



Service is our Priority

NASINU TOWN COUNCIL

Annual Report for the Year 2009



PARLIAMENT OF FIJI
PARLIAMENTARY PAPER NO. 89 OF 2020



Service is our Priority

NASINU TOWN COUNCIL

Annual Report for the Year 2009





Nasinu Town Council

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All correspondence to be addressed to the special administrator

4th March 2021

The Honourable Minister
Minister for Local Government,
Housing & Community Development
Gladstone Road
SUVA

Dear Madam

RE: NASINU TOWN COUNCIL ANNUAL REPORT 2009

I have much pleasure in submitting the Nasinu Town Council Annual Report for 2009.

The report provides the activities of the Council through the year.

The Annual Report 2005 has been prepared in accordance with the provision of Section 19(1) (a), (b) and (c) of the Local Government Act Cap 125.

Yours faithfully

Ms. Anurashika Bari
CHIEF EXECUTIVE OFFICER

VISION

To be the best Municipality in Fiji that builds pride in our heritage and secures a better future for all stakeholders.

CORPORATE MISSION STATEMENT

Work in Partnership with all stakeholders in providing quality services in a sustainable manner to develop and maintain civic pride to deliver a vibrant Nasinu municipality

VALUES

- Excellence
- Customer Oriented
- Accountability
- Honesty
- Teamwork
- Innovation
- Transparency

CORPORATE OBJECTIVES

- Community Well Being
- Planning and Development
- Environment and Health
- Organizational Performance and Capacity Building
- Prudent Financial Management
- Governance

Nasinu was formally incorporated a Town in 2000, by the then Ministry for National Planning, Local Government, Housing and Environment under Section 5 of the Local Government Act. It is located at latitude 18.08°S and 178.50°E longitude, south of equator and west of dateline. It has the largest municipal area in Fiji with its land area of 78.3 km², which is twice the size of Suva, and is nestled along the Suva – Nausori corridor stretching from the Samabula (4 miles) Bridge, at the junction of Wainivula Road, and Nokonoko (Bailey) Bridge to 9 miles Wainibuku Bridge and along Khalsa Road to the junction of Kanace Road.

Initially the boundary included areas beyond the Wainibuku Bridge right up to Nakasi, however these areas were later placed under the Nausori Town Council. The current population of Nasinu is estimated to be around 120,000 with a population growth rate of about 2% per annum. It is also home to approximately 13,000 squatter residents in 20 different squatter settlements and the number is still growing.

The town boundary is divided in seven wards with total rateable properties of around 11,819 official ratepayers. The number of ratepayers is expected to increase following the upgrading of two squatter settlements at Vatoa and Omkar, both in the greater Narere area, to fully developed housing estates, and the issuance of titles to lot owners.

In 2009, the Council was also able to achieve the following:

- Formulation of 2019 – 2014 Strategic Plan
- Formulation of HR policy Manual
- Change of Official in Council Logo

The Council had a lot of changes with the Senior Administration of the Council as the Special Administrator, Mr. Meli Bogileka, Chief Executive Officer, Mr. Satish Kumar, Manager Finance, Mr. Ritesh Chandra all terminated for various reasons throughout the year.

Mr. Mosese Kama came in October 2009 as Actg. Chief Executive Officer to look after the overall operation of the Council.

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

A handwritten signature in black ink, appearing to be 'Shelvin Narayan', written over a faint circular stamp.

Shelvin Narayan
Actg. Chief Executive Officer

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1.0 THE COUNCIL

Nasinu Town is divided in seven wards with total rateable properties of around 11,819 official ratepayers. The number of ratepayers is expected to increase following the upgrading of two squatter settlements at Vatoa and Omkar, both in the greater Narere area, to fully developed housing estates, and the issuance of titles to lot owners.

The Council provided services to the Seven wards namely: -

Ward 1	–	Makoi, Tuirara & Tovata
Ward 2	-	Valelevu, Naveiwakau, Kalabu & Newtown
Ward 3	-	Caubati
Ward 4	-	Narere, Navosai & Muanikoso
Ward 5	-	Laucala Beach Estate & Kinoya
Ward 6	-	Nadera
Ward 7	-	Nadawa, Nepani, Caqiri & Nasole

The Council was providing the following services: -

- Garbage Collection
- Building/Subdivision/Rezoning Applications
- Health Services (Inspection etc)
- Upkeep of Roadside drains and Grass
- Repair & Maintenance of Streetlights
- Markets & Licensing

Nasinu is mainly residential heavy township with very little commercial and industrial outlets. In addition, the Town is also home to over 2000 houses in 20 informal settlements who the council also includes in basis hygiene services without a cost.

2.0 MANAGEMENT & MEETING

Management Board Members:

Ratu Meli Bogileka	-	Special Administrator
Mr. Satish Kumar	-	Chief Executive Officer
Mr. Ravin Prasad	-	Manager Engineering
Mr. Ritesh Chandra	-	Manager Finance
Mr. Amenatave Malani	-	Assistant Manager Human Resources
Ms. Talei Ligairi	-	Legal Officer
Mr. Ilaitia Koroï	-	Enforcement Officer
Mrs. Reshmi Karan	-	Team Leader Health
Mr. Jainend Kumar	-	Building Surveyor
Ms. Seini Bulicakau	-	Senior Rates Officer
Ms. Mehzabeen Ali	-	Business Licensing Officer
Mr. Shalendra Prasad	-	IT Officer/Librarian
Mr. Rohit Narayan	-	Works Overseer
Ms. Rashmi Chandrani	-	Executive Secretary

The Council started the year with the above mentioned board with all departments represented. The Council had 4 major departments in namely:

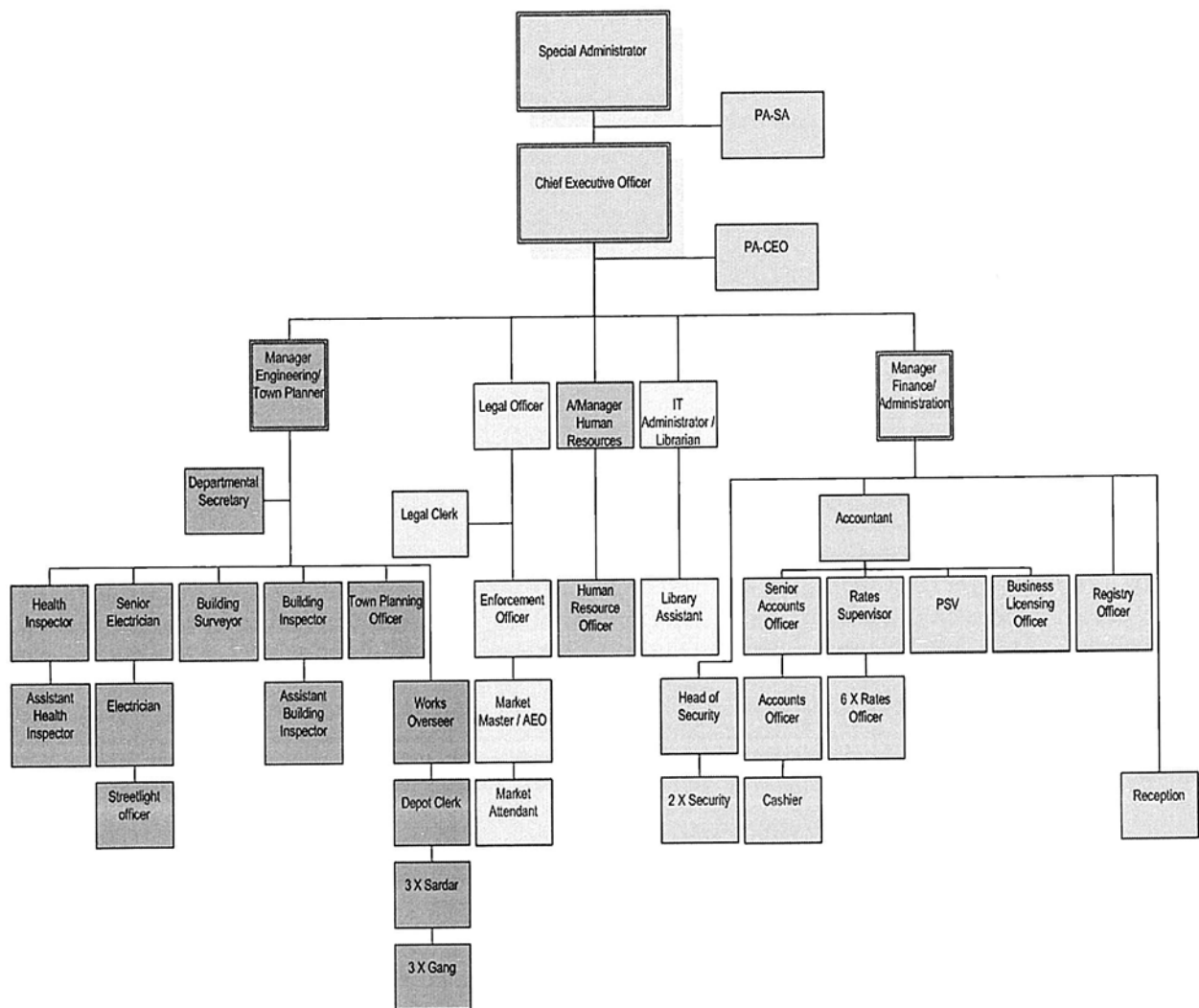
- Administration
- Engineering & Health
- Legal
- Finance

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

Department Meetings	-	14
Ordinary Council Meetings	-	6
Subcommittee Meeting	-	5each

3.0 ADMINISTRATION

2009 ORGANIZATION STRUCTURE



Strategic Plan

The Council completed its 5-year Strategic plan with assistance and input of all stakeholders. The plan was designed to ensure the Council achieved its targets from 2009 till 2014. The Council also changed its Official Logo with Consultation with ratepayers and stakeholders in November 2009. In addition to the Logo, the Council service was also launched which being "Service is our Priority". The new logo was unveiled by the Honourable Minister for Local Government on 11th November 2009 at the Council Chambers.

Human Resource

Human resource Section was setup within the Council with the aim of ensuring the Council was in line with the various Labour laws and regulations. The section was tasked with the Formulation of the Council HR Manual to deal with day to day operations of the Council.

The Number of staff, recruitment and Departures are as follows:

Staffing	Numbers
Office Staff	32
Depot Staff	58
New Staff Intake	19
Terminations	8
Resignations	4
Deaths	0

Most of the Terminations involved members of the Management who were terminated because of various reasons throughout the year. The Council also setup various new sections like Human resource, Electrical, Legal & Information Technology thus the number of intakes was high as well.

Sports and Social

Sports and Social Club was active and was tasked at organized Annual Council Party as well get together to ensure staff maintained a "work life balance" within their life's.

IT Services

The Council IT section was also setup with the Council purchasing its own server system to host its own email and storage of all Council data. With the purchase of a server all staff were allocated with specific email address for easier communication.

Library Report

The Library has been providing services to people of Nasinu. Also users along Suva – Nausori Corridor are daily users of the Library.

The Library also housed basic computers which students could use for typing of projects and other important documents.

One (1) Staff is in-charge of the Library who is appointed by the Council.

The operating hours are:

- Monday - Thursday - 8.00 am – 4.30 pm
- Friday - 8.00 am – 4.00 pm

The Library Books and other Educational Material were donated by the Council and the General Public. The Total number of Members in the Library as at 31st December was 197.

4.0 SERVICES

4.1 Health

THE Council Health Inspectors worked in accordance with the Public Health Act to provide services to the ratepayers. These included:

- Attendance of Sanitary Complains
- Inspections for Business Licenses
- Organization of Cleanup Campaigns
- Vector Surveillance
- Food Safety Inspections

Attendance of Sanitary Complains

The Council received a total 258 Sanitary related complaints of which all were attended to by the Council Officers.

Number of Complains Received - 258

Number of Complaints Attended - 258

Number of Complaints resolved - 210

Some complaints were resolved in the following years as matters were before the Courts or need attention of other stakeholders to obtain solutions. The total of 401 notices were issued by Health Inspectors for the year with majority being complied to.

Inspections for Business Licenses

All business was inspected by the Health Inspectors before licenses is recommended for the year. A total of 878 businesses were inspected for the year of which 862 business were recommended for Licenses while the remainder were refuse due to non-compliance with the respective laws.

Organization of Cleanup Campaigns

The Council carried out 2 major cleanups of the Nasinu Area. The cleanups were targeted at removing bulky wastes to eradicate the Mosquito breeding places. The details of the cleanups are as follows:

Cleanups	Dates	Tonnes of Refuse
1st Cleanup	2nd March 2009 – 27th March 2009	241 tonnes
2nd Cleanup	5th October 2009 – 30th October 2009	309 tonnes

The Cleanup included the collection of green wastes and Bulky wastes inclusive of white goods. the Council also obtained assistance from a few youth groups from Narere and Makoi Areas in the cleaning of the refuse.

Vector Surveillance

The Council worked in partnership with the Ministry of Health in carrying out quarterly larval surveys. A total of 100 houses were inspected in each quarter from different areas to determine the likelihood of a Mosquito borne outbreak. Two cases of dengue fever were reported with the Nasinu area for 2009.

