



LAMI TOWN COUNCIL

Annual Report for the Year 2012



LAMI TOWN COUNCIL



ANNUAL REPORT

(Section 19 – Local Government Act, Cap 125)

**FOR THE YEAR ENDED
31 DECEMBER, 2012**



25th September, 2020

The Honorable Minister
for Local Government, Housing & Environment
FFA House
Gladstone Road
SUVA

Dear Madam,

In accordance with the requirements of Section 19 of the Local Government Act 1972, I have pleasure in presenting, on behalf of the Lami Town Council, the Annual Report and Statement of Accounts for the year ended 31st December, 2012.

Yours faithfully,

A handwritten signature in blue ink, appearing to be 'Azam Khan', is written above the printed name.

Azam Khan
Chief Executive Officer (Acting)

LAMI TOWN COUNCIL

ANNUAL REPORT 2012

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ADMINISTRATION

ADMINISTRATORS OF THE COUNCIL

The Council during the year had Mr. Chandra Kant Umaria as Special Administrator and then replaced by Mr. Jasper Singh while Ms. Preeya Leli been the Chief Executive Officer for the Town Council.

CO-OPTED MEMBERS

The Council under the provisions of Section 27(2) appointed the following Co-opted Members into various Committees as follows:

District Officer - Suva

Station Officer, Lami Police Station for Traffic, Sports & Community Projects Committee

TOWN OF LAMI

Statistics in Brief

Declared Town on 1 March, 1977

Population	20,223 including peri-urban (2007 census)
Area	680 Hectares
UCV of Rateable Land	\$64,675,290.00
Number of Assessments	1,219

COUNCIL MEETING

Meeting of the Council and Standing Committees were held during the year as follows:

Ordinary	12
Special	2
Total	14

STANDING COMMITTEES

TOWN PLANNING BUILDING & DEVELOPMENT	9
HEALTH AND ENVIRONMENT & MARKET	9
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OFFICERS OF THE COUNCIL

The Principal Officer of the Council as at the end of 2010 was:

Chief Executive Officer	Ms Preeya Ieli
Other Support Staff were as follows:	
Building Inspector	Ashwant Prasad
Health Inspector	Selaima Maitoga
Ass Health/Building Inspector	Sonam Sandeyah
Personal Assistant/Secretary	Nerolyn L Nofaga
Senior Account s/Revenue Officer	Laisani Raikoti
Enforcement Officer	Jonetani Suguturaga
Town Ranger/Market Master	Petaia Vuli
Administrative Assistant	Saiyad Kutty
Works Supervisor	Raneel Dutt
Assistant Works Supervisor	Tueta Senileba
IT Officer	Naleem Raj
Accounts Officer	Yadhna Sharma
Tea Lady/Office Assistant	Psalm Hosana

The City Council had 24 unestablished employees engaged in field works.

SOLICITORS FOR THE COUNCIL

Messrs Muaror & Co, Nawaikula ESQ, Valenitabua S R ESQ, Shekinah Law, Tevita Fa & Associates were appointed as the Councils Solicitors for the year.

AUDITOR FOR THE YEAR

Auditor-General of Fiji has been the Auditor by virtue of Section 51 of the Local Government Act.

FINANCE

DISCOUNT ON RATES

In 2012 a discount of 7% in January and February on the rates struck for the year was granted in the event of full payment inclusive of arrears made between January 2012 to 28th February 2012. Total discount shown as a note in the accounts amounted to \$28,382. During the year the combined general and loan services rates were budgeted to earn \$673,404 out of which the Council was able to collect 81.0% of its current rates, which amounted to \$543,498 out of the total revenue of \$1,375,194 collected during the year.

GARBAGE RATES

The Council levied Garbage Rates of \$80.00 per annum with effect from 1st August 2008. The arrears of Garbage Rates at the end of 2012 were \$88,391.

ARREARS OF REVENUE

The Council's arrears of rates inclusive of interest charges at the end of 2012 were \$1,164,944. The Council had looked at all the avenues of rate collection currently in place and had opted for various methods in the Court, deduction at source, recovery from mortgage sale, attornment of leases, arrangement to pay on installments and offering discount etc.

