



LABASA TOWN COUNCIL



ANNUAL REPORT 2016



PARLIAMENT OF FIJI
PARLIAMENTARY PAPER NO. 215 OF 2020



LABASA TOWN COUNCIL

Annual Report for the Year 2016



LABASA TOWN COUNCIL

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IN REPLY Please Quote:

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 2016.

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

The Annual Report 2016 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', 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 2016 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 2016, 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

ANNUAL REPORT 2016

INTRODUCTION

Annual Report is a summary of proceedings and activities of the Council from January 1, 2016 to December 31, 2016 (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.

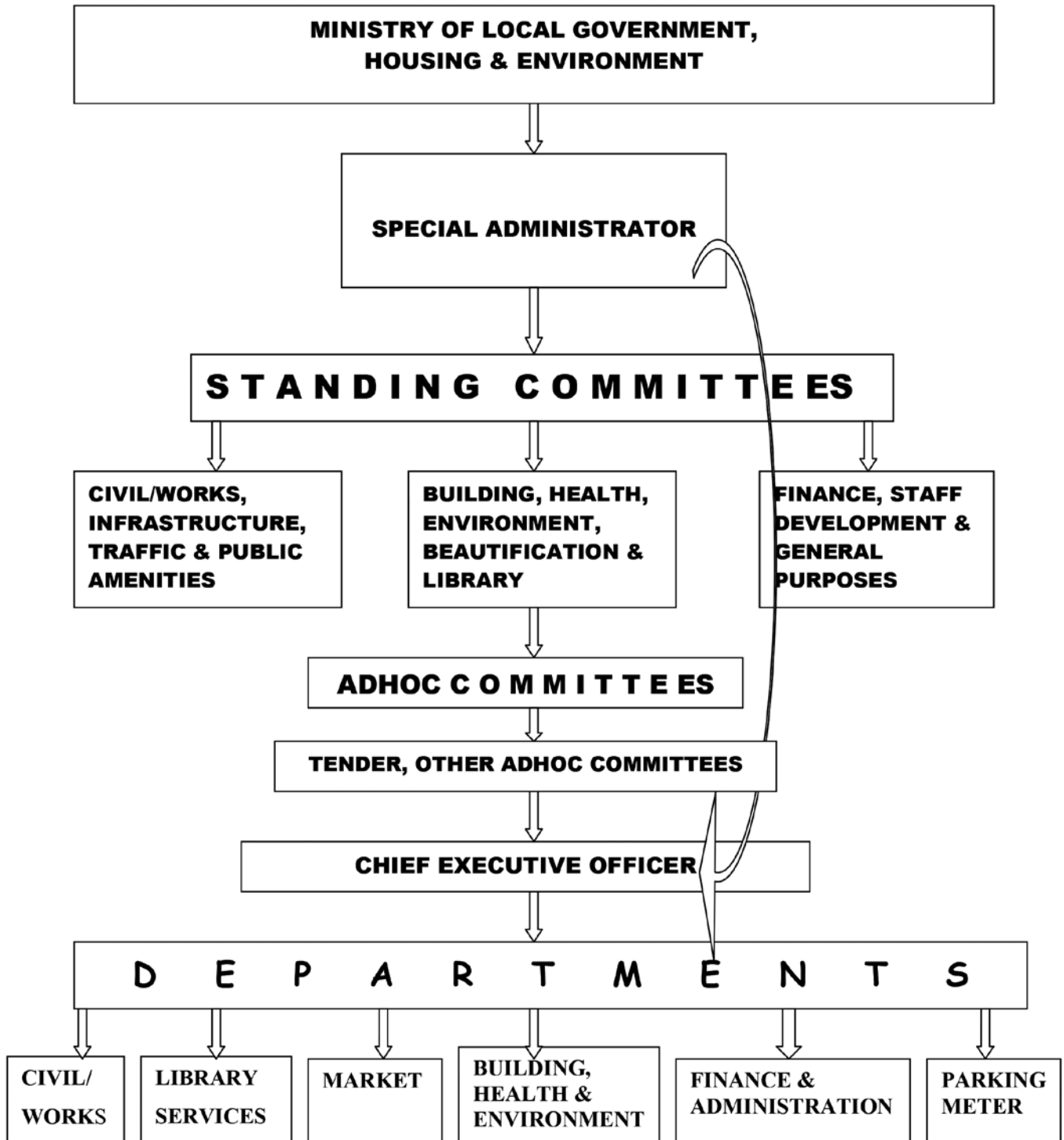
This appointment was as in Section 9A (1) of the Local Government (Amendment) Promulgation 2008 (Promulgation no. 29 of 2008).

