



SIGATOKA TOWN COUNCIL

Annual Report for the Year 2005





SIGATOKA TOWN COUNCIL

Annual Report AND Financial Statements 2005



SIGATOKA TOWN COUNCIL
ANNUAL REPORT FOR THE YEAR ENDED 2005

1. Elected Members Of The Council From

Lawaga Ward

Councillor Jone Simiko Nadredre	-	Unopposed
Councillor Ratu Tevita Makutu	-	Unopposed
Councillor Adriu Nasamila	-	Unopposed

Lase Lase Ward

Councillor Saimoni Raiwalui	-	unopposed
Councillor Ratu Isikeli Tasere, JP	-	Unopposed

Vunasalu Ward

Councillor Vijay Narayan
 Councillor Ilaisa Joji
 Councillor Mahendra Patel
 Councillor Jone Namaloku
 Councillor Sailesh Patel

Election of the Mayor

The Annual Election of the Mayor was held on 22nd October, 2004 at the Council Chambers, Chabildas Building, Sigatoka. Cr. Ratu Isikeli Tasere, JP was elected unanimously as Mayor for the ensuing year 2005.

Election of Deputy Mayor

Cr. Sailesh Patel was elected as the Deputy Mayor for the ensuing year 2005.

MEETINGS OF THE COUNCIL

Annual Council	-	1
Ordinary Council	-	12
Special Council	-	3
Emergency Council	-	1
Town Planning, Building & Health Committee	-	9
Finance, Tender & Parking Meter Committee	-	12
Market, Traffic & Public Transport Committee	-	9
Human Resource, Industrial Relation, Information System & General Purpose Committee	-	9
Development, Infrastructure & Works Committee	-	7
Civic Amenities, Property Management & Tourism Promotion Committee	-	7
Relation Activities & Sports Promotion Committee	-	7

Total Number of Meetings

77

=====

Staff Details – Please note that there was no Organization Structure in 2005. However listed below are the Employees of the Council

Established Staffs

No.	Name	Position
1.	Azam Azmat Khan	Town Clerk/Chief Executive Officer
2.	Mereoni Camaivuna	Operations Assistant 1
3.	Nirmala Pariachi	Operations Assistant II
4.	Surandar	Parking Meter Supervisor
5.	Poate Givaki	Market Master [Actg]
6.	Salamisa Waqa	Debtors Clerk
7.	Mohini Nair	Senior Accounts Clerk
8.	Viral Patel	Cashier
7.	Sharan Dip Singh	Parking Meter Attendant
8.	Mohammed Shamim	Bailiff/Town Ranger
9.	Neumi N.	Town Ranger
10.	Taufiq Ameer Mohammed	Asst. Market Master
11.	Emosi Nayabe	Bus Stand Attendant
12.	Anand Sami Pillay	AHI/Building Surveyor
13.	Mereia Mairewa	Office Assistant

Un-established Staffs

No.	Name	Position
1.	Epeli Tamanivalu	Gardener
2.	Mutthu Sami	Carpenter
3.	Dewan Dass	Labourer
4.	Sushil Kumar	Labourer
5.	Sireli Naoba	Assistant Gardener
6.	Limanivai	Assistant Gardener

Council's Service Delivery

Our Council provides a wide range of services to our ratepayers and the inhabitants of town. Services provided to them include:

1. Solid Waste Collection and Disposal Management
2. Public Areas Upkeep & Upgrade
3. Market Services
4. Street Light Services, Maintenance of Roads/Footpaths/Drains/Parks
5. Health and Building Inspections
6. Finance Management
7. General Administration of the Town
8. Parking Meter Services/Maintenance

Visiting Dignatories

A list of Visitors who made courtesy visits to the Council Office during the ensuing year 2006 are as per the table down below:

No.	Name	Organisation
1.	Teresa Fong	Sigatoka
2.	Paul Lingard	Korotogo
3.	Candice Lingard	"
4.	Dr. Ganesh Chand	University of Fiji, Lautoka
5.	G.V. Roumana	LICI
6.	Samuel Veeran	LICI
7.	R. Ravindra Kumar	LICI
8.	Kishore Patel	LICI
9.	Roshni Shankaran	LICI
10.	Krishna Rattan Bhan	Sigatoka
11.	Nanjuda N. Rao	Graphic System
12.	Arveen Anand	Suva
13.	Terry Parker	CLGF, Suva
14.	Eugene Berg	French Ambassador, Suva
15.	Yoshi Yash	Nyotani, NSW
16.	A. K. Tsuruoka	Japan Local Government Centre, Australia
17.	Taizo Yuasa	" " " " " "
18.	Isoa D. Tikoca	Commissioner Western, Lautoka
19.	Penaia Samusamuvodre	Magistrate, Sigatoka
21.	Praveen Patel	New World, Ba
22.	Sada Nand	Assistant Commissioner of Police
23.	Tuisese Iaitia	Ministry of Agriculture
24.	Tomassi Tui	Prime Minister's Office
25.	Hazel Lutei	Moniara City Council
26.	Peter Hauia	Honiara City Council
27.	Atunaisa Nayago	Divisional Engineer Western
28.	Ben Kotobalavu	Tamavua, Suva
29.	Jay Whyte	Australia
30.	Adish Naidu	ASA Naidu Architects
31.	Bob Kumar Kundu	CEO, Bank of Baroda, Suva
32.	Eroni Vatuloka	Office of the Auditor General
33.	Atunaisa Nadakuitavuki	Office of the Auditor General
34.	Maikali Naikawakawavesi	Office of the Auditor General
35.	Mohammed Haroon	Business Banking, Colonial, Suva
36.	Laurence Munica	Business Banking, Colonial, Suva
37.	Suresh Naidu	" " " " " "
38.	Joeli Vakaloloma	" " " " " "
39.	Tim Gilbertson	CHB, District Council, NZ
40.	Taito Waqavakatoga	President of Senate - Parliament House, Suva
41.	Eleen Mitchell	President, Soroptomist International, SW Pacific
42.	Larry M. Dinger	US Ambassador to Fiji
43.	Mike Reid	Local Government, New Zealand
44.	Litia Rabukawaqa	CLGF, Pacific Project
45.	Hannington Alaba	Former Ombudsman, Vanuatu, Port Vila

4. Health Summary

	License Type	Total Number
1.	Catering Premises	21
2.	Catering Premises (School)	4
3.	Mobile or Temporary Small Scale Catering	5
4.	Bake House	3
5.	Butcher Shop	4
6.	Retail and Catering (e.g. Retailer with fast food counter)	1

Total Number of Insanitary Condition Notice Served:	-	Nil
Total Number Statutory Notice Served:	-	2
Total No. of Condemnation Certificate Issued:	-	4
Total No. of House to House inspection	-	248

The house to house was conducted at the 3 wards of the Sigatoka Town. In year 2006 mosquito spraying was done within the town boundary to ensure that town is free from Dengue Fever. The quarterly Clean-Up-Campaigns were conducted within the town boundary to allow the ratepayers and business houses to live in healthy environment.

The Ratepayers and Business Houses took advantage to clean and clear the overgrowth of grasses, white goods and discarded all items which can hold the water for the mosquitoes breeding.

The Health Department was fully engaged to carry out the quarterly inspection of the eating outlets in Sigatoka Town. At the same time food condemnation were carried out at the eating outlets and the retail shops.

Those eating outlets, butcher shops, retail and bake house failed to comply with the standards served with Intimation Notices.

5. Building / Development Permit Summary
Number of Inspection Certificate Issued

- Total Certificate of Inspection: - 6
- Certificate Issued before Occupy
- Total No. of Completion Certificate issued: - Nil
- Town Planning Management
- Total No. Rezoning Application: - Nil

Building Development Permit Summary Report

Item	Types of Building	Number	Value	Approval	Rejected	Remarks
1	Residential	3	\$146,610	Approved	-	-
2	Commercial	5	\$ 6,766	Approved	-	-
3	Civic	1	\$15,000	Approved	-	-
4	Industrial	-	Nil	Approved	-	-
5	Others	11	\$92,772	Approved	-	-

In the year 2005 there were a total of 20 building applications received whereby it was noted that other development application was high compared to rest of the zones. All applications were approved as noted above.

