

# **SIGATOKA TOWN COUNCIL**

## Annual Report for the Year 2015

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**Sigatoka Kids Walk a Thorn**



# SIGATOKA TOWN COUNCIL



We envision Sigatoka Town as place where the Town Government generates relatively high quality of life for residents. Through sound and progressive policies for services and amenities. Where freedom and tolerance breed peace and harmony permitting industry and commerce to prosper for the benefit of all.



Our mission is to promote the health, welfare and convenience of the inhabitants of the Sigatoka Town Council area and to preserve its amenities and credit.



## Our Objectives

To fulfill out statutory responsibilities in the area of health, Town planning, traffic and entertainment of Sigatoka residents.

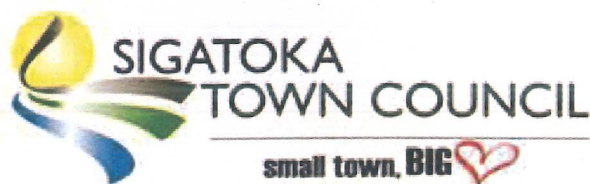
To provide adequate peace for the future expansion and the developments needs of the town.

To maintain and add to the existing facilities and services that meets the community needs and where possible exceeds present service.

To reduce congestion and overcrowded in town.

To provide adequate financial resources to meet the towns expenditure and ensure secure custody a proper accounting and reporting on the use of town's resources and assets.

To manage human resources employed in the delivery of municipal goods and services to the Sigatoka Community.



small town, BIG 

TAUNI HEWA, YALO VINA  
CHOTA SHAHAR, BADA DIL





# **SIGATOKA TOWN COUNCIL**

## **Annual Report AND Financial Statements 2015**

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**SIGATOKA TOWN COUNCIL**  
**ANNUAL REPORT FOR THE YEAR ENDED 2015**

**1.0 PRINCIPAL OFFICERS**

Chief Executive Officer	-	Mr. Tulsi Ram
Manager Finance	-	Mrs. Mohini Nair
Prosecutor	-	Mr. Abhay Kumar
Health Inspector/B. Surveyor	-	Mr. Anand Sami Pillay [started from 30.11.2015]

**1.2 SOLICITORS FOR THE COUNCIL**

Messrs. West Law, Sigatoka

**1.3 AUDITORS FOR THE COUNCIL**

Auditor-General of Fiji by virtue of Section 50 of the Local Government Act, Cap. 125 has been the Auditor for the Council.

**1.4 MEETING OF THE COUNCIL**

Ordinary Council Meeting	-	12
Special Committee Meeting	-	1
Finance, Library & IT Committee Meeting	-	12
Market Committee Meeting	-	12
Traffic Committee Meeting	-	12
Prosecution Committee Meeting	-	12
Works, Parks & Gardens Committee Meeting	-	12
Health, Building & 3R Project Committee Meeting	-	12
Staff & Tender Committee Meeting	-	12
Meeting with the Deputy Permanent Secretary for Local Government, Housing & Environment	-	1
Meeting with Sigatoka Taxi Association	-	1
Meeting with Ministry of Labour	-	1
Meeting of the Coral Coast Carnival Association	-	4
Meeting with Fiji Roads Authority	-	8
Meeting of the OHS Committee	-	4

**Total Number of Meetings**

**116**

**=====**

2.0 RATES AND FINANCE  
 2.1 Town Rates Collection

<u>Comparison</u>	<u>2014</u>	<u>2015</u>
<b><u>Arrears</u></b>		
Arrears from 2009	46,911	70,013
Amount Collected as at 31 <sup>st</sup> December	22,469	37,916
Balance of Arrears to be collected	2,4442	32,097
Waiver of Interest @ Amnesty Period	776	5,268
% Collected as at 31 <sup>st</sup> December	48%	54%
<b><u>Current</u></b>		
Current Rates Due on 1 January	340,415	389,159
Amount Collected as at 31 <sup>st</sup> December	296,695	368,245
Balance of Current Rates to be collected	43,720	20,914
Discount Allowed @ Amnesty Period	23,872	27,596
% Collected	87%	94%
Arrears Collected During Rates Amnesty	3,336.80	9,142.10
Interest Waived during Rates Amnesty	776.10	4,088.50

2.2 Town Rate in Arrears

	<u>2015</u>
	\$
1. Unalienated Native Land	-
2. Allocated Lots with registered Lease	-
3. Estate of Deceased Persons	4,136.75
4. Sporting and Social Organization	-
5. Absentee Landlords	-
6. Under Receivership	-
7. Religious Organizations	17,918.82
8. Educational Institutions	-
9. Litigations	-
10. Others	23,172.43

**\$45,228.00**

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2.3 Summary of Arrears

	<u>Arrears</u>	<u>Collected</u>
Previous Years : 2011	53,663	22%
2012	66,242	25%
2013	45,015	66%
2014	46,911	50%
2015	70,013	56%

Rates not collected falls under unalienated Land and General. Council has been charging rates and is consistently negotiating with the Native Land Trust Board to have the same settled. From 2008 these unalienated land is not attracting rates as the Local Government Act, Cap 125 has been amended to exclude unalienated properties from being charged rates.

All rates under arrears have either made arrangement for payments or are been taken to Court.

#### 2.4 Recurrent Revenue and Expenditure

The total recurrent revenue and expenditure of the Council for the year ending December, 2015 were as follows:

Fund	Revenue	Expenditure	Surplus/Deficit
General	1,177,831	1,361,161	[183,330]
Loan Rate	164,335	156,000	[ 8,335]

#### 2.5 Current Loan

The Councils two [2] Loan Liabilities on December, 2015 amounted to:

Colonial \$ 1,205,964

Credit Corporation \$ 24,149

#### 3.0 PARKING METER

This Section is run by 7 Officers : 3 Car Park Attendants, 3 LTA Authorised Booking Officers and 1 Supervisor.

This Section has managed to do 1 Workshop within this period which is as follows:

1. LTA Workshop in Suva for additional powers to enforce.

The Section has managed to do 2372 Bookings for both Parking Meter Offence and Other Offences.

Chart Below shows the Breakdowns for each Month's Booking with Fines and Tolls Collected:

Month	Parking Meter Booking	Other Offence Booking	Paid TINS for both Offences	TINS Issues Per Month	Tolls Collected
January	127	48	74	175	\$3,298.35
February	95	36	48	131	\$3,280.10
March	112	26	51	138	\$2,490.30
April	144	44	58	188	\$2,251.25
May	134	56	76	190	\$ 2,782.85
June	173	54	73	277	\$ 4,055.95
July	187	96	105	283	\$ 3,646.10
August	161	89	93	250	\$ 3,400.25
September	132	75	73	207	\$ 3,296.50
October	219	97	93	316	\$ 2,951.45
November	162	105	91	267	\$ 3,206.05

Total TINS Issued for Parking Meter = 1646  
 Other Offence = 726

**Total Money Collected Through Fines and Toll as follows:**

Parking Meter Fines	-	\$ 5,880.00
Other Offence Fines	-	\$ 6,330.00
Parking Tolls	-	\$34,659.15
Parking Permit	-	\$ 2,663.15
Sale of Scrap	-	\$ 98.00

The Section is trying the best to collect more pending fines through Court cases once formally prove from Court.

Green copies of traffic infringements notice are been sent to registered rental companies as reminders for any offence booking,

#### 4.0 LEGAL AND PROSECUTION DEPARTMENT

The Legal and Prosecution department carries out the enforcement duties of the Council.

The department's core functions are as follows:

##### Primary Functions:

1. To administer and prosecute all traffic, civil and criminal cases at Magistrates Court Level.
2. To draft and formulate By-Laws, Agreements/ Contracts pertaining Council's operations.
3. To research and provide legal opinion to the Council whenever required.

##### Secondary Functions:

1. To coordinate with inter-agencies to control soliciting / touting and begging within town, drinking in Public Places, monitoring of no-smoking zones and attending to Environmental related complaints.
2. Attending to complaints by ratepayers/residents and general public.

##### Department Strength :

Presently the Legal and Prosecution Department is manned by only 1 Officer.

##### Court Activity Report

For 2015, the department has successfully prosecuted:  
424 traffic cases  
7 Business Licence cases  
2 Civil cases  
Executed 49 Committal Warrants.

