

1.6 Auditors for the Council

As per Section 50 of the Local Government Act, Cap 125, Auditor-General has been the Auditor for the Council.

1.7 Visiting Dignatories

A list of Visitors who made courtesy visits to the Council Office during the ensuing year 2011 are as per the table down below:

No.	Name	Organisation
1.	Mr. Om Prakash Gounder	Ministry of Foreign Affairs & International
2.	Mr. Josese Rakuita	Ministry of Local Government, Housing & Environ.
3.	Mr. Jone Y. Koroï	Chief Executive Officer, National Fire Authority
4.	Mr. Qionilau Moceitai	Deputy CEO, National Fire Authority
5.	Mr. Ranavue	Divisional Fire Officer, Western
6.	Mr. Isikeli Mataitoga	Embassy of Japan
7.	Mr. Masako Ki Fichi	Takenazawa, Japan
8.	Mr. Machi Ho Chaku	" "
9.	Mr. Sachiyo Koboyashi	" "
10.	Mr. Kiyoyoki Senba	" "
11.	Mr. Yoichi Tsuchiyo	" "
12.	Mr. Eiji Kubayashi	" "
13.	Mr. Akubu Tadashi	" "
14.	Mr. Kubuyashi Elzi	" "
15.	Mr. Tommi Ono	Takenazawa, Japan
16.	Mr. Humiko Tashiro	" "
17.	Mr. Akira Kato	" "

HEALTH & BUILDING REPORT – 2011**2.0 Health Summary**

No.	License Type	Total Number
1.	Catering Premises	25
2.	Catering Premises (School)	4
3.	Mobile or Temporary Small Scale Catering	34
4.	Bake House	4
5.	Butcher Shop	5
6.	Retail and Catering (e.g. Retailer with fast food counter)	26

Total Number of Insanitary Condition Notice Served: - 11

Total Number Statutory Notice Served: - nil

Total No. of Condemnation Certificate Issued: - nil

Total no. of House to House inspection - 106

The house to house was conducted at the 3 wards of the Sigatoka Town similar to year 2011. In year 2011 mosquito spraying was done within the town boundary to ensure that town is free from Dengue Fever. The quarterly clean-up campaigns were conducted within the town boundary to allow the ratepayers and business houses to live in healthy environment. The ratepayers and business houses were to took advantage to clean and clear the overgrowth of grasses, white goods and discarded all items which can hold the water for the mosquitoes breeding.

2.1 Building / Development Permit Summary Report

Number of Inspection Certificate Issued

- Total Certificate of Inspection: - 2

Building Development Permit Summary Report

Item	Types of Building	Number	Value	Approval	Rejected	Remarks
1	Residential	3	\$9000.00	3	-	-
2	Commercial	13	\$186,400.00	13	-	-
3	Civic	2	\$1,060,119.83	2	-	-
4	Industrial	-	-	-	-	-
5	Others	-	-	-	-	-

In the year 2011 there was a total of 18 building applications which were from Commercial, Residential and Civic development applications. Civic was noted to have the higher number of applications which totaled up to the value of \$1,060,119.83. It was also noted that also at this year there were no subdivision and rezoning application received by the council.

2.2 Environment Report

The faith base group were supported the council to conduct clean campaign with in the town boundary. That the same time council tend to create awareness on the litter to the general public by means of the school kids. That the Council were engaged the night security at the dump site to ensure that no one can put open fire in the land -fill. Council was very concerned about the villagers and settlements close to the dump -site. Most of the earth drain was upgraded in town to ensure that all drains shall have proper openings to allow proper flow of rain water. It was done through de-silting.

2.3 Dog Trapping

That the dog trapping exercise were conducted in the year 2011 whereby total of 7 dogs were trapped.

2.4 ENGINEERING / WORKS REPORT

Basically small maintenance and beautification works were carried out by the Council's un-established staffs. Other major works were contracted out.

2.5 Service Delivery:

Works carried out are as follows: Grass cutting at the Koromumu Cemetery, Streetlight maintenance, Footpath maintenance, Public Convenience maintenance, road markings / road signs maintenance and market maintenance.