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 any other written Law.

SENIOR OFFICERS OF THE COUNCIL

Chief Executive Officer	-	Mr Jitendra Prasad
		[note: Mr. Prasad resigned on 29/4/2016]
Accountant	-	M. Seema Shiwani Dutt
Health Inspector/Building Surveyor [HI/BS]-		Mr Mohammed Faiz Ali
[Note: Council in-consultation with Ministry appointed Mr. Ali as A/CEO cum HI/BS]		
Works Supervisor	-	Mr Devandra Kumar
Properties Officer	-	Mr Ashneel Singh
Market Manager	-	Mr Shalendra A. Chand
Senior Enforcement Officer	-	Mr Ashok Kumar
Librarian	-	Mrs Subhag L Nadan

ORGANISATION STRUCTURE



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 2016 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 other 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

Office of the Auditor General, Fiji.

COUNCIL BANKERS

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

OVERVIEW

Vision

Vision for the Community

To build Labasa Town as a great place to live, work, visit and do business.

Vision for the Organization

Strive to honor our past, manage our present and embrace our future to create a quality, unique place for families and businesses.

Mission

To provide a framework for a high quality of life, promote a strong sense of community and provide responsive public services in a caring, ethical, innovative and accountable manner.

Values

In delivering its mission statement, Labasa Town Council believes in the following values:

Communication

Simplicity

Good Governance

Responsibility and Responsiveness

Community Participation

Sustainable Development

Quality

Accountability

Leadership

Strategic priority areas:

Key strategic priorities by which Council will achieve its Vision and Mission are:

1. *Community and Lifestyle*
2. *Health and Safety*
3. *Economic Development*
4. *Environment Sustainability*
5. *Infrastructure Services*
6. *Transport Services*
7. *Organizational Performance*
8. *Governance*

ANNUAL CORPORATE PLAN 2016 ACHIEVEMENTS

Key Strategic Priority 1: Community & Lifestyle

The Council conducted three consultative meetings with the ratepayers covering three wards namely at Delailabasa, Naodamu Housing and at Namara. This consultation is basically done to disseminate type of services provided by the Council to the residents and ratepayers, and also to hear some of their grievances and expectations etc.



Ratepayers and stakeholders are also encouraged to attend all Ordinary Full Council meetings of the Council which happens once a month where all business of the Council is finally adopted and implemented etc.

The Festival of the Friendly North 2016 was held at the Subrail Park. Being an annual event for Labasa the Festival of the Friendly North Committee 2016 successfully organized the event and collected a major sum in charity

for its future projects. Council also had a queen contestant. The theme was *"Greening the North"*.



The Northern Crime Prevention Carnival 2016 was also held at the Subrail Park, which has also become an annual event for Labasa. The Duavata Crime Prevention Committee 2016 successfully organized this carnival and collected sufficient sum in charity for its projects.



The Agriculture Show Case 2016 was held at the Subrail Park ground no. 2. 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. Council displayed and advocated on its home composting program during that week.

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 following other events also took place during the year:

The Fiji Day celebration was also held at the Subrial Park and Council actively 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 Girmit Sutlej V celebrations were also held at the Council's Civic Auditorium on 12th November 2016 and the Hon. Acting Prime Minister & Attorney General Mr. Aiyaz Saiyad Khaiyum was the Chief Guest. The International Women's Day celebrations were also held.





Key Strategic Priority 2: Health & Public Safety

The Council undertook its stray dog trapping exercise to abate the nuisance on quarterly basis. A 2 weeks program in each quarter of the year was carried out. A total of 43 dogs were trapped and taken by villagers to their farms and some were put to sleep by the dept. of animal health.



The anti-mosquito spraying campaign was undertaken for 2 rounds via mist blowers to eliminate adult mosquitoes and abate powder to destroy mosquito breeding grounds with town area.

Enter and abate of overgrowth for 78 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 39 registered complaints for the year.

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

- No. of unauthorized development notices served: 20
- No. of improvement notices served: 50
- No. of closing orders served: 0
- No. of cases before Court: 4

Some residents were also found to be taking the Law into their own hands by undertaking illegal developments on their properties. Council had to take institute legal actions against those found to contravene the Laws.