The department has been actively involved in following duties:

**Traffic** – Assisted in complaints/ PSV issues and on field assistance.

**Public Health**- Assisted Health Staff in issuance of Sanitary and Statutory Notices.

**Finance**- Provided support and assistance in collection of due revenue such as base fees and rental properties.

**Market** – Assisted UN Women staff in carrying out elections for Market Vendors.

##### Limitations / Weakness

The Legal and Prosecution department faces problems in collecting the anticipated revenue from Traffic cases. Presently the fines awarded to Council is collected by means of execution of Committal Warrants, however it is a costly exercise.

It is highly recommended that a simple workable MOU be drafted and entered into by the Councils with LTA in order to create an effective revenue collection mechanism.

**NOTE:** This is now looked at the Ministerial level.

**Training and workshops attended:**

1. Empowering Municipal Council Authorized Officers –LTA
2. Preservation of Historical and National Heritage sites- National Trust of Fiji
3. Awareness on Child Labour – Ministry Employment , Productivity and Industrial Relations.
4. Environment Compliance Campaign – DOE
5. Pre Cyclone Briefing – Fiji Red Cross.
6. Empowering Municipal Council Authorized Officers –LTA
7. Preservation of Historical and National Heritage sites- National Trust of Fiji
8. Awareness on Child Labour – Ministry Employment , Productivity and Industrial Relations.
9. Environment Compliance Campaign – DOE
10. Pre Cyclone Briefing – Fiji Red Cross.

**5.0 MARKET  
Staffing**

Market is managed by the Market Manager and two [2] Assistant Market Managers.

- The Sigatoka Market is divided into 3 Sections: - Orange Wing (141 stalls), Yellow Wing (227 stalls) and Green Wing (223 stalls)
- It is being managed by three staffs: - *Iliesa Ravouvou (Market Manager)*, *Kesaia Qarau (Assistant Market Manager)* and *Arvin Chand (Market Attendant)*
- There are 185 registered vendors and 110 casual vendors.

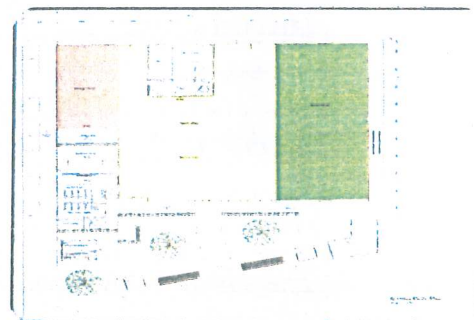
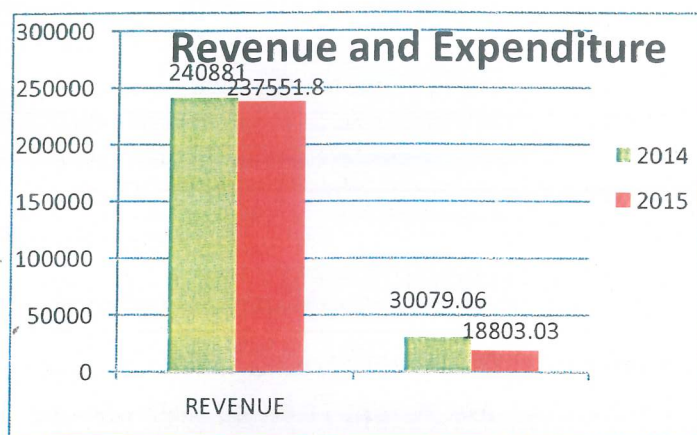
Vegetable	:	118 vendors	Vegetable	:	83 vendors
Groceries	:	46 vendors	Juice	:	10 vendors
Handicraft	:	15 vendors	Seafood	:	17 vendors
Sweet Cart	:	6 vendors			

The Market was established in February 1970 and is governed by **SECTION 122** of the Local Government ACT which was Revised in 1985 and the *Sigatoka Market SOP*, Revised in 2014.



- 2015 revenue of \$237,551.80 and expenditure of \$18,803.03 (maintenance)

With the removal of 39 stalls due to market upgrade and the migration of casual vendors to other municipal markets, is a major factor to the decrease in revenue



➤ Market Infrastructure Improvements:

- ❖ Provision of the accommodation block - opened 5<sup>th</sup> February, 2015
- ❖ Renovation of the current public convenience - opened 5<sup>th</sup> February, 2015
- ❖ Installation of 2 x 10,000 liter water tank and a booster pump for the Public Convenience
- ❖ Installation of intercom - By UN Women
- ❖ Separation of lights (LED)

Modernization and improvement of the overall facility will improve the daily

Trade of business will cater for health, welfare and conveniences of the people

Awareness:

- ❖ Anti Violence against Women by the UN Women with free medical check-up by Sigatoka Hospital, and MSP medical Team (NGO)
- ❖ Market vendors workshop (m4c) – UN Women
- ❖ Market vendors workshop (savings) – UNDP/ Westpac
- ❖ Human Trafficking by the Land Transport Authority
- ❖ Home Composting Awareness by JPRISM and the STC



✓ General:

- ❖ Election of the Sigatoka Market Association Committee
- ❖ Carol Singing inside and around the Market Square

## 6.0 HEALTH, BUILDING & WORKS

### Introduction:

*The Health and Building Department is an arm of the Sigatoka Town Council. The Health Inspector / Building Surveyor are appointed under the Part VI Section 35[1] of the Local Government Act Cap 125 at all times.*

*The Health / Building Department was led by the Assistant Health Inspector Mr. Ashnil Sharma and JICA Volunteer Mr. Kouki Takano. Mr. Ashnil Sharma left on 29<sup>th</sup> July, 2015 to join the Ministry of Health and Mr. Kouki Takano's contract expired on 30<sup>th</sup> June, 2015. Mr. Anand Sami Pillay joined the Council on 30<sup>th</sup> November, 2015 as the Health Inspector/ Building Surveyor.*

*The objective of the Health & Building Department to promote Health, Welfare and convenience of the inhabitants of the municipality and to preserve the amenities or credit thereof under Section 88 of the Local Government Act Cap 125, our Department paramount with Regulation and Acts as stipulated below.*

- ✓ **Public Health Act Cap 111**
- ✓ **Environment Management Act 2005**
- ✓ **Litter Promulgation 2008/Litter (Amendment) Decree 2010**
- ✓ **Town Planning Act Cap 139**
- ✓ **Food Safety Act 2003**
- ✓ **Food Safety Regulation 2009**
- ✓ **Subdivision Act 140**
- ✓ **National Building Code**
- ✓ **Local Government Act Cap 125.**

*The said Acts and Regulation is eminently and elocation to the Health Inspector/ Building, whilst dealing with the general public in order to enforce or promote Acts and Regulation as when required by the Health and Building Department.*

*Further, it also elevates the Council and the citizen of the Sigatoka Town at all times for the best interest of every one.*

**7.0 BUILDING DEPARTMENT:**

**7.1 Building Application.**

Total Number of Building Application Processed for Commercial	-	12
Total Number of Building Application Processed for New Dwellings	-	4
Total Alteration and Repairs	-	8

**Total: 24**

**7.2 Number of Inspection Certificate Issued**

Total Certificate of Inspection:

**7.3 Certificate Issued before Occupy**

Total No. of Completion Certificate issued	-	2
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**7.4 Town Planning Management**

Total No. Rezoning Application	-	1
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**7.5 Health Report**

Total Number of Insanitary Condition Notice Served:	-	62
Total Number Statutory Notice Served:	-	Nil
Total No. of Condemnation Certificate Issued:	-	1
Total No. of Health License Issued:	-	-