It was also noted that no subdivision and rezoning application was received by the Council.

6. Environment Report

The faith base group were supported the council to conduct clean campaign with in the town boundary. That the same time council tend to create awareness on the litter to the general public by means of the school kids. That the trees were planted at the river bank and the open spaces in town. That the Council tend to use energy saving lights at the market and other public amenities.

That the Council also created the awareness on open fire been set by the ratepayers, which may create fire threat to the neighboring property. It happens most of the time during dry seasons.

7. Engineering / Works Report

Basically small maintenance and beautification works were carried out by the Council's un-established staffs. Other major works were contracted out.

Service Delivery:

Works carried out are as follows: Grass cutting at the Koromumu Cemetery, Streetlight maintenance, Footpath maintenance, Public Convenience maintenance, road markings / road signs maintenance and market maintenance.

Beautification Projects:

General beautification works were carried out around town in all the wards; Vunasalu Ward, Lawaqa Ward and Laselase Ward. These works are planting of new flowers, painting of flower beds, trimming and pruning of hedges.

Capital Projects

Some of the capital works for 2005 are as follows:

1. 120 Street Lights were replaced and new Street Lights were installed on the Bridge, Streets adjacent to Yavulo Lane and Vesi Lane.
2. Construction of Footpaths along R.B. Patel, Post Office and Morris Hedstrom and footpath connecting from Mobil Service Station to the Sigatoka District Hospital.

General Contractual Works

Works that were contracted out are; Grass cutting, Drain Cleaning, Street Sweeping, tree pruning and Street light maintenance.

8. Annual Accounts Audit - 2005**Rates**

<u>No. of Ratepayers</u>	<u>Amount Charged per year (in a dollar on U.C.Value)</u>	<u>Collection per year</u>
<u>2006</u> 274	General Rate – 0.84 c Special Loan Rate – 1.28 c	\$73,001 \$129,510

Sigatoka Town Council had 274 rate payers in year 2006. It provides services such as Garbage Collection, Town sweeping, street cleaning, streetlight repairs and road maintenance to the ratepayers.

Reason for Rates Charged by STC.

1. General Rates – Council provides services such as Garbage collection, streetlight and road maintenance.
2. Special Loan Rates - is to service Loan repayments for the borrowings pre year 2000 by the Council.

Business Licence

<u>Year</u>	<u>No. of Business license Holders</u>	<u>Amount Collected</u>
2005	549	62,207

Council Properties Management

Sigatoka Town Council doesn't have a Property Manager but instead all the properties are managed by the Council in house and the day to day operations is the responsibility of the Finance Department. Council has currently **6 Tenants** in its premises.

Auditor General Opinion– 2005

Sigatoka Town Council was provided the Audit Opinion – **Qualified Audit Opinion** in year 2005. The qualification was due to the following reasons:

Council Measures – Council provided the provision for doubtful debtors in year 2007. Separate accounting records were maintained for Parking Meter Accounts in year 2007.

Opening of Duabale Road/New Market and Library

The Official Opening of the Duabale Road followed by the New Market Wing and the Library was done on April 12, 2005 by the Rt. Hon. Laisenia Qarase.

Trip to New Zealand Facilitated by Commonwealth Local Government

In May, 2005 Commonwealth Local Government Forum facilitated a Study Tour of New Zealand to the three [3] sister Councils namely :Rodney District Council, Papakura Council and Franklin District Council. The Chief Executive Officers in all the above Councils were females. Mrs. Nirmala Pariachi and Mrs. Mereoni Camaivuna were sent to under study the operations of the above Councils.

Municipal Council Elections

The Municipal Council Elections were held on October 22, 2005.

