

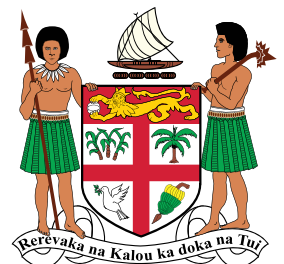


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# **BA TOWN COUNCIL**

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

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PARLIAMENT OF FIJI  
PARLIAMENTARY PAPER NO.229

30 September 2019

Honourable Premila Devi Kumar  
Minister for Local Government, Housing and  
Community Development  
P O Box 2131  
Government Buildings  
**SUVA**

Dear Honourable Minister

### **BA TOWN COUNCIL ANNUAL REPORT 2018**

I am pleased to present the Annual Report for Ba Town Council for the financial year ending 31<sup>st</sup> December, 2018.

#### **Council's Vision:**

To enhance business and community development in Ba District through social, economic, sustainable and Green methods.

#### **Mission:**

- To deliver the statutory responsibilities of the local government.
- To facilitate access to a healthy and green environment
- To promote health, welfare and convenience of the people of Ba
- Provide a well maintained range of Community leisure and recreation facilities for the enjoyment of the Community.
- To promote more investments and developments for the district and create employment opportunities
- To work hand in hand with business house to further develop business in Ba
- To improve infrastructure and amenities in Ba Town
- To create disaster resilient community

#### **Values:**

Ba Town Council's work will be governed in accordance with the Local Government Act and other related Acts and Regulations. Council will take respective actions to ensure that the Council is in line with the Central Government.

Council will implement and enforce relevant Local Government and Town Planning Legislations and by-laws to enhance business and community development which confines to Social, Economic, Sustainable and Green method growth.

Council's internal affairs will work according to its respective department SOP's and Council's Code of Conduct.

#### **Council's 5 pillars of strength are**

Honesty                      Transparency

Accountability              Responsibility

Dedication.

Ba was settled in 1864 and in 1886 the Rarawai Sugar Mill was established. Following the establishment of the Sugar Mill, Ba began to grow and records show that in 1905 Ba Rural Local Authority was established under the Public Health Ordinance had administered the district of Ba on various matters.

The urbanized area of Varoka was proclaimed as Township under the Township Ordinance in 1939. Local Government Act was enacted in 1972, hence Ba was elevated to Town status in June 1972.

The Town has a well-developed urban Centre with a population of about 18,000 with a total area of 652 hectares.

The Chief Executive Officer and Head of Departments represented the Council in the Committee and Full Board Meetings as Committee Members.

The Council met all its loan repayments for the year 2018 and the outstanding loan at the end of 2018 was \$2,009,224.37.

Diwali and EID Celebrations were held with the Market Vendors.

Sutlej V Celebration was held on 11/11/2018 at Girit Centre, Lautoka.

Extended Services in Rural Areas: Council had extended the services to rural areas. The Extended boundaries were previously under the jurisdiction of Ba Rural Local Authority and under Legal Notice No. 52 of 2018 the handing over was done to the Councils.

Hence Council was providing the following services:-

- Garbage Collection - 1/8/2018
- Building/Subdivision/Rezoning Applications - 1/10/2018

The Horse Race Track was extended and four (4) Horse Races were held during the year.

JICA Volunteer joined Council in mid-November, 2018.

Vodafone Ba Riverside Carnival was held from 19 – 22 September, 2018.

Local Government Committee made their presentation to Council on 28<sup>th</sup> September, 2018.

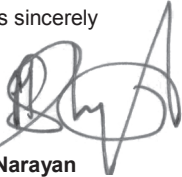
Appointment of Assistant Building Surveyor – Mr. Asvin Kissun was appointed as Assistant Building Surveyor as Assistant Building Surveyor for the Council with effect from 1<sup>st</sup> August, 2018.

Tauvegavega Informal Settlement Meeting was held with the residents and Draft Scheme Plan was showed to House Owners.

Environment Day Celebration was held in Ba on 18<sup>th</sup> June, 2018.

This report is submitted in accordance with Section 19 of the Local Government Act, Cap. 125.

Yours sincerely



**Dip Narayan**  
**Chief Executive Officer**

## 1.0 **THE COUNCIL**

The Chief Executive Officer, **Mr. Dip Narayan** continued to manage the affairs of the Council.

The Council provided services to the five wards namely:-

- **VARADOLI WARD**
- **VAROKA WARD**
- **RARAWAI WARD**
- **YALALEVU WARD**
- **NAMOSAU WARD**

## 2. **APPOINTMENT OF STANDING COMMITTEES AND FULL BOARD MEMBERS**

### a] **Building Health Works & Street Lights Committee:**

Mr. Dip Narayan	-	Chief Executive Officer/HIBS – Chairman
Ms. Sushil Kumar	-	Secretary/HR
Ms. Manjula Sahay	-	Acting Accountant/Credit Controller
Mr. Ramesh Kumar	-	Works Supervisor
Mr. Asvin Kissun	-	Assistant Building Surveyor
Ms. Ronika Mishra	-	Health Inspector
Mr. Hirendra Kumaran	-	Landscaper/Gardener
Mr. Sanjnesh Nandan	-	Electrician

### b] **Market Parks & Library Committee:**

Mr. Dip Narayan	-	Chief Executive Officer/HIBS – Chairman
Ms. Sushil Kumar	-	Secretary/HR
Ms. Manjula Sahay	-	Acting Accountant/Credit Controller
Mr. Ramesh Kumar	-	Works Supervisor
Mr. Asvin Kissun	-	Assistant Building Surveyor
Ms. Ronika Mishra	-	Health Inspector
Mr. Hirendra Kumaran	-	Landscaper/Gardener
Mr. Sanjnesh Nandan	-	Electrician

### c] **Finance Capital Development / Planning & Traffic Committee:**

Mr. Dip Narayan	-	Chief Executive Officer/HIBS – Chairman
Ms. Sushil Kumar	-	Secretary/HR
Ms. Manjula Sahay	-	Credit Controller/Accounts Officer
Mr. Rakesh Verma	-	Acting Market Master

### d] **Staff & Tender Committee:**

Mr. Dip Narayan	-	Chief Executive Officer/HIBS – Chairman
Ms. Sushil Kumar	-	Secretary/HR
Ms. Manjula Sahay	-	Acting Accountant/Financial Controller

### e] **Full Board Members:**

Mr. Dip Narayan	-	Chief Executive Officer/HIBS – Chairman
Ms. Sushil Kumar	-	Secretary/HR
Ms. Manjula Sahay	-	Credit Controller/Accounts Officer
Ms. Ronika Mishra	-	Assistant Health Inspector
Mr. Asvin Kissun	-	Assistant Building Surveyor
Mr. Ramesh Kumar	-	Works Supervisor
Mr. Mohammed Shafiq	-	Market Manager
Mr. Hirendra Kumaran	-	Landscaper/Gardener
Mr. Sanjnesh Nandan	-	Electrician

1.1 The Council held the following number of Council and Committee Meetings-

Ordinary Council Meetings	-	11
Annual Meeting	-	Nil
Market/Parks & Library Committee Meetings	-	11
Building/ Health / Works & Street Lights Com. Meetings	-	11
Finance Capital Development/Planning & Traffic Com. Meetings	-	11
Staff and Tender Committee Meetings	-	9
Special Committee Meetings	-	1
Emergency and Extra Ordinary Council Meetings	-	1

1.2 **LIBRARY REPORT**

Ba Town Council Library was officially opened by His Excellency, the Ambassador of Japan to Fiji, Mr. Hisato Murayama on 15<sup>th</sup> March, 2002.