In addition, the Council also carried out Mass Mosquito Adulticiding program with the assistance of the Ministry of Health. All areas inclusive of informal settlements were sprayed with during this program.

Food Safety Inspections

Food Premises were inspected for Business Licensing, Liquor Licensing and Basic inspection of Sanitary compliance. The Number of premises inspected are as follows:

Type of Premises	Number of Inspections
Restaurant	58
Takeaways	26
Retail Shops	117
Food Manufacturers	21
Hawkers	181
Supermarkets	19
Butchers & Fish Shops	11

Most food premises had defects noted in their initial inspections thus re – inspections were conducted until satisfactory compliance was noted.

4.2 Building

The Council Building section received and processed applications before it was sent to Department of Town & Country Planning for approval. this included applications for buildings, re-zoning, subdivisions and conditional approvals. The Total number of Building applications received are as follows:

Application in respect of Developments:- 2009	<u>No.</u>	<u>Approved</u>
New Dwelling	66	45
Renovation/ extension	70	40
Other works fencing, etc.	78	45
No. of Industrial	3	3
Civic development	-	
No. of Commercial	17	13
Re-zoning	11	8
TOTAL	242	154

All applications were processed and sent to DTCP for approval. A total of 242 building applications was received by the Nasinu Town Council with the value of **\$12,138,102.00** The Council received a total of **\$9,135.12** as building fees from the applications.

The Council building inspectors carry out the systematic inspections on all structures approved by council at different stages during the construction of the building and then finally on completion of the building.

The total number of completed building for the year are as follows:

<u>5.Completion Certificates Issued</u>	<u>No.</u>
Residential	25
Commercial	1
Industrial	2
Civic	2
TOTAL	30

There were 11 Rezoning application received for the year 2009 and all applications were sent to Department of Town & Country Planning for approval of which 8 were approved.

2 Subdivision applications were received for the year 2009 whereby comments were provided by the Council and submitted to Town Planning for approval.

4.3 Works Report

The works Section of the Council provided the following services to the residents of Nasinu:

- Collection of Kitchen waste
- Cleaning of Roadside drains
- Overgrowth Control in public places
- Upkeep of grounds
- Maintenance of Markets
- Street light repairs

Collection of Kitchen waste

The Collection of Kitchen waste in Nasinu was done by an assigned contractor. The contractor was tasked to pick up kitchen refuse twice a week from all areas within Nasinu. In addition, the Contractor also provided Skipbins to all market sites for the collection of refuse.

Cleaning of Roadside drains

Cleaning of all drains in Nasinu was done by Council. Council had formed operations Teams who were to ensure that all drains in each ward was cleared at least once every month. The same group was tasked with the management of overgrowth on Roadsides and public places.

Upkeep of grounds

All grounds and open spaces were maintained by Council at least once every month to ensure residents have adequate areas for recreation. The Council also created a Children's Park in the Makoi area for recreational use of children. In addition, soccer and rugby posts were placed at the Yasiyasi grounds to allow for residents to utilize for the 2 sports.

Maintenance of Markets

Nasinu has two major markets in Valelevu and Makoi and maintenance of the markets was carried out as and when required. Also the markets were thoroughly washed each quarter with the assistance of the National Fire Authority.

Street light repairs

The Electrical Unit of the Council was formed and all streetlight maintenance was taken over from Contractors. The Council purchased a new Cherry picker truck to assist the electricians in the repairs of Streetlight.

5.0 Finance

The Finance department managed the income and expenditure of the Council. The Council received revenue from:

- Town Rates & Garbage Fees
- Business License
- Taxi Base Fees
- Market fees
- Income from property usage like grounds

5.1 Town Rates & Garbage Fees

RATES COLLECTED			
Month	Amount	Month	Amount
January	\$ 516,806.18	July	\$ 120,182.52
February	\$ 256,032.00	August	\$ 140,282.37
March	\$ 135,886.88	September	\$ 153,314.96
April	\$ 144,688.37	October	\$ 113,083.95
May	\$ 139,402.66	November	\$ 157,990.06
June	\$ 116,044.86	December	\$ 230,609.50

The Council collected a total of \$2,224,324.31 in Town rates and Garbage fees for the year. Council had provided a discount on the payment of rates in January & February while an Interest waiver was provided in December. The total Outstanding Rates and Garbage Fees as at 31st December 2009 was \$7,417,262.13

5.2 Business License

A total of 1237 Licenses were issued to business for operations in year 2009. The Total income from Business license was \$186,365.00.

5.3 Taxi

The Council had 76 approved taxi bases which accommodated for 642 Taxis for the whole of Nasinu area. the total income received Taxi base fees and approvals was \$294,529.00.

5.4 Audited Finance

The Audit financial of the Council Total income and Expenditure is attached.

5.6 Market Report

The Council collected market fees from vendors in Valelevu & Makoi markets. In addition to, minimal fees were accepted from roadside markets at Centrepoint and Laqere to cater for garbage collection. the Number of vendors in Valelevu & Makoi markets are 168. The Total fees collected from markets for the year is \$82,254.83

6.0 Major Events & Achievements

The Council changed its Official Logo with Consultation with ratepayers and stakeholders in November 2009. In addition to the Logo, the Council service was also launched which being "Service is our Priority". The new logo was unveiled by the Honourable Minister for Local Government on 11th November 2009 at the Council Chambers.

7.0 Acknowledgement

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

The Council also wishes to acknowledge the dedicated services rendered by its Management and Staff.

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

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

8.0 Appendix

Attached.

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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Suva, Fiji

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E-mail: info@auditorgeneral.gov.fj
Website: <http://www.oag.gov.fj>



File: 970/1

2nd June 2017

The Special Administrator
Nasinu Town Council
P O Box 6049
Valelevu
NASINU

Dear Sir



AUDITED FINANCIAL STATEMENTS
NASINU TOWN COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2009.

Audited financial statements for Nasinu Town Council for the year ended 31 December 2009 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.



NASINU TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

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**NASINU TOWN COUNCIL
MANAGEMENTS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009**



In accordance with a resolution of management, the management herewith submit the statement of financial position of the Council as at 31 December 2009, the related statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year then ended on that date and report as follows:

Managements'

The names of the managements' in office at the date of this report are:

Mr. Mosese Kama	-	Special Administrator
Mr. Lute Berends	-	Chief Executive Officer
Ms. Esita Nawani	-	Manager Finance
Mr. Alifereti Roko	-	Internal Auditor
Mr. Mosese Yavalavanua	-	Acting Manager Engineering
Mr. Shelvin Narayan	-	Senior Health Inspector
Mrs. Filimaina Waqa	-	Manager Human Resources

Principal Activities

The principal activities of the Council during the year was established under the Local Government Act(Cap 125) to provide for the health, welfare and convenience of the inhabitants of Nasinu Town Council and to preserve the amenities or credit thereof.