LOAN FUND

During the year, loan repayments inclusive of interest charges totaling \$58,318 were made reducing the principal balance at the end of 2012 to \$312,167. The opening balance at the beginning of the year was \$370,485.

Bank Balances

The Council had a deficit balance of (\$41,928) in General Fund Account and (29,767) in Parking Meter Fund Account at the close of the year and has been funding its capital projects from its re-current revenue.

ROLE OF COUNCIL & COMMUNITY ACTIVITIES

The Council continued to carry out its role and responsibilities as required under the Local Government Act (1972). The Council discharged its duties and responsibilities delegated through several other legislations such as Public Health Act (Cap III), Town Planning Act (Cap 139), Business Licensing Act (Cap 204), Fair Rents Act (Cap 269), Advertisements Regulations Cinematography Films Act (Cap 195), Petroleum Act (Cap 157), Pound Act (Cap 165), Pure Food Act (Cap 116), Shop (regulation of hours and employment) Act (Cap 100), Subdivision of Lands Act (Cap 140), Land Transport Act and Litter Decree/Amendment Act.

PROJECTS

1. Consultation of the Kalekana Project for the Kalekana Community Sanitation.



PARKS/GARDENS/OPEN SPACES

Routine maintenance work was carried out during the year to keep the parks and reserves in a good environmental condition.

- Planting of trees and flowers was undertaken in residential, commercial and industrial areas as part of an ongoing beautification of the town and to keep up with the image of Lami being a “Garden Town”.

PUBLIC HEALTH/ENVIRONMENT, BUILDING AND SUBDIVISION

INTRODUCTION

The Council plays a role in integrated planning and public health/environment management. It recognizes there is growing community demand for the Council to devote substantial resources on public health, environment and planning issues, and is committed to proper consideration and concern for environment impacts in all aspects of local government planning and management.

Public Health is an essential mechanism of the Council. It is primarily focused on preventive aspects of day to day effective operation of such activities, which are essential services.

In this important field the Council performed its responsibilities under the guidance of the following legislation:

- a) Public health Act and its Regulations
- b) Pure Food Act and its Regulations
- c) Anti-Litter Decree/Amendment Act
- d) Town Planning Act
- e) Local Government Act and its Regulation
- f) Lami Town By-Laws
- g) Lami Town Planning Scheme and its General Provision
- h) Subdivision of Land Act
- i) Business Licensing Act
- j) Liquor Act

HEALTH

Under the Public Health Act the Council provided the residents of Lami with the following sanitary services:

1. Public Health/Environment Services

Clean up campaign for Green waste and White goods collection. People tend to start heaping them on the roadside. This becomes potential breeding grounds for vermin and eyesore. The Green waste is collected quarterly as per council's schedule.

2. Shop/ Restaurants/ Supermarkets Inspection

Done to shops, supermarkets and Bakeries within the Central Business District and Wailada Industrial areas.

3. Anti-Mosquito

With recent parts, vehicles and tyres importation, harboring grounds for mosquitoes has increased resulting in dengue Fever outbreak.

House to house inspection and issuing notice to remove/abate breeding grounds is the only solution.

4. Litter Decree

The Council is awaiting Department of Environment to implement the Litter Infringement Notice for all Councils. Awareness programme on littering have been enforced by Council and spot fines will be issued to anyone who litters or breaches the Litter Promulgation 2008. Green waste and white goods shall be undertaken by residents subject to the Council schedules.

COMMUNICABLE DISEASE

Lami Town Council has not received any report during this year of the incidence of communicable disease in Lami Town.

TRAFFIC & ENFORCEMENT

The Council continued to book illegal taxis that are operating in Lami through issuing of TINS to the offenders. Seven day notices are being issued for illegal parking or obstruction of footpath by private vehicles owners and companies.

PARKING METER

The new Pay & Display Parking Meters had been installed by the Council. This helps the Council in combating the illegal parking and traffic congestion in Lami Town area.

TOWN PLANNING – BUILDINGS

a) Summary of Building Applications

Building applications dealt with during the year:

Type of Application	Number
Residential	53
Rezoning	2
Subdivision	3
<u>Miscellaneous</u>	6
Retaining Wall/Fence	
Sewer Connection/Underground	
Cabling	
School Building etc	0

INDUSTRIAL RELATIONS

The Council maintained good relationship with its management, employees and no disputes were registered with the Trade Unions.

