



LABASA TOWN COUNCIL



ANNUAL REPORT 2014



PARLIAMENT OF FIJI
PARLIAMENTARY PAPER NO. 213 OF 2020



LABASA TOWN COUNCIL

Annual Report for the Year 2014



LABASA TOWN COUNCIL

CIVIC CENTRE BUILDING

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

Suva

Dear Madam

I have much pleasure in submitting the Labasa Town Council Annual Report for year 2014.

The report provides details of activities for the Council throughout the year.

The Annual Report 2014 has been prepared in the accordance with the provisions of section 19 (1) (a), (b) and (c) of the Local Government Act Cap.125

Yours Faithfully

A handwritten signature in black ink, appearing to read 'Sumeet Prasad', is written over a horizontal dashed line.

Mr. Sumeet Prasad

For Chief Executive Officer

Labasa Town Council

FORWARD

Labasa Town Council is delighted to present the 2014 Annual Report for Labasa Town Council. The report provides an opportunity to reflect and present details of events that have transpired through the course of the Council' Operation.

For the past years, the Labasa Town Council has sincerely endeavored to pursue its mandate of providing effective and efficient basic services to our people. Labasa Town Council was able to deliver its expected services, despite financial challenges posed to the council in year 2014, through the rates collected from 1408 rate payer, business licenses and taxi, carrier and bus operators and the assistance of the government funding through annual grants.

To conclude, Labasa Town Council with the devoted staffs and the supportive ratepayers and with the much needed support from our ministry continues to work and achieve the desired vision of achieving excellence through dedication.



Mr.Sumeet Prasad

For Chief Executive Officer

Labasa Town Council

INTRODUCTION

Annual Report is a summary of proceedings and activities of the Council from January 1, 2014 to December 31, 2014 (s19).

THE COUNCIL

The Ministry of Local Government, Urban Development, Housing and Environment appointed **Mr. Vijay Chand JP** as the Special Administrator of Labasa and Savusavu Town Council's on the 11th of February, 2009.

This appointment was as in Section 9A(1) of the Local Government (Amendment) Promulgation 2008 (Promulgation no. 29 of 2008).

The Special Administrator under subsection 1 shall be deemed to the duly constituted council of the assigned municipality and shall subject to any general or specific directions issued by the Minister, have the power to perform and discharge all rights, privileges, powers, duties and functions vested in or conferred or imposed on the council, and any officer of the council by the Act or ant other written Law.

SENIOR OFFICERS OF THE COUNCIL

Chief Executive Officer	-	Mr Jitendra Prasad
Accountant	-	Mr Abinesh Sudan Lal
Health Inspector/Building Surveyor	-	Mr Mohammed Faiz Ali
Works Supervisor	-	Mr Deepesh V. Goundar
Properties Officer	-	Mr Ashneel Singh
Market Manager	-	Mr Shalendra A. Chand
Parking Meter Supervisor	-	Mr Ashok Kumar
Librarian	-	Mrs Subhag L Nadan

POPULATION

Estimated population for 2014 (census 2007):

Labasa Urban	-	7,700
Labasa Peri Urban	-	20,200

Other Provinces that the council indirectly serves:

Bua	-	14,000
Macuata	-	72,250
Cakaudrove	-	49,250

RATES

Town Rates are the highest income source for the Council Rates are levied on unimproved capital value of all rateable properties within the town.

Rates Levied for the year 2014 were as follows:-

General Rate	-	0.937 cents in the \$ on UCV
Lighting Rate	-	0.125 cents in the \$ on UCV

1.062 cents in the \$ on UCV
=====

ACTIONS AGAINST DEFAULTING RATEPAYERS

The Council is taking the following actions against defaulting ratepayers to enhance rate collection, especially arrears of rates:

- House to house rate collections (most effective)
- Payment of rates by instalments (most effective)
- Reminder notices served to defaulters
- Summons through Small Claims Tribunal
- Lodging of Fiji Charge on property owing huge rates
- Deductions at source
- Attornment of leases
- Data Bureau registration
- Exercising the provisions in the Local Government Act

TOTAL VALUE OF PROPERTIES

Total value of rateable properties based on year 2010 valuation:
\$67,199,500 UV

COUNCIL AUDITORS

The Auditor General's Office of Fiji.

COUNCIL BANKERS

Bank of Baroda
Westpac Banking Corporation Limited
Australia and New Zealand Banking Group Limited
Bank of South Pacific

ANNUAL CORPORATE PLAN 2014 ACHIEVEMENTS

Key Strategic Priority 1: Community & Lifestyle

The Council had had conducted ratepayer consultations in 2 wards namely Nasea North and Nasea South. One was held at the PRB Community Hall in Naodamu and the other was held at Mr. Ashok Nand's residence at Tavaquru Subdivision in Namara. This consultation is basically done to expose the Council's services to the residents and also to take note of their grievances and expectations in their area.

Ratepayers and stakeholders are encouraged to attend Ordinary Full Council meetings of the Council which happens once a month. This will be a vital time to convey one's feedback to the members of the Council.

The Festival of the Friendly North 2014 was also held at the Subrail Park. Being an annual event for Labasa the Festival of the Friendly North Committee 2014 successfully organized this event and collected a major sum in charity for its future projects. Council also had a queen contestant and won the no. 1 float depicting the theme "To Make Labasa Town a Smoke Free Town".



The Northern Crime Prevention Carnival 2014 was also held at the Subrail Park. Now this also seems to become an annual event for Labasa was also held at the Subrail Park. Being an annual event for Labasa the Festival of the Friendly North Committee 2014 successfully organized this event and collected a sufficient sum in charity for its projects.

The Agriculture Show Case 2014 was held at the Subrail Park. Organized by the Ministry of Agriculture, Fisheries and Forest there were show case and display of major agricultural products via individual farmers, government depts., corporate organizations and businesses houses.

The Council issued 2 newsletters for the year. The newsletter is named "Babasiga Beat" and contains achievements, activities and highlights of the Council every 6 months.



The website updates was done by the Council to ensure that Council activities are updated and available for view by the residents and citizens of the town locally or abroad from the convenience of their homes.

The Council also celebrated its 75th Year Anniversary on the 29th Dec, 2015. The Labasa Town was proclaimed a township on the 5th of May, 1939. The Council recognized all its Mayors, CEO's and long serving employees of the Council during the celebrations. The Chief Guest to the occasion was Hon. Parveen Kumar Bala.



The following other events also took place during the year:

- Medical Magical show.
- NZ Medical Team visit.