9. **APPRECIATION**

The Council wishes to record its appreciation to the ratepayers and citizens of the town for their co-operation.

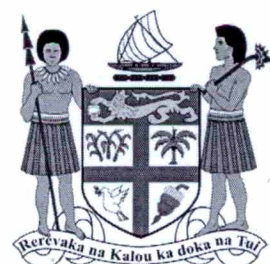
The Council also acknowledges the dedicated services rendered by the Staffs and Employees and the support and co-operation of the Ministry of Local Government, Housing and Environment.


Tulsi Ram
CHIEF EXECUTIVE OFFICER



ACCOUNTABILITY IN THE PUBLIC SECTOR
THROUGH QUALITY AUDIT SERVICES

SIGATOKA TOWN COUNCIL 2005 AUDITED ACCOUNTS



SIGATOKA TOWN COUNCIL
AUDITED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2005

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**SIGATOKA TOWN COUNCIL
GENERAL FUND ACCOUNT
STATEMENT OF FINANCIAL POSITION**

ASSETS	NOTES	2005 \$	2004 \$
Non Current Assets			
Property, plant and equipment	7	1,320,636	1,433,748
Current assets			
Advance to Parking Meter Fund a/c		30,470	11,293
Cash on hand and at bank	4	4,150	104,549
Debtors	2	379,633	398,608
Sundry advance	8	6,600	6,305
VAT receivable		3,705	30,495
TOTAL ASSETS		<u>1,745,195</u>	<u>1,984,998</u>
EQUITY AND LIABILITIES			
Accumulated Fund	6	396,936	486,361
Non Current Liabilities			
Loan funds less repayments	3	1,204,760	1,203,190
Current Liabilities			
Bank Overdraft	4	-	132,671
Creditors and other accruals		33,380	36,847
Loan funds less repayments	3	27,195	27,305
Sundry deposits	5	48,729	52,705
Lease Liability - Credit Corporation		34,195	45,919
TOTAL EQUITY AND LIABILITIES		<u>1,745,195</u>	<u>1,984,998</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 11 to 17.

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 2005 and of the state of affairs and cash flows as at that date.

.....
Mayor
Ratu Isikeli Tasere, JP
Date 28.3.07

.....
Town Clerk/CEO
Mr Azam Azmat Khan
Date 28.3.07

**SIGATOKA TOWN COUNCIL
GENERAL FUND ACCOUNT
STATEMENT OF REVENUE AND EXPENDITURE**

The Revenue for the year was derived from :		2005	2004
	NOTES	\$	\$
General rates		67,603	80,909
General rates on State land		5,398	5,630
Interest on overdue rates		30,046	38,200
Fees and charges			
Business licence		62,207	64,363
Building fees		1,722	3,026
Bus stand charges		11,180	11,839
Cemetery		1,274	1,337
Desludging services		-	(250)
Garbage fee		13,833	14,478
Hire of premises		-	178
Illegal parking		3,674	1,697
Interest others		4,534	2,039
Legal action		-	423
Market fees		165,578	155,696
Miscellaneous		19,226	22,765
Parking lots and facilities		49,674	43,899
Rent from properties		97,682	98,232
Rent from parking meter		12,712	13,800
Gain on sale of land	15	172,833	-
Total Revenue		719,176	558,261
The Expenditure for the year was incurred on			
Recurrent			
Audit fees		14,667	29,511
Fiji Local Government Association		2,675	598
Garbage service		36,505	37,422
Land rent		-	457
Legal expenses		8,482	17,038
Mayoral, Councilors Allowance and civic reception		31,005	43,608
Office expenses		3,441	3,106
Printing, stationery and advertising		15,542	12,149
Salaries and related payments		200,759	173,506
Traveling expenses		11,422	7,549
Telecommunication charges		13,937	14,580
Tuition Fees		8,366	-