The Library has been providing services to people of Ba. Also users from as far as Tavua, Raki Raki and Lautoka are daily users of the Library.

Two (2) Staff are in-charge of the Library – 1 appointed by the Council and the other by the Library Services of Fiji.

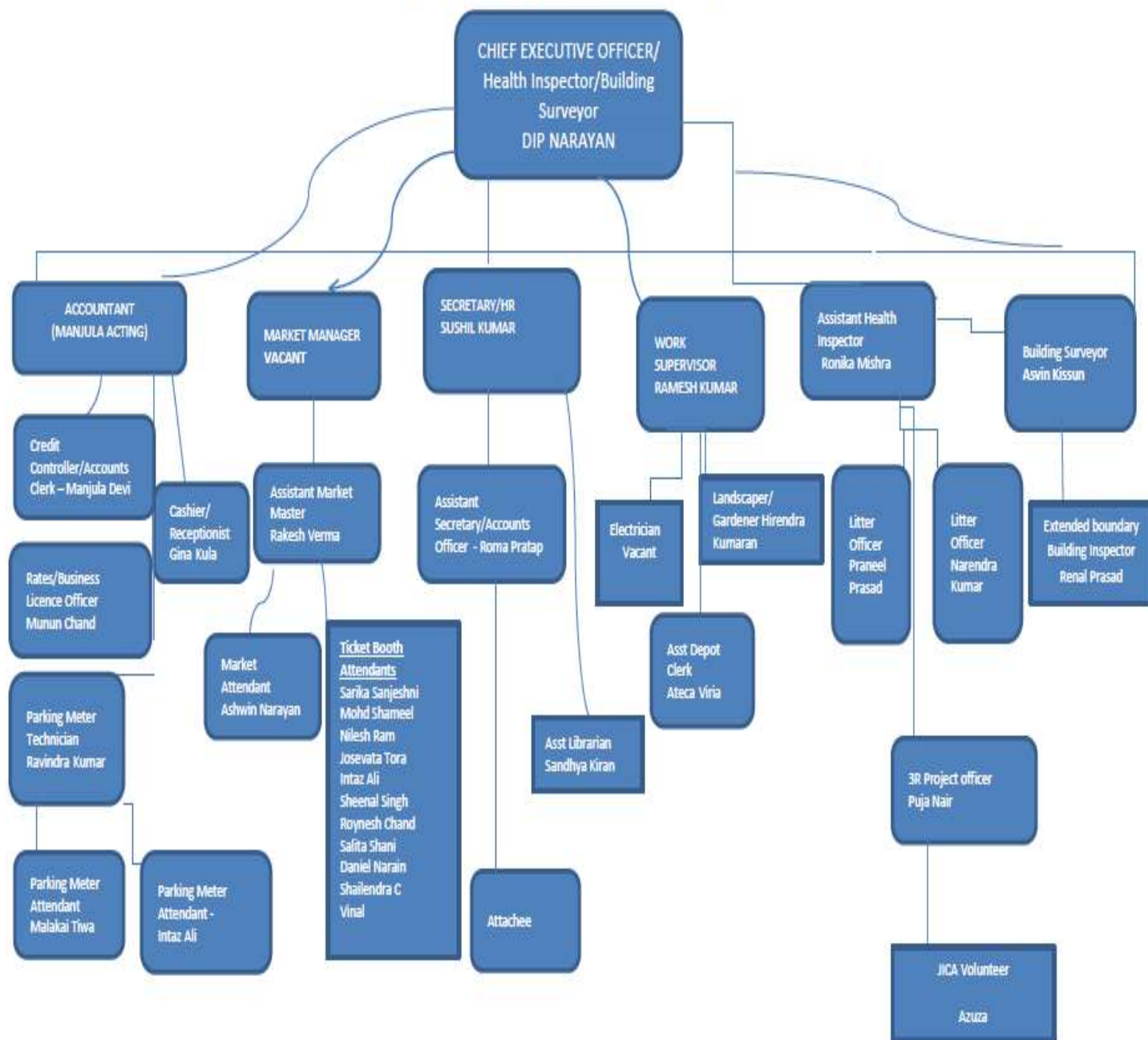
The operating hours are:

- Monday - Thursday - 8.00 am – 4.30 pm
- Friday - 8.00 am – 4.00 pm
- Saturday - 9.00 am – 12.00 pm

The Library Books and other Educational Material were donated by the Council, Embassies and the General Public.

Awareness and activities were organized to mark World Book Day, Library Week, Drug Abuse, Environment Week and Violence Against Women.

# **BA TOWN COUNCIL ORGANIZATION STAFF STRUCTURE - 2018**



### 3.0 OFFICIAL VISITORS TO THE COUNCIL - 2018

22/8/2018-	Mr. Anil Sharma	-	Second Secretary – High Commissioner of India
-	Hon. V.M. Pillay	-	Assistant Minister for Agriculture
-	Mr. Umendra Pratap	-	Ministry of Agriculture
-	Mr. Kunal Deo	-	Ministry of Agriculture
-	Hon. Rosy Akbar	-	Minister for Health and Medical Services
-	Mr. Adriu Vakerau	-	Manager Sponsorship – Vodafone Fiji Ltd
-	Mr. H. Buksh	-	Digital Specialist – Vodafone Fiji Ltd
-	Mr. Shamal Sharma	-	Vodafone Fiji Ltd
-	Mr. Navin Chandra	-	FSC - HRO

### 4.0 URBAN SANITARY DISTRICT OF BA

#### 4.1 ANNUAL REPORT OF HEALTH INSPECTOR FOR THE YEAR 2018

Council carried out 3 clean-up campaigns, one in February with 237 loads of rubbish and 2nd clean-up campaign was done after a major flooding occurred on 10th April whereby town washing and cleaning

was carried out and the 3rd Clean-up campaign was carried out from 15th October till 3rd November

whereby 290 loads of rubbish was collected and disposed.

A volunteer cleanup campaign was carried out by Kamil Muslim College on Saturday 28th August and NLTB on 24th March.

Flooding occurred on 14th and 15th January whereby 42.2 tons of Food items were condemned and disposed due to flood waters and power shut down. Another major flooding occurred on 10th April whereby

182.73 tons of food items were condemned and disposed of.

Number of meetings, trainings and workshops were attended by the Building and Health department officers which was organized by other Government departments and NGO's. JICA Volunteer Azusa Yamano joined BTC Health Department from 20th November, 2018.

<b>1. Summary of Inspections:</b>			
<b>TYPE OF PREMISES</b>	<b>INSPECTION</b>	<b>REINSPECT</b>	<b>TOTAL</b>
Public Health Complaints and Nuisance	1239	785	2024

#### **2. Written Notices, Etc. Issued:**

intimation notice-	86
Overgrowth notice	100

<b>3. Littering</b>	<b>Warnings</b>	<b>Bookings</b>
	397	29

Total of 345 house to house inspections were carried out for investigation of complaints and public health nuisance such as mosquito larval survey, waste water and Garbage Bin monitoring, etc.

There were 360 Complaints received, investigated and notices issued for the year 2018.

Food Premises such as 105 Restaurants & Refreshment Bars, Butcher, 200 Supermarkets and Bake house were inspected and notices were served for improvements. Other premises were inspected such as Public Drains, Market Area, Public convenience Bus Stand, Vacant Lots, Parks and Gardens. School visits were carried out 172 times. Total of 2024 premises were inspected.