- His Excellency the British High Commissioner's visit.
- His Excellency the Indian High Commissioner's visit.
- Her Excellency the US Ambassador's visit.
- Her Excellency the Taiwanese Ambassador's visit.
- Indian Bollywood dance group.
- Government Ministers & Officials visit.
- International Women's Day celebration at Civic Centre.
- National soccer and rugby league.
- Fiji Teachers Union Annual Conference.
- Fiji Election Office trainings and voter registrations.
- World Maritime Safety Day.
- Water Authority of Fiji Fun Day.
- Political parties campaign and fun day.
- Land Transport Authority Open Day.
- Fiji Primary School Netball Tournament.
- Fiji National University Film Festival.
- Karan and Abha Bollywood Show.
- Dove Ministries Outreach program.
- Vanualevu Muslim Tournament.
- CBM Athletics.
- 9 local Sevens Rugby Tournaments.

The Fiji Day celebration was also held at the Subrial Park and Council took part in the marching parade from the Y corner to the Subrail Park. This was the centre for the Northern Division celebrations as usually done.



The Xmas lights were launched by The Regional Police Commander Mr. Shri Bhawan Singh at the Y corner junction in the presence of the invited stakeholders and community members.



Key Strategic Priority 2: Health & Safety

The Council undertook stray dog trapping to abate the nuisance for a 4 weeks program. 2 weeks program in each half of the year was scheduled. A total of 64 dogs were trapped and put to sleep by the dept. of animal health.



The anti mosquito spraying campaign was undertaken for 3 rounds via mist blowers to eliminate mosquitoes and mosquito breeding grounds with town area. This is also part of the dengue cleanup program for the town.



Enter and abate of overgrowth for 54 vacant lots within the town boundary were undertaken upon approval of the Medical Officer Northern. This is normally contracted out to the Maintenance Services contractor and the cost per lot is invoiced or added to the town rates of the individual property owner.



A complaints register is maintained by the Council and complaints when received are registered. Upon the receipt of any complaint council officers attend to it with 24 to 48 hours and submit a report for Council's actions. There were 41 registered complaints for the year.

There were a number of cases where residents or business proprietors act in contrary to laws and regulations and the following actions are taken (provisional figures):

- No. of unauthorized development notices served: 19
- No. of improvement notices served: 234

- No. of closing orders served: 0
- No. of court cases: 4

Key Strategic Priority 3: Economic Development

A new Industrial Subdivision at Vakamasisuasua, Stage 3 of 10 lots is being undertaken by the Dept of Lands. This will bring about industrial growth in Labasa town.

The Captain Cook Cruise made 3 visits to the Northern town as part of its 7 day tour for tourists around the Country. These were day visits only and had increased visitor arrivals in our town.



The building industry in the town had been slow; however the following provisional figures could be noted:

- 84 building applications received
- 66 building permits granted
- 6 completion certificate issued
- 17 Building applications with DTCP

Business operations in town have been normal and influx of people due to various events and activities had been exceptionally well, however 35 cases of illegal operations were found and formalized. Public health license inspections done were for 379 businesses. Also, the annual business License survey for the year was completed and the records updated accordingly.

Key Strategic Priority 4: Environmental Sustainability

A 4 weeks Dengue Fever Clean Up for North was undertaken and the same happened for the town area to reduce the outbreak of dengue in the Northern Division. A Diwali Clean Up was also organized in addition to the above cleanup, whereby residents cleared their compounds of unwanted debris in preparation for the festive season.



Council also roped in the Holy Family Secondary School for a 12 week cleanup campaign by the school students under a Duke of Edinburgh program.



The *Green & Clean Town* assessment by the Ministry of Local Government, Housing and Environment happened only once this year. Also noted that maintenance works and garbage collection services for the Council had been contracted out to contractors and weekly monitoring of their work was undertaken by the Council.



For the year 2014 Garbage & Refuse Collection (provisional figures) had been as follows: household waste was 5589 m³ and green waste was 4380 m³.

The Namara dumpsite was rehabilitated to Namara Landfill site with, funding by SPREP around US\$180,000 in partnership with Australian Aid and JPrism under an Adapt Waste Program in Resilience to Climate Change. This was a very timely approach by SPREP assisting the Council to improve its dumpsite and allow for controlled dumping at the site. This landfill site is now one of the best in the South Pacific. The method adopted is the "Fukuoka" method.





The official handover was also done SPREP and opening of the rehabilitated Namara Landfill site was undertaken by the Permanent Secretary of Ministry of Local Government, Housing and Environment.



Upon introduction of composting in the Council, launching of the first batch of compost manure was done by the Former Director Environment, Mr. Epeli Nasome. The program was held at the market place to create awareness to the public and market vendors as all the green waste generated out of the market was used to compost for this manure.



Council had nursed mangrove seedlings and upon germination staff and stakeholders were involved in planting mangrove seedlings along Labasa river bank to minimize river bank erosion.



For litter offences, the Council vigorously pursued enforcement of the Litter Decree with awareness on the field by the appointed litter prevention officers and the following provisional figures could be noted:

	2012	2013	2014
Warnings	113	83	51
Bookings	71	80	11
Fines paid	53	29	6
Court cases	18	51	5
Warrants	11	7	0
Pending	7	44	5

Key Strategic Priority 5: Infrastructure Services

Upgrade of Subrail park grandstand mainly painting and maintenance of the structure was undertaken for the year. This was the first phase of the works on pavilion upgrade.



Re-aligning of v drains and rock lining of broken and earth drains was also undertaken and Tuatua and Naodamu subdivisions. Council bought v drain moldings and construction its own precast v drains, which was cheaper than the local market.



The 1st floor Market extension was underway for the year and had progressed into its second stage and would rollover to year 2015. This project was funded by the challenge fund under the Ministry of Local Government, Housing and Environment and partially by the Council. The construction of the project was contracted out to Azaad Construction Limited for \$607,500 VIP.



The bus stand pavement upgrading was done by the Fiji Roads Authority. The design incorporated public and pedestrian safety and was constructed with a concrete pavement. Part of Jaduram Street was also restricted to one way lane, allowing more space for the bus station. After the construction the project was handed over to the Council in December. Council had contributed a sum of \$30,000 towards the construction costs.

For pedestrian safety pedestrian hand railings was installed opposite bus stand (in front of ANZ and Hot Bread shop area) to restrict unnecessary crossings and jay walking. The same was supported by Fiji Roads Authority.



The gutters and roof at bus shelter and the verandah of the market near the bus stand side was upgraded to minimize public from getting wet during rainy weather. Proper gutters and down pipes were placed to allow for the flow of storm water to proper drainage system.

Footpath upgrade at Tavaquru subdivision at Namara, Labasa was done for the safety of the local community there and to allow for proper facilities for the citizens to use. The existing footpath was in a pathetic condition collecting pools of water and an upgrade was needed.



The Tennis Court at the Subrail Park was upgraded by Council in partnership with BSP under their community program. The surface with the perimeter fence was in a pathetic state and a refurbishment of the court was required.