**SIGATOKA TOWN COUNCIL
GENERAL FUND ACCOUNT
STATEMENT OF REVENUE AND EXPENDITURE**

Maintenance and Operating Expenses of Council Properties	2005	2004
NOTES	\$	\$
Electricity charges	19,105	22,365
Fiji National Training Council levy	1,488	775
Insurance	17,890	10,945
Market	3,227	17,645
Miscellaneous	23,576	24,335
Office rental	16,250	12,500
Parks, gardens and town washing	15,909	15,104
Public convenience	12,782	1,075
Road, drains, paths and verges	103,265	69,555
Rubbish dump maintenance	1,556	1,497
Water	1,863	924
Election expenses	9,411	-
Desludging	1,333	-
Capital Expenditure		
Footpath, road marking and patching	24,098	30,222
General maintenance	33,009	-
Loop road and Duabale subdivision	15,655	398,010
Nayawa Road upgrade	9,592	199,434
Purchase of equipment/maintenance	1,194	840
Railings	23,772	977
Rubbish dump	5,893	6,409
Streetlight	25,287	11,555
Upgrading of Administration Building	2,483	5,938
Special		
2004 accounts payment	6,555	-
Rubbish dump - new site	-	1,035
Valuation	5,706	-
Financial Expenses		
Discount allowed	15,949	12,790
Bank charges and interest	1,393	1,985
Depreciation	48,388	47,312
Lease liability interest	-	19,056
Total Expenditure	793,428	1,251,807
Net deficit for the year was	(74,252)	(693,546)
Prior year adjustment	66,688	-
(Deficit)/Surplus balance at 1 January was	(503,000)	190,546
Leaving a deficit balance at 31 December of	(510,564)	(503,000)

**SIGATOKA TOWN COUNCIL
SPECIAL LOAN FUND ACCOUNT
STATEMENT OF REVENUE AND EXPENDITURE**

The Revenue for the year was derived from	2005	2004
	\$	\$
Special loan rate	119,490	108,396
Special loan rate on State land	<u>10,020</u>	<u>9,343</u>
Total Revenue	<u>129,510</u>	<u>117,739</u>
 The expenditure for the year was incurred on		
Interest - Colonial	88,175	59,670
- Westpac	-	24,746
	<u>88,175</u>	<u>84,416</u>
Total Expenditure	<u>88,175</u>	<u>84,416</u>
 Net surplus for the year was	41,335	33,323
Deficit balance at 1 January was	(238,616)	(271,939)
 Leaving a deficit balance at 31 December of	<u>(197,281)</u>	<u>(238,616)</u>

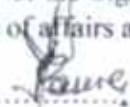
**SIGATOKA TOWN COUNCIL
PARKING METER FUND ACCOUNT
STATEMENT OF FINANCIAL POSITION**

		2005 \$	2004 \$
Current assets			
Cash at bank	4	6,301	37,396
VAT receivable			6,270
Non current assets			
Property, plant & equipment	7	29,263	30,323
Total assets		<u>35,564</u>	<u>73,989</u>
Current liabilities			
Advance from General Fund		-	11,294
Creditors and accruals		1,281	-
VAT Payable		1,023	
VAT payable to General Fund		30,470	3,137
Total current liabilities		<u>32,774</u>	<u>14,431</u>
Total liabilities		32,774	14,431
Net Assets		<u>2,789</u>	<u>59,558</u>
Accumulated funds		<u>2,789</u>	<u>59,558</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 11 to 17.

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 2005 and of the state of affairs and cash flows as at that date.