Key Strategic Priority 3: Economic Development

A new Industrial Subdivision at Vakamasisuasua, Stage 4 is being proposed to be undertaken by the Dept of Lands. This will bring about industrial growth in Labasa town.

The Captain Cook Cruise made 4 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:

- 80 building applications received
- 71 building permits granted
- 15 completion certificate issued
- 9 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 12 cases

of illegal operations were found and formalized. Public health license inspections done were for 304 businesses. Also, the annual business License survey for the year was completed and the records updated accordingly.

Key Strategic Priority 4: Environmental Sustainability

Quarterly Anti- Dengue Fever Clean Up campaign for Northern Division was undertaken 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 refuse/debris in preparation for the festive season.



The washing of the Bus Station is undertaken by the Bus Operators themselves with Council Contractors to clean up the area of any oil spillage etc. It is done on quarterly basis, subject to approval to use the fire hydrants by the WAF.



Clean School competition for 2016 was officially launched in Labasa by the Hon., Minister Parveen Kumar Bala.

The Green & Clean Town assessment by the Ministry of Local Government, Housing and Environment happened 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 2016 Garbage & Refuse Collection (provisional figures) had been as follows: household waste was 4977 m³ and green waste was 1188 m³.



The Namara Landfill site is maintained by the Council and its Garbage Contractor on a daily basis.



The Council has enhanced its home composting method at the Landfill site with the help of a JICA Volunteer, Mr. Iori Yasuda.



The Clean School program was also undertaken by the Council with advocating on home composting and 3R program.



Council with its maintenance cleaning service contractors undertook town washing exercise in order to control the dust nuisance in town area and the main CBD. NFA assisted the Council on this activity.

Council had done few beautification projects in town area and also the upgrade of children's facility for the ratepayer's children to enjoy.



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

	2014	2015	2016
Warnings	51	60	49
Bookings	11	29	13
Fines paid	6	24	13
Court cases	5	5	4
Warrants	0	0	24
Pending	5	44	0

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 part of the upgrading and routine maintenance works to the facilities.



Re-aligning of v drains and rock lining of broken and earth drains was also undertaken at Covata Housing and Namara subdivisions.



The 1st floor Market extension was completed in December 2015 but was officially opened by the Hon. Prime Minister in January 2016. 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 space is now utilized for Handicraft Centre, Women's Sleeping Accommodation and Training Centre. The ground floor is utilized by vegetable vendors. UN Women came on board to reimburse 50% of the total project cost, which the Council could utilize for future projects.





The market taxi stand pavement was resealed by the Council with the contractors Fulton Hogan Hiways at a sum of a sum of \$30,000 in 2015 followed by maintenance works continued in 2016 to Council's Carrier Stand and existing Public Car Park.





The Fiji Roads Authority contractors Fulton Hogan undertook certain rehabilitation and maintenance works to the existing footpaths along Jaduram Street and the Naseakula Road both in 2015 and thereafter continued in 2016 after various requests from the Council due to complaints received from the residents.



A new multi-purpose court has been constructed at the Naodamu grounds so that citizens in the area can utilize it for the recreation purposes. The project cost was \$74,000 and there were 2 contractors, one doing the pavement, court marking and equipments and the other doing the fencing and the open shed- project was completed in 2016.



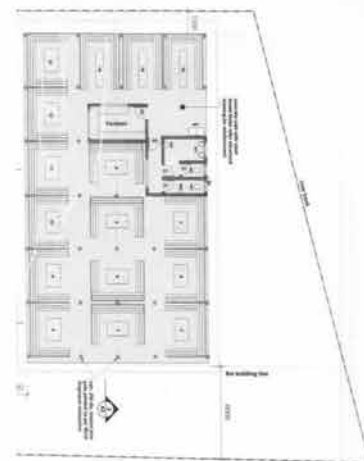
The Council fabricated and installed 15 litter public bins on the streets for control of litter. Another 10 litter bins were repaired due to vandalism and damages etc. in order to keep Labasa clean.