2.6 Beautification Projects:

General beautification works were carried out around town in all the wards; Vunasalu Ward, Lawaqa Ward and Laselase Ward. These works are planting of new flowers, painting of flower beds, trimming and pruning of hedges.

2.7 Capital Projects:

Some of the capital works for 2006 are; the upgrade of the Municipal Market, Landfill Upgrade and back Hoe maintenance and a 3 way solar light installation at the roundabout. Installation of two stand taps at the Taxi stand (Central and Valley taxi stand)

2.8 General Contractual Works:

Works that were contracted out are; Grass cutting, Drain Cleaning, Street Sweeping, tree pruning and Street light maintenance.

2.9 Capital Projects

Capital projects that were executed are; the refurbishing of the Civic Building, installing of New Rubbish Bins around town, Upgrading of footpaths and roads, Market and Bus Stand upgrade and major maintenance.

2.10 General Contractual Works

Works that were contracted out are; Grass cutting, Drain Cleaning, Street Sweeping, tree pruning and Street light maintenance.

3.0 Annual Accounts Audit - 2011**Rates**

No. of Ratepayers	Amount Charged per year (in a dollar on U.C Value)	<u>Collection per year</u>
<u>2011</u>	General Rate - 0.86c	\$124,459
248	Special Loan Rate - 1.25c	\$194,425
	Local Rate - 3.75c	\$ 28,616

Sigatoka Town Council had 248 rate payers in year 2011. It provides services such as Garbage Collection, Town sweeping, street cleaning, streetlight repairs and road maintenance to the ratepayers.

(Note: 41 properties were un-alienated for STC in year 2011).

3.1 Reason Rates Charged by STC.

1. General Rates – Council provides services such as Garbage collection, streetlight and road maintenance.
2. Special Loan Rates - is to service Loan repayments for the borrowings pre year 2000 by the Council.

3.2 Business Licence

Year	No. of Business License Holders	Amount Collected
2011	550	\$105,433

3.3 Council Properties Management

Sigatoka Town Council doesn't have a Property Manager but instead all the properties are managed by the Council in house and the day to day operations is the responsibility of the Finance Department. Council has 6 Tenants which has occupied space in the Market area.

3.4 Auditor General Opinion

Sigatoka Town Council was provided the Audit Opinion Qualified Audit Opinion in year 2011.

3.5 Appreciation

The Council wishes to record its appreciation to the ratepayers and citizens of the town for their co-operation.

The Council also acknowledges the dedicated services rendered by the Staffs and Employees and the support and co-operation of the Ministry of Local Government, Housing and Environment.


 Tulsi Ram
CHIEF EXECUTIVE OFFICER



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

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29 November 2012

The Administrator
Sigatoka Town Council
PO Box 118
SIGATOKA

Dear Sir

AUDIT OF SIGATOKA TOWN COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2011

The audit of the accounts of the Council for the year ended 31 December 2011 has been completed.

The audited accounts are forwarded for signing. Please return the signed accounts at your earliest to facilitate the issue of independent audit report on them.

A draft copy of the independent audit report is also enclosed for your perusal.

Yours sincerely

Mere Waqanicagica (Ms)
for AUDITOR GENERAL

Encl.

SIGATOKA TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

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**SIGATOKA TOWN COUNCIL
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011
DRAFT INDEPENDENT AUDIT REPORT**

Scope

I have audited the financial statements of Sigatoka Town Council for the year ended 31 December 2011 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 Sigatoka 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.

Qualification

The Council did not fully comply with the VAT decree in applying the 15% VAT rate on all Vat-able revenues and expenditures. Instead some revenues and expenditure were applied the 12.5% VAT rate. Accordingly I am unable to confirm if the total revenues and expenditures and VAT liability reported in the financial statements for the year ended are fairly stated.

Qualified Audit Opinion

In my opinion, except for the matter identified in the qualification paragraph, the financial statements are presented fairly in accordance with Fiji Accounting Standards and the statutory provisions, the financial position of the Council as at 31 December 2011 and the results of its operations and cash flows for the year then ended.

I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of my audit.