**7.6 Dog Trapping Exercise**

The dog trapping were carried by the Health & Building in the month of May 2015, the total number of dogs were trapped	-	18
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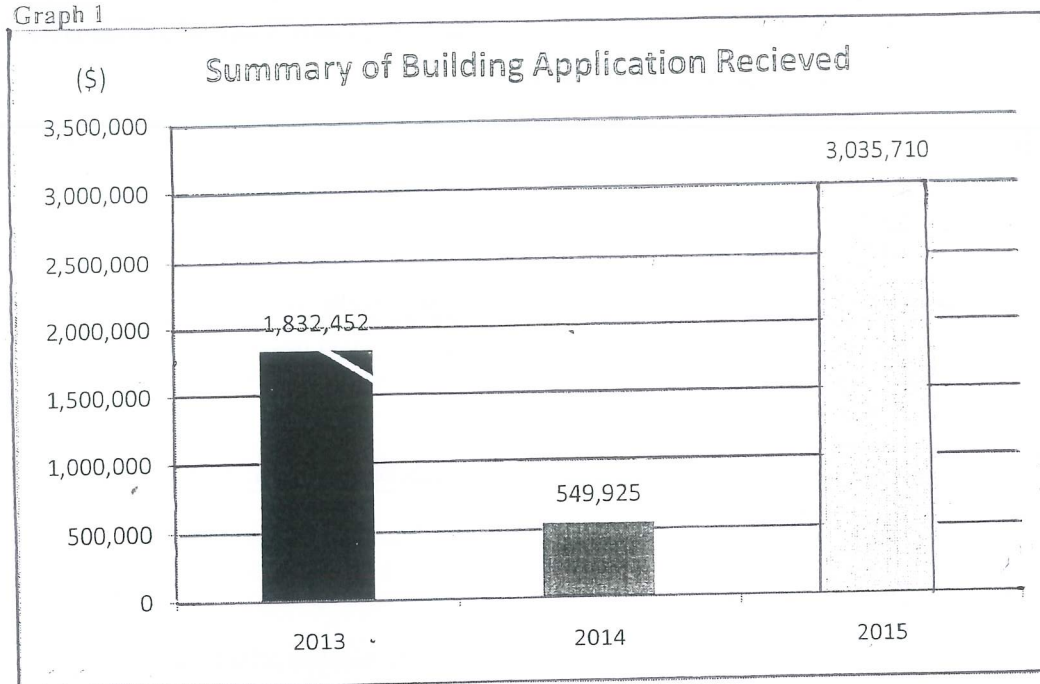
**7.7 Mosquito Spraying**

The mosquito spraying was carried out in 2015 with in the Town Boundary of Sigatoka Town Council as when required by the Ratepayers.

**7.8 Food Condemnation**

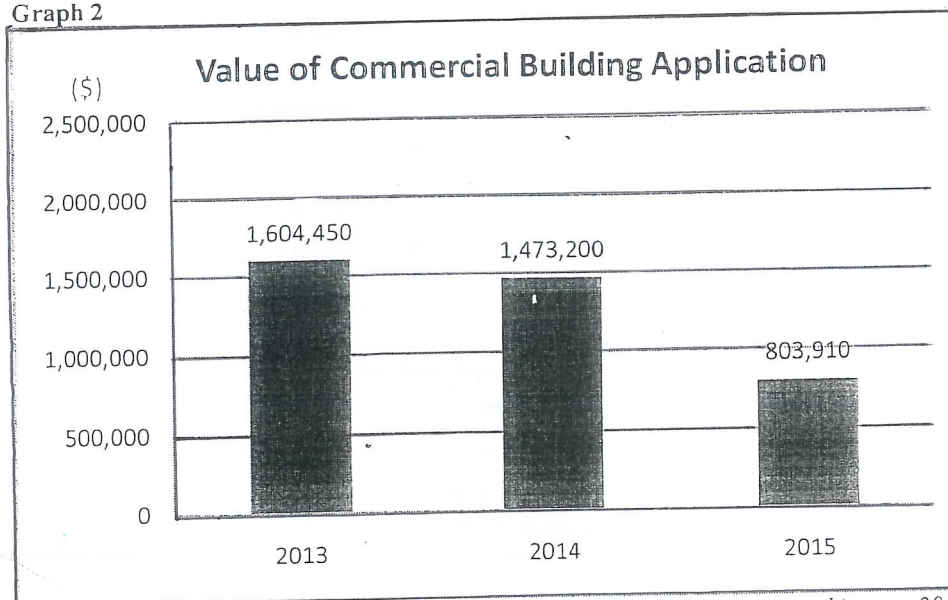
Food was condemned namely flour (4kg) from the supermarket was found unfit and unsafe for human consumption according to Food Safety Act 2003 and Food Safety Regulation 2009

Graph 1



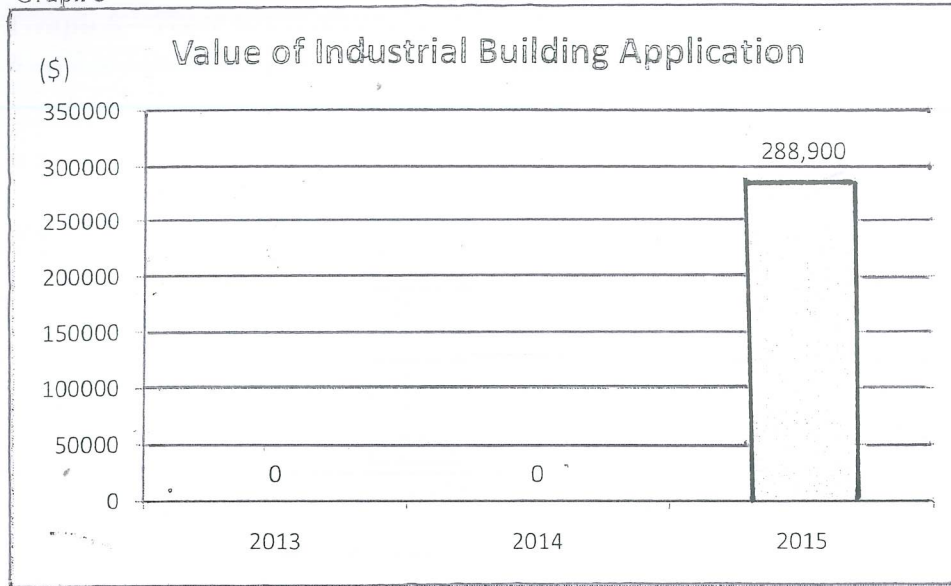
1. The summary of the building application for year 2015 were increased drastically and which reflects there is a massive developments were took place in Sigatoka compared to 2013 and 2014.

Graph 2



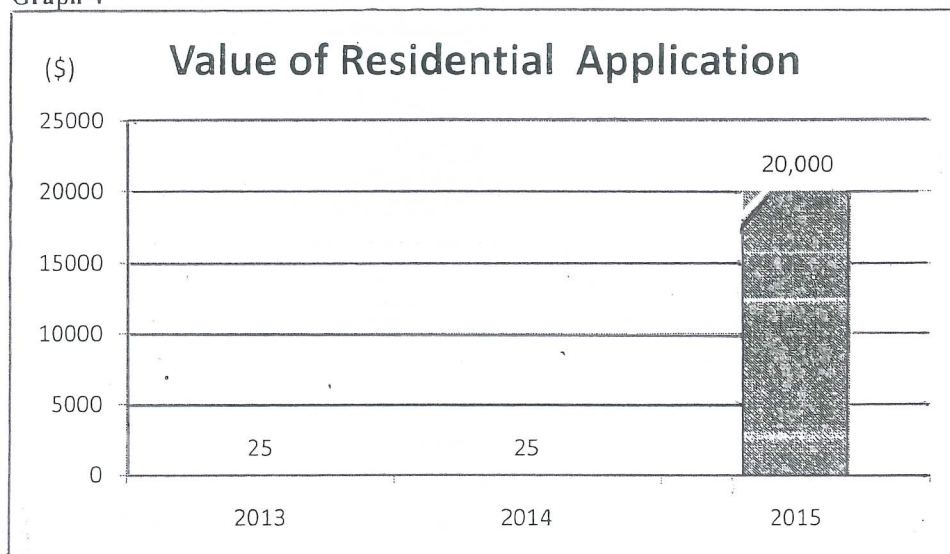
Graph 2 – The graph clearly shows that most commercial building approved in year 2013 compared to 2015 and 2015. Some of the major developments were took place in year 2013 e.g Rajendra Prasad Building[Occupied by Shop and Save] and Rups Big Bear Building at the Market Road.