 Mayor
 Ratu Isikeli Tasere, JP
 Date 28-3-07



 Town Clerk/CEO
 Mr Azam Azmat Khan
 Date 28-3-07

**SIGATOKA TOWN COUNCIL
PARKING METER FUND ACCOUNT
STATEMENT OF REVENUE AND EXPENDITURE**

The Revenue for the Year was Derived from -		2005	2004
		\$	\$
Infringement fines		19,013	19,398
Meter tolls		51,486	36,387
Miscellaneous		5,331	3,938
Total revenue		75,830	59,723
The Expenditure for the Year was Incurred on			
Bank charges		41	36
Contingency		676	633
Depreciation		2,438	178
General Expense		2,590	-
Maintenance of parking meter bays		2,462	479
Printing and stationery		4,965	4,529
Rental and road marking to general fund		13,790	13,800
Salaries and related payments		36,363	25,142
Verification of parking meters		2,585	2,377
Total expenditure		65,911	47,174
Net surplus for the year was		9,919	12,549
Prior year adjustment	14	(66,688)	-
Add surplus balance at 1 January of		59,558	47,009
Leaving a surplus balance as at 31 December of		2,789	59,558

**SIGATOKA TOWN COUNCIL
STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2005**

GENERAL FUND	2005	2004
	\$	\$
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		
Cash was provided from		
Rates and other revenue	494,969	492,123
Interest	30,046	38,200
Net VAT received/(paid)	28,513	(63,280)
	<u>553,528</u>	<u>467,043</u>
Cash was applied to :		
Payments to suppliers & employees	(544,722)	(547,602)
Net Cash Flows (used in)/from Operating Activities	<u>8,806</u>	<u>(80,559)</u>
CASH FLOWS (USED IN) INVESTING ACTIVITIES		
Cash was applied to :		
Proceeds/(Payment) for property, plant and equipment	152,557	(178,220)
Payment for capital purchases	(140,983)	(623,163)
Advance to Parking meter fund	(19,177)	8,917
Net Cash Flows (used in) Investing Activities	<u>(7,603)</u>	<u>(792,466)</u>
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Cash was provided from:		
Loan raised	-	1,519,921
Loan rate	129,510	117,739
Cash was applied to:		
Lease liability	(11,724)	6,907
Loan repayments	1,458	(717,112)
Interest	(88,175)	(84,416)
Net Cash Flows from/(used in) Financing Activities	<u>31,069</u>	<u>843,039</u>
Net increase/(decrease) in cash held	32,272	(29,986)
(Overdraft)/cash at the beginning of year	<u>(28,122)</u>	<u>1,864</u>
Cash/(overdraft) at the end of year	<u>4,150</u>	<u>(28,122)</u>

**SIGATOKA TOWN COUNCIL
STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2005**

PARKING METER	2005	2004
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash was provided from		
Rates and other revenue	75,830	59,723
	<u>75,830</u>	<u>59,723</u>
Cash was Applied to :		
Payments to suppliers & employees	(94,253)	(53,266)
Net Cash Flows from Operating Activities	<u>(18,423)</u>	<u>6,457</u>
Net Cash Flows (used in) Investing Activities	(1,378)	(30,501)
Net Cash Flows used in Financing Activities	(11,294)	(8,916)
Net increase/(decrease) in cash held	<u>(31,095)</u>	<u>(32,960)</u>
Cash at the beginning of year	37,396	70,356
Cash at the end of year	<u><u>6,301</u></u>	<u><u>37,396</u></u>

SIGATOKA TOWN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Year Ended 31 December 2005

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies adopted by the Council is set out in this note. The policies adopted are in accordance with Fiji Accounting Standards and, unless stated otherwise, are consistent with those applied in the prior year.

a) Basis of preparation of the financial statements

The accrual basis of accounting is adopted for all financial transactions. The Council has adopted the cash basis of accounting up to the financial year ended 31 December 2003.

b) Revenue

Revenue is recognised in the Statement of Revenue and Expenditure 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.

c) Income tax

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

d) 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 costs 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 their estimated useful lives.

The principal rates adopted are:

Computers	33% p.a
Furniture & Fittings	7% p.a
Motor Vehicle	20% p.a
Office Equipment	7% p.a
Plant & Machinery	7% p.a
Land & Building	2.5% p.a

SIGATOKA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
(Continued)
Year Ended 31 December 2005

e) Employee entitlements

Contributions are paid to the Fiji National Provident Fund on behalf of employees to secure retirement benefits and the costs are included in the Statement of Revenue and Expenditure.

f) Trade and other receivables

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

g) Impairment

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

(h) Trade and other payables

Trade and other payables are stated at their cost.