There were no significant changes in the nature of these activities during the financial year.

Results

The net surplus for the financial year was \$1,584,477 (2008 \$1,810,481).

Reserves

It is proposed that no amounts be transferred to general reserves from accumulated funds, except for the movement in statement of changes in accumulated funds.

Bad and Doubtful Debts

Prior to the completion of the Council's financial statements, the managements took reasonable steps to ascertain that action had been taken in relation to writing off of bad debts. In the opinion of the managements, the provision for doubtful debts is adequate.

As at the date of this report, the managements 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, the management took reasonable steps to ascertain whether any non-current assets were unlikely to be realized in the ordinary course of business and 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 be realized.

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

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**NASINU TOWN COUNCIL
MANAGEMENTS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2009**

Unusual Transaction

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 unusual nature, nor has there arisen between the end of the financial year and the date of this report, any item, transaction or event of a material unusual nature, likely in the opinion of the management, to affect substantially the results of the operations of the Council in the current financial year.

Events Subsequent to Balance Date

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

Other Circumstances

As at the date of this report:

- (i) 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;
- (ii) no contingent liabilities have arisen since the end of the financial year for which the Council could become liable; and
- (iii) no contingent liabilities or other liabilities of the Council has become or is 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, the management is not aware of any circumstances, which would render the amount written off for bad debts or provision for doubtful debts in the Council, inadequate to any substantial extent.


Managements' Benefits

Since the end of the previous financial year, no management 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 the management as shown in the financial statements or received as the fixed salary of a full-time employee of the Council or of a related corporation) by reason of a contract made by the council or by a related corporation 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 managements and in accordance with a resolution of the management.

Dated this 25th day of May 2017.


.....
Mosese Kama
Special Administrator


.....
Lute Berends
Chief Executive Officer

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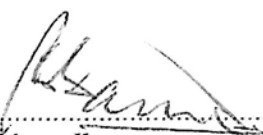
**NASINU TOWN COUNCIL
STATEMENT BY MANAGEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009**

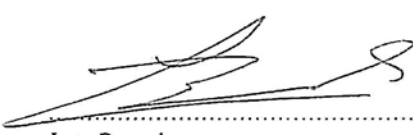
In accordance with a resolution of the management of the Nasinu Town Council, we state that in the opinion of the management:

- (i) 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 2009;
- (ii) 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 2009;
- (iii) the accompanying statement of changes in accumulated funds of the Council is drawn up so as to give a true and fair view of the changes in accumulated funds of the Council for the year ended 31 December 2009;
- (iv) the accompanying statement of cash flow of the Council is drawn up so as to give a true and fair view of the cash flows of the Council for the year ended 31 December 2009;
- (v) the financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SME's); and
- [vii] at the date of this statement there are reasonable grounds to believe that the council will be able to pay its debts as and when they fall due.

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

Dated this 25th day of May 2017.


.....
Mosese Kama
Special Administrator


.....
Lute Berends
Chief Executive Officer

OFFICE OF THE AUDITOR GENERAL

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



Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Nasinu Town Council, which comprise the statement of financial position as at 31 December 2009, the statement of changes in accumulated funds, statement of income and expenditure, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the matters discussed in the Basis of Qualified Opinion Paragraphs the financial statements presents fairly, in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the Local Government Act, in all material aspects, the financial position of Nasinu Town Council as at 31 December 2009, and its financial performance and its cash flows for the year then ended.


Basis for Qualified Audit Opinion

1. The Council have not carried out monthly VAT reconciliation for the financial year 2009. Consequently, I was unable to satisfy myself on the accuracy of VAT payable of \$320,064 recorded in the financial statements as at 31 December 2009.
2. The Council used bank statement deposits instead of individual receipts as a source of recording cash in the general ledger and performing of the bank reconciliation. I was not able to reconcile total receipts as per Council Revenue Management to the total deposits made to the bank. As a result, I was not able to and do not place reliance on the bank statement deposits as a complete source of general ledger posting for cash and preparation of bank reconciliation. Therefore, I was unable to satisfy myself whether all cash receipts have been completely accounted for in the financial statements.

I 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 Nasinu Town Council in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled 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 the Management and Special Administrator for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS for SMEs and Section 57 (2) of the Local Government Act and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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

The Special Administrator of the Council is responsible for overseeing Council's financial reporting process.

Auditor's Responsibilities 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 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 the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional skepticism 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 control.
- 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 Nasinu Town 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 the management's use of 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 Nasinu Town 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 Nasinu Town 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 the management 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, 1985, in my opinion the accompanying financial statements to the best of my information and according to the explanations given to me, give the information required by the Local Government Act, 1985 in the manner so required.



Ajay Nand
AUDITOR GENERAL



Suva, Fiji
2 June, 2017

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**NASINU TOWN COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	2009 S	IFRS for SME's Restated 2008 S
REVENUE			
General rates		2,103,035	2,242,094
Business and trade license		186,365	150,433
Taxi stand and carrier base charges		294,529	250,941
Other operating income	2	230,088	116,698
Total operating revenue		2,814,017	2,760,166
 OPERATING EXPENSES			
Advertising and public relation expense		(34,318)	(16,423)
Depreciation and amortisation expense		(159,518)	(119,099)
Employees salaries and benefits expenses	3	(849,421)	(642,122)
Garbage collection expense		(578,914)	(409,878)
Repairs and maintenance expense		(133,169)	(292,261)
Transportation expense		(84,510)	(47,174)
Other operating expenses	4	(258,727)	(255,839)
Total operating expenses		(2,098,577)	(1,782,796)
 Operating surplus before interest		715,440	977,370
 Finance costs	5	(56,754)	(53,562)
Interest income	5	925,791	886,673
 Operating surplus for the year		1,584,477	1,810,481
 Other comprehensive income		-	-
 Total comprehensive income		1,584,477	1,810,481

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

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**NASINU TOWN COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009**