#### **4. Building Applications Received FOR YEAR 2018**

<b>Application in respect of Developments:-</b>	<b><u>No.</u></b>	<b><u>Approved</u></b>	<b><u>Value</u></b>
New Buildings	20	20	\$1,842,000.00
Alterations and Repairs (Extension)	11	11	\$540,375.00
Miscellaneous Works (Fencing)	19	19	\$ 478,850.00
Commercial	5	5	\$1,519,466.00
Civic	5	5	\$4,591,480.00
Outline Application	0	0	\$ -
<b>TOTAL</b>	<b>60</b>	<b>60</b>	<b>\$8,972,171.00</b>

<b><u>5.Completion Certificates Issued in Respect of:-</u></b>	<b><u>No.</u></b>	<b><u>Value</u></b>
New Commercial Buildings	3	\$ 383,893.00
New Dwellings	8	\$ 1,148,323.00
Alterations and Repairs/ Extension	7	\$ 745,000.00
Miscellaneous Works	0	\$ -
<b>TOTAL</b>	<b>18</b>	<b>\$ 1,893,323.00</b>

There were total of 60 building applications received for the year 2018 out of which 20 applications were for construction of New Buildings, 11 applications were for Alteration, Repair or Extension to existing buildings, 19 applications were for Miscellaneous works which includes Fencing, Retaining Walls, car port, etc, 5 Commercial Building, 5 Civic building and 4 Outline application with the total building value of **\$8,972,171.00**. All applications were approved.

In year 2018 there were 8 New Dwelling Houses, 3 New Commercial Buildings and 7 Alteration and Extension Building under construction which were inspected and were completed and final inspections were carried out with

The total building value of **\$1,893,323.00**.

#### **5. Rezoning & Subdivision**

There were 3 Rezoning application received for the year 2018 and all applications were approved.

4 Subdivision applications were received for the year 2018 whereby 3 applications were approved and 1 is pending. 1 application was for Amalgamation which is pending.

#### **6. Environment Report**

**Anti-Litter Works:** The two Litter officers were involved in Anti-Litter works. Offenders when sighted were warned and made to comply with litter laws via verbal warning and also being served with litter notices.

#### **7. Works Supervisors Annual Report for Year 2018**

General duties carried out on daily basis such as market cleaning, street sweeping, and public convenience cleaning and drain cleaning.

Thorough Market cleaning and washing carried out once every week on Sundays. Maintenance of all council properties were carried out when required.

Regular maintenance works on most Council roads, mostly patching of pot holes were carried out. Street light maintenance was carried out on regular basis.

Beautification works were carried out throughout the year, whereby some new plants were planted and some seats and benches installed at the Parks.



Through Clean-up campaign and washing of Town area was carried out after flooding in January and April with the assistance from Lautoka City Council and NFA.

#### **Special Projects**

1. Pavilion B at Govind Park was dismantled by council workers.
2. Construction of Pavilion A commenced by 4R Electrical and Construction Company
3. Upgrading of Carrier Stand beside Rajendra's Supermarket was carried out
4. Market Kai Stalls and Roof Extension completed
5. Under UN Market for Change, the covering of drains on the corridor of the market was carried out creating more space for vendors to sell during weekends.
6. Trees were planted at Patel Park, Sukh Deo Park, Market Ground and M.R. Dayal Street Park.
7. Clopcott major road works with drainage carried out by FRA contractor.
8. Drainage and Flood mitigation funds were used as per plan in upgrading the drains.

Ba Town Council received a grant of \$50,000.00 for the works carried out for the rural areas.

Garbage collection is done by Council in the rural areas on Tuesday and Thursday. The areas involve is Nailaga Village, Miha Mahajan, Clopcott, Tauvevega, Maururu, Orisi Settlement, Vatulaulau, Field 28, Wailailai, Natanuku, Sorokoba, Sasa Village, Nataleake, Vadravadra, Etatoko, Soweri, Navatu, Varadoli Settlement, and Elevuka Settlement.

Also a contractor is hired for the garbage collection for the rural areas.

#### **7.0 COUNCIL SOLICITORS**

Messrs. Krishna and Company and Dayal Lawyers represented the Council in all legal matters during the year.

#### **7.1 AUDITORS OF THE COUNCIL**

The Auditor-General of Fiji was the Council's Auditor.

The Rates Levy for 2018 and Rates Income were estimated as follows:-

Rate	Levy Struck in the \$
General	0.0072
Special	0.0029333
Agriculture	10% of General & Special Rates
Garbage Bin	\$24.00 per extra bin per year (1 bin per lot is free)

During the year the Council collected 36% of all rates due.

#### **Arrears of Revenue**

As at 31 December, 2018, the Council's arrears of rates was **\$897,607.23**

The details of arrears were as follows:-

Namosau Ward	-	\$ 234,681.28
Varadoli Ward	-	\$ 275,100.40
Varoka Ward	-	\$ 100,049.86
Yalalevu Ward	-	\$ 138,795.51
Extended town boundary	-	\$ 148,980.18
<b>TOTAL</b>	<b>=</b>	<b>\$ 897,607.23</b>

#### **Loans**

The Council met all its loan repayments for the year 2018. The outstanding loan to lending institutions by end of 2018 were as follows:-

a]	Ba Market Complex A/c – BSP BANK	-	\$ 2,009,224.37
			<u>\$ 2,009,224.37</u>

## **Fund Balances**

A summary of the results [audited] of each fund operations for 2018 were as follows:-

Fund	Revenue	Expenditure	Surplus/Deficit
General Revenue A/c	\$1,940,117.00	\$2,097,006.00	\$ (156,889.00)
Loan Repayment A/c	\$ 141,182.00	\$ 88,567.00	\$ 52,615.00
Parking Meter A/c	\$ 23,221.00	\$ 24,273.00	\$ (1,052.00)

## **Council Insurance**

A Comprehensive Insurance Cover was held with New India Assurance on all Council's properties and assets with effect from 4.00pm 14/02/17, which was renewed on 14/02/18.

The Policies covered the consequential losses, fire, burglaries, plate glass, personal accidents and professional indemnity.

### **7.2 PUBLIC PARKS**

The Council maintained all its parks, gardens and recreational reserves to the highest level, giving the people of Ba opportunity to make best use of it.

### **7.3. WORKS**

General works were carried out to keep the town neat and tidy all the times. Grass cutting and drain cleaning was carried out in all the wards. Garbage collection was done three days in week at Yalalevu, Namosau, Varadoli, Varoka and Extended Town Boundary. Dump cleared on regular basis with the Council Excavator and Truck. Also Council hire loader to maintain the dump site.

### **7.4 MARKET REPORT- 2018**

1. Ba Municipal Market is located towards the South of the Town, close to the new Complex area beside the Bus Station.

The Market is divided into two sections:-

Main Market

Open Market.

2. Main Market consist of following Stalls:-

Permanent Stalls

Temporary Stalls

Lock-Up Stalls

Lock-Up Canteens

Fish Stalls

Seafood Stalls.

Open Market has temporary Stalls with Sale of Produce, Live Chicken and Live Stock (Goat).

- 3.(a) Total Number of Stalls in Main Market:

411 Table Stalls

65 Seafood Stalls

6 Lock-Up Stalls

2 Lock-Up Canteens.

- 3.(b) Total Number of Stalls in Open Market:

The Open Market had a total of 399 temporary Stalls.