Key Strategic Priority 6: Transport Services

There were 3 stakeholders meeting conducted on PSV Operators with Land Transport Authority and Police Dept. to look into areas of illegal operations and how each stakeholder could be assisted to better services in the North.



Traffic, street signs and lane markings had been vested to Fiji Roads Authority since 2012 and are looked after by them. Council does its inspections bi-monthly with FRA representative and any defects are conveyed to them accordingly for rectification.

Key Strategic Priority 7: Organizational Performance

Admin and Finance office was also upgraded by the Council. Before the Finance office was located on the ground floor and the Admin office was located on the 1st floor. Upon the upgrade both the offices are now located on the 1st floor of the Civic Centre building. This has created ease to the customers for both enquiries and payments.



The monthly and weekly routine work of the Council continued normal, however some hindrance were experienced due to rainy and dry weather conditions on outdoor activities. Weekly payment schedules and monthly reports were submitted to Council on a timely basis for decision making. OHS committee meetings, Council committee meetings and Ordinary Full Council meetings of the Council was done and completed for the year.

In-house HOD meetings with CEO continued every week and resolutions of the Council were planned accordingly for execution and implementation with progress of activities noted on a weekly basis.

Before the upgrade of the Namara Landfill site 2 officers from the Health Dept attend a 2 weeks training workshop each organized by SPREP. And after the upgrade works a regional training workshop was held in Labasa and JPRISP workshop.



A 10% wage and salary increment was paid to all established staff and laborers for year 2014 across the board, however excluding supervisory staff. This was after Ministerial directive was received by the Council.

The Audited Financial Accounts for 2012 was received and the Council published it in the local newspaper for public information. Audit for Financial Accounts for year 2013 has been done by AG's Office; however reports are yet to be finalized by them.

Board of Survey for the end of year 2013 was also completed and reports submitted to Council. Annual reports for year 2012 was done and for 2013 was in progress, awaiting audit reports from AG's Office.

Council introduced MYOB accounting package (by Accounting Solutions) for its accounting works and this has enhanced our accounting processes and systems in the Finance Dept, from the manual accounting and excel spreadsheet usage in the past years.

A in-house training was facilitated via a certified trainer, Prime Vision on Managing Customer Complaints for majority of the staff as part of the capacity building program and skills enhancement on tackling critical issues with clients and stakeholders on council matters.



Key Strategic Priority 8: Governance

The Council is mainly empowered and governed by the Local Govt Act, Cap. 125, Town Planning Act Cap. 139 and Public Health Act Cap. 111. Other relevant laws of Fiji are also directly or indirectly facilitated and enforced by the Council.

After the general elections in September the Council has started to re-align its policies to the Constitution and manifesto of the Government of the Day.

The Council encourages an open door policy for the residents and citizens of the town. Even participation of ratepayers, stakeholders and government agencies in Ordinary Full Council meetings is encouraged, which happens at least once a month.

All monthly Full Council minutes and deliberations of the Council are sent to the Ministry of Local Government for necessary actions and advice to the Council. Estimate Budget for 2015 was done in November and the Annual Corporate Plan for 2015 was in progress.

Submitted to the Honorable Minister for Local Government, Housing, Environment.

Mr. Vijay Chand
SPECIAL ADMINISTRATOR
LABASA TOWN COUNCIL

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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Website: http://www.oag.gov.fj



File: 735/1

16 March 2016

Mr. Vijay Chand
Special Administrator
Labasa Town Council
P O Box 92
LABASA

Dear Sir

AUDITED FINANCIAL STATEMENTS OF LABASA TOWN COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2014

Audited financial statements for Labasa Town Council for the year ended 31 December 2014 together with my audit report on them are enclosed.

Particulars of the errors and omissions arising from the audit have been forwarded to the management of Labasa Town Council for their actions.

Yours sincerely

Atunaisa Nadakuitavuki
for AUDITOR GENERAL

Encl.

@ RLV No Account

17/3/16

F41 -

LABASA TOWN COUNCIL	
RECEIVED	
Date/Time:	17/3/16
Sign:	<i>RLV</i>

**LABASA TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**LABASA TOWN COUNCIL
COUNCILS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

COUNCIL REPORT

The Council herewith submits the statement of financial position at 31 December 2014, the related statement of comprehensive income, statement of changes in equity for the year then ended and reports as follows:

Management staff

Vijay Chand - Special Administrator
Jitendra Prasad - Chief Executive Officer

Principal Activities

The principal activities of the Council under the Local Government Act is to provide for the health, welfare and convenience of the inhabitants of the Labasa Town Municipality and to preserve the amenities or credit thereof.

Results

The operating surplus for the year is \$460,723 (2013: \$86,764).

Bad and doubtful debts

Prior to the completion of the Council's financial statements, management took reasonable steps to ascertain that action had been taken in relation to writing off of bad debts.

As at the date of this report, the management are not aware of any circumstances, which would render the amount written off for bad debts inadequate to any substantial extent.

Non Current Assets

Prior to the completion of the financial statements of the Council, management took reasonable steps to ascertain whether any non current assets were unlikely to be realised in the ordinary course of business compared to their values as shown in the accounting records of the Council. Where necessary these assets have been written down or adequate provision has been made to bring the values of such assets to an amount that they might be expected to realise.

As at the date of this report, the Council is not aware of any circumstances which would render the values attributed to non-current assets in the Council's financial statements misleading.

Basis of Accounting

The Council believes the basis of the preparation of the financial statements is appropriate and the Council will be able to continue in operation for at least twelve months from the date of this statement. Accordingly the management believe the classification and carrying amounts of assets and liabilities as stated in these financial statements to be appropriate.

Unusual Transactions

Apart from these matters and other matters specifically referred to in the financial statements, in the opinion of the management, the results of the operations of the Council during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, in the opinion of the management, to affect substantially the results of the operations of the Council in the current financial year, other than those reflected in the financial statements.

**LABASA TOWN COUNCIL
COUNCIL'S REPORT - continued
FOR THE YEAR ENDED 31 DECEMBER 2014**

Events Subsequent to Balance Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Council, the results of those operations, or the state of affairs of the Council in future financial years.

Other Circumstances

As at the date of this report:

- a) no charge on the assets of the Council has been given since the end of the financial year to secure the liabilities of any other person;
- b) no contingent liabilities have arisen since the end of the financial year for which the Council could become liable; and
- c) no contingent liabilities or other liabilities of the Council have become or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the management, will or may substantially affect the ability of the Council to meet its obligations as and when they fall due.

As at the date of this report, management are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the Council's financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the Council misleading or inappropriate.

