



Service is our Priority

NASINU TOWN COUNCIL

Annual Report for the Year 2010



PARLIAMENT OF FIJI
PARLIAMENTARY PAPER NO. 90 OF 2020



Service is our Priority

NASINU TOWN COUNCIL

Annual Report for the Year 2010





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 2010

I have much pleasure in submitting the Nasinu Town Council Annual Report for 2010.

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 2010, the Council was also able to achieve the following:

- Obtained Grant from Japanese Embassy for new machinery
- Formation Nasinu Traffic Order by law
- In house Garbage Collection System

Mr. Moses Kama came in February 2010 as Special Administrator 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.



Shelvin Narayan
Actg. Chief Executive Office

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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 19 informal settlements who the council also includes in basis hygiene services without a cost.

2.0 MANAGEMENT & MEETING

Management Board Members:

Mr. Mosese Kama	-	Special Administrator
Mr. Amenatave Malani	-	Assistant Manager Human Resources
Ms. Talei Ligairi	-	Legal Officer
Mr. Roshan Singh	-	Acting Manager Finance/ Accountant
Mr. Ilaitia Koro	-	Enforcement Officer
Mrs. Reshmi Karan	-	Team Leader Health
Mr. Jainend Kumar	-	Acting Manager Engineering/Building Surveyor
Ms. Seini Bulicakau	-	Senior Rates Officer
Ms. Mehzabeen Ali	-	Business Licensing Officer
Mr. Taniela Taukeinikoro	-	Works Supervisor
Mrs. Elina Maraiwai	-	Executive Secretary

The Council started the year with the above mentioned board with all departments represented. The Council also set up 4 subcommittees to assist in the operations of the Council. In addition to 4 operational sub committees, a special Town Planning Subcommittee was setup to start the preparation of the Nasinu Town Planning Scheme.

The list of Subcommittees and members are as follows:

Finance & Tender Subcommittee

1. Mr. Mosese Kama	-	Special Administrator (Chairman)
2. Mr. Jainend Kumar	-	Actg. Manager Engineering
3. Mr. Amenatave Malani	-	Assistant Manager Human Resources
4. Mr. Roshan Singh	-	Actg. Manager Finance
5. Ms. Talei Ligairi	-	Legal Officer
6. Ms. Meresiana Raceva	-	Secretary

Human Resources Subcommittee Meeting

1. Mr. Mosese Kama	-	Special Administrator (Chairman)
2. Mr. Amenatave Malani	-	Assistant Human Resources Manager
3. Ms. Talei Ligairi	-	Legal Officer
4. Mr. Jainend Kumar	-	Actg. Manager Engineering/Building Surveyor
5. Mr. Roshan Singh	-	Accountant
6. Mrs. Elina Maraiwai	-	Secretar

Markets & Works Subcommittee Meeting

- | | | |
|-------------------------|---|---------------------------------------------|
| 1. Mr. Mosese Kama | - | Special Administrator |
| 2. Mr. Jainend Kumar | - | Actg. Manager Engineering/Building Surveyor |
| 3. Mr. Vishal Maharaj | - | Market Master |
| 4. Mr. Rohit Narayan | - | Works Overseer |
| 5. Mr. Ritinesh Kishore | - | Building Inspector |
| 6. Mr. Shelvin Narayan | - | Health Inspector |
| 7. Mrs. Elina Maraiwai | - | Department Secretary |

Parks & Garden

- | | | |
|-------------------------|---|---------------------------------------------|
| 1. Mr. Jainend Kumar | - | Actg. Manager Engineering/Building Surveyor |
| 2. Mr. Roshan Singh | - | Actg. Manager Finance |
| 3. Mr. Ritinesh Kishore | - | Building Inspector |
| 4. Mr. Biren Kumar | - | Gardener |
| 5. Mrs. Elina Maraiwai | - | Secretary |