Graph 3



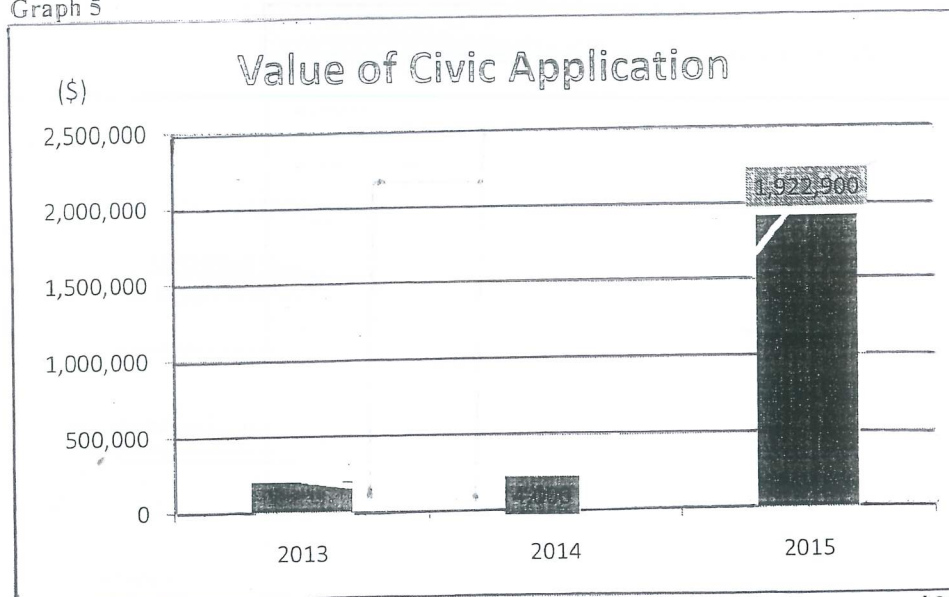
Graph 3- There was only development took place in year 2015 compared to nil in other previous years. Also it is noted that Council has least industrial Areas within Sigatoka Town.

Graph 4



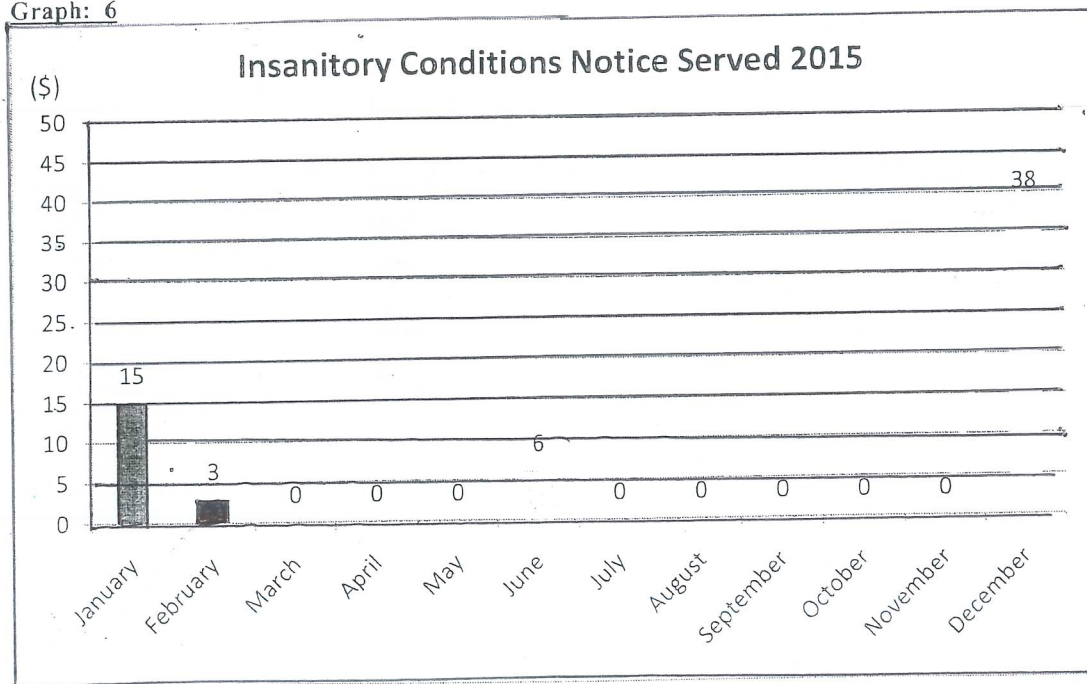
Graph 4- The graph above shows most of the residential Development only took place in year 2015 compared to the previous. There could be the possibility of the decrease in price for the Hardware materials.

Graph 5



Graph 5. There was some civic developments took place in Sigatoka Town in year and 2013, and in year 2014, with same note Council has noted that there was a massive increased in Civic Development in 2015 specially developments took place such as Schools, Pavilion and Churches.

Graph: 6



**Graph 6** – *There was a massive number of insanitary Conditions of Notices were served in month of December 2015 compared to month of July to November, due to the unavailability of the Health Inspector and Building Surveyor in the Council.*

## 8.0 3R REPORT

### 8.1 Home Composting Project:

- Sold 10 bins given by Department of Environment.
- Monitoring done to four home compost bins.
- Advice owners of the use and benefits of having home compost bins and what it does to the environment.



### 8.2 Market Green Wastes in Collaboration With OISCA:

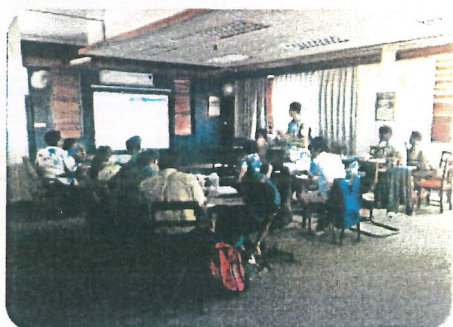
- Transportation of market green wastes continues twice a week and till expired date, but contract between council and OISCA renewed.
- Composts given by OISCA to council are being sold to interested buyers for \$1/kg.
- Market green wastes are also given to interested piggery farmers for pig feeds.



### 8.3 Clean School Program Project:

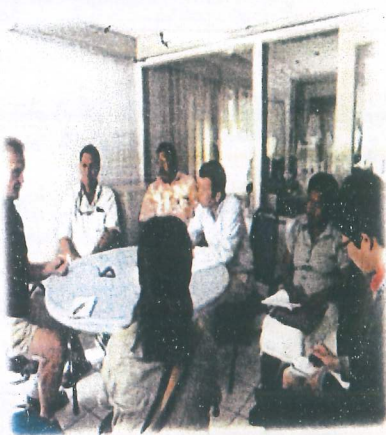
- Clean School Program was not being carried out this year due to limited manpower but instead 3R JICA volunteer in Health department come up with an idea of all schools in the Nadroga/ Navosa district to participate in 3R Art Exposition.
- This is where students showcase their talent and ideas and reuse what we call wastes to create art work.
- Judging and awarding done to participating schools that have showed interests in art work.
- However, action plans from schools that have already submitted their copies, which will be used for CSP 2016.

## 8.4 3R Art Exposition



**8.5 Coral Coast Hotel chapter:**

- Shangri-La's Fijian Resort the only hotel in collaboration with Honeydew Company for collection of wastes in their hotel, thus minimise wastes taken to dumpsite for disposal.



**8.6 Dumpsite Operation and Maintenance**

- Regular landfill maintenance by using own machinery, digger, three times a week.
- Compact of wastes in landfill by the council backhoe
- Follow up with spraying with Diozaione to control flies and other insects.
- Separated space within landfill for green waste and other solid waste.
- At the end of April 2015, the rehabilitated landfill had a large fire, counter measures taken.
- Plans underway to install a fire hydrant and administration block.
- Attended to fire which was encroaching landfill from Naqarai side in November, 2015.

**8.7 Awards: received Certificate for Best Counterpart Team of the Year 2014/2015 by JICA.**

8.8 **Best in 3R Promotion** : 2<sup>nd</sup> place for Best Municipal Council In 3R.

9.0



**WORKS DEPARTMENT**

The Works Department is one of the key arms of the Organisation and has sixteen (16) general workers and a Supervisor with various duties and responsibilities (i.e... Public Convenience cleaning, Disposal site attendants, Beautification work, Night security, Capital/Maintenance works and 3R projects). Some of our works are part of the Annual Corporate Plan of the year dealing with capital works. The other parts are from the Heads of Departments/ Managements and from the requests and concerns of the public through complaints. The role and duties are to provide essential services for the benefit of the public/people. The Department also assist and support other Departments and Organisations within our Township.