PUBLIC RELATIONS AND PARTICIPANTS

Public relations with ratepayers and the general public were of paramount importance to the Council and as such it dealt with matters of general concern and interest as expeditiously as possible.

ACKNOWLEDGEMENT

Council's Management, Staff and stakeholders are all indebted for the support provided during the year.



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

REPUBLIC OF FIJI
OFFICE OF THE AUDITOR GENERAL

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Excellence in Public Sector Auditing

File: 1295

23 December 2013

Mr. Jasper Singh
Special Administrator
Lami Town Council
Lami

Dear Mr. Singh

Audit of the Lami Town Council Accounts for the Year Ended 31 December 2012

Audited Financial Statements for Lami Town Council for the year ended 31 December 2012 together with my audit report on them are enclosed.

Particulars of errors and omissions arising from the audit have been forwarded to the management of the Council for its action.

Yours sincerely

Tevita Bolanavanua
Auditor General

Encl.

**LAMI TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

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REPUBLIC OF FIJI

OFFICE OF THE AUDITOR GENERAL



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LAMI TOWN COUNCIL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

INDEPENDENT AUDIT REPORT

Scope

I have audited the financial statements of the Lami Town Council for the year ended 31 December 2012 in accordance with the provisions of the Local Government Act and Section 13 of the Audit Act. The financial statements consist of the Statement of Financial Position, Statement of Revenue and Expenditure, Statement of Cash Flows and accompanying notes. The Lami Town Council is responsible for the preparation and presentation of the financial statements and the information contained therein.

My audit was conducted in accordance with Fiji Standards on Auditing to provide reasonable assurance as to whether the financial statements are free of material misstatements. My audit procedures included examination on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Fiji Accounting Standards and statutory provisions so as to present a view which is consistent with my understanding of the Council's financial position, the results of its operations and cash flows.

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


Qualifications

1. The Council has not provided a provision for doubtful debts for its Rates Debtors totaling \$1,164,944 as at 31 December 2012. If a charge of doubtful debt was recorded, it would result in an increase in net deficit in the Statement of Revenue and Expenditure and a decrease in Net Assets in the Statement of Financial Position of the General Fund.
2. The Council has not transferred the roads, drains and footpaths valued at \$13,574,748 to Fiji Roads Authority as at 31 December 2012 in accordance with Fiji Road Authority (Amendment Decree) 2012 dated 14 May 2012. Consequently, Council's Property, Plant and Equipment are not fairly stated in the financial statements.
3. The Council's Property, Plant and Equipment were last revalued in 2001. However, the Council failed to revalue its Property, Plant and Equipment thereafter as required by Fiji Accounting Standard 16.

Qualified Audit Opinion

In my opinion, except for the matters referred to in the qualification paragraphs, the financial statements present fairly in accordance with Fiji Accounting Standards and the statutory provisions, the financial position of the Council as at 31 December 2012 and the results of its operations and cash flows for the year then ended.

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


Tevita Bolanavanua
AUDITOR GENERAL



Suva, Fiji
23 December 2013

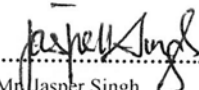
**LAMI TOWN COUNCIL
GENERAL FUND ACCOUNT
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012**