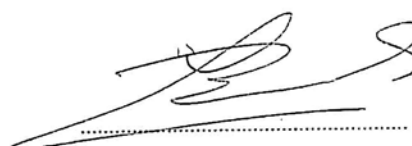
	Note	2009 \$	IFRS for SME's Restated 2008 \$
CURRENT ASSETS			
Cash on hand and at bank	6	488,752	442
Trade and other receivables	7	9,440,877	8,504,442
Total current assets		<u>9,929,629</u>	<u>8,504,884</u>
NON CURRENT ASSETS			
Property, plant and equipment	8	1,742,897	1,445,898
Investment property	9	48,125	48,750
Intangible asset	10	6,864	7,981
Total non current assets		<u>1,797,886</u>	<u>1,502,629</u>
TOTAL ASSETS		<u>11,727,515</u>	<u>10,007,513</u>
CURRENT LIABILITIES			
Trade and other payables	11	509,178	325,706
Interest bearing borrowings	12	99,455	359,871
Provisions	13	14,639	9,208
Total current liabilities		<u>623,272</u>	<u>694,785</u>
NON CURRENT LIABILITIES			
Interest bearing borrowings	12	193,779	261,040
Deposits	14	382,945	358,646
Deferred revenue	15	250,000	-
Total non current liabilities		<u>826,724</u>	<u>619,686</u>
TOTAL LIABILITIES		<u>1,449,996</u>	<u>1,314,471</u>
NET ASSETS		<u>10,277,519</u>	<u>8,693,042</u>
MUNICIPAL FUNDS			
Accumulated funds		<u>10,277,519</u>	<u>8,693,042</u>
TOTAL MUNICIPAL FUNDS		<u>10,277,519</u>	<u>8,693,042</u>

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



Mosese Kama
Special Administrator

Date: 25-5-17



Lute Berends
Chief Executive Officer

Date: 28/5/17

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**NASINU TOWN COUNCIL
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Accumulated funds \$	Total \$
Balance as at 31 December 2007	6,882,561	6,882,561
Surplus for the year 2008	<u>1,810,481</u>	<u>1,810,481</u>
Balance at 31 December 2008 (IFRS for SME's restated)	8,693,042	8,693,042
Surplus for the year 2009	<u>1,584,477</u>	<u>1,584,477</u>
Balance at 31 December 2009	<u><u>10,277,519</u></u>	<u><u>10,277,519</u></u>

- (a) The accumulated funds balance as at 1 January 2008 and 31 December 2008 have been restated in accordance with IFRS 1 "First Time Adoption of International Financial Reporting Standards" (Refer note 24).
- (b) Surplus for the year ended 31 December 2008 has been restated on transition to IFRS for SME's from Fiji Accounting Standards (Refer note 24).

The accompanying notes form an integral part of this statement of changes in accumulated funds.



**NASINU TOWN COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	2009 \$	2008 \$
Cash flows from operating activities			
Receipts from customers		2,786,754	1,254,072
Payments to suppliers and employees		(1,821,231)	(1,650,694)
Cash generated(used by) from operations		965,523	(396,622)
 Interest and other costs of finance paid		(56,754)	(54,129)
Interest income		118,457	861,998
Net cash provided by operating activities		1,027,226	411,247
 Cash flows from investing activities			
Payment for property, plant and equipment		(461,238)	(306,145)
Net cash used in investing activities		(461,238)	(306,145)
 Cash flows from financing activities			
Repayment of borrowings		(192,670)	(83,051)
Proceeds from government grant		250,000	-
Net cash provided/(used) by financing activities		57,330	(83,051)
 Net increase in cash and cash equivalents		623,318	22,051
 Cash and cash equivalents at the beginning of the year		(134,565)	(156,616)
Cash and cash equivalents at the end of the year	6	<u>488,752</u>	<u>(134,565)</u>

The accompanying notes form an integral part of this statement of cash flows.

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NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 1: SUMMARY OF ACCOUNTING POLICIES

Statement of compliance

The financial report has been prepared in accordance with the Local Government Act (Cap 125), and International Financial Reporting Standards for Small-Medium Entities (IFRS for SME's).

Basis of Preparation

The council has changed its accounting policies which were based on Fiji Accounting Standards (FAS) on 1 January 2008 to comply with IFRS for SME's. The transition to IFRS for SME's is accounted for in accordance with IFRS 1 'First-time Adoption of International Financial Reporting Standards', with 1 January 2008 as the date of transition. An explanation of how the transition from superseded policies to IFRS for SME's has affected the Council's financial position, financial performance and cash flows is discussed in note 24.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2009, the comparative information presented in these financial statements for the year ended 31 December 2008, and in the preparation of the opening balances at 1 January 2009 (as disclosed in note 24), the Council's date of transition.

The financial report has been prepared on the basis of historical cost, except where revaluation of certain non-current assets is carried. The council has not carried out any revaluation of certain non-current assets. Cost is based on historical cost.

In the application of IFRS for SME's, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and association assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by management in the application of IFRS for SME's that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Borrowing costs

Borrowing costs directly attributed to buildings under construction or lands are capitalised as part of the cost of those assets. Other borrowing costs are recognized as an expense in the year in which they are incurred.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

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NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2009

(c) Comparative amounts

Comparative amounts have been restated to comply with the adoption of IFRS for SME's and related financial statement and disclosure impact.

(d) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries and annual leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provision made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Defined contribution plans:

Contributions to State owned defined contributed superannuation plans are expensed when incurred.

(e) Financial assets

Financial assets are classified into "advances and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Advances and receivables

Trade receivables loans and other receivables are recorded at less allowance for doubtful debts.

(f) Foreign currency transactions

During the year there were no foreign currency transactions.

If there was foreign currency transactions during the financial year would have been brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non- monetary assets and liabilities would have been carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value would have been determined.

Exchange differences would have been recognised in the statement of comprehensive income in the period in which they arise.

(g) Impairment of assets

At each reporting date, the Council is expected to review the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is to be estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flow that are independent from other assets, the Council would have estimated the recoverable amount of the cash-generating unit to which the asset belongs. Intangible assets, if relevant, are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value that reflects current market assessments of the time money and the risks specific to the asset for which the estimates of future cash flows have been adjusted.

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NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2009

(g) Impairment of assets (cont'd)

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised in income statement immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

(h) Income tax

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

(i) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured at its cost at the reporting date. If there are Gains or losses arising from changes in the fair value of investment property are included in income statement in the period in which they arise.

(j) Intangible assets

Intangible assets are purchased computer software that is stated at cost less accumulated depreciation and any accumulated impairment losses. It is amortised over its estimated useful life of ten years using the straight line method.

(k) Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Council as lessor

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

If the Council had engaged in opening lease payments it would have recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease incentives:

In the event that lease incentives are received to enter into operating leases, such incentives would have been recognised as a liability. The aggregate benefits of the incentives will be recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(l) Payables

Trade payable and other accounts payable are recognised when the Council becomes obliged to make future payments resulting from purchase of goods and services.

(m) Presentation currency

All amounts are stated in Fijian currency.