9.1 **Beautification:**

- Painting of Road Kerbs
- Painting of flower beds
- Replacement and planting of new flowers
- Re-painting of the Off Mission Children's Park
- Green Waste Collection in all wards
- No Litter Signage Installation



- Rubbish Bin Installation
- Street Decoration during events
- Mosquito and flies spraying in town and at the Disposal site
- General Cleaning of the events site (Carnival, Diwali Mela, Sigatoka Day)

## 9.2 **Projects and Maintenance:**

- Nayawa Children's Park retaining Wall and Fencing
- Fabrication of the Nayawa Children's Park Playing equipment's
- Bus Bay Kiosk/ Shelter Construction
- Rubbish bins Fabrication
- Chamber lids maintenance
- Traffic signage and parking meter installation
- Construction of the Vunahalu Police Post
- Maintenance of the Councils Properties- Civic Building, Markets, Parks, Fleet, etc.



DUABALE BUS Stand  
SHELTER



NAYAWA CHILDREN'S  
PARK

## 9.3 **Health:**

- Daily cleaning of the Public Convenience
- Quarterly cleaning of the Municipal Markets
- Clearing of Rubbish at the Disposal site
- Daily recording of scavengers and Dump trucks entering the Disposal site

## 9.4 **Sanitary Services:**

These services were performed by the council from March 2014 to March 2015; from April 2015 the work was given back to Sudesh Transport.

- Grass Cutting—grass cutting were performed in all wards every fortnights
- Drain Cleaning – all drains around town were cleaned and cleared with silt
- Paper Collection and Street Sweeping – daily street sweeping and paper collection were carried out in every ward



## 9.5 **General:**

- The following some trainings and workshops were attended by the Works Supervisor

- Geographical Information Systems (GIS) training facilitated by the Department of Town and Country Planning.
- Environmental Compliance Operation, Nadroga /Navosa - Department of Environment
- Tackling Child Labour – International Labour Organization
- Assisted the Health and Building Department for Six Months with the Building Inspections and Building Applications
- Assisted Yavulo Village committee for the levelling of soil in the village

#### 10.0 WORKS ON CONTRACT

<u>Services</u>	<u>Contractors</u>
1. Garbage Contract Service	Sudesh Chand T/A Shiu Prasad Transport
2. Street Light	Prime Fiji Limited
3. Grass Cutting, Drain Cleaning Street Sweeping and Koromumu Cemetery	Sudesh Chand T/A Sudesh Transport
4. Market Cleaning	Sudesh Chand T/A Sudesh Transport

#### 11. VISITING DIGNATORIES

	<u>Name</u>	<u>Organisation</u>	<u>Date</u>
1.	Mr. Josese Rakuita	Ministry of Local Government, Housing & Environment	26.02.15
2.	Hon. Praveen Kumar Bala	Minister for Local Government, Housing & Environment	"
3.	PNG Contingent [11]	Office of the Member of Morsby South POM	30.04.15
4.	Hon. Lorna Eden	Asst. Minister of Local Government, Housing & Environment	04.06.15
5.	Mr. Shermal Fernando	Tappoo Limited, Sigatoka	06.06.15
6.	Mr. Yoichi Lodo	JICA Fiji Office	12.06.15
7.	Mr. Yoko Nonobe	JICA Fiji Office	12.06.15
8.	Mr. Tokushi Maehara	JICA – Ministry of Youth & Sports	12.06.15

12. **EMPLOYEES**

12.1 **Establishment**

An employment policy guideline was prepared and implemented by the Council during the year 2015. At the end of the year, the following employees were on the Council payroll:

<u>Department</u>	<u>Staff</u>	<u>Unestablished</u>	<u>TOTAL</u>
Administration	3	1	4
Health & Building	2	17	19
Parking Meter & Traffic	6	-	6
Finance & IT	4	-	4
Prosecution	1	-	1
Market	3	-	3
<hr/>			
	19	18	36
=====			

13. **Other Activities Held During the Year**

- a. Council celebrated its 79<sup>TH</sup> year of inception, this time having 3 days and nights of entertainment.
- b. After a lapse of 6 years, Coral Coast Carnival was organized by the Council from 19<sup>th</sup> to 26<sup>th</sup> September, 2015. This Carnival was solely organized by the Council and was a great success.
- c. Council also organized Diwali Celebrations by having a Diwali Mela for three [3] nights next to the Council Office.
- d. Carol singing and Christmas and New Year decoration were installed in town. The Council is planning to organize the above activities annually.

14. **APPRECIATION**

Council wishes to record its appreciation to the ratepayers and citizens of the town for their co-operation and acknowledges the services rendered by staffs of the Council.

We take this opportunity to acknowledge the support and co-operation of the Ministry of Local Government, Housing & Environment.

  
Tulsi Ram  
CHIEF EXECUTIVE OFFICER

# OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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2-10 McArthur St  
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Suva, Fiji

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



File: 970/1

26 September 2016

Tulsi Ram  
Chief Executive Officer  
Sigatoka Town Council  
**SIGATOKA**

Dear Mr. Ram

**SIGATOKA TOWN COUNCIL**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

Audited financial statements for the Sigatoka Town Council for the year ended 31 December 2015 together with my audit report on them are enclosed.

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

Yours sincerely

Atunaisa Nadakuitavuki  
for **AUDITOR GENERAL**

Encl.

# OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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



## INDEPENDENT AUDITOR'S REPORT

### To the members of Sigatoka Town Council

I have audited the accompanying financial statements of Sigatoka Town Council, which comprise the statement of financial position as at 31 December 2015, the statement of income and expenditure, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information as set out on Notes 1 to 18.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

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

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

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

**Audit Opinion**

In my opinion, the financial statements presents fairly in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the statutory provisions, in all material respects, the financial position of Sigatoka Town Council as at 31 December, 2015, and its financial performance and its cash flows for the year then ended.



Atunaisa Nadakuitavuki  
for **AUDITOR GENERAL**

Suva, Fiji  
26 September 2016



SIGATOKA TOWN COUNCIL  
GENERAL FUND ACCOUNT  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2015

Page 4

	Notes	2015	2014
<b>CURRENT ASSETS</b>			
Cash on hand		\$ 200	200
Cash at bank	3(a)	347,915	579,623
Term deposits	3(b)	62,424	61,080
Debtors	4	119,892	109,243
Sundry advances	5	11,285	11,285
Prepayments and electricity deposits	6	11,183	10,753
Inventory		15,648	15,648
<b>TOTAL CURRENT ASSETS</b>		<b>568,547</b>	<b>787,832</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	1,749,335	1,740,240
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,749,335</b>	<b>1,740,240</b>
<b>TOTAL ASSETS</b>		<b>2,317,882</b>	<b>2,528,072</b>
<b>EQUITY AND LIABILITIES</b>			
Accumulated funds / (losses)	8	287,414	281,404
<b>CURRENT LIABILITIES</b>			
VAT payable		30,568	34,053
Employee entitlement		19,458	19,668
Income received in advance	13	48,509	56,030
Creditors and other accruals		111,482	359,532
Loan funds	9	156,000	156,000
Sundry deposits	10	60,317	59,317
Lease liability	11	15,258	15,258
Deferred income	12	18,176	9,191
<b>TOTAL CURRENT LIABILITIES</b>		<b>459,768</b>	<b>709,049</b>
<b>NON-CURRENT LIABILITIES</b>			
Loan funds	9	1,044,638	1,108,097
Lease liability	11	7,620	22,878
Deferred income	12	518,442	406,644
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,570,700</b>	<b>1,537,619</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>\$ 2,317,882</b>	<b>2,528,072</b>

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 13 to 22.

**COUNCIL'S STATEMENT**

In our opinion, the financial statement have been properly drawn up so as to show a true and fair view of the Sigatoka Town Council's operations for the year ended 31 December 2015 and of the state of affairs and cash flows as at that date.