Tevita Bolanavanua
AUDITOR GENERAL
Suva, Fiji

SIGATOKA TOWN COUNCIL
GENERAL FUND ACCOUNT
STATEMENT OF FINANCIAL POSITION

	NOTES	2011 \$	2010 \$
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash on hand	2	200	500
Cash at bank	2	834,933	124,900
Debtors	3	107,469	199,905
Sundry advance	4	14,197	11,945
		<u>956,799</u>	<u>337,250</u>
<u>Non Current Assets</u>			
Property, plant and equipment	5	1,253,144	1,287,374
TOTAL ASSETS		<u>2,209,943</u>	<u>1,624,624</u>
<u>EQUITY AND LIABILITIES</u>			
Accumulated funds	6	569,283	(32,897)
<u>Current Liabilities</u>			
Vat payable		20,075	27,660
Employee entitlement		7,441	13,844
Income received in advance	11	38,143	-
Creditors and other accruals		83,627	74,241
Loan Funds less repayments	7	156,000	149,736
Sundry deposits	8	57,817	57,121
Lease liability - Credit Corporation	9	-	6,226
Deferred income	10	95,559	104,750
		<u>458,662</u>	<u>433,578</u>
<u>Non Current Liabilities</u>			
Loan Funds less repayments	7	1,181,998	1,223,943
TOTAL EQUITY AND LIABILITIES		<u>2,209,943</u>	<u>1,624,624</u>

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 11 to 18.

COUNCIL'S STATEMENT

In our opinion, the financial statement have been properly drawn up so as to show a true and fair view of the Sigatoka Town Council's operations for the year ended 31 December 2011 and of the state of affairs and cash flows as at that date.

.....
Special Administrator
Mr. Aisea Tuidraki
Date:

.....
Chief Executive Officer
Mr. Anand Sami Pillay
Date:

**SIGATOKA TOWN COUNCIL
GENERAL FUND ACCOUNT
STATEMENT OF REVENUE AND EXPENDITURE**

	NOTES	2011	2010
		\$	\$
The Revenue for the year was derived from:			
General rates		101,037	95,326
General rates on state land		30,742	31,017
Interest on overdue rates		7,795	790
Fees and Charges			
Advertisement		676	9,653
Business Licence		105,433	62,207
Building Fees		5,645	2,287
Bus stand charges		8,962	8,538
Commercial vehicle		10,197	9,550
Taxi		60,190	69,556
Cemetery		1,886	2,330
Garbage		149,953	140,170
Illegal Parking Fines		2,362	5,435
Interest others		7,585	3,462
Insect Control Fees		-	4,762
Legal Action		8,771	2,540
Market Fees		249,739	240,995
Miscellaneous		19,135	24,377
Rental Properties		103,049	111,695
Rezoning fees		-	3,211
Car Parking Contribution		81,271	7,389
Car Parking Fees		60,694	56,040
Loading & Unloading Zone		8,000	39,967
Mini Van		38,871	42,746
Amortisation of Deferred Income	10	9,191	9,191
Monetary Contribution		9,750	-
Director of Lands- Upkeeping River bank		4,199	4,199
5% Gate Takings- Sports Council		16,492	-
MHI and Reimbursement		795,200	-
Total Revenue		1,896,825	987,433
The Expenditure for the year was incurred on:			
Recurrent			
Audit Fees		9,000	26,489
Bad Debts		-	259,125
Depreciation		52,878	53,415
Doubtful Debts		111,134	0
Fiji Local Government Association		808	284
Garbage Service		40,723	40,048
Legal Expenses		15,605	9,917
Mayoral, Councillors Allowance & Civic reception		15,404	29,732
Office Expenses		5,629	8,212
Printing, Stationery & Advertising		29,379	28,712
Salaries & related payments		435,438	323,875
Telecom/Fax/Internet/courier		18,125	14,947
Travelling Expenses		22,670	20,725

SIGATOKA TOWN COUNCIL
GENERAL FUND ACCOUNT
STATEMENT OF REVENUE AND EXPENDITURE (CONT'D)