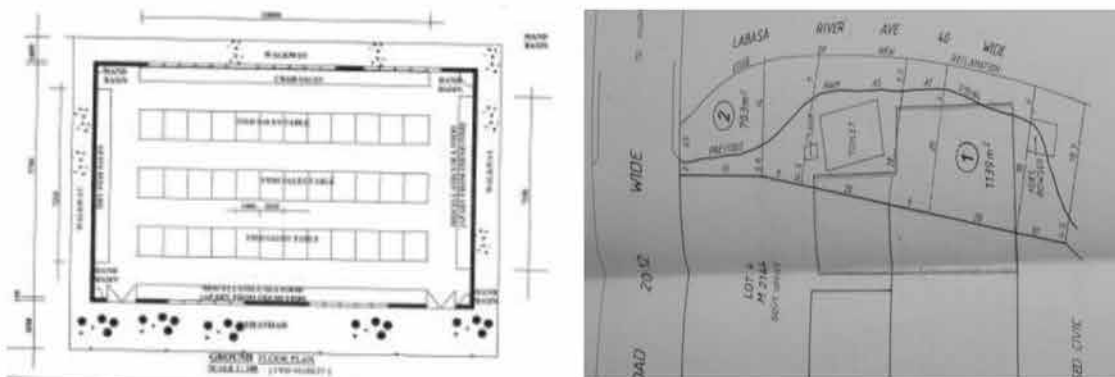
Two nurseries were constructed i.e. one at the Council's Landfill site where we shred all the market green waste that is brought in from the market for the composting program and to plant flowers cutting as part of our beautification project for the town and the other was erected at the Council's Works depot.



Construction of a new mixed kava stall shelter behind the Pacific Energy Service Station and opposite the market site was put on hold by the Ministry in 2015 and deferred by the Council. Note, this was to cater for 16 vendors selling mixed grog somewhat like a kava saloon. The old stalls were dismantled in preparation for the new one and a temporary shed was erected to temporarily cater for the existing 12 vendors.



Council managed to acquire an approval notice to lease for its new Fish Market project after paying a sum of \$50,000 compensation [fish rights] as assessed on the reclaimed area market 2 on the scheme plan. However, part of the area where the fuel bowser is located was excluded in the approval notice. Reason being that that side of the area is still under dispute and once resolved could be given to the Council. The Council is imminent to build a fish market to relocate the fish vendors illegally operating from the Labasa riverbanks



Upon requests by the Council and the Festival of the Friendly North Committee, the Fiji Roads Authority via its contractors Fultan Hogan Hiways construction a new concrete pavement along the Hospital-Siberia Road towards the Hospital side. This has eased the human traffic that visit the hospital and the Government Depts. along the site. It has also become part of the health walk program for the citizens in town area.



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



The monthly and weekly routine work of the Council continued normal, however aftermath TC Winston had its toll as we had to re-organize and revise our Budgets to cater for rehabilitation works etc. 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 the A/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.

Due to the introduction of the ENI Decree and lapse of the Trade Unions and Collective agreements Council implemented its Human Resource Policy and all employees were placed on a 3 year contractual employment.

The Audited Financial Accounts for 2014 was received and the Council published it in the local newspaper for public information.

Audit for Financial Accounts for year 2015 has been done by Auditor General's Office; however reports are yet to be finalized by them.

Board of Survey for the end of year 2015 was also completed and reports submitted to Council.

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 2014 the Council has started to re-align its policies to the Constitution and manifesto of the Government of the Day and support the growth of SME's in the local economy.

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 2017 was done in November and the Annual Corporate Plan for 2017 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

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File: 735/1

24 May 2019

Mr. Mohammed Ali
Acting Chief Executive Officer
Labasa Town Council
P O Box 92
LABASA

Dear Mr. Ali

**AUDITED FINANCIAL STATEMENTS
LABASA TOWN COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2016**

Audited financial statements for the Labasa Town Council for the year ended 31 December 2016 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 for necessary actions.

Yours sincerely

Ajay Nand
AUDITOR-GENERAL

Encl.

LABASA TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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**LABASA TOWN COUNCIL
COUNCILS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

COUNCIL REPORT

The Council herewith submits the statement of financial position at 31 December 2016, the related statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and reports as follows:

Management staff

Vijay Chand - Special Administrator

Mohammed Faiz Ali - Acting 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 (deficit) / surplus for the year is \$194,712 ; 2015: (\$174,189)

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 believes the classification and carrying amounts of assets and liabilities as stated in these financial statements to be appropriate.

Unusual transactions

Apart from 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.

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.

LABASA TOWN COUNCIL
COUNCIL'S REPORT - (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

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.

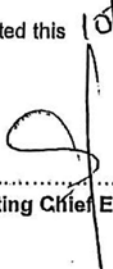
As at the date of this report, management are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the Council's financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the Council misleading or inappropriate.

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 10th day of May 2019.


.....
Acting Chief Executive Officer

**LABASA TOWN COUNCIL
STATEMENT BY THE COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 2016;
- (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 2016;
- (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 2016;
- (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 2016;
- (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 10th day of May 2019.