Mixed Grog Stall 99

Corridor Stall on open perimeter of main market 137

Outside Market also had 10 Sweet Carts and

Handicraft Stall in Bure 5

4. Market Charges:

Sale of vegetable per stall per day - \$1-10

Sale of groceries per stall per day - \$1-60

Sale of crabs and other shell fish per bundle - \$1-10

Sale of mussels and kai per stall per day - \$1-10

Lock Up Stall per month - \$213.15

Lock Up Canteen per month - \$600.00/671.80

Fish - \$0-25 per kg

Sale of Live Chicken - \$0-55 per head per day

Sale of Live Stock (goat) per day	-	\$2-20 per head
Sale of Tobacco per stall per day	-	\$1-60
Sale of handicraft per stall per day	-	\$1-10
Vegetable wholesale per day	-	\$1-10
Groceries wholesale per 3 ton truck	-	\$2.20 per day
General wholesale per big trucks	-	\$3.30 per day
Sweet Cart per week	-	\$8.70
Fancy Cart per week	-	NIL
Ladies accommodation at bure per night	-	\$2.00
Market Vendors Vehicle monthly parking fees	-	\$19.25
Sale of mixed grog at Grog market per stall	-	\$1.95
Sale of raw grog per stall per day (inside market)	-	\$2.05

5. **Market Revenue:**

(1) Market Stall Fees	-	\$ 267,253.22
(2) Fish Market Fees	-	\$ 2,604.57
Taxi Park Fees	-	\$ 30,979.62
Commercial Vehicles Fees	-	\$ 64,605.42
Car Park Booth	-	\$ 87,008.96

**GRAND TOTAL** **\$452,451.79**

6. **Conclusion:**

In 2018 there was decrease in market revenue and in Car Park Revenue.

7. **Capital Development**

Grant from the Ministry of Local Government amounting to \$2,385,321.10 was for the construction of Govind Park Pavilion A, \$96,330.28 for the new mini market in Nailaga, \$155,306.42 for upgrading of market projects, \$110,339.4 rehabilitation works at Maururu dump site, \$220,183.49 for the new Compactor truck, \$91,743.12 for Clopcott informal settlement.

Grant from Ministry of Waterways amounting to \$169,158.43 for drainage works.

Grant from UN Woman amounting to \$75,718.35 for market projects.

8.0 **PARKING METER REPORT - 2018**

1. The Department of Parking Meter consisted of (1) Authorized Enforcement Officers.

2. The Council had 120 metered spaces in Town which were as follows:-

(a) Ganga Singh Street	-	32
(b) Bank Street	-	21
(c) Main Street	-	57

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110  
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3. **Regulations:** The Parking Meter Department's prime function was to enforce Sections 85(1)(a) and 87 of Land Transport (Traffic) Regulations 2000 and act on related circumstances of Parking Meter Bookings.

Also the delegation of Enforcement Authority to Council Officers enabled us to enforce parts of LTA Acts and Regulations for the purpose of controlling and regulating traffic flow in Ba Town, which included:-

Parking Meter Offence  
Regulations 20 and 87 of LTA Act  
Illegal Parking and Stopping  
Illegal Operation of Taxi, Carrier, Bus and Mini Bus Stands.  
Carried out operations against illegal operators i.e. Mini Vans and  
Private Cars plying for hire.

4. **Meter Maintenance:** Parking Meters on the streets were repaired and maintained on daily basis by the Parking Meter Technician. These works included:-

Clearing Blocked Meters  
Replacing Damaged Parts  
Adjusting Improper Readings  
Servicing Parking Meter Mechanism and Stripes and  
Reassembling Multiple Parts  
Winding of all Parking Meters twice a week.

5. Toll Collection:  
Parking Meter toll collections were carried out twice a week that is on Tuesdays and Fridays by the Technician and any one Officer from the Department.

**9.0 COUNCIL'S COMMENTS ON AUDITOR GENERAL'S OPINION**

2018 - All reconciliations to be done before submitting the account

**10.0 ACKNOWLEDGEMENT**

The Council wishes to show its appreciation and gratitude to the Business Houses, Ratepayers and other Stakeholders for paying their Business License Fee, Rates and other dues to meet the running cost of the town's administration.

The Council also wishes to acknowledge the dedicated services rendered by its Chief Executive Officer, Management, Staff and Workers

Ba Town Council also wishes to record with appreciation the assistance and support given by the Minister for Local Government, Housing, Squatter Settlement and Environment, the Permanent Secretary, the Director, Local Government and Staff, including the Director, Town and Country Planning for their assistance and guidance which greatly facilitated the effective administration of the Council.

We would also like to thank various Government Departments, Donor Agencies, Non-Government Organizations, Private Institutions and the Public for their support during the year.

**DIP NARAYAN**  
**CHIEF EXECUTIVE OFFICER**

# OFFICE OF THE AUDITOR GENERAL

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## INDEPENDENT AUDITOR'S REPORT

### BA TOWN COUNCIL

I have audited the financial statements of Ba Town Council, which comprise the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

### Basis for Disclaimer of Opinion

1. The Council recorded deferred income of \$5,411,255 in Statement of Financial Position as at 31 December 2018. Paragraph 24.4 of the IFRS for SMEs states that "An entity shall recognize government grants as follows: (a) a grant that does not impose specified future performance conditions on the recipient is recognized in income when the grant proceeds are receivable; (b) a grant that imposes specified future performance conditions on the recipient is recognized in income only when the performance conditions are met; and (c) grants received before the revenue recognition criteria are satisfied are recognized as a liability. As reported in Note 10 of the financial statements, the Council had utilized \$4,728,033 out of the total grant of \$5,411,255. The Council did not recognize in income in the current year if utilized the grant of \$4,005,487 and in income in prior years of \$722,546 in accordance with the requirements of paragraph 24.4 – Government Grants of the IFRS for SMEs. In addition, the accounting policy on deferred income as disclosed on Note 2(m) to the Financial Statements are not in accordance with paragraph 24 of the IFRS for SMEs. Consequently, the deferred income balance of \$5,411,255, net loss of \$105,326, and accumulated fund balance of \$5,735,432 are not fairly stated in the financial statements.
2. The Council recorded trade and other receivables balance of \$1,109,435 in the Statement of Financial Position as at 31 December 2018. Included in the amount are rate debtors of \$896,150, advance to parking meter of \$154,626, and other sundry debtors of \$177,605. The Council was unable to provide me satisfactory explanations for details to support the advance to parking meter balance of \$154,626, the unreconciled variance of \$20,649 between the other sundry debtors listings provided by the Council and amount reflected in the financial statements, and the unreconciled variance of \$1,459 between rates debtor listing provided by the Council and the amount reflected in the financial statements. Consequently, I am unable to ascertain if the trade and other receivable balance of \$1,109,435 is accurately reflected in the financial statements.
3. Unreconciled variance of \$162,814 exist between the VAT reconciliation provided by the Council and the VAT payable balance reflected in the Statement of Financial Position. In addition, an unreconciled variance of \$172,937 exists between the independent reconciliations performed during audit from the Statement of VAT Account and VAT payable balance reflected in the Statement of Financial Position. Consequently, I am unable to ascertain if the VAT payable balance of \$178,796 is accurately reflected in the financial statements.