	NOTES	2011	2010
		\$	\$
Electricity		43,132	33,325
Fiji National Training Council		3,154	4,111
Insurance		8,930	11,553
Market		31,576	11,583
Mini Bus Stand Rental		12,133	13,467
Miscellaneous		17,048	8,274
Office rental		28,114	20,267
Public Convenience		3,910	3,610
Roads, drains, paths & verges		136,715	134,233
Water		5,295	4,391
Total Recurrent Expenditure		1,046,800	1,060,295
<u>Capital Expenditure</u>			
Footpath, Road Marking/Patching		40,214	32,112
General Maintenance		31,003	17,797
Koromumu Cemetery		-	9,388
Loop Road & Duabale		-	3,257
Loss on disposal		722	-
Maint. of Bridge		-	21,721
Maint. of Mini Bus Stand		7,719	5,343
Maint. of MH Carpark		1,029	1,068
Maint. of Office Furniture/Equipment		792	2,174
Maint. of Rubbish Bin/Chambers		4,922	242
Rubbish Dump		60,675	31,689
Searchfees		-	2,027
Streetlights		52,949	28,490
Upgrade admin building		697	2,360
Beautification of Town		2,443	-
Maint. Of Bus Stand		2,220	-
Capital Projects		46,595	-
Total Capital Expenditure		251,980	157,668
<u>Financial Expenses</u>			
Bank Charges & Interest		1,633	1,315
Discount Allowed		13,254	12,638
Total Financial Expenditure		14,887	13,953
Total Expenditure		1,313,667	1,231,916
Net (deficit) for the year was		583,158	(244,483)
Deficit balance at 1 January was		(841,129)	(596,646)
Leaving a deficit balance at 31 December of		(257,971)	(841,129)

SIGATOKA TOWN COUNCIL

SPECIAL LOAN FUND ACCOUNT

STATEMENT OF REVENUE AND EXPENDITURE

The Revenue for the year was derived from	NOTES	2011	2010
		\$	\$
Special Loan Rate		156,106	145,661
Special Loan Rate on Stateland		7,279	9,424
Total Revenue		<u>163,385</u>	<u>155,085</u>
The Expenditure for the year was incurred on			
Interest - Colonial		144,363	170,742
Total Expenditure		<u>144,363</u>	<u>170,742</u>
Net (deficit)/surplus for the year was		19,022	(15,657)
Deficit balance at 1 January was		(238,222)	(222,565)
Leaving a deficit balance at 31 December of		<u>(219,200)</u>	<u>(238,222)</u>

SIGATOKA TOWN COUNCIL
PARKING METER FUND ACCOUNT
STATEMENT OF FINANCIAL POSITION

	NOTES	2011 \$	2010 \$
<u>Current Assets</u>			
Funds for Parking Meter		28,383	12,125
<u>Non Current Assets</u>			
Property, Plant & Equipment	5	17,787	20,013
Total Assets		<u>46,170</u>	<u>32,138</u>
<u>Current Liabilities</u>			
Employee Entitlement		910	618
Total Current Liabilities		<u>910</u>	<u>618</u>
Total Liabilities		<u>910</u>	<u>618</u>
Net Assets		<u>45,260</u>	<u>31,520</u>
Accumulated Funds		<u>45,260</u>	<u>31,520</u>

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 11 to 18.

COUNCIL'S STATEMENT

In our opinion, the financial statement have been properly drawn up so as to show a true and fair view of the Sigatoka Town Council's operations for the year ended 31 December 2011 and of the state of affairs and cash flows as at that date.

.....
Special Administrator
Mr. Aisea Tuidraki
Date:

.....
Chief Executive Officer
Mr. Anand Sami Pillay
Date:

SIGATOKA TOWN COUNCIL
PARKING METER FUND ACCOUNT
STATEMENT OF REVENUE AND EXPENDITURE

	NOTES	2011	2010
		\$	\$
The Revenue for the Year was derived from			
Infringment Fines		12,500	20,146
Parking Meter Tolls		56,742	63,315
Miscellaneous		1,280	2,100
Parking Permit		4,531	4,309
Total Revenue		75,053	89,870
The Expenditure for the Year was Incurred from			
Office Rental		2,736	2,280
Bank Charges		30	50
Road, Footpath marking/patching		10,054	15,884
Depreciation		2,518	2,499
Printing & Stationery		1,663	1,340
FNTC Levy		468	277
Salaries & Related payments		32,510	46,592
Other Administration Cost		90	2,000
Parking Meter Maintenance		8,224	5,260
Civic Reception		200	300
Office Expenses		250	280
Travelling Cost		300	200
Electricity		2,270	1,960
Total Expenditure		61,313	78,922
Net surplus/(deficit) for the year was		13,740	10,948
Add surplus balance at 1 January of		31,520	20,572
Leaving a surplus balance at 31 December of		45,260	31,520

SIGATOKA TOWN COUNCIL
GENERAL FUND ACCOUNT
STATEMENT OF CASH FLOWS

	NOTES	2011 \$	2010 \$
Cash Flows From Operating Activities			
Cash was provided from:			
Rates and other revenue		1,813,580	1,096,872
Interest		<u>7,585</u>	<u>790</u>
		1,821,165	1,097,662
Cash was applied to:			
Payments to suppliers & employees		<u>(821,653)</u>	<u>(803,364)</u>
Net Cash provided by Operating Activities	14(a)(i)	<u>999,512</u>	<u>294,298</u>
Cash Flows From Investing Activities			
Cash was applied to:			
(Payments) for property, plant and equipment		(19,370)	(1,780)
Payment for capital projects		<u>(247,024)</u>	<u>(180,190)</u>
Net Cash used by Investing Activities		<u>(266,394)</u>	<u>(181,970)</u>
Cash Flows From Financing Activities			
Cash was provided from:			
Loan rate		163,385	155,085
Cash was applied to:			
Lease liability		(6,226)	(6,792)
Loan repayments		(35,681)	(23,006)
Interest		<u>(144,363)</u>	<u>167,874</u>
Net Cash used by Financing Activities		<u>(22,885)</u>	<u>(42,587)</u>
Net increase in cash held		710,233	69,741
Cash at the beginning of the year		124,900	55,159
Cash at the end of year	14(a)(ii)	<u>835,133</u>	<u>124,900</u>

SIGATOKA TOWN COUNCIL
PARKING METER FUND ACCOUNT
STATEMENT OF FUND FLOWS

	NOTES	2011 \$	2010 \$
Fund Flows From Operating Activities			
Fund was provided from			
Rates and other revenue		<u>75,053</u>	<u>89,870</u>
		75,053	89,870
Fund was Applied to:			
Payments to suppliers & employees		<u>(58,503)</u>	<u>(78,922)</u>
Net fund Flows from Operating Activities	14(b)(i)	<u>16,550</u>	<u>10,948</u>
Cash Flows From Investing Activities			
Cash was applied to:			
Payment for property, plant and equipment		(292)	-
Payment for capital projects		<u>-</u>	<u>-</u>
Net Cash used by Investing Activities		<u>(292)</u>	<u>-</u>
Net increase/(decrease) in cash held		<u>16,258</u>	<u>10,948</u>
Fund at the begininig of the year		12,125	1,177
Funds at the end of the year	14(b)(ii)	<u><u>28,383</u></u>	<u><u>12,125</u></u>

SIGATOKA TOWN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2011

Note 1 Statement of Significant Accounting Policies

Set out hereunder are the significant accounting policies adopted by the Council in the preparation of the accounts for the year ended 31 December 2011. Unless otherwise stated similar policies were followed in the previous year.

a) Basis of preparation of the financial statements

The accrual basis of accounting is adopted for all financial transactions.

b) Revenue

Revenue is recognised in the Statement of Revenue and Expenditure when charged to the ratepayers by the Council. The major sources of revenue are collections in the form of General rates, Loan Rates and Rental income from the Council's properties.

c) Income tax

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

d) Property, Plant and Equipment

Acquisition

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of overheads.

Depreciation

Depreciation has been provided using straight line method so as to write off the assets over estimated useful lives.