.....
Acting Chief Executive Officer

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INDEPENDENT AUDITOR'S REPORT

LABASA TOWN COUNCIL

I have audited the accompanying financial statements of the Labasa Town Council which comprise the statement of financial position as at 31 December 2016, statement of changes in equity, statement of comprehensive income, statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on Notes 1 to 18.

In my opinion, except for the effects on the matters described in the Basis of Qualified Opinion paragraphs; the accompanying financial statements are prepared, in all material respects, in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) and section 57(2) of the Local Government Act.

Basis for Qualified Opinion

1. Included in the opening balance of Trade Receivables is an adjustment of \$157, 584 (Note 5) which could not be substantiated. Since the opening balance is used in the determination of closing balance, I was not able to ascertain the accuracy of Trade Receivables balance of \$1,341,099 as at 31 December 2016.

In addition, the Council did not perform any impairment tests on its debtors. In absence of the impairment test I was unable to satisfy myself on the valuation of the receivables.

I was therefore unable to satisfy myself if the receivable of \$1,341,099 stated in the financial statements is fairly stated as at 31 December 2016.

2. Included in Pre-payments and other receivables (Note 4) is VAT receivables of \$74,928. The Council did not perform reconciliation of this account. I was also unable to obtain sufficient audit evidence through other audit procedures. As a result, I am unable to confirm the accuracy of the VAT receivable stated in the financial statements
3. Included under Statement of Changes in Equity and Council Trust Funds is Car Park Fund of \$143,045. Note 1.5(h), *Notes to the Financial Statements* states that the fund has been created for contributions received from the developers under the Town Planning Act for the construction and development of car parks. However, balance of this fund has recorded surplus/deficit made from the car park operation since 2014.

In addition, actual contribution from the developers have been recorded as Deposits under Trade payables (Note 9) which is not in compliance with the accounting policy of the Council. The Council has not provided adequate information and clarification for the necessary adjustments to be made in the general ledger. Accordingly, I am unable to satisfy myself on the accuracy of the amount stated as car park fund and deposits of \$143,045 and \$324,737 respectively for current year and \$125,476 and \$273,049 for comparative year in the financial statements.

Other Matter

The internal controls relating to market fees collection and reconciliation needs to be strengthened to promote better accountability and transparency.

I have conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Council in accordance with the International Ethics Standards Board for Accountants 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 other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS for SMEs, Local Government Act and for such internal control as 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 management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The Special Administrator and management are responsible of overseeing the entity's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Local Government Act in my opinion:

- a) proper books of account have been kept by the Council, so far as it appears from my examination of those books,
- b) the accompanying financial statements:
 - a. are in agreement with the book of account;
 - b. to the best of my information and according to the explanations given to me, give the information required by the Local Government Act in the manner so required.


Ajay Nand
AUDITOR-GENERAL



Suva, Fiji
24 May, 2019

**LABASA TOWN COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	Restated 2015
	\$	\$
Income		
Rates:		
General and garbage fees	728,786	679,148
Light	82,507	82,358
	<u>811,293</u>	<u>761,506</u>
Less: rates discount	(30,162)	(59,577)
Less: interest waiver	-	(118,048)
Less: town rate waiver	-	(56,207)
	<u>781,131</u>	<u>527,674</u>
Amortisation of capital grant	34,406	23,928
Business licence fees	173,997	127,500
Fees, charges and rent	865,824	801,194
Interest	132,183	143,633
Parking meter	15,607	14,243
Car park	17,569	23,292
Others	21,180	37,581
Total Income	<u>2,041,897</u>	<u>1,699,045</u>
Expenses		
Administrative and operating costs	288,678	499,459
Auditor's remuneration	19,216	12,125
Doubtful debts	(59)	237
Depreciation and amortization	197,489	173,377
Employees salaries and benefits	625,414	557,240
Finance cost	2,383	3,597
Maintenance costs	714,064	627,199
Total expenses	<u>1,847,185</u>	<u>1,873,234</u>
Operating surplus /(deficit) for the year	194,712	(174,189)
Other comprehensive income	-	-
Total comprehensive profit/(loss) for the year	<u>194,712</u>	<u>(174,189)</u>

The statement of comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 12 to 21.