Town Planning Subcommittee Meeting

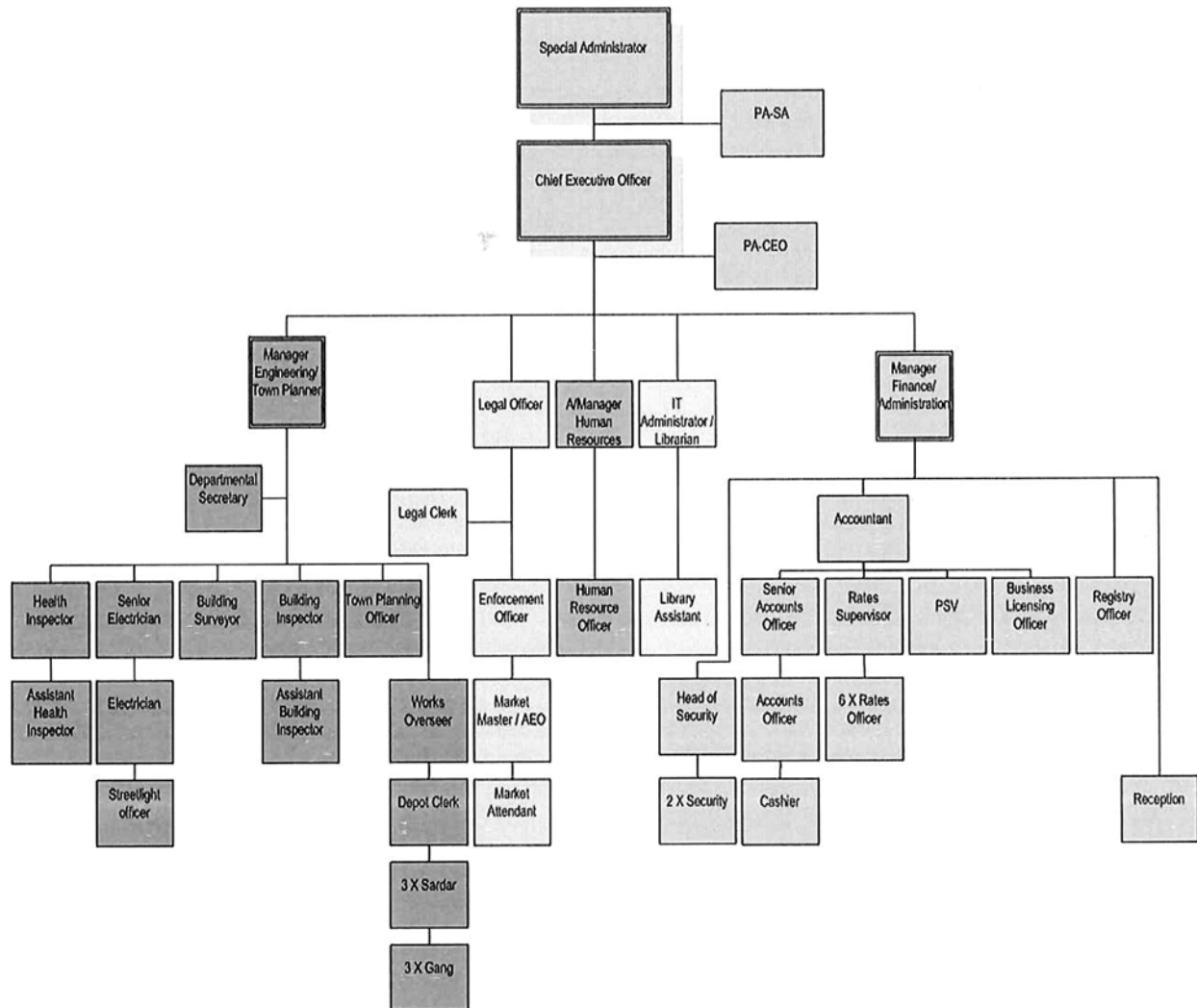
- | | | |
|-------------------------|---|---------------------------------------------|
| 1. Mr. Jainend Kumar | - | Actg. Manager Engineering/Building Surveyor |
| 2. Ms. Pritanshu Reddy | - | Town Planning Officer |
| 3. Ms. Reshmi Karan | - | Health Inspector |
| 4. Ms. Nanise Cakitaki | - | Town Planning Officer |
| 5. Ms. Meresiana Raceva | - | Secretary |

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

Ordinary Council	-	11
Finance & Tender Subcommittee	-	12
Human Resource Subcommittee	-	12
Market & Works	-	12
Parks & Gardens	-	12
Town Planning	-	7

3.0 ADMINISTRATION

2010 ORGANIZATION STRUCTURE



Human Resource

Human resource Section was responsible for 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	39
Depot Staff	88
New Staff Intake	34
Terminations	4
Resignations	14
Deaths	0

The Council changed the collection of Garbage from Contracted to In house thus the number of staff intake was high.

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 linked all Council Computers to the server and ensured respective programs were available for staff usage to assist in operations.

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 231.

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. The 2nd Major Cleanup was done in partnership with Royal Fiji Military Force, whereby manpower and trucks were provided by them.

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 2010.

The 4 cases of SARS Virus were recorded in Nasinu and Council in conjunction with Ministry of Health carried out the necessary surveillance works.

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	41
Takeaways	18
Retail Shops	123
Food Manufacturers	17
Hawkers	203
Supermarkets	14
Butchers & Fish Shops	6

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:- 2010	<u>No.</u>	<u>Approved</u>
New Dwelling	93	60
Renovation/ extension	130	81
Other works fencing, etc.	50	30
No. of Industrial	10	7
Civic development	5	5
No. of Commercial	17	12
Re-zoning	10	3
TOTAL	315	198

All applications were processed and sent to DTCP for approval. A total of 315 building applications was received by the Nasinu Town Council with the value of \$20,564,232.34.

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	17
Commercial	2
Industrial	3
Civic	1
TOTAL	23

There were 10 Rezoning application received for the year 2009 and all applications were sent to Department of Town & Country Planning for approval of which 3 were approved.

1 Subdivision application was received for the year 2010 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 for the 1st quarter. The Council overtook the Collection of all Kitchen wastes from April 2010 in house. Additional workers and trucks were hired for this program whereby Council collected refuse twice a week in each area. In addition, the Contractor continued providing 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. The Council received from the Government of Japan, a backhoe which assisted in the digging of drains.

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. The Grounds at Kinoya was upgraded to allow for the usage of rugby and soccer.