Management Benefits

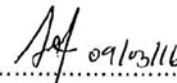
Since the end of the previous financial year, no management staff has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by management shown in the financial statements or received as the fixed salary of a full-time employee of the Council) by reason of a contract made by the Council with the management or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

For and on behalf of the Council and in accordance with a resolution of the Special Administrator and the management.

Dated this 09 day of March 2016.



.....
Special Administrator



.....
Chief Executive Officer

**LABASA TOWN COUNCIL
STATEMENT BY COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2014**

In accordance with a resolution of the Council, we state that:

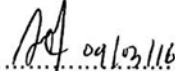
- (a) the accompanying statement of comprehensive income of the Council is drawn up so as to give a true and fair view of the results of the Council for the year ended 31 December 2014;
- (b) the accompanying statement of changes in equity is drawn up so as to give a true and fair view of the movement in the Council's funds for the year ended 31 December 2014;
- (c) the accompanying statement of financial position of the Council is drawn up so as to give a true and fair view of the state of affairs of the Council as at 31 December 2014;
- (d) the accompanying statement of cash flows is drawn up so as to give a true and fair view of the state of the cash flows of the Council for the year ended 31 December 2014;
- (e) at the date of this statement there are reasonable grounds to believe the Council will be able to pay its debts as and when they fall due; and
- (f) all related party transactions have been adequately recorded in the books of the Council.

For and on behalf of the Council and in accordance with a resolution of the Special Administrator and the management.

Dated this 09 day of March 2016.



.....
Special Administrator



.....
Chief Executive Officer

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Website: http://www.oag.gov.fj



INDEPENDENT AUDIT REPORT

LABASA TOWN COUNCIL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

I have audited the accompanying financial statements of Labasa Town Council, which comprise the statement of financial position as at 31 December 2014, statement of movement in funds, the statement of income and expenditure, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information as set out on Notes 1 to 20.

Management's Responsibility for the Financial Statements

The Special Administrator and management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of Section 57 (2) of the Local Government Act. These responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material mis-statements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I have conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Qualified Audit Opinion

1. An accounting adjustment of \$157,584 was made to receivables, for which I was not able to obtain sufficient appropriate audit evidence to support the adjustment. Accordingly, I am not able to confirm if receivable of \$1,353,067 is fairly stated in the financial statements.

2. Note 1.6(n) of the financial statements states that revenue is recognized in the financial statements using accrual concept of accounting. Rates income have been accounted on cash basis for the year ended 31 December 2014, which is inconsistent with the Council's accounting policy. As a result of this, rates revenue did not include rates for 2014 which remained unpaid at balance date. The Council was not able to provide information on rates accrued specifically for the financial year 2014 and rates received for prior years but accounted as rates revenue. Due to this limitation, it was not possible for me to determine the impact of this misstatement on the rates revenue account. Accordingly, I am unable to satisfy myself if rates revenue of \$822,881 is fairly stated in the financial statements.

Audit Opinion

In my opinion, except for the effects of the matters raised in the basis of the qualified audit opinion paragraphs, the financial statements present fairly in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities the financial position of the Labasa Town Council as of 31 December 2014 and of the results of its operations and its cash flows for the year then ended.



Atunaisa Nadakuitavuki
for **AUDITOR GENERAL**

Suva, Fiji

16 March 2016



**LABASA TOWN COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014**

Income	2014	Re-stated
	\$	2013
		\$
Rates:		
General	786,325	577,384
Loan	-	14,422
Light	43,208	73,235
	<u>829,533</u>	<u>665,041</u>
Less: rates discount	(6,652)	(162,500)
	<u>822,881</u>	<u>502,541</u>
Amortisation of capital grant	19,196	19,196
Business licence fees	213,667	200,876
Fees, charges and rent	791,821	868,771
Interest	149,144	272,448
Parking meter	9,847	51,477
Car park	37,306	-
Others	20,589	397,648
	<u>2,064,451</u>	<u>2,312,957</u>
Expenses		
Administrative and operating costs	474,645	703,479
Auditor's remuneration	8,500	14,609
Doubtful debts	13,225	180,402
Depreciation and amortization	94,828	274,202
Employees salaries and benefits	517,366	474,328
Finance cost	2,870	-
Maintenance costs	492,294	579,173
	<u>1,603,728</u>	<u>2,226,193</u>
Operating surplus for the year	460,723	86,764
Other comprehensive income	-	-
Total comprehensive income for the year	<u><u>460,723</u></u>	<u><u>86,764</u></u>

The accompanying notes form an integral part of the statement of comprehensive income.

**LABASA TOWN COUNCIL
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

COUNCIL FUNDS	2014	2013
	\$	\$
As at 1 January 2013	10,474,895	10,428,067
Prior year adjustments	-	3,659
Opening balances as restated under IFRS for SMEs adoption	<u>10,474,895</u>	<u>10,431,726</u>
Adjustments to roads, drains and footpaths	(1,477,798)	-
Surplus for the year		
- General Fund	394,771	106,699
- Lighting Fund	40,090	(34,530)
- <i>Car park Fund</i>	<i>37,306</i>	
Transfers to trust fund		(29,000)
At 31 December 2014	<u><u>-9,431,958</u></u>	<u><u>10,474,895</u></u>

9,469,264

The accompanying notes form an integral part of the statement of changes in equity.

LABASA TOWN COUNCIL
 STATEMENT OF CHANGES IN EQUITY - continued
 FOR THE YEAR ENDED 31 DECEMBER 2014

COUNCIL TRUST FUNDS

	Notes	Parking Meter Fund	Car Park Fund	Total Trust Funds
As at 1 January 2013		\$ (270,382)	\$ 64,878	\$ (205,504)
Effect of change in accounting polices	19	-	-	-
Opening balances as restated under IFRS		(270,382)	64,878	(205,504)
Surplus for the year	2	14,595	-	14,595
At 31 December 2013		(255,787)	64,878	(190,909)
Surplus for the year	2	(11,444)	37,306	25,862
At 31 December 2014		(267,231)	102,184	(165,047)

⑧. Cash at Bank - Refundable DR \$27,500 ↑
 Refund - Deposit Payable CR \$27,500 ↑
 (receipt)

The accompanying notes form an integral part of the statement of changes in equity.