(n) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation.

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NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2009

(n) Property, plant and equipment (cont'd)

Cost includes expenditure that is directly attributable to the acquisition of the item. Cost of leasehold land include initial premium payment or price paid to acquire leasehold land including acquisition costs. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including buildings and leasehold land but excluding freehold land.

The following estimated useful lives are used in the calculation of depreciation:

Furniture, fittings and office equipment	20% - 8%
Motor vehicles	20%
Plant and tools	20%
Streetlights	8%

(o) Provisions

Provisions are recognized when the Council has a present obligation, the future sacrifice of economic benefits is portable, and the amount of the provision can be measured reliably.

The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(p) Revenue recognition

General rates, business and trade license, and taxi stand and carrier base charges

Revenue from general rates, business and trade license and taxi stand and carrier base charges are recognized on a normal accrual basis, net of Value Added Tax.

Other operating income

Rental income, advertising on council properties, fines and miscellaneous income and hire of playing fields are recognized on a normal accrual basis, net of Value Added Tax.

Rental income represent income earned from renting out of Kiosk building space and is stated net of Value Added Tax.

Interest income

Interest income is recognized on all overdue general rates and business and trade license and rental income.

(q) Value Added Tax

Revenues, expenses and assets are recognized net of the amount of Value Added Tax (VAT), except:

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2009

(q) Value Added Tax (cont'd)

- i) where the amount of VAT incurred is not recoverable from the taxation authority, it is recognized as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii) For receivables and payables which are recognized inclusive of VAT.
- iii) VAT is payable based on cash basis for the Council.
- vi) VAT payable / receive recognition based on accrual basis of revenues and expenses and are reconciled to that of cash receipts and payments.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

(r) Government grant

Grants from the government are recognized at their fair value in the statement of comprehensive income where there is a reasonable assurance that the grant will be received and the Council has complied with all attached conditions. Grants received where the Council has yet to comply with all attached conditions are recognized as a liability (and included in deferred income) and released to income when all attached conditions have been complied with. Government grants received are included in 'other operating income' in statement of comprehensive income.

NOTE 2. OTHER OPERATING INCOME	2009	2008
	\$	\$
Rental income	111,537	83,182
Advertising on Council's properties	427	899
Fines and miscellaneous income	104,005	30,153
Insurance claim	448	-
Hire of playing field	13,191	1,911
Subscription	480	553
	<u>230,088</u>	<u>116,698</u>

NOTE 3. EMPLOYEES SALARIES AND BENEFITS EXPENSES

Salaries and wages	765,206	515,092
FNPF contribution	47,835	40,437
TPAF levy	9,488	3,693
Training and education	3,900	-
Allowances	22,992	82,900
	<u>849,421</u>	<u>642,122</u>

NOTE 4. OTHER OPERATING EXPENSES

Telephone, internet and fax	26,922	19,599
Printing, stationery and postages	29,036	16,439
Insurances	26,049	16,357
Meeting and entertainment expenses	5,797	6,221
Electricity and water	25,614	12,823
Loss on sale of asset	6,464	-
Audit fee	7,240	-
Bank charges	4,880	14,791
Legal expenses	4,476	36,715

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 4. OTHER OPERATING EXPENSES (CONT'D)	2009	2008
	\$	\$
Subscriptions	2,959	2,918
Doubtful debts	48,754	90,021
Discount on rates - Early payment incentive	46,351	7,827
General operating expenses	24,185	32,128
	<u>258,727</u>	<u>255,839</u>

NOTE 5. FINANCE COSTS AND INTEREST INCOME

Finance costs		
Loan - Westpac Banking Corporation Limited	29,662	38,785
Finance lease - Credit Corporation Fiji Limited	27,092	14,777
Total finance costs	<u>56,754</u>	<u>53,562</u>
Interest income		
Interest on overdue rates	925,541	886,673
Interest - Australia and New Zealand Banking	250	-
Total finance income	<u>925,791</u>	<u>886,673</u>

NOTE 6. CASH ON HAND AND AT BANK

Petty cash	100	100
Westpac Banking Corporation Limited	215,231	-
Bank of South Pacific Limited	23,239	342
Australia and New Zealand Bank	250,182	(135,007)
	<u>488,752</u>	<u>(134,565)</u>

Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalent includes cash on hand, net of outstanding bank overdraft. Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position.

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NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 7. TRADE AND OTHER RECEIVABLES	2009	2008
	\$	\$
Current		
Trade receivables	9,868,990	8,893,926
Allowance for doubtful debts	(493,450)	(444,696)
	<u>9,375,540</u>	<u>8,449,230</u>
Other receivables:		
Advances	59,635	49,512
Deposits	5,702	5,700
Total current trade and other receivables	<u>9,440,877</u>	<u>8,504,442</u>

Trade receivables principally comprise amounts outstanding for General rates, business and trade license and rental income. Trade receivables are non-interest bearing and are generally settled on 30-60 days terms.

Movement in the allowance for doubtful debts:

Balance at the beginning of the year	444,696	354,675
Additional allowance during the year	48,754	90,021
Balance at end of the year	<u>493,450</u>	<u>444,696</u>

As at 31 December 2009 trade receivables at nominal value of \$9,868,990 (2008: \$8,893,926) were examined for impairment and \$493,450 (2008: \$444,696) were provided for as follows

Provisions for doubtful debts have been provided based on 5% of the total outstanding of trade receivables. Management is of the opinion that 5% is a reasonable basis in the determination of provisions for doubtful debts.

At 31 December, the ageing analysis of trade receivables is as follows:

General rates receivable

Year 1	1,757,940	1,710,000
Year 2	3,947,596	3,557,571
Year 3	3,919,379	3,439,124
Total general rates trade receivables	<u>9,624,915</u>	<u>8,706,695</u>

Business, trade license and rental receivable

30 - 60 days	44,579	56,700
60 - 90 days	100,106	57,000
Over 90 days	99,391	73,532
Total business, trade license and rental trade receivables	<u>244,076</u>	<u>187,232</u>

Total trade receivables	<u>9,868,990</u>	<u>8,893,927</u>
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General rates receivables are charged and interest when rates are not settled within 12 months period.

Business and trade license is expected to be settled within 30 – 60 days period. Outstanding balances incur interest.

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NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 7. TRADE AND OTHER RECEIVABLES (CONT'D)

Rental receivables is expected to be settled 30 – 60 days period. Outstanding balances incur interest.