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. Construction work on a market in Narere also commenced.

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. Three Electricians were employed on fulltime basis to look into the repairs of Street lights.

4.4 Legal

A Legal services department was setup in the Council tasked at handling all legal matters for the Council. The Legal officer was also tasked to look at current by laws and take necessary steps to strengthen it. Nasinu Traffic Order was gazetted for the operations of Taxis, Minivans & Carriers.

All cases against and for Councils was attended to by the legal department. In addition, the Council enforcement team also assisted in the recovery of Town Rate arrears

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	\$349,794.76	July	\$171,754.78
February	\$243,924.34	August	\$153,538.46
March	\$190,544.99	September	\$114,603.57
April	\$143,106.17	October	\$115,663.98
May	\$200,207.10	November	\$123,154.00
June	\$181,507.75	December	\$296,877.56

The Council collected a total of \$2,284,677.46 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 2010 was \$7,671,407.82

5.2 Business License

A total of 911 Licenses were issued to business for operations in year 2010. The Total income from Business license was \$100,154.91.

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 \$305,765.19.

5.4 Audited Finance

The Financial of the Council Total income and Expenditure is currently with the Auditor General's Office for Auditing.

5.5 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 \$83,969.00

6.0 Major Events & Achievements

- Obtained Grant from Japanese Embassy for new machinery
Council had applied for a grant under Japanese Government Grassroots Assistance program and managed to obtain a Backhoe for collection of refuse and desilting of minor drains. The grant of a value of \$229,357.80 was provided to the Council for the purchase. The Backhoe was handed over to the Council on 6th October 2010 by his Excellency the Ambassador of Japan.
- Formation Nasinu Traffic Order by law
Council had started the process of regularizing the operations of all Taxi's, Minivans and Carrier in 2009 whereby a planning document and bylaw would be prepared for usage by the Council. The Council legal and planning units prepared the necessary reports which were sent to all relevant stakeholders for their comments for the bylaw being gazetted on 10th December 2010.
- In house Garbage Collection System
Council had been receiving numerous complaints regards to the service provided by Garbage contractors thus it was agreed for Council to pursue the Collection of Garbage in house. Additional Labour was hired in consultation with the Yellow Ribbon program for this service

8.0 Appendix

Attached.

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



6-8TH Floor, Ratu Sukuna House
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P. O. Box 2214, Government Buildings
Suva, Fiji

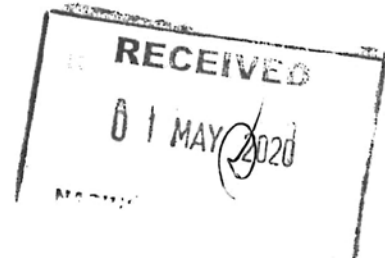
Telephone: (679) 330 9032
Fax: (679) 330 3812
E-mail: info@auditorgeneral.gov.fj
Website: <http://www.oag.gov.fj>



File: 814

30 April 2020

Mrs. Elizabeth Algar
The Chairperson
Nasinu Town Council
P O Box 6049, Valelevu
NASINU



Dear Mrs. Algar

NASINU TOWN COUNCIL

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

Audited financial statements for the year ended 31 December 2010 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

Ajay Nand
AUDITOR-GENERAL

Encl.

NASINU TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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**NASINU TOWN COUNCIL
MANAGEMENTS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010**

In accordance with a resolution of management, the management herewith submit the statement of financial position of the Council as at 31 December 2010, the related statement of comprehensive income, statement of changes in accumulated funds and statement of cash flow for the year then ended on that date and report as follows:

Managements'

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

Elizabeth Algar	-	Chair Lady /Special Administrator
Baskaran Nair	-	Special Administrator
Praneel Prasad	-	Special Administrator
Uma Kant Patel	-	Special Administrator
Paceli Baileikorocau	-	Special Administrator
Nimatari Colaudolu	-	Acting Chief Executive Officer
Esita Nawani	-	Manager Finance
Sharon Kant	-	Prosecutor
Nanise Cakitaki	-	Acting Manager Engineering and Town Planner
Loraine Kuruvaki	-	Accountant
Eroni Tegunimataka	-	IT Officer

The names of the Council managements' in office during the year 2010 are:

Mosese Kama	-	Special Administrator
Simione Nakarua	-	Chief Executive Officer
Raveen Prasad	-	Manager Engineering (Resigned during 2010)
Amenatave Malani	-	Manager Human Resource
Silameti Talei Ligairi	-	Manager Legal (Resigned during 2010)
Jainend Kumar	-	Manager Engineering (Resigned during 2010)
Roshin Singh	-	Manager Finance
Ashneel Avinash Bhan	-	IT Officer
Eroni Moto Luveniyali	-	Manager Finance (Resigned during 2010)
Jotame Uluitoga	-	Manager Engineering

Principal Activities

The principal activities of the Council during the year was established under the Local Government Act (Cap 125 Rev 2007) and Section of Subsidiary Legislation to provide for the health, welfare and convenience of the inhabitants of Nasinu Town Council and to preserve the amenities or cred

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

Results

The net surplus for the financial year was \$1,127,090 (2009 - \$1,100,047, restated).