LABASA TOWN COUNCIL
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	Restated 2015
COUNCIL MUNICIPAL FUNDS	\$	\$
Opening balances as at 1 January	9,064,668	9,253,644
Adjustment to accruals and reversals	-	9,955
Surplus/(deficit) for the year		
- General Fund (Page 21)	93,267	(280,584)
- Lighting Fund (Page 23)	80,753	81,653
Balance at 31 December 2016	<u>9,238,688</u>	<u>9,064,668</u>

The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 12 to 21.

LABASA TOWN COUNCIL
STATEMENT OF CHANGES IN EQUITY (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

COUNCIL OTHER FUNDS

	Notes	Parking Meter Fund	Car Park Fund	Total Trust Funds
		\$	\$	\$
Opening balance as at 1 January 2015		(267,231)	102,184	(165,047)
(Deficit) / surplus for the year	2	1,450	23,292	24,742
At 31 December 2015		(265,781)	125,476	(140,305)
Surplus for the year	2	3,124	17,569	20,693
At 31 December 2016		(262,657)	143,045	(119,612)


The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 12 to 21.

LABASA TOWN COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Notes	2016 \$	Restated 2015 \$
ASSETS			
Current assets			
Cash at bank and on hand			
Trade receivables	3	1,067,684	1,003,384
Prepayments and other receivables	5	1,341,099	1,129,491
	4	86,304	88,517
Total current assets		<u>2,495,087</u>	<u>2,221,392</u>
Non current assets			
Property, plant and equipment	6	2,147,382	2,181,806
Investment properties	7	5,844,764	5,847,581
Intangible assets	8	10,212	10,212
Total non current assets		<u>8,002,359</u>	<u>8,039,600</u>
TOTAL ASSETS		<u>10,497,445</u>	<u>10,260,992</u>
EQUITY AND LIABILITIES			
Council Municipal Funds			
Retained earnings	Page 8	9,238,688	9,064,669
Council Trust Funds			
Parking meter fund	Page 9	(262,657)	(265,781)
Car park fund	Page 9	143,045	125,476
Total funds		<u>9,119,076</u>	<u>8,924,364</u>
Current liabilities			
Trade and other payables	9	426,505	376,487
Employee entitlement		22,190	8,808
Total current liabilities		<u>448,695</u>	<u>385,295</u>
Non current liabilities			
Deferred grant	10	929,674	951,333
Total non current liabilities		<u>929,674</u>	<u>951,333</u>
TOTAL EQUITY AND LIABILITIES		<u>10,497,445</u>	<u>10,260,992</u>

The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 12 to 21.

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


Acting Chief Executive Officer

LABASA TOWN COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 \$	2015 \$
		Inflows/ (Outflows)	Inflows/ (Outflows)
Cash flows from operating activities			
Receipts from customers		1,811,537	1,867,643
Payments to suppliers and employees		(1,599,737)	(1,476,150)
Net cash provided by operating activities		<u>211,800</u>	<u>391,493</u>
Cash flows from investing activities			
Acquisition of capital assets		(160,247)	(881,757)
Net cash flows used in investing activities		<u>(160,247)</u>	<u>(881,757)</u>
Cash flows from financing activities			
Government grant		12,747	578,787
Net cash flows provided by financing activities		<u>12,747</u>	<u>578,787</u>
Net increase in cash and cash equivalents		64,300	88,523
Cash and cash equivalents at the beginning of the year		1,003,384	914,861
Cash and cash equivalents as at the end of the year	3	<u><u>1,067,684</u></u>	<u><u>1,003,384</u></u>

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 12 to 20.

**LABASA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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.

Standards, amendments and interpretations issued but not yet effective

The following new standards, interpretations and amendments to standards relevant to the Council has been issued. The Council does not intend to apply these standards until their effective dates:

IFRS 9, 'Financial Instruments'

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Council is in the process of evaluating the potential effect of this standard.

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 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 company'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.

1.4 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.

1.5 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.

LABASA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

1.5 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%	- Motor vehicle	18%
- Office equipment	10%	- Tools, plant and equipment	10%

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-financial 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.

1.5 Summary of significant accounting policies - continued

g) Investment Property

Investment property is stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include the cost of replacing part of the investment property when that cost is incurred, if the recognition criteria are 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 the 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%
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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 town.