①. Cash at bank - General DR \$64,878
 Municipal Account CR \$64,878
 (Initial Transaction)

②. Municipal Account DR \$64,878-00
 Loan A/c BOB CR \$64,878
 (Correcting A/c)

③. Refund-Deposit Payable DR 97,078
 Loan A/c BOB CR 97,078

(Total Amount 2007 \Rightarrow \$212,956-00)

	Car Park Fund	
2007	\$100,878.00	112,078.00 (Includes in Refund - Payal Deposit)
2008	\$114,878.00	
2009	(12500)	
2010	(12500)	
2011	(12500)	
2012	(12500)	
2013	(12500)	(15,000)
	(50,000)	(15,000)
	<u>\$64,878.00</u>	<u>97,078.</u>

④. Cash at bank - Refundable DR 27,500
 Trade Creditor CR 27,500
 (Booking of Creditor) ↓ ↑ Revenue

⑤. Trade Creditor DR 27,500 ✓
 Cash at bank - General CR 27,500 ✓
 (Paying out of General) Correct. ↓ ↑ Revenue

⑥. Loan A/c DR 27,500
 Trade Creditor CR 27,500
 (Booking of Creditor)

⑦. Trade Creditor DR \$27,500 ✓
 Cash at Bank - General CR \$27,500 ✓
 (Paying out Creditor)

LABASA TOWN COUNCIL
 STATEMENT OF FINANCIAL POSITION
 AS At 31 DECEMBER 2014


	Notes	2014 \$	Re-stated 2013 \$
ASSETS			
Current assets			
Cash at bank and on hand	3	914,861	556,837
Trade receivables	4	1,353,067	1,125,379
Prepayments and other receivables	5	63,948	33,288
Total current assets		<u>2,331,876</u>	<u>1,715,504</u>
Non current assets			
Property, plant and equipment	6	2,314,590	3,728,862
Investment properties	7	5,341,337	5,327,066
Intangible assets	8	8,721	-
Total non current assets		<u>7,664,648</u>	<u>9,055,928</u>
TOTAL ASSETS		<u><u>9,996,524</u></u>	<u><u>10,771,432</u></u>
EQUITY AND LIABILITIES			
Council Municipal Funds			
Retained earnings	Page 8	9,469,264 9,431,958	10,474,895
Council Trust Funds			
Parking meter fund	Page 9	(267,231) ✓	(255,787)
Car park fund	Page 9	102,184	64,878
Total funds		<u>9,202,033 9,266,911</u>	<u>10,283,986</u>
Current liabilities			
Trade and other payables	9	389,209 324,331 +64,878	312,988
Employee entitlement		8,808	11,288
Total current liabilities		<u>398,017 333,139</u>	<u>324,276</u>
Non current liabilities			
Capital grant in aid	11	396,474	163,170
Total current liabilities		<u>396,474</u>	<u>163,170</u>
TOTAL EQUITY AND LIABILITIES		<u><u>9,996,524</u></u>	<u><u>10,771,432</u></u>

The accompanying notes form an integral part of the statement of financial position.

For and on behalf of the Council and in accordance with a resolution of the Special Administrator and the management.



 Special Administrator

 09/03/16
 Chief Executive Officer

LABASA TOWN COUNCIL
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 Inflows/ (Outflows) \$	2013 Inflows/ (Outflows) \$
COUNCIL FUNDS			
Cash flows from operating activities			
Receipts from customers		1,763,835	2,089,425
Payments to suppliers and employees		(1,428,335)	(1,739,005)
Net (payments for /receipts from parking meters		(10,834)	13,870
Net cash flows from operating activities		324,666	364,290
Cash flows from investing activities			
Acquisition of capital assets		(216,965)	(212,790)
Proceeds from sale of capital assets		-	18,000
Acquisition of parking meter capital assets		(2,177)	-
Net cash flows used in investing activities		(219,142)	(194,790)
Cash flows from financing activities			
Government grant		252,500	-
Net cash flows from/(used) in investing activities		252,500	-
Total net increase in cash and cash equivalents		358,024	169,500
Cash and cash equivalents at 1 January		556,837	387,337
Cash and cash equivalents as at 31 December	3	914,861	556,837

The accompanying notes form an integral part of the Statement of Cash Flows.

**LABASA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. Corporate Information

The Labasa Town Council was incorporated in Fiji under the Local Government Act, 1972. The address of its registered office and principal place of business is Reddy's Place, P O Box 92, Labasa Town Council, Labasa. The principal activities under the Local Government Act is to provide for the health, welfare and convenience of the inhabitants of the Labasa Town Municipality and to preserve the amenities or credit thereof.

1.2 Basis of preparation of the Financial Statements

The financial statements have been prepared on accrual basis under the historical cost convention using the accounting policies described below and except where stated, do not take into account current valuations of non - current assets. The financial statements are presented in Fijian dollars and all values are rounded to the nearest dollar, except when otherwise indicated.

Statement of compliance

The financial statements of Labasa Town Council have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities ("IFRS for SMEs") issued by the International Accounting Standards Board and the Local Government Act.

1.3 The Labasa Town Council Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of these financial statements.

The Labasa Town Council has received parking monies in compliance with the Traffic Act and contributions from developers under the Town Planning Act. As the Council performs a custodial role, these funds are excluded from Council Funds.

Amounts received as tender deposits and retention amounts controlled by the Council are included in the financial statements, disclosed as "sundry deposits" under current liabilities.

1.4 Changes in accounting policy and disclosures

For all periods up to and including the year ended 31 December 2013, the Council prepared its financial statements in accordance with Fiji Accounting Standards. These financial statements, for the year ended 31 December 2014, are the first the Council has prepared in accordance with IFRS for SMEs.

Accordingly, the Council has prepared financial statements which comply with IFRS for SMEs applicable for periods beginning on or after 1 January 2013 as described in the accounting policies. In preparing these financial statements, the Council's opening statement of financial position was prepared as at 1 January 2013, the Council's date of transition to IFRS for SMEs. This note explains the principal adjustments made by the Council in restating its Fiji Accounting Standards statement of financial position at 1 January 2013 and its previously published Fiji Accounting Standards financial statements for the year ended 31 December 2013.

Other changes

Changes to accounting policies as a result of the adoption of IFRS are:

- Section 3 Financial Statement Presentation
- Section 8: Notes to the Financial Statements
- Section 10: Accounting Policies, Estimates and Errors
- Section 11: Basic Financial Instruments
- Section 16: Investment Property
- Section 18: Intangible Assets
- Section 17: Property, Plant and Equipment
- Section 20: Leases
- Section 28: Employee Benefits
- Section 33: Related Party Disclosures
- Section 35: Transition to the IFRS for SMEs

1.5 Significant accounting judgments, estimates and assumptions

The preparation of the Council's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgments

In the process of applying the Council's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

1.5 Significant accounting judgments, estimates and assumptions (continued)

Estimations and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustments to the carrying amount of assets and liabilities within the next financial year are discussed below.

Impairment of non financial assets

The Council assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

1.6 Summary of significant accounting policies

a) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

b) Investments and other financial assets

Initial recognition of financial instruments

The classification of financial instruments at initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics. All financial instruments are measured initially at their fair value plus, in the case of financial assets and financial liabilities not at fair value through profit and loss, any directly attributable incremental costs of acquisition or issue.