NOTE 8. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Streelights	Motor Vehicles	Office equipment & furnitures	Plant and & tools	Capital work in progress	Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
Balance at 31.12.2008	624,060	370,605	434,000	86,363	8,268	354,222	1,877,518
Additions	-	252,739	105,121	79,099	21,506	66,327	524,792
Disposals	-	-	(116,248)	-	-	-	(116,248)
Balance at 31.12.2009	624,060	623,344	422,873	165,462	29,774	420,549	2,286,062
Accumulated depreciation							
Balance at 31.12.2008	32,512	47,345	294,132	53,799	3,832	-	431,620
Depreciation for the year	8,405	49,868	74,010	22,028	3,464	-	157,775
Disposals	-	-	(46,230)	-	-	-	(46,230)
Balance at 31.12.2009	40,917	97,213	321,912	75,827	7,296	-	543,165
Net book value at 31.12.2009	583,143	526,131	100,961	89,635	22,478	420,549	1,742,897
Net book value at 31.12.2008	591,548	323,260	139,868	32,564	4,436	354,222	1,445,898

	2009 \$	2008 \$
NOTE 9. INVESTMENT PROPERTY		
Building - at cost	50,000	50,000
Less: accumulated depreciation	(1,875)	(1,250)
	<u>48,125</u>	<u>48,750</u>

Investment property generates flow of rental income from Kiosk building by renting out spaces for small to medium size business and individuals.

There was no valuation carried out for investment property. The cost is based on historical cost.

NOTE 10. INTANGIBLE ASSETS

Computer software at cost		
Balance at 31 December 2008	11,172	11,172
Additions	-	-
Disposals	-	-
Balance at 31 December 2009	<u>11,172</u>	<u>11,172</u>
Accumulated amortisation		
Balance at 31 December 2008	3,191	2,074
Amortisation for the year	1,117	1,117
Disposals	-	-
Balance at 31 December 2009	<u>4,308</u>	<u>3,191</u>
Net book value at 31 December 2009	<u>6,864</u>	<u>7,981</u>

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NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009	2008
	\$	\$
NOTE 11. TRADE AND OTHER PAYABLES		
Trade payables	181,627	108,722
Other payables	7,487	13,085
VAT payable	320,064	203,899
	<u>509,178</u>	<u>325,706</u>

Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. Trade payables are normally settled on 30 – 60 days term.

NOTE 12. INTEREST BEARING BORROWINGS

Secured

Current

Bank overdrafts	-	135,007
Bank loan - Westpac Banking Corporation Limited (a)	85,632	179,192
Finance loan - Credit Corporation Fiji Limited	13,823	45,672
Total current secured borrowings	<u>99,455</u>	<u>359,871</u>

Non - Current

Bank loan - Westpac Banking Corporation Limited (a)	193,779	247,217
Finance loan - Credit Corporation Fiji Limited	-	13,823
Total non-current secured borrowings	<u>193,779</u>	<u>261,040</u>

Particulars relating to secured borrowings:

- (a) The loan from Westpac Banking Corporation Limited was raised by Nasinu Town Council in 2004 to construct Council's office building at the rate of 7.49%, the interest charged in 2008 was 8.99%.

The loans are secured by Crown lease No. 213526 and Crown lease No. 540554.

- (b) The finance lease from Credit Corporation Fiji Limited is secured by a bill of sale on 1 only second hand Dyna Toyota Truck – ED495. The interest is compounded at 15% for 4 years. This loan was subsequently paid off in 2010.

Obligations under finance lease

within one year	22,443	39,396
later than one year but within five years	-	55,811
	<u>22,443</u>	<u>95,207</u>
less charges	8,620	35,712
	<u>13,823</u>	<u>59,495</u>

The obligation is classified as:

Current liability	13,823	45,672
Non-current liability	-	13,823
	<u>13,823</u>	<u>59,495</u>

NOTE 13. PROVISIONS

Employee leave	<u>14,639</u>	<u>9,208</u>
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NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 14. DEPOSITS

	2009	2008
	S	S
Deposits from tenants and advance payments from rate payers	36,170	16,871
Commercial lot deposits	346,775	341,775
	<u>382,945</u>	<u>358,646</u>

The commercial lot deposits comprised of property purchased Lot 4, DP 6380, HL 13526 situated at Valelevu Nasinu on 15th February 2006. The purchase price of the land was \$1,000,000 plus 2,700 square meter of the land that will be given to the seller after the land is fully developed and sub-divided. Instead of paying \$1,000,000 cash upfront to the seller both parties agreed that, deposits received by the Council for the sale of subdivided land will be deposited into the trust account of the sellers solicitor.

NOTE 15. DEFERRED REVENUE

Government grant	250,000	-
	<u>250,000</u>	<u>-</u>

Deferred revenue relates to grant received from the Government for the upgrading of roads, drains and street lights for some of the identified squatter/informal settlements in Nasinu Town Council area.

As at 31 December 2009 no such projects were undertaken.

Revenue is brought to account over the periods necessary to match the related cost of the projects.

NOTE 16. CAPITAL COMMITMENTS

There were no capital commitments as at 31 December 2009 and Nil in 2008.

NOTE 17. CONTINGENT LIABILITIES

There were no contingent liability as at 31 December 2009 and Nil in 2008.

NOTE 18. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Net Cash provided by operating activities to net surplus

Operating surplus	1,584,477	1,855,864
Depreciation and amortisation	159,518	119,098
Gain/(loss) on sale of assets	6,464	-
Allowance for doubtful debts	48,754	138,775
Provision for employee entitlements	5,430	14,638
Change in assets and liabilities:		
(Increase)/decrease in debtors and sundry debtors	(985,189)	(1,849,874)
(Increase)/decrease in accounts payable and accruals	67,308	53,022
(Increase)/decrease in other liabilities	24,299	-
(Increase)/decrease in VAT receivable/(payable)	116,165	79,724
	<u>1,027,226</u>	<u>411,247</u>

2009

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 19. RELATED PARTY DISCLOSURE

Management

The names of managements in office at any time during the year are:

Mr. Meli Bogileka	-	Special Administrator
Mr. Satish Kumar	-	Chief Executive Officer
Mr. Ritesh Chandra	-	Manager Finance
Ms. Talei Ligairi	-	Legal Officer
Mr. Ravin Prasad	-	Acting Manager Engineering
Mr. Amenatave Malani	-	Manager Human Resources

The above key management personnel's who have authority and responsible for planning, directing and controlling the activities of the Council, directly or indirectly at the date of this report.

	2009	2008
	\$	\$
During the year, remuneration of the key management personnel was as follows:		
Salaries and superannuation	94,308	99,956

NOTE 20. SIGNIFICANT EVENTS DURING THE YEAR

There were no significant events during the year.

NOTE 21. EVENTS SUBSEQUENT TO BALANCE DATE

No matter 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 years.