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 a 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 (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

1.5 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 and grant 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 (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	Restated 2015
2. SURPLUS FOR TRUST FUNDS		
Surplus for the year has been determined after:	\$	\$
Parking meter fund		
Total revenue	15,607	14,243
<u>Expenditure</u>		
Salaries and wages	7,247	7,586
Repairs and maintenance	2,400	2,400
Others	2,836	2,807
Total expenditure	12,483	12,793
Net surplus for the year	<u>3,124</u>	<u>1,450</u>
Car park fund		
Total revenue	17,569	23,292
Total expenditure	-	-
Net surplus for the year	<u>17,569</u>	<u>23,292</u>
3. CASH AT BANK AND ON HAND		
Cash at bank	699,092	810,913
Cash at bank- Trust funds	368,568	192,528
Cash on hand	24	(57)
Total cash at banks and on hand	<u>1,067,684</u>	<u>1,003,384</u>
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. PREPAYMENTS AND OTHER RECEIVABLES		
Advances	2,274	2,274
Prepayments/deposit	8,000	1,368
Value Added Tax receivables	74,928	74,855
Other receivables	1,102	10,020
	<u>86,304</u>	<u>88,517</u>
5. TRADE RECEIVABLES		
Rates	1,425,453	1,230,159
Rent	11,386	7,128
Business licenses	10,706	(4,127)
Trade receivable - Others	32,398	35,115
Adjustment	(157,584)	(157,584)
Trade receivable - Parking Meter	18,740	18,800
	<u>1,341,099</u>	<u>1,129,491</u>
6. PROPERTY, PLANT AND EQUIPMENT		
<u>Land and buildings</u>		
Deemed cost:		
At 1 January	1,732,483	1,726,380
Additions	-	6,103
At 31 December	<u>1,732,483</u>	<u>1,732,483</u>

LABASA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	Restated 2015
6. PROPERTY, PLANT AND EQUIPMENT - continued		
<u>Land and buildings - continued</u>	\$	\$
Depreciation and Impairment		
At 1 January	33,633	22,873
Depreciation charge for the year	10,913	10,760
At 31 December	44,546	33,633
Net book value	1,687,937	1,698,850
<u>Office equipment</u>		
Deemed cost:		
At 1 January	144,473	135,821
Additions	21,870	8,652
At 31 December	166,343	144,473
Depreciation and Impairment		
At 1 January	52,818	36,444
Depreciation charge for the year	18,691	16,374
At 31 December	71,509	52,818
Net book value	94,834	91,655
<u>Plant Machinery and tools</u>		
Deemed cost:		
At 1 January	174,871	149,688
Additions	49,120	25,183
At 31 December	223,991	174,871
Depreciation and Impairment		
At 1 January	63,079	45,492
Depreciation charge for the year	21,180	17,250
Adjustment	-	337
At 31 December	84,259	63,079
Net book value	139,732	111,792
<u>Motor vehicles</u>		
Deemed cost:		
At 1 January	434,789	379,789
Additions	-	80,000
Disposals	-	(25,000)
At 31 December	434,789	434,789
Depreciation and Impairment		
At 1 January	155,280	118,519
Disposals	-	(16,124)
Depreciation charge for the year	54,630	52,885
At 31 December	209,910	155,280
Net book value	224,879	279,509

LABASA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	Restated 2015
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT (Continued)		
<u>Work in progress</u>		
Deemed Cost:		
At 1 January	-	141,935
Transfers	-	(141,935)
At 31 December	-	-
Total property, plant and equipment	2,147,382	2,181,806
7. INVESTMENT PROPERTIES		
Deemed cost:		
At 1 January	6,101,665	5,341,337
Additions	90,011	760,328
Adjustment	(199)	-
At 31 December	6,191,477	6,101,665
Depreciation and Impairment		
At 1 January	254,084	178,314
Depreciation charge for the year	92,629	75,770
At 31 December	346,713	254,084
Net book value	5,844,764	5,847,581
8. INTANGIBLE ASSETS		
Deemed cost:		
At 1 January	10,212	8,721
Additions	-	1,491
At 31 December	10,212	10,212
Net book value	10,212	10,212
9. TRADE PAYABLES		
Trade creditors	81,514	109,376
Deposits	324,737	273,049
Income received in advance	4,239	(3,774)
Other payable	16,015	(2,164)
	426,505	376,487
10. DEFERRED GRANT		
At 1 January	951,333	396,474
Grant received	12,747	578,787
Released to the Income statement	(34,406)	(23,928)
At 31 December	929,674	951,333

The grant of \$12,747 received in 2016 from the Ministry of Local Government to build a new market and accommodation. In 2015 a grant of \$247,500 and \$331,287 was received from Ministry of Local Government and UN Women respectively for the upgrade of Labasa market.