4. I was not provided with the reconciliations to support the advance from general fund to parking meter account of \$153,542 reported in Note 7 to the financial statements. Consequently, I was unable to obtain sufficient audit evidence to ascertain the accuracy of the advance from general fund as stated in the financial statements.
5. The Council has not commenced a full review on impairment exercise regarding the assets with zero written down totaling \$100,385 by making a review of the depreciation rates and assessed the remaining economic useful lives of individual major classes of property, plant and equipment in a progressive and structured manner. These assets with zero written value are recorded under furniture, plant and machinery and parking meter asset classes. In addition, the Council did not depreciate a tractor and trailer since it was purchased more than 18 years ago with a cost of \$15,000. As a result I was unable verify to determine the remaining economic useful life and the correct carrying amount and whether these assets are overstated and to determine whether any adjustments might have been necessary in respect of the Property, Plant and Equipment at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.
6. Section 16 of the IFRS for SMEs defines Investment property as “property (land or a building, or part of a building, or both) held by the owner or by the lessee under a finance lease to earn rentals or for capital appreciation or both...” The Council has leased properties totaling \$1,834,100 which were not disclosed separately as investment property in accordance with IFRS for SMEs. As a result, I was unable to determine whether any adjustments might have been necessary in respect of the Council’s investment properties in the current year or comparative years, and the elements making up the Statement of Comprehensive Income and Statement of Financial Position.
7. The Council recorded prior year adjustment balance of \$155,125 in the Statement of Changes in Accumulated Funds for the year ended 31 December 2018. This is a departure from the requirements of Paragraph 10 – Accounting Policies, Estimates and Errors, paragraph 10.21 of the IFRS for SMEs, which requires the Council to record prior year adjustment balance by restating the comparative amounts for the prior period presented in which the error occurred or restate opening balances of assets, liabilities, and equity for the earliest prior period presented.

#### **Other Matters**

1. The Council have yet to finalize the Human Resources Policy, and put in place policy for the Assets Capitalization and Risk Management.
2. The Council did not submit the draft financial statements for the year ended 31 December 2018 on or before 31 May in accordance with the requirements of Section 57(1) of the Local Government Act. The draft financial statements of the Council were received on 12 December 2019.

#### **Responsibilities of the Management for the Financial Statements,**

The management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS for SMEs and the Local Government Act (CAP 125) and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

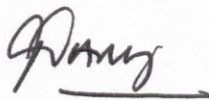
In preparing the financial statements, management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management intend to cease operations, or have no realistic alternative but to do so.

The Management are responsible for overseeing the Council's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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



Ajay Nand  
AUDITOR-GENERAL



Suva, Fiji  
04 June, 2020

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**BA TOWN COUNCIL  
STATEMENT BY COUNCIL  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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In our opinion the financial statements have been properly drawn up so as to show a true and fair view of the Ba Town Council's operations for the year ended 31 December 2018 and of the state of affairs as at that date.



Mr. Dip Narayan  
Chief Executive Officer

Date: 29/5/2020

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

	2018 \$	2017 \$
<b>Income</b>		
General fund	1,940,117	1,879,374
Loan repayment fund	141,182	141,182
Parking meter fund	23,221	36,329
<b>Total Income</b>	<u>2,104,520</u>	<u>2,056,885</u>
<b>Expenses</b>		
Depreciation	230,812	241,266
Other operating expenses	1,890,467	1,688,842
<b>Total Expenditure</b>	<u>2,121,279</u>	<u>1,930,108</u>
<b>Net (loss)/profit before finance cost</b>	<b>(16,759)</b>	<b>126,777</b>
Finance costs	88,567	95,075
<b>Operating (Loss)/Profit</b>	<u><b>(105,326)</b></u>	<u><b>31,702</b></u>
Other comprehensive income for the year	-	-
<b>Total Comprehensive Income for the year</b>	<u><b>(105,326)</b></u>	<u><b>31,702</b></u>

BA TOWN COUNCIL  
STATEMENT OF CHANGES IN ACCUMULATED FUNDS  
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 \$	2017 \$
<b>General fund</b>		
Balance at the beginning of the year	5,668,392	5,685,118
Deficit for the year	(156,889)	(16,726)
Prior period adjustment	(155,125)	-
<b>Balance at the end of the year</b>	<u>5,356,378</u>	<u>5,668,392</u>
<b>Loan fund</b>		
Balance at the beginning of the year	511,563	465,456
Net surplus for the year	52,615	46,107
<b>Balance at the end of the year</b>	<u>564,178</u>	<u>511,563</u>
<b>Parking meter fund</b>		
Balance at the beginning of the year	(184,072)	(186,393)
Net (deficit)/surplus for the year	(1,052)	2,321
<b>Balance at the end of the year</b>	<u>(185,124)</u>	<u>(184,072)</u>
<b>Total Accumulated Funds</b>	<u>5,735,432</u>	<u>5,995,883</u>

BA TOWN COUNCIL  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018

	Notes	2018 \$	2017 \$
<b>Current Assets</b>			
Cash and cash equivalent	4	1,152,187	2,036,331
Trade and other receivables	5	1,109,435	1,120,468
<b>Total current assets</b>		<u>2,261,622</u>	<u>3,156,799</u>
<b>Non Current Assets</b>			
Property, plant and equipment	6	21,172,638	17,305,134
<b>Total non current assets</b>		<u>21,172,638</u>	<u>17,305,134</u>
<b>TOTAL ASSETS</b>		<u>23,434,260</u>	<u>20,461,933</u>
<b>Current Liabilities</b>			
Creditors and borrowings	7	263,532	297,923
Interest bearing borrowings	8	234,720	234,720
Provisions	9	21,949	46,288
Vat payable		178,796	155,296
Deferred grant	10	5,411,255	1,997,094
<b>Total current liabilities</b>		<u>6,110,252</u>	<u>2,731,321</u>
<b>Non Current Liabilities</b>			
Interest bearing borrowings	8	1,774,504	1,920,657
<b>Total non-current liabilities</b>		<u>1,774,504</u>	<u>1,920,657</u>
<b>TOTAL LIABILITIES</b>		<u>7,884,756</u>	<u>4,651,978</u>
<b>NET ASSETS</b>		<u>15,549,504</u>	<u>15,809,955</u>
<b>Municipal Funds</b>			
Accumulated fund	(Page 7)	5,735,432	5,995,883
Reserves	11	9,814,072	9,814,072
<b>TOTAL MUNICIPAL FUNDS</b>		<u>15,549,504</u>	<u>15,809,955</u>

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

In our opinion the financial statements have been properly drawn up so as to show a true and fair view of the Ba Town Council's operations for the year ended 31 December 2018 and the state of affairs as at that date.

  
Mr. Dip Narayan  
Chief Executive Officer

Date: 29/5/2020.

BA TOWN COUNCIL  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		2,079,753	1,775,857
Payments to suppliers and employees		(2,027,844)	(1,454,967)
Cash generated from operations		51,909	320,890
Interest paid		(88,567)	(95,075)
<b>Net cash used in operating activities</b>	18 (ii)	(36,658)	225,815
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(4,115,494)	(381,566)
<b>Net cash used in investing activities</b>		(4,115,494)	(381,566)
<b>Cash flows from financing activities</b>			
Receipt of Government grant		3,414,161	281,028
Loan repayments		(146,153)	(140,098)
<b>Net cash provided by financing activities</b>		3,268,008	140,930
Net decrease in cash and cash equivalents		(884,144)	(14,821)
Cash and cash equivalent at the beginning of the year		2,036,331	2,051,152
<b>Net cash at the end of the reporting period</b>	18 (i)	<u>1,152,187</u>	<u>2,036,331</u>

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

**NOTE 1: GENERAL INFORMATION**

Ba Town Council was established under the Local Government Act. The address of its registered office and principal place is Tabua Place, Ba Town. The principal activity of the Council are to provide for health, welfare and convenience of the inhabitants of the Ba Town municipality and to preserve the amenities or credit thereof. The principal activities of the Council are described in Note 14.