	Notes	31 December 2012 \$	31 December 2011 \$
<u>CURRENT ASSETS</u>			
Cash on Hand		100	100
Receivables	2(i)	1,310,290	1,350,298
VAT Receivable		6,208	1,443
Security Deposit		3,174	-
Sundry Advance		2,874	2,874
TOTAL CURRENT ASSETS		1,322,646	1,354,715
<u>NON CURRENT ASSETS</u>			
Property, Plant and Equipment	3	15,317,949	15,502,301
TOTAL NON CURRENT ASSETS		15,317,949	15,502,301
TOTAL ASSETS		16,640,595	16,857,016
<u>CURRENT LIABILITIES</u>			
Bank Overdraft	11 a (ii)	42,028	75,737
Creditors	4	199,633	142,650
Provision for Employee Entitlement		15,219	6,575
Sundry Deposits	5	51,589	45,591
Rates, Garbage, Stand Fee & Businesses Licenses received in advance	6	7,738	9,951
Loan funds less repayments (current year)	8	87,696	87,696
Total Current Liabilities		403,903	368,200
<u>NON CURRENT LIABILITIES</u>			
Loan funds less repayments	8	224,471	282,789
Deferred Income	9	68,530	79,074
Total Non Current Liabilities		293,001	361,863
TOTAL LIABILITIES		696,904	730,063
NET ASSETS		15,943,691	16,126,953
Represented By :			
<u>RESERVES AND EQUITY</u>			
Asset Revaluation Reserve		16,322,779	16,322,779
Accumulated Funds	10	(379,088)	(195,826)
		15,943,691	16,126,953

The Financial Statements are to read in conjunction with the accompanying notes on Pages 10 to 16.

Council's Statement

In our opinion, the financial statements have been drawn up so as to give a true and a fair view of the state of affairs, operations and cash flows of the Lami Town Council for the year ended 31 December, 2012.


Mr. Jasper Singh
Special Administrator
Date: 23/12/13


Ms. Elisheva Efrayim
Acting Chief Executive Officer
Date: 23/12/13

**LAMI TOWN COUNCIL
GENERAL FUND ACCOUNT
STATEMENT OF REVENUE & EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2012**

	Notes	31 December 2012 S	31 December 2011 S
<u>REVENUE DERIVED FROM :</u>			
General Rates		355,166	364,078
Collection of Arrears of Rates		120,646	-
Rates in Arrears		127,415	170,128
Interest on Overdue rates		40,993	47,795
License and Permit Fees		69,111	60,569
Market Fees		19,739	27,173
Hire& Rental of Council Properties		87,774	80,907
Contractual Receipts	1 d)	43,021	38,665
Miscellaneous		32,564	28,660
Garbage Fees	1 e)	138,575	156,456
Stand Fees		34,130	26,367
Photocopy		17	-
Advertising		9,132	13,267
Challenge Fund Kalekan Sanitary		69,911	-
Court Fee/Recovery Cost		28,124	-
Amortisation of Deferred Income	9	10,544	10,544
TOTAL REVENUE		1,186,862	1,024,609
<u>EXPENDITURE INCURRED ON :</u>			
<u>Recurrent Expenditure</u>			
Depreciation	12	233,939	252,893
Council Expenses		15,336	7,467
General Administration		393,680	443,011
Parks,Gardens and Recreation areas		23,626	15,342
Health Services		167,195	146,372
Enforcement Services		98,851	70,583
Public Works and Services		453,563	243,468
Bad Debts		115,156	76,005
Discount on Rates	2 (ii)	28,382	22,248
Total Expenditure		1,529,728	1,277,389
Net Deficit for the year		(342,866)	(252,780)
Add Deficit Balance as at 1 January		(1,765,787)	(1,513,007)
Leaving a Deficit Balance at 31 December		(2,108,653)	(1,765,787)

LAMI TOWN COUNCIL
SPECIAL LOAN SERVICE FUND ACCOUNT
STATEMENT OF REVENUE & EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	31 December 2012 \$	31 December 2011 \$
Revenue Derived From:			
Special Loan Rates		188,332	195,952
Total Revenue		<u>188,332</u>	<u>195,952</u>
Expenditure Incurred On:			
Interest On Loan		28,728	33,340
Total Expenditure		<u>28,728</u>	<u>33,340</u>
Net Surplus for the year		159,604	162,612
<i>Add: Surplus Balance as at 1 January</i>		1,569,961	1,407,349
Surplus balance at 31 December of		<u>1,729,565</u>	<u>1,569,961</u>

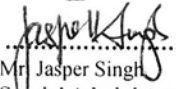
**LAMI TOWN COUNCIL
PARKING METER FUND ACCOUNT
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012**