(i) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

2 Debtors	2005	2004
	\$	\$
Bus stand	3,323	6,378
Business licence	3,668	4,460
Commercial vehicle	1,651	2,706
Garbage fees	(291)	(39)
Rates	362,145	366,787
Rental properties	4,266	12,103
Taxi base	4,870	6,213
	<u>379,633</u>	<u>398,608</u>

SIGATOKA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
(Continued)
Year Ended 31 December 2005

3. LOAN FUNDS	2005	2004
	\$	\$
<u>Westpac Pacific Banking</u>		
Balance at 1 January	-	427,686
Add: Interest	-	24,746
Loan raised	-	300,921
	-	753,353
Less: Loans repaid	-	(40,478)
Payment by Colonial	-	(712,875)
Balance as at 31 December	-	-
<u>Colonial Life Fiji</u>		
Balance at 1 January	1,230,495	1,219,000
Add: Interest	88,175	59,670
	1,318,670	1,278,670
Less: Loans repaid	(86,715)	(48,175)
Balance as at 31 December	1,231,955	1,230,495
Total Loan funds	1,231,955	1,230,495

Loans raised by the Council bear interest charges at the rate of 8.5 per cent 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	27,195	27,305
Non Current	1,204,760	1,203,190
	1,231,955	1,230,495

4. CASH AT BANK / BANK OVERDRAFT	\$	\$
Parking Meter Fund	6,301	37,396
Cash on hand	200	-
Westpac Bank - General Fund - (Bank Overdraft)	483	(36,270)
- Special Fund Account	2,169	315
Colonial Bank - General Fund	(193)	4,137
- Capital fund	1,491	97
Bank of Baroda - General Fund - Capital Overdraft	-	(96,401)
- Term deposit	-	100,000
	4,150	(28,122)

SIGATOKA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
(Continued)
Year Ended 31 December 2005

4. CASH AT BANK / BANK OVERDRAFT (Continued)	2005	2004
	\$	\$
Disclosed as:		
General Fund		
- Cash on hand	200	-
- Cash at bank/(Bank overdraft)	483	(132,671)
- Cash at bank	3,467	104,549
	<u>4,150</u>	<u>(28,122)</u>

The bank overdraft with Westpac Banking Corporation is secured by Sigatoka Town Council over all its assets and undertakings both current and that to be acquired in future; Deed Supporting guarantee (Unsupported) by government of the Republic of Fiji; and Letter from Permanent Secretary for Housing & Urban Development to confirm Government Guarantee.

5. SUNDRY DEPOSITS	\$	\$
Car park development	34,007	34,089
Council Properties/ Shops - Security	11,205	11,465
Tender deposits	-	4,014
Security deposit	1,747	1,747
Nomination fee	1,240	860
Market stall	500	500
Ticket booth	30	30
	<u>48,729</u>	<u>52,705</u>

6. ACCUMULATED FUNDS	\$	\$
This consists of:		
General Fund Account	(510,564)	(503,000)
Loan Repayment Account	(197,281)	(238,616)
Asset Revaluation Reserve	816,597	901,597
Adjustment - Debtors (a)	288,185	326,380
Net accumulated funds	<u>396,936</u>	<u>486,361</u>

- (a) The Council adopted accrual basis of accounting in 2004. An adjustment was made to accumulated funds to record debtors balances relating to prior year that are still owing at the current balance date. An adjustment of \$38,195 was made in 2005 to reflect correct debtor balances as per debtors' subsidiary ledger.