The financial statements were authorised for issue by the Council on 9 December 2019.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted by the Council are stated to assist in a general understanding of these financial statements. The accounting policies adopted are consistent with those of the previous year except as stated otherwise.

The change in accounting policy had an immaterial impact on accumulated funds for the current and comparative period. The Council did not carry out valuation on its properties on the first time adoption of IFRS for SMEs.

**(a) Basis of preparation and accounting policies**

The financial statements have been prepared in accordance with the International Financial Accounting Standard for Small and Medium-sized Entities issued by the International Reporting Standards Board. The financial statements are presented in Fiji dollars, rounded to the nearest dollar, except when otherwise indicated.

**(b) Revenue**

Revenue is recognised in the statement of income 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**

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight line method. The following annual rates are used for the depreciation of property, plant and equipment:

Leasehold land	over life of lease
Buildings	1% to 5% per annum
Furniture, fittings and equipment	10% to 20% per annum
Plant and machinery	10% to 20% per annum
Motor vehicles	15% to 20% per annum

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

**(e) Trade and other receivables**

Receivables are stated at expected realisable value as certified by the Council. A provision is raised for any doubtful debts based on a review by Council of all outstanding amounts at year end.



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

**(f) Impairment of assets**

At each reporting date, property, plant and equipment, intangible assets and investments in associates are reviewed to determine whether there is any indication that those assets have suffered impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If any item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**(g) Cash and cash equivalents**

Cash and short term deposits in the statement of financial position comprise cash at banks and on hand and short term deposits with a maturity of three months or less. For the purpose of statement of cash flows, cash and cash equivalents consists of cash and short term deposits as defined above, net of outstanding bank overdrafts.

**(h) Value Added Tax (VAT)**

Revenues, expenses and assets are recognised net of the amount of respective sales tax except:

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

The net amount of value added tax and service turnover tax recoverable or payable to the tax authority is included as part of the receivables or payables in the balance sheet.

**(i) Provisions**

Provisions are recognised when the Council has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation.

**(j) Fund accounting**

The Council has adopted a fund accounting system as considerable part of annual revenues which comprises rates for different purposes and special purpose funds as required by the Local Government Act. According, it is necessary to establish separate fund to cover the amounts received, expenditure incurred and the net balance of funds available to be carried forward into the next financial period.

The identification of funds is maintained throughout the accounting system, thus providing the control necessary to ensure that each fund is used only for the purpose for which it is received.

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

**(j) Fund accounting (continued)**

Details of special purpose fund maintained by the Council are :-

**(i) Parking Meter Fund**

The Council, in compliance with the Land Transport Act, has to maintain a separate account for the operation of parking meter in designated area of road within the municipality.

**(ii) Loan Rate Fund**

The Council in compliance with the Local Government Act, has to maintain a separate account for the operation of the loan rate fund account

**(k) Comparatives**

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

**(l) Employee Entitlement**

Provision is made for benefits accruing to employees in respect of salaries/wages and annual leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using remuneration rate expected to apply at the time of settlement.

**(m) Deferred Income**

Government and other grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match them with the related costs which the grant are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related assets.

**(n) Trade and Other Payables**

Liabilities for trade creditors and other amounts are carried at cost (inclusive of VAT where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the Council.

**NOTE 3. FINANCIAL RISK MANAGEMENT**

**1.5 Financial Risk Management**

**Overview**

The Council has exposure to the following risks from its use of financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk
- (iv) Capital management

This note presents information about the Council's exposure to each of the above risks, the Council's objectives, policies and processes for measuring and managing risk, and the Council's management of capital. Further quantitative disclosures are included throughout these financial statements.



**NOTE 3. FINANCIAL RISK MANAGEMENT (continued)**

**Risk Management Framework**

The Council has overall responsibility for the establishment and oversight of the Council's risk management framework. The Council's risk management policies are established to identify and analyse the risks faced by the Council, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Council's activities.

**(i) Credit risk**

Credit risk is the risk of financial loss to the Council if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Council's receivables from customers and investment securities.

**- Trade and other receivables**

The Council's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Council's customer base, including the default risk of the industry in which customers operate, as these factors may have an influence on credit risk, particularly in the currently deteriorating economic circumstances. Approximately 96% of the Council's revenue is attributable to sales transactions with a single customer. However, geographically there is no concentration of credit risk.

**- Financial risk management**

The Council establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for companies of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The Council's held cash and cash equivalents of \$1,152,187 as at 31 December 2018 (2017: \$2,036,331) which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties.

**(ii) Liquidity risk**

Liquidity risk is the risk that the Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another cash financial asset. The Council's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Council's reputation.

**(iii) Market risk**

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

Fair value interest rate risk arises from the potential for a change in interest rates to cause a fluctuation in the fair value of financial instruments. The objective is to manage the interest rate risk to achieve stable and sustainable net interest earnings in the long term. In managing this risk, the Council seeks to achieve a balance between reducing risk to earnings and market value from adverse interest rate movements, and enhancing net interest income through correct anticipation of the direction and extent of interest rate changes.

**NOTE 3. FINANCIAL RISK MANAGEMENT (continued)**

**(iii) Market risk (continued)**

- Other market price risk

Equity price risk arises from available for sale equity securities held for meeting partially the unfunded portion of the council's investments at fair value through profit or loss. Management of the Council monitors the mix of debt and equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Council.

- Interest rate risk

As the Council's interest bearing assets are small relative to its operations, its cash flows are substantially independent of changes in market interest rates.

**(iv) Capital management**

The Council's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business. The Council seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

<b>NOTE 4. CASH AND CASH EQUIVALENTS</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Petty cash	200	200
Cash on hand	2	-
General fund BSP account	80,946	376,454
Reserve BSP account	37,797	103,858
Capital works Westpac account	1,721	1,790
General fund Westpac account	169,618	159,454
Capital BSP account	494,094	1,121,020
Complex BSP account	317,772	270,152
Parking meter - cash at bank	986	3,403
Extended Local Authority BSP	49,051	-
	<b>1,152,187</b>	<b>2,036,331</b>

Capital BSP account cash at bank balance of \$494,094 is not available for use except for the purpose of rehabilitation works at Maruru dump, kasitar project, redevelopment of Govind Park, Clopcott informal settlement works, Nailaga mini market, Drainage works and Market upgrade.

Extended Local Authority BSP cash at bank balance of \$49,051 is not available for use except for the purpose of Sanitation and development in rural areas.