**LABASA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. 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:

	2016 \$	2015 \$
Within one year	19,347	19,347
Later than one year but within five years	58,041	77,388
	<u>77,388</u>	<u>96,735</u>

12 RELATED PARTY TRANSACTIONS

(a) Key management personnel compensation

The total remuneration of key management in 2016 (including salaries and benefits) was \$53,940 (2015: \$44,730).

(b) Fiji National Provident Fund

	<u>4,968</u>	<u>3,466</u>
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13. CONTINGENT LIABILITIES

As at 31 December 2016, the Council's contingent liabilities not otherwise provided for in the financial statements amounted to \$Nil (2015: \$Nil).

While there are legal cases against the Council which are yet to be called before the Courts, the Council therefore is yet to assess the financial impact and the probability of payment for these cases.

14. COMPARATIVES

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

15. 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.

16. 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.

17. RE-STATEMENT OF 2015 BALANCES

The following re-statements were made to the 2015 balances:

Account	2015 Audited	Effects	2015 Restated
	\$	\$	\$
Insurance Expense	10,407	6,244	16,651
Prepaid Insurance	6,244	(6,244)	-
Accumulated funds	9,061,594	3,075	9,064,669
Depreciation Expense	173,040	337	173,377
Accumulated Depreciation	-	337	337

The above re-statements were made to account for accruals not cleared and incorrect entries in 2015.

18. APPROVAL OF FINANCIAL STATEMENTS

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

LABASA TOWN COUNCIL
DETAILED INCOME STATEMENT - GENERAL FUND
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	Restated 2015
	\$	\$
Revenue		
General rates	728,786	679,148
Less: Rates discount	(30,162)	(59,577)
	<u>698,624</u>	<u>619,571</u>
Interest on overdue rates	132,183	143,833
Less: Town rates waiver	-	(56,207)
Less: Interest written off	-	(118,048)
	<u>132,183</u>	<u>(30,622)</u>
Fees, charges and rents	865,824	801,194
Amortisation of capital grant	34,406	23,928
Business and trading licenses	173,997	127,500
Miscellaneous	21,180	37,681
Total revenue	<u>1,926,214</u>	<u>1,579,152</u>
LESS: Expenditure		
Advertising	6,667	4,839
Awareness expenses	1,288	1,752
Audit fee	19,216	12,125
Contracted - maintenance and cleaning	398,490	286,183
Depreciation and amortization	197,489	173,377
Doubtful debts	(59)	237
Fiji National Provident Fund	50,580	39,368
Garbage service	200,213	175,702
Insurance	11,163	16,651
Incidental	10,354	20,457
Wages and salaries and other benefit	531,348	517,872
Land lease	18,796	15,418
Legal	27,072	18,936
Maintenance	115,361	341,016
Printing and stationery	25,614	21,518
Travel and subsistence	15,540	22,145
Utilities	104,631	83,099
Uniform and protective clothing	19,041	13,703
Fiji National University levy and fringe benefit tax	8,904	7,347
Town & Planning	5,514	-
Bank Charges	2,091	-
Freight charges	11,188	667
Valuation Fee	23,945	-
Other expenses	18,548	87,324
Civic Reception	9,953	-
Total expenditure	<u>1,832,947</u>	<u>1,859,736</u>
Operating surplus/(deficit) for the year	<u>93,267</u>	<u>(280,584)</u>

**LABASA TOWN COUNCIL
DETAILED INCOME STATEMENT - PARKING METER FUND
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
	\$	\$
Revenue		
Meter tolls	10,669	9,827
Infringement fine	4,938	4,400
Miscellaneous	-	16
Total revenue	15,607	14,243
LESS: Expenditure		
Depreciation	547	-
Fiji National Provident Fund	670	607
Maintenance of parking meters including parking bays	2,400	2,400
Miscellaneous	280	703
Printing and stationery	782	617
Wages and related payments	7,247	7,586
Bank interest and charges	292	-
Electricity	265	-
Other expenses	-	880
Total expenditure	12,483	12,793
Operating surplus for the year	3,124	1,450

LABASA TOWN COUNCIL
 DETAILED INCOME STATEMENT - CAR PARK FUND
 FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
Revenue		
Car park fees	17,569	23,292
Total revenue	<u>17,569</u>	<u>23,292</u>
LESS: Expenditure		
Management expenses	-	-
Total expenditure	<u>-</u>	<u>-</u>
Operating surplus for the year	<u>17,569</u>	<u>23,292</u>