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.

**NASINU TOWN COUNCIL
MANAGEMENTS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010**

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.

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 Board 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 26th day of March 2020.

Acting Chief Operating Officer

Accountant

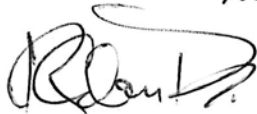
**NASINU TOWN COUNCIL
STATEMENT BY MANAGEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010**

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

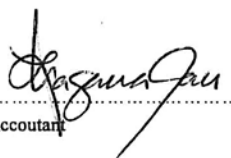
- [i] the accompanying statement of comprehensive income of the Council is drawn up so as to give a true and fair view of the results of the Council for the year ended 31 December 2010;
- [ii] the accompanying statement of financial position of the Council is drawn up so as to give a true and fair view of the state of affairs of the Council as at 31 December 2010;
- [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 2010;
- [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 2010;
- [v] the financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium Entities; 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 26th day of March 2020.



Acting Chief Executive Officer



Accountant

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



INDEPENDENT AUDITOR'S REPORT

NASINU TOWN COUNCIL

Disclaimer of Opinion

I do not express an opinion on the accompanying financial statements of Nasinu Town Council. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I am unable to obtain sufficient appropriate audit evidences to provide a basis for an audit opinion on these financial statement.

I have audited the accompanying financial statements of the Nasinu Town Council which comprise the statement of financial position as at 31 December 2010, statement of changes in equity, statement of comprehensive income, statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on Notes 1 to 24.

Basis for Disclaimer of Opinion

1. The Council used bank statement deposits instead of individual receipts as a source of recording cash in the general ledger and performing of bank reconciliation. As with this approach there is a risk that receipts not banked will not be included in the general ledger. Therefore, I was unable to satisfy myself whether all cash receipts have been completely and accurately accounted for in the financial statements.
2. Included in Trade and Other Receivables (Note 7) are advances and deposits of \$68,099 and \$5,702 respectively. I was not provided with the supporting documents to substantiate these balances. Consequently, I was unable to satisfy myself on the accuracy of these balances reported in the financial statements.
3. The Council has recorded rates debtors amounting to \$8,510,981 (Note 7) after allowing for doubtful debts of \$447,930. I note that the Council has calculated the allowance for doubtful debts at 5% of the Gross rates receivable. From the Council's disclosure in Note 7 I note that the rate payers owes 81% of the rates which are over 1 year old. No documentations were made available to substantiate the calculation of management's estimate of 5%. Consequently, I was not able to satisfy myself if the management's estimate of 5% is adequate for assessing the impairment of rates debtors whether any adjustment might have been necessary in respect of the Council's rates debtors at year end and any corresponding adjustments to the elements making up the statement of income and expenditure.
4. Included in Trade and Other payables (Note 11) are Trade payables of \$193,402 and other payables of \$40,506. I was not provided with a detailed listing of these balances. Consequently, I was unable to perform necessary audit procedures to satisfy myself on the accuracy of Trade and Other Payables recorded in the statement of financial position.

5. Included in total revenue of the Council is general rates amounting to \$2,320,421. The Council has not maintained rates invoices for rate payers. Consequently, this has limited my scope to perform appropriate test procedures to ascertain the accuracy of the rates revenue. I was also unable to obtain appropriate audit evidence through alternative audit procedures. Therefore, I am unable to ascertain the accuracy of the rates revenue disclosed in the financial statements.
6. Included in the Property, Plant and Equipment balance of \$2,188,598 (Note 8) is Work In Progress (WIP) of \$431,660. From my subsequent reviews I have noted that the Council has disposed off this WIP. As a result I am not able to satisfy myself on the accuracy of the WIP included in PPE. In addition, due to passage of time it was not possible for me to verify the existence and valuation of motor vehicles amounting to \$436,611 as at 31/12/10. Due to these I was not able to obtain sufficient audit evidence to ascertain if the Property, Plant and Equipment of \$2,188,598 is fairly stated in the financial statements.
7. Payment vouchers which totaled \$49,884 was not provided to me for verification. Consequently, I was unable to confirm the accuracy of these payments and it's disclosure in the financial statements.

Emphasis of Matter

- The Council's WINBIZ Rate System has not generated separate reports from 2005. As a result, special loan rates and street light rates were not appropriately disclosed in their respective accounts but included with general rates income in the General Fund Account contrary to section 47(2)(b) of Local Government Act.
- The Council has recorded \$361,775 as Commercial lot deposits. The Council has not maintained separate bank account for this deposits. As at balance date the Council has insufficient funds to meet the refunds of the customers should the need arise.
- Values of roads, footpaths and drains have not been fully incorporated in the Statement of Financial Position as at 31 December 2010 as required under section 57(1) of the Local Government Act.

Other Matters

- The internal controls relating to cash, receivables, revenue, payments, payroll, posting of journals, tender documentations and market revenue was weak and needs to be reviewed and strengthened to promote better accountability and transparency and prevent leakages of Council funds.
- The Council do not have in place Risk Management Policy and Disaster Recovery Plan as a proactive measure to deal with any unforeseen risks.