**NOTE 5. TRADE AND OTHER RECEIVABLES**

Rate debtors	896,150	899,746
Provision for doubtful debts	(130,815)	(95,015)
Other sundry debtors	177,605	145,342
Advance to parking meter	154,626	154,626
Deposits and prepayments	11,869	15,769
	<b>1,109,435</b>	<b>1,120,468</b>

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

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

	2018	2017
	\$	\$
<b>General Fund</b>		
<u>Leasehold and Freehold Land</u>		
<i>Deemed cost:</i>		
At 1 January 2018	4,056,950	4,056,950
Re-classified from building	1,834,100	-
At 31 December 2018	5,891,050	4,056,950
<i>Accumulated depreciation:</i>		
At 1 January 2018	450,648	409,680
Depreciation charge for the year	40,968	40,968
At 31 December 2018	491,616	450,648
Net book value	5,399,434	3,606,302
<u>Building</u>		
<i>Deemed cost</i>		
At 1 January 2018	14,246,242	14,246,242
Re-classified to land	(1,834,100)	-
At 31 December 2018	12,412,142	14,246,242
<i>Accumulated depreciation:</i>		
At 1 January 2018	1,417,628	1,278,239
Depreciation charge for the year	139,390	139,389
At 31 December 2018	1,557,018	1,417,628
Net book value	10,855,124	12,828,614
<u>Furniture, Plant and Equipment</u>		
<i>Deemed cost</i>		
At 1 January 2018	370,383	351,658
Additions	13,097	18,725
Disposals	(70,691)	-
At 31 December 2018	312,789	370,383
<i>Accumulated depreciation:</i>		
At 1 January 2018	232,557	203,729
Depreciation charge for the year	20,173	28,828
Disposals	(53,514)	-
At 31 December 2018	199,216	232,557
Net book value	113,573	137,826
<u>Motor Vehicles</u>		
<i>Deemed cost</i>		
At 1 January 2018	456,893	337,791
Additions	-	119,102
At 31 December 2018	456,893	456,893
<i>Accumulated depreciation:</i>		
At 1 January 2018	321,103	312,170
Depreciation charge for the year	30,271	8,933
At 31 December 2018	351,374	321,103
Net book value	105,519	135,790



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

NOTE 6. PROPERTY, PLANT AND EQUIPMENT (continued)

	2018 \$	2017 \$
<u>Work in Progress</u>		
<i>Deemed cost:</i>		
At 1 January 2018	596,644	221,403
Additions	4,102,396	375,241
At 31 December 2018	4,699,040	596,644
 <b>Parking Meter</b>		
<u>Office Equipment and Fixtures</u>		
<i>Deemed cost:</i>		
At 1 January 2018	1,208	1,208
At 31 December 2018	1,208	1,208
<i>Accumulated depreciation:</i>		
At 1 January 2018	1,250	1,201
Depreciation charge for the year	10	49
At 31 December 2018	1,260	1,250
Net book value	(52)	(42)
 <u>Plant, Machinery, and Tools</u>		
<i>Deemed cost:</i>		
At 1 January 2018	28,787	28,787
At 31 December 2018	28,787	28,787
<i>Accumulated depreciation:</i>		
At 1 January 2018	28,787	28,787
At 31 December 2018	28,787	28,787
Net book value	-	-
 <b>Total property, plant and equipment</b>	<b>21,172,638</b>	<b>17,305,134</b>

Movements in the carrying amounts for each class of property, plant and equipment at the beginning and at the end of the financial year is set out as follows:

	Land \$	Building \$	Furniture, plant and equipment \$	Motor vehicles \$	Work in progress \$	Total 2018 \$	Total 2017 \$
<b>General Fund</b>							
Balance as at 1 January	3,606,302	12,828,614	137,826	135,790	596,644	17,305,176	17,010,226
Additions	-	-	13,097	-	4,102,396	4,115,493	513,068
Reclassification	1,834,100	(1,834,100)	-	-	-	-	-
Disposals	-	-	(70,691)	-	-	(70,691)	-
Depreciation	(40,968)	(139,390)	(20,173)	(30,271)	-	(230,802)	(218,118)
Depreciation - disposal	-	-	53,514	-	-	53,514	-
Balance as at 31 December	5,399,434	10,855,124	113,573	105,519	4,699,040	21,172,690	17,305,176
 <b>Parking Meter</b>							
Balance as at 1 January	-	-	(42)	-	-	(42)	7
Depreciation	-	-	10	-	-	(10)	(49)
Balance as at 31 December	-	-	(52)	-	-	(52)	(42)
 <b>Balance as at 31 December</b>	<b>5,399,434</b>	<b>10,855,124</b>	<b>113,521</b>	<b>105,519</b>	<b>4,699,040</b>	<b>21,172,638</b>	<b>17,305,134</b>

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

<b>NOTE 7. CREDITORS AND BORROWINGS</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>General fund</b>		
Sundry creditors and accruals	52,554	110,732
Other creditors	29,008	2,770
Sundry deposits	27,230	29,423
	<u>108,792</u>	<u>142,925</u>
<b>Parking meter fund</b>		
Advance from general fund	153,542	153,542
Other creditors	1,198	1,456
	<u>154,740</u>	<u>154,998</u>
<b>Total creditors and borrowings</b>	<b><u>263,532</u></b>	<b><u>297,923</u></b>

**NOTE 8. INTEREST BEARING BORROWINGS**

Bank of South Pacific	2,009,224	2,155,377
	<u>2,009,224</u>	<u>2,155,377</u>
Loan principal commitment at balance date:		
Payable within one year	234,720	234,720
Payable later than one year, not later than two years	469,440	469,440
Payable later than two years, not later than five years	704,160	704,160
Payable later than five years	600,904	747,057
	<u>2,009,224</u>	<u>2,155,377</u>
Represented in the balance sheet as:		
Current	234,720	234,720
Non-current	1,774,504	1,920,657
	<u>2,009,224</u>	<u>2,155,377</u>

Loans raised by the Council bear interest charges 4.25% per annum. Loans of the Council are secured by the following:

- 1 First Registered Fixed & Floating charges over Ba Town Council's asset and income (current and future) and stamped to cover advances up to \$3,250,000.
- 2 First Registered Mortgage stamped collateral to security over commercial property comprised in Crown Lease number 15776 being Lot 1 on SO Plan number 4981, situated in the Town of Ba.
- 3 First Registered mortgage stamped collateral to security it over commercial property comprised in Certificate of Title number 12347 situated in the Town of Ba being:  
Lot 2 on Deposit Plan number 3003;  
Lot 6 on Deposit Plan 1838; and  
Lot 1 & 2 on Ba Plan number 2118
- 4 Assignment of rental proceeds over commercial property compromised in Crown Lease number 15776 being Lot 1 on SO Plan number 4981.

**NOTE 9. PROVISIONS**

Annual leave - general fund	20,657	43,880
Annual leave - parking meter fund	1,292	2,408
	<u>21,949</u>	<u>46,288</u>

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

	2018 \$	2017 \$
<b>NOTE 10. DEFERRED GRANT</b>		
Opening balance	1,997,094	1,716,066
Grant received	3,414,161	281,028
<b>Closing balance</b>	<b>5,411,255</b>	<b>1,997,094</b>
<u>Unutilized grant</u>		
Total grant received	5,411,255	1,997,094
Less: amount utilised	(4,728,033)	(722,546)
	<b>683,222</b>	<b>1,274,548</b>

The following represents the grants received from Ministry of Local Government, Ministry of Waterways and UN Women in 2018 amounting to \$3,414,162. The projects are in-progress.

Rehabilitation works at Maruru Dump	265,646	-
Drainage and Flood Mitigation	-	132,201
Kasitar Project	64,220	-
Construction of Govind Park	2,385,321	-
Clopcott Informal Settlements	91,743	-
Nailaga Mini Mart	96,330	-
Compactor Truck	220,183	142,202
Extended Town Boundary	45,872	-
Ministry of Waterways (Drainage works)	169,128	-
UN Women (Market Upgrading works)	75,718	6,625
	<b>3,414,161</b>	<b>281,028</b>

Opening balance	1,274,548	1,368,761
Grant received	3,414,161	281,028
Less: amount utilised	(4,005,487)	(375,241)
<b>Closing balance</b>	<b>683,222</b>	<b>1,274,548</b>

**NOTE 11. RESERVES**

Revaluation increment on assets - current account	9,784,091	9,784,091
Revaluation increment on assets - parking meter account	29,981	29,981
	<b>9,814,072</b>	<b>9,814,072</b>

**NOTE 12. RENTAL INCOME**

Latinara shopping complex	192,715	193,292
Rent kiosk	87,536	75,336
Rent old fish market	34,928	33,712
Bure revenue	4,710	8,422
Museum revenue	1,772	1,578
Complex rental	320,543	329,281
Civic building roof top	15,646	15,886
	<b>657,850</b>	<b>657,507</b>



**NOTE 13. RELATED PARTY TRANSACTIONS**

**Compensation of Key Management Personnel**

Key management includes the board of managements, all members of management and the Council Secretary. In addition to their salaries, the Council also provides non cash benefits to key management personnel. Transactions with key management are no more favorable than those available, or which might be reasonably expected to be available, on similar transactions to third parties at arm's length.