Chief Executive Officer

Tulsi Ram

Date: 23/09/2016



Manager Finance

Mrs. Mohini Nair

Date: 23/9/16

SIGATOKA TOWN COUNCIL  
GENERAL FUND ACCOUNT  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015

Page 5

	Notes	2015	2014
The income for the year was derived from:			
General rates		\$ 121,860	130,705
General rates on state land		2,577	2,577
Local rates		28,729	28,616
Interest on overdue rates		14,920	14,939
Fees and charges			
Interest earned		1,902	1,350
Advertisement		23,177	1,878
Business licence		115,454	113,849
Building fees		7,175	3,662
Bus stand charges		13,204	13,245
Commercial vehicle		8,424	8,532
Taxi		52,610	55,101
Cemetery		2,159	2,276
Garbage		117,337	128,832
Illegal parking fines		5,947	4,743
Interest others		5,742	6,570
Library		1,557	2,492
Legal action		395	-
Market fees		237,595	240,881
Miscellaneous		18,167	36,561
Rental properties		91,191	64,205
Car parking contribution		3,264	435
Car parking fees (MH / Market)		40,130	32,621
Loading & unloading zone		7,826	7,827
Mini van		17,503	15,534
Amortisation of deferred income	12	18,176	9,191
Monetary contribution		-	1,956
Special Traffic Operation		165	1,071
5% gate takings - Sports Council		808	11,394
FSC grass cutting		-	882
Revenue - Others (new taxis, carrier, minivan, garbage)		19,352	19,906
Jack's Retail Limited - income realised		4,710	4,710
3R project		495	309
Mooring fees		-	822
Tipping fees - outsiders		4,079	20,220
Wheel barrow		400	508
Donation - Fijian Resort		8,695	30,000
Ladies accommodation		7,164	-
Public convenience		62,307	-
Sale of rubbish bins		870	-
STC events (Stka day/carnival)		86,491	-
Total income		\$ 1,152,557	1,018,400

SIGATOKA TOWN COUNCIL  
GENERAL FUND ACCOUNT  
STATEMENT OF COMPREHENSIVE INCOME [CONT'D]  
FOR THE YEAR ENDED 31 DECEMBER 2015

Page 6

	Notes	2015	2014
The expenditure for the year was incurred on			
Re-current			
Audit fees	\$	9,000	9,000
Uniforms		8,691	15,203
Depreciation		99,258	75,294
Doubtful debts		7,172	7,172
Garbage service		49,842	45,300
Legal expenses		1,435	6,559
Mayoral, Councillors allowance & civic reception		2,303	4,824
Office expenses		6,108	5,140
Printing, stationery & advertising		25,637	26,528
Salaries & related payments		455,914	480,303
Telecom/fax/internet/courier		15,250	15,614
Travelling expenses		14,505	10,154
3R project		4,330	4,186
Electricity		24,263	32,855
NPTC levy		2,455	2,484
Insurance		14,360	11,850
Market		7,295	19,760
Miscellaneous		12,837	28,727
Public convenience		27,532	6,379
Roads, drains, paths & verges		119,316	67,090
Water		20,857	14,549
Total re-current expenditure		928,360	888,971
Capital expenditure			
Footpath, road marking/patching		3,621	-
General maintenance		44,243	44,709
Valuation fees		-	5,450
Maintenance of mini bus stand		17,292	-
River bank upgrade		16,648	-
Maintenance of office furniture / equipment		2,654	2,888
Children's park		8,736	21,645
Rubbish dump / digger maintenance		30,970	29,444
Streetlights		6,702	-
Upgrade administration building		3,407	8,777
Beautification of town		6,707	8,650
Capital projects		1,717	27,155
Loss on sale of rubbish bins		-	10,649
Accounting convergence cost		3,000	-
Ladies accommodation		11,519	-
Maintenance of rubbish bins		2,527	-
Office space lease		29,893	-
Police post		4,100	-
Local Government Forum		1,303	-
STC events - carnival/Stka day		95,182	-
Total capital expenditure	\$	290,221	159,367

SIGATOKA TOWN COUNCIL  
GENERAL FUND ACCOUNT  
STATEMENT OF COMPREHENSIVE INCOME [CONT'D]  
FOR THE YEAR ENDED 31 DECEMBER 2015

Page 7

	Notes	2015	2014
Financial expenses			
Bank charges & interest	\$	2,550	3,163
Discount allowed		27,273	25,905
Total financial expenditure		29,823	29,068
Total expenditure		1,248,404	1,077,406
Net deficit for the year		(95,847)	(59,006)
Deficit balance at 1 January		(707,791)	(648,785)
Net deficit balance as at 31 December	\$	(803,638)	(707,791)

SIGATOKA TOWN COUNCIL  
SPECIAL LOAN FUND ACCOUNT  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015

Page 8

	Notes	2015	2014
The income for the year was derived from			
Special loan rate		\$ 183,504	184,821
Special loan rate on Stateland		10,894	10,894
Total income		194,398	195,715
The expenditure for the year was incurred on			
Interest - BSP Life (Fiji) Limited		92,541	117,547
Total expenditure		92,541	117,547
Net surplus for the year		101,857	78,168
Deficit balance at 1 January		(63,711)	(141,879)
Net deficit balance as at 31 December		\$ 38,146	(63,711)

SIGATOKA TOWN COUNCIL  
PARKING METER FUND ACCOUNT  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2015

Page 9

	Notes	2015	2014
<b>CURRENT ASSETS</b>			
Funds for parking meter		\$ 2,126	6,452
<b>TOTAL CURRENT ASSETS</b>		<b>2,126</b>	<b>6,452</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	10,866	10,608
<b>TOTAL NON-CURRENT ASSETS</b>		<b>10,866</b>	<b>10,608</b>
<b>TOTAL ASSETS</b>		<b>12,992</b>	<b>17,060</b>
<b>CURRENT LIABILITIES</b>			
Employee entitlement		1,739	795
Creditors and accruals		230	177
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,969</b>	<b>972</b>
<b>TOTAL LIABILITIES</b>		<b>1,969</b>	<b>972</b>
<b>NET ASSETS</b>		<b>11,023</b>	<b>16,088</b>
<b>ACCUMULATED FUNDS</b>		<b>\$ 11,023</b>	<b>16,088</b>

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 13 to 22.

**COUNCIL'S STATEMENT**

In our opinion, the financial statements have been properly drawn up so as to show a true and fair view of the Sigatoka Town Council's operations for the year ended 31 December 2015 and of the state of affairs and cash flows as at that date.

Chief Executive Officer

Tulsi Ram

Date: 23/09/2016

Manager Finance

Mrs. Mohini Nair

Date: 23/9/16

SIGATOKA TOWN COUNCIL  
PARKING METER FUND ACCOUNT  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015

Page 10

	Notes	2015	2014
The income for the year was derived from			
Infringement fines		\$ 5,423	6,872
Parking meter tolls		32,772	38,596
Miscellaneous		98	16
Parking permit		2,709	3,416
Total income		<u>41,002</u>	<u>48,900</u>
The expenditure for the year was incurred from			
Bank charges		152	238
Road, footpath marking / patching		-	3,365
Depreciation		2,528	2,349
Printing & stationery		929	848
Training levy		411	415
Salaries & related payments		40,566	48,429
Parking meter verification		-	2,800
Parking meters maintenance		1,384	1,297
Electricity		-	2,473
Search fees		97	-
Total expenditure		<u>46,067</u>	<u>62,214</u>
Net deficit for the year		(5,065)	(13,314)
Net surplus balance as at 1 January		16,088	29,402
Net surplus balance as at 31 December		<u>\$ 11,023</u>	<u>16,088</u>

SIGATOKA TOWN COUNCIL  
GENERAL FUND ACCOUNT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2015

Page 11

	Notes	2015 Inflows/ (Outflows)	2014 Inflows/ (Outflows)
<b>Cash flows from operating activities</b>			
Cash was provided from:			
Rates and other revenue	\$	1,431,392	1,537,580
Interest		-	8,502
		1,431,392	1,546,082
Cash was applied to:			
Payments to suppliers and employees		(1,482,964)	(766,289)
Net cash flows provided by operating activities		(51,572)	779,793
<b>Cash flows from investing activities</b>			
Cash was applied to:			
Payments for plant and equipment		(100,075)	(35,534)
Payment for capital purchases		(1,344)	(492,757)
Net cash flows used in investing activities		(101,419)	(528,291)
<b>Cash flows from financing activities</b>			
Cash was provided from:			
Government grant		-	347,849
Cash was applied to:			
Lease liability		(15,258)	(15,258)
Loan repayments		(63,459)	(38,453)
Interest on loan		-	(117,547)
Net cash flows provided by financing activities		(78,717)	176,591
Net increase / (decrease) in cash held		(231,708)	428,093
Cash at the beginning of the year (excluding term deposit)		579,823	212,810
Cash at the end of the year	18(a)(ii) \$	<u>348,115</u>	<u>640,903</u>

SIGATOKA TOWN COUNCIL  
PARKING METER FUND ACCOUNT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2015

Page 12

	Notes	2015 Inflows/ (Outflows)	2014 Inflows/ (Outflows)
Cash flows from operating activities			
Cash was provided from:			
Rates and other revenue		\$ 41,002	48,900
		41,002	48,900
Cash was applied to:			
Payments to suppliers and employees		42,542	60,001
Net cash flows used in operating activities		(1,540)	(11,101)
Cash flows from investing activities			
Cash was applied to:			
Payments for plant and equipment		(2,786)	-
Net cash flows used in investing activities		(2,786)	-
Net decrease in cash held		(4,326)	(11,101)
Cash at the beginning of the year		6,452	17,553
Cash at the end of the year	18(b)(ii)	2,126	6,452

**NOTE 1. BASIS OF PREPARATION**

**(a) Basis of preparation**

The financial statements for Sigatoka Town Council until 31 December 2013 were prepared in accordance with Fiji Accounting Standards (FAS). The transition to International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) is accounted for in accordance with Section 35 'Transition to the IFRS for SMEs' with 1 January 2013 being the date of transition.