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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



Ajay Nand
AUDITOR-GENERAL



Suva, Fiji
30 April, 2020

**NASINU TOWN COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010**

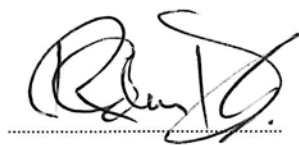
	Note	2010 \$	Restated 2009 \$
Revenue			
General rates		2,320,421	1,672,700
Business and trade license		201,283	186,365
Taxi stand and carrier base charges		247,784	294,529
Other operating income	2	335,818	230,089
Total operating revenue		3,105,306	2,383,683
Expenses			
Advertising and public relation expense		(43,405)	(34,318)
Depreciation and amortisation expense		(155,669)	(159,518)
Employees salaries and benefits expenses	3	(1,430,910)	(849,421)
Garbage collection expense		(540,587)	(578,914)
Repairs and maintenance expense		(230,079)	(133,169)
Transportation expense		(97,906)	(84,510)
Other operating expenses	4	(289,316)	(258,728)
Total operating expenses		(2,787,872)	(2,098,579)
Operating surplus before interest		317,434	285,105
Finance costs	5	(47,287)	(56,754)
Interest income	5	856,943	871,697
Operating surplus for the year		1,127,090	1,100,047
Other comprehensive income		-	-
Total comprehensive income for the year		1,127,090	1,100,047

The Statement of Comprehensive Statement is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 12 - 25.

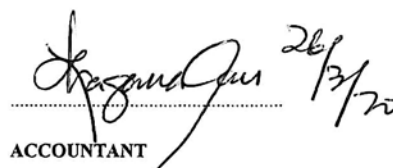
NASINU TOWN COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	Note	2010 \$	2009 \$
CURRENT ASSETS			
Cash on hand and at bank	6	198,595	488,752
Trade and other receivables	7	8,584,782	7,225,031
Total current assets		<u>8,783,377</u>	<u>7,713,784</u>
NON CURRENT ASSETS			
Property, plant and equipment	8	2,188,598	1,742,897
Investment property	9	47,500	48,125
Intangible asset	10	5,747	6,864
Total non current assets		<u>2,241,845</u>	<u>1,797,886</u>
TOTAL ASSETS		<u>11,025,222</u>	<u>9,511,670</u>
CURRENT LIABILITIES			
Trade and other payables	11	263,877	251,031
Interest bearing borrowings	12	188,481	99,455
Provisions	13	24,051	14,639
Total current liabilities		<u>476,409</u>	<u>365,125</u>
NON CURRENT LIABILITIES			
Interest bearing borrowings	12	230,011	193,779
Deposits	14	397,945	382,945
Deferred revenue	15	473,946	250,000
Total non current liabilities		<u>1,101,902</u>	<u>826,724</u>
TOTAL LIABILITIES		<u>1,578,311</u>	<u>1,191,848</u>
NET ASSETS		<u>9,446,911</u>	<u>8,319,821</u>
MUNICIPAL FUNDS			
Accumulated funds		9,446,911	8,319,821
TOTAL MUNICIPAL FUNDS		<u>9,446,911</u>	<u>8,319,821</u>

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 12 to 25.



ACTING CHIEF EXECUTIVE OFFICER



ACCOUNTANT

NASINU TOWN COUNCIL
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2010

	Accumulated funds \$	Total \$
Balance as at 31 December 2008 (IFRS Restated)	7,219,774	7,219,774
Surplus for the year 2009 (IFRS Restated)	1,100,047	1,100,047
Balance at 31 December 2009 (IFRS Restated)	<u>8,319,821</u>	<u>8,319,821</u>
Surplus for the year 2010	1,127,090	1,127,090
Balance at 31 December 2010	<u>9,446,911</u>	<u>9,446,911</u>

- (a) The accumulated funds balance as at 31 December 2008, 1 January 2009 and 31 December 2009 have been restated for errors in increase in garbage fees of \$2,215,846 impacting Accumulated funds, VAT Payable, General rates, Rates debtors for 2007 and 2008 years in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (Refer note 24).
- (b) Surplus for the year ended 31 December 2009 has been restated due to errors in garbage fees (Refer note 24).

The Statement of Changes in Accumulated Funds are to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 12 to 25.

**NASINU TOWN COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 \$	2009 \$
Cash flows from operating activities			
Receipts from customers		2,347,108	2,786,754
Payments to suppliers and employees		(2,631,983)	(1,821,231)
Cash (used in)/generated from operations		(284,875)	965,523
Interest and other costs of finance paid		(47,287)	(56,754)
Interest income		266,373	118,457
Net cash (used in)/provided by operating activities		(65,789)	1,027,226
Cash flows from investing activities			
Payment for property, plant and equipment		(349,627)	(461,238)
Net cash used in investing activities		(349,627)	(461,238)
Cash flows from financing activities			
Borrowings		125,258	-
Repayment of borrowings		-	(192,670)
Proceeds from government grant		-	250,000
Net cash provided/(used) by Financing Activities		125,258	57,330
Net increase in cash and cash equivalents		(290,158)	623,318
Cash and cash equivalents at the beginning of the year		488,753	(134,565)
Cash and cash equivalents at the end of the year	6	198,595	488,753

The Statement of Cash flows are to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 12 to 25.

**NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

NOTE 1: SUMMARY OF ACCOUNTING POLICIES

Statement of compliance

The financial report has been prepared in accordance with the Local Government Act (Cap 125 Rev 2007) and Section 5 of the Subsidiary Legislation, and International Financial Reporting Standards ('IFRS') for SME.

Basis of Preparation

The Council has changed its accounting policies which were based on Fiji Accounting Standards on 1 January 2008 to comply with IFRS for SME. The transition to IFRS 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.

Adoption of the following standards with 1 January 2008 as the date transition did have certain effects on the performance or position of the Council. It also gave rise to additional disclosures, including in some cases revisions to accounting policies.

Changes to accounting policies as a result of adoption of IFRS for SME :

Section 3: Financial Statement Presentation
Section 8: Notes to the Financial Statements
Section 20: Leases
Section 24: Government grant
Section 33: Related Party Disclosures

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2010, the comparative information presented in these financial statements for the year ended 31 December 2009, has been restated with IFRS for SME (as disclosed in note 24).

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

In the application of IFRS, 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 associated 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 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.

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010

(c) Comparative amounts

Comparative amounts have been restated to comply with the adoption of IFRS 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.

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010

(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.

The Council has not carried out impairment testing according to Section 27 of "IFRS" for "SME". The Council considers as this impairment would not have a material impact on the financial statements.

(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.

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

(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 operating 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.

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010

(n) Property, plant and equipment

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

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. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The Council have not depreciated Leasehold improvements over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method would have been reviewed at the end of each annual reporting period.

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 Values 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 2010

(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

	2010 \$	2009 \$
Rental income	130,878	111,537
Advertising on Councils properties	-	427
Deferred revenue	26,054	0
Fines and miscellaneous income	159,615	104,005
Insurance claim	-	448
Hire of playing field	18,808	13,192
Subscription	463	480
	<u>335,818</u>	<u>230,089</u>

NOTE 3. EMPLOYEES SALARIES AND BENEFITS EXPENSES

Salaries, wages and overtime	1,232,705	765,206
FNPF contribution	101,055	47,835
TPAF levy	16,203	9,488
Training and education	7,612	3,900
Allowances and protective clothing	73,335	22,992
	<u>1,430,910</u>	<u>849,421</u>

NOTE 4. OTHER OPERATING EXPENSES

Telephone, internet and fax	17,971	26,922
Printing, stationery and postages	39,985	29,036
Insurances	16,954	26,049
Meeting and entertainment expenses	5,249	5,797
Electricity and water	148,090	25,614
Loss on sale of asset	-	6,464
Audit fee	4,700	7,240
Bank charges	2,152	4,880
Legal expenses	34,645	4,476

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 4. OTHER OPERATING EXPENSES (CONT'D)

	2010 \$	2009 \$
Subscriptions	1,669	2,959
Doubtful debts	(45,520)	48,754
Discount on rates - Early payment incentive	-	46,351
General operating expenses	63,421	24,185
	<u>289,316</u>	<u>258,727</u>

NOTE 5. FINANCE COSTS AND INTEREST INCOME

Finance costs

Loan - Westpac Banking Corporation Limited	22,549	29,662
Finance lease - Credit Corporation Fiji Limited	13,969	27,092
Finance lease-Merchant Finance Co. Limited	10,769	-
Total finance costs	<u>47,287</u>	<u>56,754</u>

Interest income

Interest on overdue rates	856,943	925,541
Interest - Australia and New Zealand Banking	-	250
Total finance income	<u>856,943</u>	<u>925,791</u>

NOTE 6. CASH ON HAND AND AT BANK

Petty cash	100	100
Westpac Banking Corporation Limited	-	215,231
Bank of South Pacific Limited	198,495	23,239
Australia and New Zealand Bank	-	250,182
	<u>198,595</u>	<u>488,752</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.

NOTE 7. TRADE AND OTHER RECEIVABLES

	2010 \$	2009 \$
Current		
Trade receivables	8,958,911	7,653,144
Allowance for doubtful debts	(447,930)	(493,450)
	<u>8,510,981</u>	<u>7,159,695</u>
Other receivables:		
Advances	68,099	59,634
Deposits	5,702	5,701
Total current trade and other receivables	<u>8,584,782</u>	<u>7,225,031</u>

Trade receivables principally comprise amounts outstanding for General rates, business and trade license and rental income. Trade receivables are non-interest bearing

Movement in the allowance for doubtful debts:

Balance at the beginning of the year	493,450	444,696
Additional allowance during the year	-	48,754
Reversal of allowance for doubtful debts	(45,520)	-
	<u>447,930</u>	<u>493,450</u>

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010

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

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

As at 31 December 2010 trade receivables at nominal value of \$8,584,782 (2009: \$7,225,031) were examined for impairment and \$447,930 (2009: \$493,450) 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:

	2010 \$	2009 \$
General rates receivable		
Year 1	1,566,587	1,757,940
Year 2	3,517,898	1,303,637
Year 3	3,492,752	3,919,379
Total general rates trade receivables	8,577,237	6,980,956
Business, trade license and rental receivable		
30 - 60 days	69,711	44,579
60 - 90 days	156,540	100,106
Over 90 days	155,423	99,391
Total business, trade license and rental trade receivables	381,674	244,076
Total trade receivables	8,958,911	7,225,032

General rates receivables attracts 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.