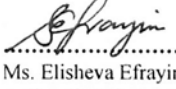
	Notes	31 December 2012 \$	31 December 2011 \$
<u>CURRENT ASSETS</u>			
Cash at Bank		-	-
<u>NON CURRENT ASSETS</u>			
Property, Plant and Equipment	3(ii)	36,808	38,599
TOTAL ASSETS		36,808	38,599
<u>CURRENT LIABILITIES</u>			
Bank Overdraft		29,767	24,498
Creditors		-	2,833
VAT Payable		-	2,557
Provision for Employee Entitlement		1,731	-
Total Current Liabilities		31,498	29,888
<u>NON CURRENT LIABILITIES</u>			
Deferred Income	1 (f)	-	7,408
Total Non Current Liabilities		-	7,408
TOTAL LIABILITIES		31,498	37,296
NET ASSETS		5,310	1,303
Accumulated Funds		5,310	1,303

The Financial Statements are to be read in conjunction with the accompanying notes on Pages 10 to 16.

Council's Statement

In our opinion, the financial statements have been drawn up so as to give a true and a fair view of the state of affairs, operations and cash flows of the Lami Town Council for the year ended 31 December, 2012.


.....
Mr. Jasper Singh
Special Administrator
Date: 23/12/2013


.....
Ms. Elisheva Efrayim
Acting Chief Executive Officer
Date: 23/12/2013

LAMI TOWN COUNCIL
PARKING METER FUND ACCOUNT
STATEMENT OF REVENUE & EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	31 December 2012 \$	31 December 2011 \$
Revenue Derived From:			
Parking Meter Tolls		741	11,172
Infringement Fines		7,259	2,250
Amortisation of Deferred Income	1 (f)	7,408	7,407
Total Revenue		15,408	20,829
Expenditure Incurred On:			
Recurrent Expenditure			
Depreciation	12	3,522	3,488
Parking Meter Expense		7,879	16,676
Total Expenditure		11,401	20,164
Net Surplus for the year		4,007	665
Add Surplus Balance as at 1 January		1,303	638
Leaving a Surplus Balance at 31 December		5,310	1,303

LAMI TOWN COUNCIL
STATEMENT OF CASH FLOWS - GENERAL FUND
FOR THE YEAR ENDED 31 DECEMBER 2012

		31 December	31 December
	Note	2012 \$	2011 \$
Cash Flows from Operating Activities			
Receipts from customers		1,261,120	1,158,492
Payments to suppliers and employees		(1,090,778)	(1,042,197)
Interest on loan		(28,728)	-
Rates received in advance		-	2,559
Net Vat paid		-	(5,595)
Net cash provided by Operating Activities	11(a)(i)	141,614	113,259
Cash flows from Investing Activities			
Acquisition of property, plant & equipment		(49,587)	(30,915)
Net cash used in Investing Activities		(49,587)	(30,915)
Cash flows from Financing Activities			
Payment of lease finance liabilities		-	(3,057)
Repayment of borrowings		(58,318)	(64,117)
Net cash provided by Financing Activities		(58,318)	(67,174)
Net Decrease in Cash & Cash Equivalents		33,709	15,170
Cash and Cash Equivalent at the Beginning of the Year		(75,637)	(90,807)
Cash and Cash Equivalent at the End of the Year	11(a)(ii)	(41,928)	(75,637)

LAMI TOWN COUNCIL
STATEMENT OF CASH FLOWS - PARKING METER FUND ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	31 December 2012 \$	31 December 2011 \$
Cash Flows from Operating Activities			
Receipts from customers		8,000	20,829
Payments to suppliers and employees		(11,538)	(33,851)
Net Vat paid		-	645
Net cash provided by Operating Activities	11(b)(i)	(3,538)	(12,377)
Cash flows from Investing Activities			
Acquisition of property, plant & equipment		(1,731)	-
Net cash used in Investing Activities		(1,731)	-
Cash flows from Financing Activities			
Repayment of borrowings		0	(7,407)
Net cash provided by Financing Activities		0	(7,407)
Net Decrease in Cash & Cash Equivalents		(5,269)	(19,784)
Cash and Cash Equivalent at the Beginning of the Year		(24,498)	(4,714)
Cash and Cash Equivalent at the End of the Year	11(b)(ii)	(29,767)	(24,498)