The compensation of key management personnel during the year was as follows:

Allowances and other benefits	<u>6,111</u>	<u>9,621</u>
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**NOTE 14. PRINCIPAL ACTIVITY**

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

**NOTE 15. 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.

**NOTE 16. CONTINGENT LIABILITY**

1 Contingent liabilities at balance date include various legal claims involving the Council, including the following lawsuits:

- Council claiming for rates arrears and interest: Exposure legal fees estimated \$2,800 plus disbursements.
- Action against arrears of rent: Exposure is the legal fees in the sum of \$1,500 plus disbursements.
- Employment grievance matter: Exposure is reinstatement, loss of wages for 6 years, compensation for unfair dismissal and the legal fees.
- Employment grievance matter: Exposure is reinstatement, loss of wages for 8 years, compensation for unfair dismissal and the legal fees.
- Council claiming for arrears of rent: Exposure is the legal fees in the sum of \$4,900 plus arrears and any discharge to obtain the provisional title.
- Employment grievance matter: Exposure is reinstatement loss of wages for 8 years, compensation for unfair dismissal and the legal fees.
- Council claiming for rate arrears: Exposure is the legal fees estimated \$500 plus disbursements.

2 An amount of \$69,818 is held at BSP as a guarantee or undertakings (GTEE 370/80018785) in respect of Fiji Electricity Authority.

**NOTE 17. CAPITAL COMMITMENTS**

Capital Commitments as at 31 December 2018 amounted to \$463,080.

NOTE 18. NOTES TO THE STATEMENT OF CASH FLOWS

(i) Reconciliation of Cash

Cash at the end of the reporting period was as follows:

	2018 \$	2017 \$
Petty cash	200	200
Cash on hand	2	-
General fund BSP account	80,946	376,454
Reserve BSP account	37,797	103,858
Capital works Westpac account	1,721	1,790
General fund Westpac account	169,618	159,454
Capital BSP account	494,094	1,121,020
Complex BSP account	317,772	270,152
Parking meter - cash at bank	986	3,403
Extended Local Authority BSP account	49,051	-
	<u>1,152,187</u>	<u>2,036,331</u>

(ii) Reconciliation of net cash (utilised) / provided by operating activities:

Net surplus	(105,326)	31,702
<u>Add non cash item</u>		
Depreciation	230,812	241,266
Doubtful debts	35,800	-
Disposal of fixed assets	17,178	-
Net cash provided by operating activities before changes in assets and liabilities	<u>178,464</u>	<u>272,968</u>
<u>Changes in assets and liabilities:</u>		
Decrease in trade and other receivables	(24,767)	(77,302)
(Decrease)/increase in provisions	(24,339)	10,777
(Decrease)/increase in creditors	(34,391)	30,145
Increase/(decrease) in vat payable	23,500	(10,775)
Decrease in accumulated losses	(155,125)	-
Net cash inflows from operating activities	<u>(36,658)</u>	<u>225,813</u>



**BA TOWN COUNCIL**  
**STATEMENT OF INCOME AND EXPENDITURE - GENERAL FUND**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 \$	2017 \$
<b>Income</b>			
Building and subdivision		8,859	19,080
Bus station		29,810	30,298
Business, trading and other licenses		158,630	154,219
Garbage dump		13,496	15,797
General rate		331,432	331,432
Government grant		60,958	-
UN women grant		30,679	-
Hire auditorium fees		14,768	23,347
Interest - overdue rates		87,073	70,907
LICI commission		559	407
Market		269,858	323,046
Municipal car park		182,594	186,255
Rent from council properties	12	657,850	657,507
Sports grounds		3,211	6,897
Sundries		61,504	43,334
Insurance recovery		11,988	-
Extra bin		16,848	16,848
<b>Total income</b>		<b>1,940,117</b>	<b>1,879,374</b>
<b>Expenditure</b>			
Salaries and Wages		806,302	761,508
FNPF		81,946	74,953
FNU levy		7,824	7,203
Uniform		10,101	15,802
Water		44,846	32,896
Electricity		35,930	37,809
Telephone, fax, internet, courier		11,775	16,835
Motor vehicle fuel, repairs, maintenance and other costs		127,723	96,310
Legal fees		11,659	6,890
Garbage Services		54,451	43,643
Printing, stationery and advertising		27,722	24,219
Insurance		44,924	43,280
Maintenance/ Repair, Equipment/ Furniture		26,764	20,285
Public Convenience		15,764	15,159
Health		60,099	45,727
Road, Drain, Path and Verges		29,372	21,645
Security services		57,804	47,609
Discount on rates		19,843	134,296
Subscription		278	463
Taxi, Carrier, Viti Mini upgrading		110,012	705
Market		30,255	33,412
Car park		1,377	294
Bus Station		1,304	1,598
Repair & Maintenance Property Parks		156,173	119,201
Miscellaneous		11,406	27,082
Bank Charges		10,707	10,035
Council Expenses		16,537	15,695
Depreciation		230,802	241,218
Disposal of Fixed Assets		17,178	-
Fringe Benefit		328	328
Doubtful Debts		35,800	-
<b>Total expenditure</b>		<b>2,097,006</b>	<b>1,896,100</b>
<b>Net deficit surplus for the year</b>		<b>(156,889)</b>	<b>(16,726)</b>

BA TOWN COUNCIL  
STATEMENT OF INCOME AND EXPENDITURE - LOAN RATE FUND  
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 \$	2017 \$
Income		
Loan rate	141,182	141,182
Total income	<u>141,182</u>	<u>141,182</u>
Expenditure		
Interest	88,567	95,075
Total expenditure	<u>88,567</u>	<u>95,075</u>
Net surplus for the year	<u>52,615</u>	<u>46,107</u>

BA TOWN COUNCIL  
STATEMENT OF INCOME AND EXPENDITURE - PARKING METER FUND  
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 \$	2017 \$
<b>Income</b>		
Traffic offence	5,920	6,600
Infringement fines	2,800	9,600
Meter tolls	12,146	17,738
Parking permits	2,355	2,349
Miscellaneous income	-	42
<b>Total income</b>	<u>23,221</u>	<u>36,329</u>
<b>Expenditure</b>		
Bank fees	232	233
Depreciation	10	48
FNPF	2,264	2,872
FNU levy	291	276
Meter maintenance	31	83
Miscellaneous	-	-
Postage	-	6
Printing and stationery	722	1,988
Provision for annual leave	-	1,450
Salaries, wages and related payments	20,070	26,909
Uniforms and boots	373	143
Verification and license	280	-
<b>Total expenditure</b>	<u>24,273</u>	<u>34,008</u>
<b>Net surplus/(deficit) for the year</b>	<u>(1,052)</u>	<u>2,321</u>