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 31.12.2009	624,060	623,344	422,873	165,462	29,774	420,549	2,286,062
Additions	64,615	79,019	406,941	32,377	5,565	11,111	599,628
Disposals	-	-	-	-	-	-	-
Balance at 31.12.2010	688,675	702,363	829,814	197,839	35,339	431,660	2,885,690
Accumulated depreciation							
Balance at 31.12.2009	40,917	97,213	321,912	75,827	7,296	-	543,165
Depreciation for the year	7,826	50,922	67,095	22,117	5,967	-	153,927
Disposals	-	-	-	-	-	-	-
Balance at 31.12.2010	48,743	148,135	389,007	97,944	13,263	-	697,092
Net book value at 31.12.2010	639,932	554,228	440,807	99,895	22,076	431,660	2,188,598
Net book value at 31.12.2009	583,143	526,131	100,961	89,635	22,478	420,549	1,742,897

Capital work in progress is in relation to Lot 4, DP 6380, HL 13256, situated at Valelevu. Deposits received in its development stages as disclosed in note 14.

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
NOTE 9. INVESTMENT PROPERTY		
Building - at cost	50,000	50,000
Additions	-	-
Disposals	-	-
Balance as 31.12.2010	<u>50,000</u>	<u>50,000</u>
Accumulated depreciation		
Balance at 31.12.2009	1,875	1,250
Depreciation for the year	625	625
Disposals	-	-
Balance at 31.12.2010	<u>2,500</u>	<u>1,875</u>
Net book value ar 31.12.2010	<u>47,500</u>	<u>48,125</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 the investment property. The cost is based on historical cost.

	2010 \$	2009 \$
NOTE 10. INTANGIBLE ASSETS		
Computer software at cost		
Balance at 31 December 2009	11,172	11,172
Additions	-	-
Disposals	-	-
Unidentified Deposits	-	-
Balance at 31 December 2010	<u>11,172</u>	<u>11,172</u>
Accumulated amortisation		
Balance at 31 December 2009	4,308	3,191
Amortisation for the year	1,117	1,117
Disposals	-	-
Balance at 31 December 2010	<u>5,425</u>	<u>4,308</u>
Net book value at 31 December 2010	<u>5,747</u>	<u>6,864</u>

	2010 \$	2009 \$
NOTE 11. TRADE AND OTHER PAYABLES		
Trade payables	193,402	181,627
Other payables	40,506	7,487
VAT payable	29,969	61,917
	<u>263,877</u>	<u>251,031</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 overdraft	71,552	-
Bank loan - Westpac Banking Corporation Limited (a)	85,632	85,632
Finance loan - Credit Corporation Fiji Limited (b)	7,826	13,823
Finance Lease-Merchants Finance Pty Limited (c)	23,471	-
Total current secured borrowings	<u>188,481</u>	<u>99,456</u>

Non - Current

Bank loan - Westpac Banking Corporation Limited (a)	131,295	193,779
Finance loan - Credit Corporation Fiji Limited	18,889	-
Finance Lease-Merchants Finance Pty Limited (c)	79,827	-
Total non-current secured borrowings	<u>230,011</u>	<u>193,778</u>

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 12. INTEREST BEARING BORROWINGS (CONT'D)

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 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 Motor vehicle EU178. The interest is compounded at 11% for 4 years.

- (c) The finance lease from Merchant Finance & Investment Co. Limited is secured by a bill of sale on Motor Vehicle FR604, FR724, FR 720, FR719 and FR718. The interest is compounded at varying interest rates between 6.80% to 6.89%. The term of the lease is between 4 to 5 years.

Obligations under finance lease

Not later than one year	42,129	22,443
Later than one year but not later than two years	42,129	-
Later than two years but not later than five years	73,977	-
	158,235	22,443
Less charges	28,222	8,620
	<u>130,013</u>	<u>13,823</u>

Finance lease obligation is classified as follows:

Current liability

Finance Loan-Credit Corporation Fiji Limited (b)	7,826	13,823
Finance Lease-Merchants Finance Pty Limited (c)	23,471	-
	<u>31,297</u>	<u>13,823</u>

Non-current liability

Finance Loan-Credit Corporation Fiji Limited (b)	18,889	-
Finance Lease-Merchants Finance Pty Limited (c)	79,827	-
	<u>98,716</u>	<u>-</u>

Total finance lease obligations	<u>130,013</u>	<u>13,823</u>
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NOTE 13. PROVISIONS

Employee leaves	<u>24,051</u>	<u>14,638</u>
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NOTE 14. DEPOSITS

Deposits from tenants and advance payments from rate payers	36,170	36,170
Commercial lot deposits	361,775	346,775
	<u>397,945</u>	<u>382,945</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 + 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.