LAMI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

Note 1 Summary of Significant Accounting Policies

Set out hereunder are the significant accounting policies adopted by the Council in the preparation of the accounts for the year ended 31 December 2012. Unless otherwise stated, similar policies were adopted in the previous year. All amounts are stated in Fijian currency.

a) **Basis of Accounting**

The financial statements of Lami Town Council have been prepared in accordance with the Fiji Accounting Standards and the Local Government Act. The accounts have been prepared using the accrual basis of accounting.

b) **Fixed Assets and Depreciation**

Acquisition

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

Depreciation

Depreciation has been provided using straight line method to write off the assets over their useful lives. The principal rates adopted are:

Office Equipment	10-15% per annum
Furniture & Fittings	10% per annum
Plant and Machinery	8% per annum
Motor Vehicle	8% per annum
Buildings, Roads & Bridges	1.25% per annum

c) **Revenue**

Revenue is recognized in the Statement of Revenue and Expenditure when charged to the ratepayers by the Council. The major sources of revenues are collections from income from the Council properties. General rates, Loan rates, and rental.

d) **Contractual Receipts**

The amount represents recoveries from Public Works Department for expenditure contractually incurred by the Council on the maintenance of Marine Drive and Nasevou Street.

e) **Garbage Fees**

The Council levied Garbage Fees of \$80 per annum with effect from 1 August 2008.

f) **Parking Meter Deferred Income**

In January 2010, the Council received \$22,222 (VEP) from Rajendra Prasad Ltd t/a Shop and Save Supermarket as parking meter tolls for a car park for 3 consecutive years.

	2012 \$	2011 \$
Balance at beginning	7,408	14,815
Less: Toll earned during the year	(7,408)	(7,407)
Balance at year end	<u>-</u>	<u>7,408</u>

g) **Income Tax**

The Council is exempted from income tax in accordance with the provisions of section 17(4) of the Income Tax Act (Cap 201).

LAMI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

Note 2	31 December 2012 \$	31 December 2011 \$
(i) Debtors		
Rates Debtors	1,164,944	1,201,684
Garbage Fee Debtors	88,391	105,096
Other Debtors	56,955	43,518
	<u>1,310,290</u>	<u>1,350,298</u>
(ii) Discount on Rates		
In accordance with Council resolution of December, 2011 discount of 7% was allowed on current rates paid in full up to 28 February, 2012. Discount allowed during the year were as follows:		
General Fund	28,382	22,248
Total	<u>28,382</u>	<u>22,248</u>
Note 3 Property, Plant & Equipment - General Fund		
Land	962,931	962,931
Less: provision for depreciation	-	-
	<u>962,931</u>	<u>962,931</u>
Office Equipment	69,426	61,855
Less: provision for depreciation	(50,909)	(45,967)
	<u>18,517</u>	<u>15,888</u>
Furniture & Fittings	10,272	10,024
Less: provision for Depreciation	(8,917)	(7,890)
	<u>1,355</u>	<u>2,134</u>
Motor Vehicles	408,480	408,480
Less: provision for depreciation	(350,539)	(330,493)
	<u>57,941</u>	<u>77,987</u>
Building & Properties	608,867	572,093
Less: provision for depreciation	(73,530)	(65,919)
	<u>535,337</u>	<u>506,174</u>
Roads & Streetlights	15,778,477	15,775,046
Less: provision for depreciation	(2,041,070)	(1,843,839)
	<u>13,737,407</u>	<u>13,931,207</u>
Plant & Equipment	128,160	126,597
Less: provision for depreciation	(123,699)	(120,617)
	<u>4,461</u>	<u>5,980</u>
Less Adjustment		
Net Written Down Value	<u>15,317,949</u>	<u>15,502,301</u>