The principal rates adopted are:

Computers	33% p.a
Furniture & Fittings	7% p.a
Motor Vehicle	20% p.a
Office Equipment	7% p.a
Plant & Machinery	7% p.a
Land & Building	2.5% p.a

e) Employee Entitlements

Contributions are paid to the Fiji National Provident Fund on behalf of employees to secure retirement benefits and the cost are included in the Statement of Revenue and Expenditure.

f) Trade and other receivables

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

SIGATOKA TOWN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2011

2011
\$

2010
\$

g) Impairment

The carrying amount of the Council's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. All impairment losses are recognised in the Statement of Revenue and Expenditure.

h) Trade and other Payables

Trade and other payables are stated at their cost.

i) Comparatives

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

Note 2

Cash at Bank

Cash on Hand	200	500
Colonial Bank - General Fund	(24,406)	127,980
- Capital Fund	887,722	9,045
	<u>863,316</u>	<u>137,025</u>
<i>Disclosed as</i>		
Cash at Bank - General Fund	834,933	124,900
Funds for Parking Meter	28,383	12,125
	<u>863,316</u>	<u>137,025</u>

Note 3

Debtors

Rates	66,242	53,663
Bus Stand	683	987
Business Licence	612	236
Commercial Vehicle	1,009	852
Garbage Fees	17,368	21,488
Rental Properties	4,655	7,689
Taxi Base	3,053	4,274
Director of lands	111,134	106,935
Mini Van	4,097	3,781
Monetary Contribution	9,750	-
	<u>218,603</u>	<u>199,905</u>
Less provision for doubtful debts	(111,134)	-
	<u>107,469</u>	<u>199,905</u>

SIGATOKA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2011

	2011	2010
	\$	\$
Note 4		
<u>Sundry Advances</u>		
Other Advances	3,159	3,159
Mayoral Appeal	1,486	1,486
Dishonored Cheques	4,259	4,259
Telephone	200	200
Electricity	22	22
Land	10	10
Post Box Key	2	2
Staff wages and salaries advance	5,059	2,807
	<u>14,197</u>	<u>11,945</u>
Note 5		
<u>Property, Plant and Equipment - General Fund</u>		
Computers - at cost	6,401	8,884
less provision for depreciation	(3,074)	(5,932)
	<u>3,327</u>	<u>2,952</u>
Furniture & Fittings - at cost	10,720	10,140
less provision for depreciation	(3,584)	(2,857)
	<u>7,136</u>	<u>7,283</u>
Land & Building - at cost	1,364,318	1,364,318
less provision for depreciation	(270,136)	(236,028)
	<u>1,094,182</u>	<u>1,128,290</u>
Motor Vehicles -FM 272	24,221	24,221
less provision for depreciation	(15,341)	(10,496)
	<u>8,880</u>	<u>13,725</u>
Office Equipment - at cost	25,676	22,206
less provision for depreciation	(7,276)	(5,578)
	<u>18,400</u>	<u>16,628</u>
Plant & Equipment - at cost	152,060	139,216
less provision for depreciation	(30,841)	(20,720)
	<u>121,219</u>	<u>118,496</u>
Net Written Down Value	<u>1,253,144</u>	<u>1,287,374</u>

SIGATOKA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2011

	2011 \$	2010 \$
note 5 (cont'd) <u>Property, Plant and Equipment - Parking Meter Fund</u>		
Plant & Machinery - at cost	30,501	30,501
less provision for depreciation	(15,123)	(12,988)
	<u>15,378</u>	<u>17,513</u>
Office Equipment - at cost	3,059	514
Less provision for depreciation	(782)	(212)
	<u>2,277</u>	<u>302</u>
Computers - at cost	514	2,767
Less provisions for depreciation	(382)	(569)
	<u>132</u>	<u>2,198</u>
Net Written Down Value	<u>17,787</u>	<u>20,013</u>

(i) Movements in carrying amounts for each class of property, plant and equipment.