The lots is made up of 20 commercial lots (Lot 1 – Lot 20) within Lot 2 on DP 7928. Lot 1 to Lot 19 are still vacant. Only Lot 20 is developed and now accomodates Rajendra's West Point Supermarket, Valelevu.

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 15. DEFERRED REVENUE

	2010 \$	2009 \$
<u>Government grant (a)</u>		
Balance as 31 December	250,000	-
Grant received during the year	-	250,000
Deferred income recognised during the year	(1,054)	-
	<u>248,946</u>	<u>250,000</u>
<u>Japanese Government grant (b)</u>		
Balance as 31 December	250,000	-
Grant received during the year	-	-
Deferred income recognised during the year	(25,000)	-
	<u>225,000</u>	<u>-</u>
	<u>473,946</u>	<u>250,000</u>
Total Deferred income		
Current	27,037	-
Non-Current	446,909	250,000
Total Government grant	<u>473,946</u>	<u>250,000</u>

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

As at 31 December 2010, the Council had utilised \$77,240 of the grant for installation of streetlights.

- (b) The Japanese Government donated a Caterpillar SS660 to the Council in 2010.

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 2010 and Nil in 2009.

NOTE 17. CONTINGENT LIABILITIES

There were no contingent liability as at 31 December 2010 and Nil in 2009.

NOTE 18. NOTES TO THE STATEMENT OF CASH FLOWS

	2010 \$	2009 \$
Reconciliation of Net Cash provided by operating activities to net surplus		
Operating surplus	1,127,090	1,584,477
Depreciation and amortisation	155,668	159,518
(Gain)/loss on sale of assets	-	6,464
Deferred income	(26,054)	-
Allowance for doubtful debts	(45,520)	48,754
Provision for employee entitlements	9,412	5,430
Change in assets and liabilities:		
(Increase)/decrease in debtors and sundry debtors	(1,305,767)	(985,189)
(Increase)/decrease in deposits and prepayments	(8,464)	-
(Increase)/decrease in accounts payable and accruals	44,793	67,306
(Increase)/decrease in other liabilities	15,000	24,299
(Increase)/decrease in VAT receivable/(payable)	(31,947)	116,165
	<u>(65,789)</u>	<u>1,027,224</u>

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 19. RELATED PARTY DISCLOSURE

Management

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

Elizabeth Algar	-	Chair Lady/Special Administrator
Baskaran Nair	-	Special Administrator
Praneel Prasad	-	Special Administrator
Uma Kant Patel	-	Special Administrator
Paceli Baileikorocau	-	Special Administrator
Namatari Colaudolu	-	Acting Chief Executive Officer
Esita Nawani	-	Manager Finance
Sharon Kant	-	Prosecutor
Nanise Cakitaki	-	Acting Manager Engineering and Town Planner
Loraine Kuruvaki	-	Accountant
Eroni Tegunimataka	-	IT Officer

The names of the Council managements' in office during the year 2010 are:

Mosese Kama	-	Special Administrator
Simione Nakarua	-	Chief Executive Officer
Raveen Prasad	-	Manager Engineering (Resigned during 2010)
Amenatave Malani	-	Manager Human Resource
Silameti Talei Ligairi	-	Manager Legal (Resigned during 2010)
Jainend Kumar	-	Manager Engineering (Resigned during 2010)
Roshin Singh	-	Manager Finance
Ashneel Avinash Bhan	-	IT Officer
Eroni Moto Luveniyali	-	Manager Finance (Resigned during 2010)
Jotame Uluitoga	-	Manager Engineering

During the year, remuneration of the key management personnel was as follows:

Salaries and superannuation	<u>112,525</u>	<u>94,308</u>
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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.

**NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010**

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.

(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.

NOTE 22. FINANCIAL RISK MANAGEMENT

(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 Rev 2007) and Section 5 of Subsidiary Legislation.

Principal Place of Business

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

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 24. IMPACTS OF THE IFRS RESTATEMENTS ON 2009 FINANCIALS

Effects of IFRS Restatements on the Council financials for the financial year ended 31 December 2009.

	Reported 2009 \$	Effects \$	Restated 2009 \$
REVENUE			
General rates	2,103,035	(430,335)	1,672,700
Business and trade license	186,365	-	186,365
Taxi stand and carrier base charges	294,529	-	294,529
Other operating income	230,089	-	230,089
Total operating revenue	2,814,018	(430,335)	2,383,683
OPERATING EXPENSES			
Advertising and public relation expense	(34,318)	-	(34,318)
Depreciation and amortisation expense	(159,518)	-	(159,518)
Employees salaries and benefits expenses	(849,421)	-	(849,421)
Garbage collection expense	(578,915)	-	(578,915)
Repairs and maintenance expense	(133,169)	-	(133,169)
Transportation expense	(84,510)	-	(84,510)
Other operating expenses	(258,727)	-	(258,727)
Total operating expenses	(2,098,578)	-	(2,098,578)
Operating surplus before interest	715,440	(430,335)	285,105
Finance costs	(56,754)	-	(56,754)
Finance income	925,791	(54,095)	871,696
Operating surplus for the year	1,584,477	(484,430)	1,100,047
Other comprehensive income	-	-	-
Total comprehensive income for the year	1,584,477	(484,430)	1,100,047