Receivables

Rates receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Rates receivables are initially recognised as receivables from the commencement of each rating period (inclusive of VAT where applicable). After initial measurement loans and receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Gains or losses are recognised in the income statement when the receivables are derecognised or impaired, as well as through the amortisation process. Bad debts are written-off as incurred.

Rates received in advance of the rating period are recognised as a liability.

c) Impairment of financial assets

The Council assesses at each statement of financial position date whether a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognised in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in the income statement.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Council will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

1.6 Summary of significant accounting policies - continued

d) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such costs includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria is met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in income statement as incurred.

Depreciation is calculated on a straight line basis over the useful life of the asset as follows:

- Land and building	2.5%	- Tools, plant and equipment	10%
- Office equipment	10%	- Motor vehicle	18%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is recognised.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The useful lives of intangible assets for the Council are assessed to be finite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is renewed at least at each financial year end. Changes in the expected useful life or expected pattern of consumption in future economic benefits embodied in the asset is accounted by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible assets.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

f) Impairment of non-financials assets

The Council assesses at each reporting date or more frequently if events or changes and circumstances indicate that the carrying value may be impaired, whether there is an indication that a non financial asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Council makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount, the asset (or cash generating unit) is considered impaired and is written down to its recoverable amount.

For assets an assignment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Council makes an estimate of the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount.

LABASA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

1.6 Summary of significant accounting policies - continued

g) Investment Property

Investment property is stated at cost less accumulated depreciation and accumulated impairment losses. Such costs includes the cost of replacing part of the investment property when that cost is incurred, if the recognition criteria is met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the investment property as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in income statement as incurred.

Depreciation is calculated on a straight line basis over the useful life of the asset as follows:

Land and Building	2.50%
-------------------	-------

Premiums on leasehold land are capitalised and amortised over the term of the lease.

An item of investment property is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is recognised.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

h) Fund Accounting

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

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.

Details of Special Purpose Funds maintained by the Council are:

Parking meter fund

The Council, in compliance with the Traffic Act, has to maintain a separate account for the operation of parking meters in designated areas of roads within the city.

Car park fund

This fund has been created for contributions received from developers under the Town Planning Act. The fund is used to construct and develop car parks.

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. Where the Council expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when reimbursement is virtually certain. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

j) Employee entitlements

Employee entitlements relating to wages, salaries, annual leave, sick leave, long service leave and retirement benefit represents the amount which the Council has a present obligation to pay resulting from the employees' services provided up to balance date.

Wages and salaries, sick leave and annual leave

Liabilities for wages and salaries and annual leave are recognised, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

LABASA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

1.6 Summary of significant accounting policies - continued

k) Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Council as a lessee

Finance leases, which transfer to the Council substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are reflected in the income statement.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Council will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

l) Trade and other payables

Liabilities for other payables 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 entity. Amounts payable that have been denominated in foreign currencies have been translated to local currency using the rates of exchange ruling at the end of the financial year.

m) Deferred grant

Plant and equipment acquired through donations are brought to account as assets. Such donations and fundings are treated as deferred income which are brought to income over the asset's estimated useful life.

n) Revenue recognition

Revenue is recognised in the financial statements using the accrual concept of accounting.

o) Income tax

The Council is exempt from income tax in accordance with the provisions of Section 17(4) of the Income Tax Act.

p) Comparative figures

Comparative figures have been amended where necessary, for changes in presentation in the current year.

LABASA TOWN COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS - continued
 FOR THE YEAR ENDED 31 DECEMBER 2014

2. SURPLUS FOR TRUST FUNDS	2014	2013
Surplus for the year has been determined after:	\$	\$
Parking meter fund		
Total revenue	9,847	51,477
Expenditure		
Bad debts	-	21,167
Salaries and wages	14,568	4,524
Repairs and maintenance	3,734	9,367
Others	2,989	1,824
Total expenditure	21,291	36,882
Net (deficit)/surplus for the year	(11,444)	14,595
Car park fund		
Total revenue	37,306	-
Total expenditure	-	-
Net surplus for the year	37,306	-
3. CASH AT BANK AND ON HAND	\$	\$
Cash at bank	593,602	531,386
Cash at bank- Trust funds	321,294	25,054
Cash on hand	(35)	397
Total cash at banks and on hand	914,861	556,837
As the Council performs a custodian role, Cash at bank- Trust Funds are only to be used for development of car parks, parking meter areas and capital projects.		
4. TRADE RECEIVABLES	\$	\$
Rate debtors	1,443,245	951,764
Other debtors	67,406	173,615
Adjustment	(157,584)	-
	1,353,067	1,125,379
5. PREPAYMENTS AND OTHER RECEIVABLES		
Advances	1,974	6,198
Prepayments/deposit	14,046	-
Value Added Tax receivables	42,253	27,090
Other receivables	5,675	-
	63,948	33,288
6. PROPERTY, PLANT AND EQUIPMENT	\$	\$
<u>Land and buildings</u>		
Deemed cost:		
At 1 January	1,775,686	1,712,880
Additions	-	62,806
Adjustment	(49,306)	-
At 31 December	1,726,380	1,775,686

LABASA TOWN COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS - continued
 FOR THE YEAR ENDED 31 DECEMBER 2014

6. PROPERTY, PLANT AND EQUIPMENT - continued

	2014 \$	2013 \$
<u>Land and buildings - continued</u> ✓		
Depreciation and impairment		
At 1 January	12,331	-
Depreciation charge for the year	11,098	10,936
Reclassification	(556)	1,395
At 31 December	<u>22,873</u>	<u>12,331</u>
Net book value	1,703,507	1,763,355
<u>Drains</u> ✓		
Deemed cost:		
At 1 January	-	999,942
Additions	-	-
At 31 December	<u>-</u>	<u>999,942</u>
Depreciation and impairment		
At 1 January	-	-
Depreciation charge for the year	-	123,960
At 31 December	<u>-</u>	<u>123,960</u>
Net book value	-	875,982
<u>Office equipment</u> ✓		
Deemed cost:		
At 1 January	143,702	124,337
Additions	5,355	3,413
Adjustment	(13,236)	15,952
At 31 December	<u>135,821</u>	<u>143,702</u>
Depreciation and impairment		
At 1 January	16,583	-
Depreciation charge for the year	16,866	16,408
Adjustment	2,995	175
At 31 December	<u>36,444</u>	<u>16,583</u>
Net book value	99,377	127,119
<u>Plant machinery and tools</u> ✓		
Deemed cost:		
At 1 January	147,328 45,785	118,785
Additions	2,360 2,360	-
Disposals	(38,000)	(73,000)
Adjustment	65,644	-
At 31 December	<u>149,698 75,789</u>	<u>45,785</u>
Depreciation and impairment		
At 1 January	30,523 (24,686)	-
Disposals	(23,370)	(39,422)
Depreciation charge for the year	14,969 14,969	10,244
Adjustment	11,339	4,492
At 31 December	<u>45,492 (21,748)</u>	<u>(24,686)</u>
Net book value	104,196 97,537	70,471
<u>Roads</u> ✓		
Deemed cost:		
At 1 January	-	130,100
Additions	-	28,493
At 31 December	<u>-</u>	<u>158,593</u>