General Fund

Land and Building

Carrying amount at beginning	1,128,290	1,162,398
Additions	-	-
Depreciation Expense	(34,108)	(34,108)
Balance as at 31st December	<u>1,094,182</u>	<u>1,128,290</u>

Motor Vehicles -FM272

Carrying amount at beginning	13,725	18,570
Depreciation expense	(4,845)	(4,845)
Balance as at 31st December	<u>8,880</u>	<u>13,725</u>

Computers

Carrying amount at beginning	2,952	4,145
Additions	2,476	1,340
Disposal	(722)	-
Depreciation expense	(1,379)	(2,533)
Balance as at 31st December	<u>3,327</u>	<u>2,952</u>

Furniture and Fittings

Carrying amount at beginning	7,283	6,877
Additions	580	1,093
Depreciation expense	(727)	(687)
Balance as at 31st December	<u>7,136</u>	<u>7,283</u>

SIGATOKA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2011

<i>note 5 (cont'd)</i>	Movement in Carrying Amounts	2011	2010
	<u>Office Equipment</u>	\$	\$
	Carrying amount at beginning	16,628	17,663
	Additions	3,470	488
	Depreciation Expense	(1,698)	(1,523)
	Balance as at 31st December	<u>18,400</u>	<u>16,628</u>
	 <u>Plant & Machinery</u>		
	Carrying amount at beginning	118,496	126,078
	Additions	12,843	2,138
	Depreciation Expenses	(10,120)	(9,720)
	Balance as at 31st December	<u>121,219</u>	<u>118,496</u>
	 Net Written Down Value	<u>1,253,144</u>	<u>1,287,374</u>
	 <u>Parking Meter Fund</u>		
	<u>Plant and machinery</u>		
	Carrying amount at beginning	30,501	30,501
	Depreciation expense	(15,123)	(12,988)
	Balance as at 31st December	<u>15,378</u>	<u>17,513</u>
	 <u>Computers</u>		
	Carrying amount at beginning	3,059	2,767
	Depreciation expense	(782)	(569)
	Balance as at 31st December	<u>2,277</u>	<u>2,198</u>
	 <u>Office equipment</u>		
	Carrying amount at beginning	302	514
	Additions	212	-
	Depreciation	(382)	(212)
	Balance as at 31st December	<u>132</u>	<u>302</u>
	 Net Written Down Value	<u>17,787</u>	<u>20,013</u>
 Note 6	 <u>Accumulated Funds</u>		
	This consists of:		
	General Fund Account	(257,971)	(841,129)
	Loan Repayment Account	(219,200)	(238,222)
	Asset Revaluation Reserve	816,597	816,597
	Adjustment - Debtors	229,857	229,857
	Net accumulated funds	<u>569,283</u>	<u>(32,897)</u>

The Council adopted accrual basis of accounting in 2003. An adjustment was made to accumulated funds to record debtors balances relating to prior year that are still owing at the current balance date.

SIGATOKA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2011

Note 7	<u>Loan Funds</u>	2011 \$	2010 \$
	<u>Colonial Life Fiji</u> *		
	Balance at 1st January	1,373,679	1,350,673
	Add: Interest	144,363	170,742
		1,518,042	1,521,415
	Less: Loans repaid	(180,044)	(147,736)
	Balance as at 31st December	1,337,998	1,373,679
	Total Loan Funds	1,337,998	1,373,679
<p>Loans raised by the Council bear interest charges at the rate of 7.5 per cent per annum and are repayable over a period of twenty years. All loans are raised under the provisions of the Local Government Act and are secured on the assets of the Council.</p>			
	Analysed as :		
	Current	156,000	149,736
	Non Current	1,181,998	1,223,943
		1,337,998	1,373,679
Note 8	<u>Sundry Deposits</u>		
	Car Park Development	34,007	34,007
	Council Properties/ Shop - Security	20,193	19,497
	Security Deposit	1,747	1,747
	Nomination Fee	1,240	1,240
	Market Stall	500	500
	Unknown deposit	100	100
	Ticket Booth	30	30
		57,817	57,121
Note 9	<u>Finance Lease Repayments</u>		
	Opening Balance	6,226	13,018
	Less Repayments	(6,226)	(6,792)
	Closing Balance	-	6,226
Note 10	<u>Deferred Income</u> <u>Back Hoe Digger</u>		
<p>The amount represents Back Hoe Digger which was donated by the Japanese Government in 2008, which is treated in accordance with FAS 20:</p>			
	Balance as at 1 Jan 2011	104,750	113,941
	Less: Depreciation charge	(9,191)	(9,191)
	Balance as at 31 Dec 2011	95,559	104,750