LAMI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

	31 December 2012 \$	31 December 2011 \$
<u>Property, Plant & Equipment - Parking Meter Fund</u>		
Plant & Equipment	44,677	42,946
Less: provision for depreciation	(7,869)	(4,295)
	<u>36,808</u>	<u>38,651</u>
Net Written Down Value	<u>36,808</u>	<u>38,651</u>
(i) <u>Movement in Carrying Amounts</u>		
Movement in carrying amounts for each class of property, plant and equipment are as follows:		
<u>Office Equipment</u>		
Carrying amount at beginning	15,888	21,573
Additions	7,571	501
Depreciation Expense	(4,942)	(6,186)
Balance as at 31 December	<u>18,517</u>	<u>15,888</u>
<u>Furniture & Fittings</u>		
Carrying amount at beginning	2,134	2,365
Additions	248	183
Depreciation Expense	(1,027)	(414)
Balance as at 31 December	<u>1,355</u>	<u>2,134</u>
<u>Motor Vehicles</u>		
Carrying amount at beginning	77,987	110,665
Additions	-	-
Depreciation Expense	(20,046)	(32,678)
Balance as at 31 December	<u>57,941</u>	<u>77,987</u>
<u>Buildings & Properties</u>		
Carrying amount at beginning	506,174	501,810
Additions	36,774	11,515
Depreciation Expense	(7,611)	(7,151)
Balance as at 31 December	<u>535,337</u>	<u>506,174</u>
<u>Roads & Streetlights</u>		
Carrying amount at beginning	13,931,207	14,111,552
Additions	3,431	15,991
Depreciation Expense	(197,231)	(196,336)
Balance as at 31 December	<u>13,737,407</u>	<u>13,931,207</u>
<u>Plant & Equipment</u>		
Carrying amount at beginning	5,980	13,383
Additions	1,563	2,725
Depreciation Expense	(3,082)	(10,128)
Balance as at 31 December	<u>4,461</u>	<u>5,980</u>

LAMI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2012

	31 December 2012 \$	31 December 2011 \$
<u>Land</u>		
Carrying amount at beginning	962,931	962,931
Net Written Down Value	15,317,949	15,502,301
(ii) <u>Parking Meter Fund</u>		
<u>Plant & Equipment</u>		
Carrying amount at beginning	38,599	42,087
Additions	1,731	-
Adjustment	-	(52)
Depreciation Expense	(3,522)	(3,436)
Balance as at 31 December	36,808	38,599
Net Written Down Value	36,808	38,599
Note 4 <u>Sundry Creditors</u>		
General Fund	199,633	142,650
Parking Meter	-	2,833
	199,633	145,483
The Sundry creditors represents the portion of the unpaid supplier invoices at balance date.		
Note 5 Sundry Deposit	51,589	45,591
Note 6 <u>Rates, Business Licence, and Taxi Base fees received in advance</u>		
Rates Received in Advance	6,184	7,360
Garbage Rates in Advance	1,321	914
Business Licence Prepayments	30	436
Taxi Base Fees Received in Advance	203	1,241
	7,738	9,951
Note 7 <u>Finance Lease Repayments</u>		
Amount shown below represents balance of repayments due to purchase of motor vehicles under finance lease in 2006 at a repayment term of five years.		
Opening Balance	-	3,057
Add: PDI Charges	-	-
Less: Repayments	-	(3,057)
	-	-

LAMI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2012

Note 8 Loan Funds Less Repayments

Loans raised by the Council bear interest ranging from 8.5% to 11.75% per annum and are repayable over a period of 10 years. All loans are raised under the provisions of the Local Government Act, and are secured by:

- Registered Pari Passu Debenture for \$385 over all its assets and undertakings without any preference of priority of existing debenture over another.
- Registered first mortgage No. 510554 by Lami Town Council.
- Registered first mortgage No. 510552 by Lami Town Council.
- Registered Pari Passu Debenture for \$450 over all its assets and undertakings without any preference of priority of existing debenture over another.

	31 December 2012 \$	31 December 2011 \$
Balance as at 1 January	370,485	424,058
Add: Bank Fee	650	783
Less: Loans Repaid	(58,968)	(54,356)
Balance as at 31 December	312,167	370,485
Analysed as:		
Current	87,696	87,696
Non Current	224,471	282,789
	312,167	370,485

Note 9 New Garbage Compactor Truck

The amount represents a garbage truck donated by Japanese Embassy in February 2007, which is treated in accordance to FAS 20 as follows:

Carrying Amount at beginning	79,074	89,618
Less: Depreciation Charge	(10,544)	(10,544)
Written Down Value at 31 December	68,530	79,074