LABASA TOWN COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS - continued
 FOR THE YEAR ENDED 31 DECEMBER 2014

6. PROPERTY, PLANT AND EQUIPMENT (Continued)	2014 \$	2013 \$
<u>Roads continued</u>		
Depreciation and impairment	-	-
Net book value	-	158,593
<u>Footpath</u>		
Deemed cost:		
At 1 January	-	486,917
Additions	-	10,638
Disposals	-	-
At 31 December	-	497,555
Depreciation and impairment		
At 1 January	-	-
Disposals	-	-
Depreciation charge for the year	-	61,927
At 31 December	-	61,927
Net book value	-	435,628
<u>Motor vehicles</u>		
Deemed cost:		
At 1 January	389,093 338,642	287,338
Additions	33,000 33,000	51,304
Disposals	(38,000) -	-
At 31 December	<u>384,093 371,642</u>	338,642
Depreciation and impairment		
At 1 January	47,633 48,523	-
Disposals	-	-
Depreciation charge for the year	50,866 50,885	48,523
At 31 December	<u>118,519 99,408</u>	48,523
Net book value	265,575 272,234	290,119
<u>Channel and Kerbs</u>		
Deemed cost:		
At 1 January	-	88,206
Additions	-	-
Disposals	-	-
At 31 December	-	88,206
Depreciation and impairment		
At 1 January	-	78,406
Disposals	-	-
Depreciation charge for the year	-	2,205
At 31 December	-	80,611
Net book value	-	7,595

LABASA TOWN COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS - continued
 FOR THE YEAR ENDED 31 DECEMBER 2014

6. PROPERTY, PLANT AND EQUIPMENT (Continued)	2014 \$	2013 \$
<u>Work in progress</u>		
Deemed cost:		
At 1 January	-	-
Additions	141,935	-
Disposals	-	-
At 31 December	<u>141,935</u>	<u>-</u>
Total property, plant and equipment	<u>2,314,590</u>	<u>3,728,862</u>
7. INVESTMENT PROPERTIES	<i>9,559,28</i>	
Deemed cost:		
At 1 January	5,327,066	5,286,881
Additions	27,771	40,185
Disposals	-	-
Adjustment	(13,500)	-
Net book value	<u>5,341,337</u>	<u>5,327,066</u>
8. INTANGIBLE ASSETS	\$	\$
Deemed cost:		
At 1 January	-	-
Additions	8,721 ✓	-
Disposals	-	-
At 31 December	<u>8,721</u>	<u>-</u>
Depreciation and impairment	-	-
Net book value	<u>8,721</u>	<u>-</u>
9. TRADE PAYABLES	\$	\$
Trade creditors	67,039	49,854
Deposits	256,363	256,613
Income received in advance	3,774	3,774
Other payable	(2,845)	-
	<u>324,331</u>	<u>310,241</u>
10. EMPLOYEES ENTITLEMENT	\$	\$
Annual leave	<u>8,808</u>	<u>11,288</u>
11. DEFERRED GRANT INCOME	\$	\$
At 1 January	163,170	182,366
Add: Additional grant received during the year	252,500	-
Released to the income statement	(19,196)	<i>x2</i> (19,196)
At 31 December	<u>396,474</u>	<u>163,170</u>

A Backhoe Loader was donated by the Japanese Embassy in December 2011. A government grant of \$252,500 was received by the Council during the financial year 2014 for the extension of the municipal market.

**LABASA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014**

12. OBLIGATIONS UNDER OPERATING LEASES

The Council holds a piece of land with an estimated useful life of 54 years under a 99-year lease term. The future minimum lease payments are as follows:

	2014	2013
	\$	\$
Within one year	20,000	20,000
Later than one year but within five years	80,000	80,000
Later than five years	-	20,000
	<u>100,000</u>	<u>120,000</u>
Minimum lease payments recognised as an expense during the year	<u>19,347</u>	<u>17,097</u>

13. RELATED PARTY TRANSACTIONS

(a) Key management personnel compensation

The total remuneration of key management in 2014 (including salaries and benefits) was \$48,530 (2013: \$44,098).

(b) Fiji National Provident Fund

<u>3,361</u>	<u>3,189</u>
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14. CONTINGENT LIABILITIES

As at 31 December 2014, the Council's contingent liabilities not otherwise provided for in the financial statements amounted to \$Nil (2013:\$Nil)

15. COMPARATIVES

Where necessary, comparative figures have been re-grouped to conform to changes in presentation in the current year.

16. EVENTS AFTER THE END OF THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Council, the results of those operations, or the state of affairs of the Council in future financial years.

17. PRINCIPAL ACTIVITIES

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

18. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Council and authorised for issue

LABASA TOWN COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS - continued
 FOR THE YEAR ENDED 31 DECEMBER 2014

19. RESTATEMENT OF FUNDS FROM FIJI ACCOUNTING STANDARDS TO IFRS FOR SMES
 RECONCILIATION OF EQUITY AS AT 1 JANUARY 2013

	Notes	FAS \$	Adjustments \$	IFRS for SMEs \$
ASSETS				
Current assets				
Cash on banks and on hand		387,337		387,337
Trade Receivables		1,179,900		1,179,900
Prepayments and other receivables		13,643		13,643
Total current assets		<u>1,580,880</u>	<u>-</u>	<u>1,580,880</u>
Non current assets				
Property, plant and equipment	a	9,156,980	(5,286,881)	3,870,099
Investment properties	a	-	5,286,881	5,286,881
Intangible assets		-		-
Total non current assets		<u>9,156,980</u>	<u>-</u>	<u>9,156,980</u>
TOTAL ASSETS		<u>10,737,860</u>	<u>-</u>	<u>10,737,860</u>
FUNDS AND LIABILITIES				
Council Municipal Funds				
Accumulated surplus	b	1,012,942	9,402,625	10,415,567
Asset Revaluation reserves	c	9,480,003	(9,480,003)	-
Council Trust Funds				
Parking meter fund		(271,368)	986	(270,382)
Car park fund	b	-	77,378	77,378
Reserves	c	986	(986)	-
Total funds		<u>10,222,563</u>	<u>-</u>	<u>10,222,563</u>
Current liabilities				
Trade and other payables		320,854	-	320,854
Employee entitlement		12,077	-	12,077
Total current liabilities		<u>332,931</u>	<u>-</u>	<u>332,931</u>
Non current liabilities				
Capital grant in aid		182,366	-	182,366
Total current liabilities		<u>182,366</u>	<u>-</u>	<u>182,366</u>
TOTAL EQUITY AND LIABILITIES		<u>10,737,860</u>	<u>-</u>	<u>10,737,860</u>