SIGATOKA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2011

		2011	2010
Note 11	<u>Income received in advance</u>	\$	\$
	Income received in advance comprises of the following:		
	Business license charged in advance	16,143	-
	Parking space-Jacks Retails Limited	22,000	-
		<u>38,143</u>	<u>-</u>

a) Business licence charged in advance

During the year the Council charged and received \$16,143 of business license fees for the period ending 31 December 2012

b) Parking space

The amount represents reservation of parking space to Jacks effective for the next 15 years which is treated in accordance with FAS 20:

Balance as at 31 August 2011	22,500	-
Less: parking space income realised upto 31 December 2011	(500)	-
Balance as at 31 Dec 2011	<u>22,000</u>	<u>-</u>

Note 12 Discount on Rates

The Council in its 2011 budget granted discount on rates as follows:

Rates paid in full on or before 31/01/11 - 7%

Rates paid in full on or before 28/02/11 - 4%

Rates paid in full on or before 31/03/11 - 2%

Note 13 (a) Capital Commitment at balance date

Capital commitment as at 31 December 2011 is nil.

(b) Contingent liabilities

The Council is currently being audited by Fiji Revenue and Customs Authority (FRCA) for possible breaches of the VAT decree. The Council has not declared re-imbursement of costs from Carpenters (Fiji) Group amounting to \$795,200. The Council is exposed to a VAT liability amounting to \$103,721 subject to the outcome of the audit by FRCA. Contingent liabilities as at 31 December 2010 was nil.

(b) Events subsequent to balance date

The FRCA audit team is currently conducting an audit on the VAT for the amount totalling \$795,200 which is expected to materially affect the VAT account as at balance date.

SIGATOKA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2011

Note 14	Cash Flow Reconciliation	2011	2010
(a)	<u>General Fund Account</u>	\$	\$
(i)	Reconciliation of the Net Surplus to		
	Net deficit from Operations		
	General Fund	584,823	(248,423)
	Depreciation	52,878	53,415
	Bad debts written off	-	259,125
	Capital purchases	(722)	-
	PM Fund contribution	332,383	
		<u>969,362</u>	<u>64,117</u>
	Changes in Assets and Liabilities		
	Decrease/(increase) in debtors	92,436	242,664
	(Decrease) /increase in creditors and other accruals	(16,971)	(29,042)
	(Decrease) / increase in VAT payable	7,585	3,099
	(Decrease)/increase in other liabilities	8,707	48,228
	(Decrease)/increase in employee entitlements	(6,403)	9,937
	(Increase)/decrease in deposits and prepayments	-	(944)
	Decrease /(increase) in deferred income	-	9,191
	Decrease/(Increase) in sundry advance	(2,252)	-
	Debtor adjustment from previous years	(52,952)	(52,952)
	Net Cash Inflows (used in) from Operating Activities	<u>999,512</u>	<u>294,298</u>
	Reconciliation of cash		
(ii)	For the purpose of statement of cash flows, cash includes cash at bank and on hand net of outstanding bank		
	Cash at Bank	835,133	124,900
		<u>835,133</u>	<u>124,900</u>
(b)	<u>Parking Meter Fund Account</u>		
(i)	Net cash flows from operations		
	Net Surplus from operations	13,740	10,948
	Add: Depreciation	2,518	2,498
	Changes in assets and liabilities		
	Increase in VAT payable to General Fund		(1,098)
	Increase (decrease) in Creditors	-	(1,400)
	Increase/(decrease) in employee entitlements	292	
	Net Cash Inflows from Operating Activities	<u>16,550</u>	<u>10,948</u>
(ii)	Reconciliation of cash		
	For the purpose of statement of cash flows, cash includes cash at bank and on hand net of outstanding bank		
	Cash	28,383	12,125
		<u>28,383</u>	<u>12,125</u>