There were no adjustments on the opening statement of financial position as at 1 January 2013 and the amounts reported previously. The financial statements prepared in accordance with previous Fiji Accounting Standards generally complies with IFRS for SMEs requirements. Refer note 8.

In the application of IFRS for SMEs, the management is required to make judgments, estimates and assumptions about the 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 circumstance, 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 on-going basis. Revisions to accounting estimates are recognised 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.

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 accrual basis of accounting is adopted for all financial transactions.

**(b) Statement of compliance**

The financial statements of Sigatoka Town Council (the Council) have been prepared in accordance with IFRS for SMEs.

**(c) Application of International Financial Reporting Standard for Small and Medium-sized Entities**

This is the first set of financial statements prepared by Sigatoka Town Council in accordance with the IFRS for SMEs issued by the International Accounting Standards Board. The principal accounting policies adopted by Sigatoka Town Council are stated to assist in a general understanding of these financial statements. The accounting policies adopted are consistent with those of the previous year except as stated otherwise.

All amounts are stated in Fijian currency.

**(d) Comparatives**

Where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current period amounts.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Revenue**

Revenue is recognised in the Statement of Comprehensive Income when charged to the ratepayers by the Council. The major sources of revenue are collections in the form of general rates, loan rates and rental income from the Council's properties.

**(b) Income tax**

Under Section 17(4) of the Income Tax Act, the Council is exempt from tax on its income.

**(c) Property, Plant and Equipment**

**Acquisition**

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

**Depreciation**

Depreciation has been provided using straight line method so as to write off the assets over estimated useful lives.

The principal rates adopted are:

Computers	33%
Furniture & fittings	7%
Motors vehicle	20%
Office equipment	7%
Plant & machinery	7%
Land & building	2.5%

**(d) Employee entitlements**

Contributions are paid to the Fiji National Provident Fund on behalf of employees to secure retirement benefits and the cost is included in the Statement of Comprehensive Income.

**(e) Trade and other receivables**

Trade and other receivables are stated at their cost less impairment losses.

**(f) Impairment**

The carrying amount of the Council's assets is reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated at each balance date. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. All impairments losses are recognised in the Statement of Comprehensive Income.

**(g) Trade and other payables**

Trade and other payables are stated at their cost.

SIGATOKA TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]  
FOR THE YEAR ENDED 31 DECEMBER 2015

Page 15

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Deferred income

Grants relating to assets are included as deferred income and are credited to the Statement of Comprehensive Income on a straight line basis over expected useful lives of the related assets.

NOTE 3. CASH AT BANK

	2015	2014
a) BSP Bank - General Fund	\$ (105,039)	(46,199)
- Capital Fund	378,117	600,067
- Nayawa Project Account	3,603	3,622
- Grants & Donation Account	73,360	28,585
	<u>350,041</u>	<u>586,075</u>

Disclosed as:

Cash at bank - General Fund Account	347,915	579,623
Cash at bank - Parking Meter Account	2,126	6,452
	<u>350,041</u>	<u>586,075</u>

b) Investments

Term deposit	<u>62,424</u>	<u>61,080</u>
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NOTE 4. DEBTORS

Rates	65,320	70,013
Bus stand	308	237
Business licence	618	1,208
Commercial vehicle	1,012	1,047
Garbage fees	39,045	28,979
Rental properties	7,111	158
Taxi base	2,721	2,438
Fiji Sugar Corporation	-	1,014
Mini van	2,863	2,469
WAF / education / labour	7,172	7,172
Taxi, carrier, mini van others	700	1,654
Wheel barrow	25	26
Dishonoured cheque	169	-
	<u>127,064</u>	<u>116,415</u>
Less: allowance for doubtful debts	<u>(7,172)</u>	<u>(7,172)</u>
	<u>119,892</u>	<u>109,243</u>

NOTE 5. SUNDRY ADVANCES

Other advances	3,159	3,159
Mayoral advances	1,486	1,486
Dishonoured cheques	6,406	6,406
Telephone	200	200
Electricity	22	22
Land	10	10
Post box key	2	2
	<u>11,285</u>	<u>11,285</u>
	\$	

NOTE 6. PREPAYMENTS AND ELECTRICITY DEPOSITS

	2015	2014
Electricity deposit	\$ 6,533	5,526
Insurance prepayments vehicle / building	4,650	5,227
	<u>11,183</u>	<u>10,753</u>

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

GENERAL FUND

Computers	13,590	14,195
less provision for depreciation	(10,933)	(10,107)
	<u>2,657</u>	<u>4,088</u>
Furniture & fittings	24,083	24,006
Less: provision for depreciation	(8,550)	(6,870)
	<u>15,533</u>	<u>17,136</u>
Land & building	1,871,937	1,871,937
Less: provision for depreciation	(426,270)	(379,471)
	<u>1,445,667</u>	<u>1,492,466</u>
Motor vehicle - lease liability	169,148	81,758
Less: provision for depreciation	(67,566)	(38,231)
	<u>101,582</u>	<u>43,527</u>
Office equipment	56,394	54,743
Less: provision for depreciation	(20,379)	(16,447)
	<u>36,015</u>	<u>38,296</u>
Plant & machinery	220,150	209,937
Less: provision for depreciation	(80,547)	(65,210)
	<u>139,603</u>	<u>144,727</u>
Work in progress - Nayawa Children's Park	8,278	-
Net written down value	<u>\$ 1,749,335</u>	<u>1,740,240</u>

NOTE 7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

PARKING METER FUND

	2015	2014
Plant & machinery	\$ 33,284	30,501
Less: provision for depreciation	(23,839)	(21,528)
	<u>9,445</u>	<u>8,973</u>
Office equipment	3,059	3,059
Less: provision for depreciation	(1,638)	(1,424)
	<u>1,421</u>	<u>1,635</u>
Net written down value	<u>10,866</u>	<u>10,608</u>

Movements in carrying amounts for each class of property, plant and equipment

GENERAL FUND

Land and building

Carrying amount at beginning	1,492,466	1,073,457
Additions	-	458,171
Depreciation expense	(46,799)	(39,162)
Balance as at 31 December	<u>1,445,667</u>	<u>1,492,466</u>

Motor vehicle

Carrying amount at beginning	43,527	53,396
Additions	87,391	5,478
Depreciation	(29,336)	(15,347)
Balance as at 31 December	<u>101,582</u>	<u>43,527</u>

Computers

Carrying amount at beginning	4,088	5,793
Addition	736	2,080
Depreciation expense	(2,167)	(3,785)
Balance as at 31 December	<u>2,657</u>	<u>4,088</u>

Furniture and fittings

Carrying amount at beginning	17,136	11,705
Additions	78	6,740
Depreciation expense	(1,681)	(1,309)
Balance as at 31 December	<u>15,533</u>	<u>17,136</u>

Office equipment

Carrying amount at beginning	38,296	35,209
Additions	1,651	6,845
Depreciation expense	(3,932)	(3,758)
Balance as at 31 December	<u>\$ 36,015</u>	<u>38,296</u>

NOTE 7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)	2015	2014
Movements in carrying amounts for each class of property, plant and equipment (cont'd)		
GENERAL FUND (CONT'D)		
Plant & equipment		
Carrying amount at beginning	\$ 144,727	107,683
Additions	10,219	48,977
Depreciation expense	(15,343)	(11,933)
Balance as at 31 December	139,603	144,727
Work in progress		
Balance as at 31 December - Nayawa Children's Park	8,278	
Net written down value	1,749,335	1,740,240
PARKING METER FUND		
Plant and machinery		
Carrying amount at beginning	8,973	11,108
Additions	2,786	-
Depreciation expense	(2,314)	(2,135)
Balance as at 31 December	9,445	8,973
Computers		
Carrying amount at beginning	1,635	1,849
Depreciation expense	(214)	(214)
Balance as at 31 December	1,421	1,635
Net written down value	10,866	10,608

On transition to IFRS for SME's the Council has elected to measure property, plant and equipment at deemed costs, and has used revalued amounts at 1 January 2013 as the deemed cost. The effect of the revaluation, to revalued amount for property, plant and equipment previously held in the carrying amount of property, plant and equipment was \$816,597 at 1 January 2013. No transition adjustment was required for the transfer of Asset Revaluation Reserve associated with these items as it had already been recorded as part of accumulated funds during the prior years.