Other circumstances

As at the date of this report:

- (i) no charge on the assets of the Council has been given since the end of the financial year to secure the liabilities of any person;
- (ii) no contingent liabilities have arisen since the end of the financial year which the council could become liable; and
- (iii) no contingent liabilities or other liabilities of the Council has become or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the managements, 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, the management are not aware of any circumstances, which would render the provision for doubtful debts in the Council, inadequate to any substantial extent.

NOTE 22. FINANCIAL RISK MANAGEMENT

Risk management is carried out by executive management. Executive management identifies, evaluates and monitors financial risks in close co-operation units. The key management provides overall risk management policies, as well as policies covering areas in interest risk, credit risk and on management of excess liquidity and tight cash flows.



NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 22. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk

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

(b) Interest risk

The Council's has significant interest-bearing borrowings. Borrowings from banks and other financial institutions at variable interest rates exposes the Council to interest rate risk. These risks are managed closely by management within the approved policy parameters. For additional borrowings, the council negotiates an appropriate interest rate with banks and other financial institutions with the management's approval and borrows from the bank and other financial institutions which offers the overall favorable terms including interest rates.

(c) Regulatory risk

The Council's financial performance can be impacted by government regulatory policies such as to differing on collection of debts.

The salaries and wages payable to employees are subject to relevant wages regulations and employment legislation.

(d) Credit risk

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

The Council has policies in place to review on a consistent basis on long term debt from its customers.

A provision for doubtful debts is provided based on income basis to total receivables outstanding.

(e) Liquidity risk

The Council manages liquidity risk by maintaining adequate, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows.

NOTE 23. COUNCIL DETAILS

Council Incorporation

The Council was established under the municipality act (Cap 125).

Principal Place of Business

The principal place of business of the Council is at Mayoral Drive Valelevu, Nasinu.

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NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2009

**NOTE 24. IMPACTS OF THE ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS
FOR SMALL MEDIUM -SIZED ENTITIES (IFRS FOR SME's)**

Effects of transition to IFRS for SME's from FAS on the statement of comprehensive income for the financial year ended 31 December 2008.

	FAS	Effects	Restated 2008
	\$	\$	\$
REVENUE			
General rates	2,234,267	7,827	2,242,094
Business and trade license	150,433	-	150,433
Taxi stand and carrier base charges	250,941	-	250,941
Other operating income	116,697	-	116,698
Total operating revenue	2,752,338	7,827	2,760,166
OPERATING EXPENSES			
Advertising and public relation expense	(16,423)	-	(16,423)
Depreciation and amortisation expense	(117,357)	(1,742)	(119,099)
Employees salaries and benefits expenses	(632,914)	(9,208)	(642,122)
Garbage collection expense	(409,878)	-	(409,878)
Repairs and maintenance expense	(292,261)	-	(292,261)
Transportation expense	(47,174)	-	(47,174)
Other operating expenses	(157,991)	(97,848)	(255,839)
Total operating expenses	(1,673,998)	(108,798)	(1,782,796)
Operating surplus before interest	1,078,341	(100,971)	977,370
Finance costs	(38,785)	(14,777)	(53,562)
Finance income	886,673	-	886,673
Operating surplus for the year	1,926,229	(115,748)	1,810,481
Other comprehensive income	-	-	-
Total comprehensive income for the year	1,926,229	(115,748)	1,810,481

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NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2009

**NOTE 24. IMPACTS OF THE ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS
FOR SMALL MEDIUM SIZED ENTITIES (IFRS FOR SME'S) (CONT'D)**

Effects of transition to IFRS for SME's from FAS on the statement of comprehensive income for the financial year ended 31 December 2008.

	FAS	Effects	Restated 2008
	\$	\$	\$
CURRENT ASSETS			
Cash on hand and at bank	442	-	442
Trade and other receivables	8,949,138	(444,696)	8,504,442
Total current assets	8,949,580	(444,696)	8,504,884
NON-CURRENT ASSETS			
Property, plant and equipment	1,506,447	(60,549)	1,445,898
Intangible assets	-	7,981	7,981
Investment property	-	48,750	48,750
Total non-current assets	1,506,447	(3,818)	1,502,629
TOTAL ASSETS	10,456,028	(448,514)	10,007,514
CURRENT LIABILITIES			
Trade and other payables	325,706	-	325,706
Interest bearing borrowings	359,872	-	359,872
Provisions	-	9,208	9,208
Total current liabilities	685,578	9,208	694,786
NON-CURRENT LIABILITIES			
Interest bearing borrowings	296,751	(35,712)	261,039
Deposits	358,646	-	358,646
Total non-current liabilities	655,397	(35,712)	619,685
TOTAL LIABILITIES	1,340,975	(26,504)	1,314,471
NET ASSETS	9,115,053	(422,010)	8,693,043
ACCUMULATED FUNDS			
Accumulated funds	9,115,053	(422,010)	8,693,043
TOTAL ACCUMULATED FUNDS	9,115,053	(422,010)	8,693,043
Balance as at 31 December 2007	7,188,823	(306,262)	6,882,561
Surplus for the year 2008	1,926,230	(115,748)	1,810,482
Balance at 31 December 2008	9,115,053	(422,010)	8,693,043

Notes to the effect on statement of comprehensive income and statement and changes to accumulated funds of financial position upon adoption of IFRS for SME's.

(a) Discount on rates

Upon transition to IFRS in 2008, discount on rates of \$7,827 has been restated in operating expenses in 2008.

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NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 24. IMPACTS OF THE ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS
FOR SMALL AND MEDIUM SIZED ENTITIES (IFRS FOR SME'S) (CONT'D)

(b) Depreciation and amortisation

Depreciation and amortisation of \$1,742 has been taken up for intangible asset and investment property upon transition in 2008.

(c) Provisions

Provisions of annual leave, \$9,208 has been provided for upon transition in 2008.

(d) Provision for doubtful debts

The Council has provided provisions for doubtful debts of \$444,696 for 2008 financials and a doubtful debt of \$90,021. This has affected surplus and accumulated funds for 2008.

(e) Interest expenses

Interest expenses of \$14,777 has been brought to account in 2008 which was fully taken up in 2007.

(f) Intangible assets

The Council has re-classified software cost from property, plant and equipment to intangible assets \$11,000 and subsequent accumulated amortization cost has been netted off upon transition in 2008.

(g) Investment property

The amount of \$50,000 has been re-classified to investment property from property, plant and equipment and subsequent accumulated depreciation cost has been netted off upon transition in 2008.

(h) Interest bearing borrowings

Liability and interest from finance lease had been restated to net \$35,712 upon transition in 1 January 2008. See (e) above.