Note 10 Accumulated Funds

General Fund	(2,108,653)	(1,765,787)
Loan Service	1,729,565	1,569,961
Balance as at 31 December	(379,088)	(195,826)

Note 11 Notes to the Statement of Cash Flows

(a) General Fund

(i) Reconciliation of Net Cash Provided by

Operating Activities of Net Surplus

Net (deficit)/surplus for the year	(183,262)	(91,608)
Depreciation	233,939	254,333
Net cash provided by operating activities before changes in Assets and Liabilities	50,677	162,725
Change in assets and liabilities:		
Increase in Provision for employee entitlement	8,644	-
Increase in receivables	40,008	(32,320)
Decrease in creditors and borrowings	56,983	(25,784)
(Increase)/Decrease in sundry deposits	5,998	5,218
Increase/(Decrease) in Value Added Tax	(4,765)	861
Increase in rates received in advance	(2,213)	2,559
(Increase)/decrease in deposits and prepayments	(3,174)	-
Increase/(decrease) in deferred income	(10,544)	-
Net cash Inflows from Operating Activities	141,614	113,259

LAMI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2012

(ii) Cash & Cash Equivalents

For the purpose of the statement of cash flows, cash comprises of cash on hand and at bank. Cash as at the the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	31 December 2012 \$	31 December 2011 \$
Cash on Hand	100	100
Cash at Bank	-	-
Bank Overdraft - ANZ	(3,954)	(29,953)
Bank Overdraft - WBC	(38,074)	(45,784)
	<u>(41,928)</u>	<u>(75,637)</u>

(b) Parking Meter Fund Account

(i) Reconciliation of Net Cash Provided by Operating Activities of Net Surplus

Net (deficit)/surplus for the year	4,007	717
Depreciation	3,522	3,436
Provision for employee entitlement	1,731	-
Net cash provided by operating activities before changes in Assets and Liabilities		
Increase/(decrease) in creditors and accruals	(10,241)	(18,640)
(Increase)/decrease in vat receivable	(2,557)	2,463
Increase/(decrease) in rates received in advance	-	(353)
Net cash Inflows from Operating Activities	<u>(3,538)</u>	<u>(12,377)</u>

Cash & Cash Equivalents

(ii) For the purpose of the statement of cash flows, cash comprises of cash on hand and at bank. Cash as at the the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash on Hand	-	-
Cash at Bank	-	-
Bank Overdraft	(29,767)	(24,498)
	<u>(29,767)</u>	<u>(24,498)</u>

Note 12 Fundamental Error

Due to incorrect calculation property plant and equipment were over depreciated in 2011. As a result the following amounts were restated in 2011.

	Furniture & Fittings \$	Roads & Streetlights \$
Provision for Depreciation	8,478	1,844,691
To correct over Depreciation in 2011	(588)	(852)
Provision for Depreciation Restated	<u>7,890</u>	<u>1,843,839</u>
Depreciation expense	1,002	197,188
To correct over Depreciation in 2011	(588)	(852)
Depreciation expense Restated	<u>414</u>	<u>196,336</u>

LAMI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2012

Note 13 Principal Activities

The Lami Town Council was established under the Local Government Act (Cap 125 Rev 2007) and Section 5 of the Subsidiary Legislation. The Council was established after being declared a town in 1977. Currently it has a total of over 1,217 ratepayers and rateable properties in the town.

The Council installed 3 parking meters in the town centre in October 2010.

Furthermore the Council is responsible for the provision and maintenance of a wide range of services for the benefit of

Apart from these services and others as required by the Local Government Act, the Council also provides other services

Note 14 Subsequent Events

Fiji Roads Authority (amendment decree) 2012 dated 14 May 2012 paragraph 7 (b) states that effective from 14 May 2012 all assets, interests, rights, privileges, liabilities and obligations of municipal councils in relation to municipal roads shall immediately be transferred to and shall vest in the Authority without conveyance, assignment or transfer.

Note 15 Council Details

Registered Office and Principle Place of Operation

(i) The registered office and principal place of operation of the Council is located at:

59 Marine Drive
GPO Box 3160
Lami

Staff Establishment

(ii) During the year 2011, total of 41 employees were employed by the Council.