NOTE 8. ACCUMULATED FUNDS

This consists of:		
General Fund Account	(803,638)	(707,791)
Special Loan Fund Account	38,146	(63,711)
Asset Revaluation Reserve	816,597	816,597
Adjustment - debtors	229,857	229,857
Adjustment [VAT & debtors]	6,452	6,452
Net accumulated funds	287,414	281,404

- (a) The Council adopted accrual basis of accounting in 2003. An adjustment was made to accumulated funds to record debtors balances relating to prior year that still owe at the current balance date.
- (b) The Council has changed its basis of preparation of financial statements to IFRS for SMEs with 1

**NOTE 8. ACCUMULATED FUNDS (CONT'D)**

January 2013 being the date of transition. In accordance with Section 35 'Transition to the IFRS for SMEs', general purpose reserves are to be transferred to accumulated funds at the date of transition. However, no transition adjustment is required in respect to general purpose reserves maintained by the Council as it had already recorded its reserves as accumulated funds in prior years.

**NOTE 9. LOAN FUNDS**

	2015	2014
BSP Life (Fiji) Limited		
Balance at 1 January	\$ 1,264,097	1,302,550
Add: Interest and other Fees	92,541	117,547
	1,356,638	1,420,097
Less: loans repaid	(156,000)	(156,000)
Balance as at 31 December	1,200,638	1,264,097
Loans raised by the Council bear interest charges at the rate of 7.5% per annum and are repayable over a period of twenty years. All loans are raised under the provisions of the Local Government Act and are secured on the assets of the Council.		
Analysed as :		
Current	156,000	156,000
Non-current	1,044,638	1,108,097
	1,200,638	1,264,097

**NOTE 10. SUNDRY DEPOSITS**

Car park development	34,007	34,007
Council properties / shop - security	22,693	21,693
Security deposit	1,747	1,747
Nomination fee	1,240	1,240
Market stall	500	500
Unknown deposit	100	100
Ticket booth	30	30
	60,317	59,317

**NOTE 11. LEASE LIABILITY**

Credit Corporation (Fiji) Limited		
Opening balance	38,136	53,394
Less: repayments	(15,258)	(15,258)
Closing balance	22,878	38,136
Finance lease from Credit Corporation (Fiji) Limited was undertaken to finance the purchasing of motor vehicle registration number FY489 at an interest rate of 8.5% per annum for a term of 5 years.		
Analysed as:		
Current finance lease	15,258	15,258
Non-current finance lease	7,620	22,878
	22,878	38,136

**NOTE 12. DEFERRED INCOME**

The amount represents Back Hoe Digger which was donated by the Japanese Government in 2008 and capital grant contribution by government for the Nayawa Children's Park in 2015.

	2015	2014
Balance as at 1 January 2015	415,835	77,177
Add: Government grant - Black Hoe Digger	67,390	347,849
Less: amortisation charge	(18,176)	(9,191)
	<u>465,049</u>	<u>415,835</u>
Add: Government grant - Nayawa Children's Park	71,569	-
Balance as at 31 December 2015	<u>536,618</u>	<u>415,835</u>
Analysed as:		
Current	18,176	9,191
Non-current	518,442	406,644
	<u>\$ 536,618</u>	<u>415,835</u>

**NOTE 13. INCOME RECEIVED IN ADVANCE**

Income received in advance comprises of the following:

Lease space - Tramline Tappoo Limited (a)	\$ 13,376	15,200
Parking space - Tappoo Limited duty free conc, retailers & wholesalers (b)	11,088	12,474
Parking space - Jack's Retail Limited (b)	16,000	17,500
Rates received in advance	3,407	8,555
Taxis & B/L & bus received in advance	4,638	2,301
	<u>48,509</u>	<u>56,030</u>

- (a) The amount represents leasing of an open space between the tramline and STC garden to Tappoo Limited effective for the next 10 years and is treated in accordance with Section 20 of the IFRS for SMEs':

**Tappoo Limited**

Balance as at 1 January (2013: 25 April)	15,200	17,024
Less : lease income realised up to 31 December	(1,824)	(1,824)
Balance as at 31 December	<u>13,376</u>	<u>15,200</u>

- (b) The amount represents reservation of parking space to Tappoo Limited and Jack's Retail Limited effective for the next 10 and 15 years and is treated in accordance with Section 20 of the IFRS for SMEs':

**Tappoo Limited**

Balance as at 1 January	12,474	13,860
Less: parking space income realised up to 31 December	(1,386)	(1,386)
Balance as at 31 December	<u>11,088</u>	<u>12,474</u>

**Jack's Retail Limited**

Balance as at 1 January	17,500	19,000
less: parking space income realised up to 31 December	(1,500)	(1,500)
Balance as at 31 December	<u>\$ 16,000</u>	<u>17,500</u>

**NOTE 14. DISCOUNT ON RATES**

The Council in its 2015 budget\*granted discount on rates as follows:

Rates paid in full on or before 31 January 2015 - 10%

Rates paid in full on or before 28 February 2015 - 5%

**NOTE 15. CAPITAL COMMITMENT**

Capital expenditure commitments as at 31 December 2015 amounted to \$Nil (2014: \$Nil)

**NOTE 16. CONTINGENT LIABILITIES**

Contingent liabilities exist with respect to legal claim for breach of sale and purchase agreement with an estimated financial settlement of \$30,000.

Other than the matter disclosed as contingent liabilities, the Council is of the opinion that there is no material claim that required provisions or disclosure in the financial statements.

**NOTE 17. EVENT SUBSEQUENT TO BALANCE DATE**

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

**NOTE 18. CASH FLOW RECONCILIATION**

	2015	2014
<b>(a) General fund account</b>		
<b>i. Reconciliation of the net surplus from operating activities</b>		
General fund	\$ (95,857)	(59,006)
Loan rate fund	101,857	78,168
Depreciation	99,268	75,294
Amortisation of capital grant	-	(9,191)
Interest on loan	-	117,547
Loss on sale of rubbish bin	-	10,649
Discount allowed	-	25,905
Doubtful debts	-	7,172
	105,268	246,538
Changes in assets and liabilities		
(Increase) / decrease in debtors	(10,649)	327,184
(Increase) / decrease in prepayments and electricity deposits	(430)	(556)
Increase / (decrease) in creditors and other accruals	(248,050)	152,892
Increase / (decrease) in VAT payable/receivable	(3,485)	81,329
Increase / (decrease) in employee entitlements	(210)	35
Increase / (decrease) in deferred income	120,783	-
Increase / (decrease) in income received in advance	(7,521)	(2,053)
Increase / (decrease) in sundry deposits	1,000	1,500
Increase / (decrease) in inventory	-	(26,297)
(Increase) / (decrease) in sundry advance	-	(779)
Increase / (decrease) in other assets	(8,278)	-
Net cash inflows from operating activities	(51,572)	779,793

NOTE 18. CASH FLOW RECONCILIATION (CONT'D)

ii. Reconciliation of cash

For the purpose of statement of cash flows, cash includes cash at bank and on hand net of outstanding

	2015	2014
Cash at bank and on hand	348,115	640,903

(b) Parking meter fund account

i. Reconciliation of the net deficit from operating activities

Net cash flows from operations		
Net deficit from operations	(5,065)	(13,314)
Add: depreciation	2,528	2,349
Increase / (decrease) in liabilities	997	(136)
Net cash flows used in operating activities	\$ (1,540)	(11,101)

ii. Reconciliation of cash

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

Cash	\$ 2,126	6,452
	\$ 2,126	6,452