LABASA TOWN COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS - continued
 FOR THE YEAR ENDED 31 DECEMBER 2014

19. RESTATEMENT OF FUNDS FROM FIJI ACCOUNTING STANDARDS TO IFRS FOR SMES - continued
 RECONCILIATION OF STATEMENT OF INCOME AND EXPENDITURE AS AT 31 DECEMBER 2013

	FAS	Adjustments	IFRS for SMEs
	\$	\$	\$
Income			
Rates:			
General	577,384	-	577,384
Loan	14,422	-	14,422
Light	73,235	-	73,235
	665,041	-	665,041
Less: rates discount	(162,500)	-	(162,500)
	502,541	-	502,541
Amortisation of capital grant	19,196	-	19,196
Business license fees	200,876	-	200,876
Fees, charges and rent	868,771	-	868,771
Interest	272,448	-	272,448
Parking meter	51,477	-	51,477
Car park	-	-	-
Others	397,648	-	397,648
	2,312,957	-	2,312,957
Expenses			
Administrative and operating costs	703,479	-	703,479
Auditor's remuneration	14,609	-	14,609
Doubtful debts	180,402	-	180,402
Depreciation and amortization	274,202	-	274,202
Employees salaries and benefits	474,328	-	474,328
Maintenance costs	579,173	-	579,173
	2,226,193	-	2,226,193
Operating surplus for the year	86,764	-	86,764

LABASA TOWN COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS - continued
 FOR THE YEAR ENDED 31 DECEMBER 2014

20. RESTATEMENT OF FUNDS FROM FIJI ACCOUNTING STANDARDS TO IFRS FOR SMES
 RECONCILIATION OF EQUITY AS AT 31 DECEMBER 2013

	Notes	FAS \$	Adjustments \$	IFRS for SMEs \$
ASSETS				
Current assets				
Cash on banks and on hand		556,837		556,837
Trade Receivables		1,125,379		1,125,379
Prepayments and other receivables		33,288		33,288
Total current assets		<u>1,715,504</u>	<u>-</u>	<u>1,715,504</u>
Non current assets				
Property, plant and equipment	a	9,055,928	(5,255,035)	3,800,893
Investment properties	a	-	5,327,066	5,327,066
Intangible assets		-		-
Total non current assets		<u>9,055,928</u>	<u>72,031</u>	<u>9,127,959</u>
TOTAL ASSETS		<u>10,771,432</u>	<u>72,031</u>	<u>10,843,463</u>
FUNDS AND LIABILITIES				
Council Municipal Funds				
Accumulated surplus	b	1,059,770	9,487,156	10,546,926
Asset Revaluation reserves	c	9,480,003	(9,480,003)	-
Council Trust Funds				
Parking meter fund		(256,773)	986	(255,787)
Car park fund	b	-	64,878	64,878
Reserves	c	986	(986)	-
Total funds		<u>10,283,986</u>	<u>72,031</u>	<u>10,356,017</u>
Current liabilities				
Trade and other payables		312,988		312,988
Employee entitlement		11,288		11,288
Total current liabilities		<u>324,276</u>	<u>-</u>	<u>324,276</u>
Non current liabilities				
Capital grant in aid		163,170	-	163,170
Total current liabilities		<u>163,170</u>	<u>-</u>	<u>163,170</u>
TOTAL EQUITY AND LIABILITIES		<u>10,771,432</u>	<u>72,031</u>	<u>10,843,463</u>

20. RESTATEMENT OF FUNDS FROM FIJI ACCOUNTING STANDARDS TO IFRS FOR SMES - continued

Notes to the restatement of comparatives as at 31 December 2013

Measurement changes

- a) Relates to reclassification of investment properties from property, plant and equipment to investment properties.
- b) Relates to reclassification of car park funds from general funds to trust funds.
- c) Relates to the reversal of Asset Revaluation Reserves that is not allowed under IFRS for SMEs.

**LABASA TOWN COUNCIL
DISCLAIMER ON ADDITIONAL FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014**

Disclaimer on Additional Financial Information

The following additional financial information, being the attached Detailed Income Statement has been compiled by the management of Labasa Town Council and does not form part of the statutory financial statements.

LABASA TOWN COUNCIL
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014 ✓

TRUST FUND - PARKING METER FUND- OPERATING STATEMENT	2014	2013
	\$	\$
Revenue		
Meter tolls	6,387	24,537
Infringement fine	3,460	26,940
Total revenue	<u>9,847</u>	<u>51,477</u>
LESS: Expenditure		
Depreciation	99	99
Doubtful debts	-	21,167
Fiji National Provident Fund	1,164	-
Maintenance of parking meters including parking bays	3,734	9,367
Miscellaneous	1,172	939
Printing and stationery	554	786
Wages and related payments	14,568	4,524
Total expenditure	<u>21,291</u>	<u>36,882</u>
Operating (deficit)/surplus for the year	<u><u>(11,444)</u></u>	<u><u>14,595</u></u>

The Detailed Income Statement is to be read in conjunction with the disclaimer set out on page 26.

**LABASA TOWN COUNCIL
 DETAILED INCOME STATEMENT
 FOR THE YEAR ENDED 31 DECEMBER 2014** ✓

LIGHTING FUND - OPERATING STATEMENT	2014	2013
	\$	\$
Revenue		
Lighting rate	43,208	73,235
Total revenue	<u>43,208</u>	<u>73,235</u>
LESS: Expenditure		
Maintenance and installation of festoon light	3,118	4,090
Maintenance of street light	-	103,675
Total expenditure	<u>3,118</u>	<u>107,765</u>
Net surplus/(deficit) for the year	<u><u>40,090</u></u>	<u><u>(34,530)</u></u>

The Detailed Income Statement is to be read in conjunction with the disclaimer set out on page 26.

**LABASA TOWN COUNCIL
 DETAILED INCOME STATEMENT
 FOR THE YEAR ENDED 31 DECEMBER 2014**



CAR PARK FUND- OPERATING STATEMENT	2014	2013
	\$	\$
Revenue		
Contribution for car parks	37,306	-
Total revenue	<u>37,306</u>	<u>-</u>
LESS: Expenditure		
Management expenses	-	-
Total expenditure	<u>-</u>	<u>-</u>
Operating surplus for the year	<u><u>37,306</u></u>	<u><u>-</u></u>

The Detailed Income Statement is to be read in conjunction with the disclaimer set out on page 26.