SIGATOKA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
(Continued)
Year Ended 31 December 2005

7. PROPERTY, PLANT AND EQUIPMENT	2005	2004
	\$	\$
GENERAL FUND		
Computers - at cost	12,177	7,822
Less provision for depreciation	<u>(5,533)</u>	<u>(1,721)</u>
	6,644	6,101
Furniture & Fittings - at cost	4,079	133
Less provision for depreciation	<u>(251)</u>	<u>(9)</u>
	3,828	124
Land & Building - at cost	520,441	520,441
- at valuation 2004	816,597	901,597
Less provision for depreciation	<u>(66,852)</u>	<u>(35,551)</u>
	1,270,186	1,386,487
Motor Vehicle - at cost	50,000	50,000
Less provision for depreciation	<u>(20,000)</u>	<u>(10,000)</u>
	30,000	40,000
Office Equipment - at cost	10,209	1,067
Less provision for depreciation	<u>(231)</u>	<u>(31)</u>
	9,978	1,036
NET WRITTEN DOWN VALUE	<u>1,320,636</u>	<u>1,433,748</u>
PARKING METER FUND		
Plant & Machinery - at cost	30,501	30,501
Less provision for depreciation	<u>(2,313)</u>	<u>(178)</u>
	28,188	30,323
Computers - at cost	1,378	-
Less provision for depreciation	<u>(303)</u>	<u>-</u>
	1,075	-
NET WRITTEN DOWN VALUE	<u>29,263</u>	<u>30,323</u>

Pacific Valuation carried out the market valuation of fixed assets on 28 October 2003.

SIGATOKA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
(Continued)
Year Ended 31 December 2005

		2005	2004
7. (i)	Movement in Carrying Amounts - General Fund	\$	\$
Movements in carrying amount for each class of property, plant and equipment			
<u>Land and Building</u>			
	Carrying amount at beginning	1,386,488	351,243
	Additions	-	169,198
	Revaluation increment	-	901,597
	Disposal	(82,167)	-
	Depreciation Expense	(34,134)	(35,551)
	Balance as at 31 December	1,270,187	1,386,488
<u>Motor Vehicles</u>			
	Carrying amount at beginning	40,000	50,000
	Depreciation Expense	(10,000)	(10,000)
	Balance as at 31 December	30,000	40,000
<u>Computers</u>			
	Carrying amount at beginning	6,101	-
	Additions	4,356	7,821
	Depreciation Expense	(3,812)	(1,721)
	Balance as at 31 December	6,645	6,101
<u>Furniture & Fittings</u>			
	Carrying amount at beginning	124	-
	Additions	3,946	132
	Depreciation Expense	(242)	(9)
	Balance as at 31 December	3,828	124
<u>Furniture & Fittings</u>			
	Carrying amount at beginning	1,036	-
	Additions	9,142	1,067
	Depreciation Expense	(200)	(32)
	Balance as at 31 December	9,978	1,036
	NET WRITTEN DOWN VALUE	1,320,638	1,433,749
7. (ii)	Movement in Carrying Amounts - Parking Meter Fund		
<u>Plant & Machinery</u>			
	Carrying amount at beginning	30,323	-
	Additions	-	30,501
	Depreciation Expense	(2,135)	(179)
	Balance as at 31 December	28,188	30,323

SIGATOKA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
(Continued)
Year Ended 31 December 2005

	2005	2004
	\$	\$
Plant & Machinery		
Carrying amount at beginning	1,378	-
Depreciation Expense	(303)	-
Balance as at 31 December	1,075	-
NET WRITTEN DOWN VALUE	29,263	30,323

8. SUNDRY ADVANCES

Other advances	3,159	3,159
Mayoral appeal	1,486	1,486
Dishonored cheques	1,721	1,426
Telephone	200	200
Electricity	22	22
Land	10	10
Post box key	2	2
	6,600	6,305

9. DISCOUNTS ON RATES

The Council in its 2005 budget granted discount on rates as follows:

Rates paid in full on or before 15/02/2005 - 10%.

10. CAPITAL COMMITMENTS at balance date - Nil (2004: Nil)

11. CONTINGENT LIABILITIES at balance date (2004: Nil).

Contingent liabilities at balance date, not otherwise provided provided for in these financial statements, include various legal claims involving the Council, including the following law

- (i) The Council is a defendant in a legal action by P. A. Lal, who is claiming approximately \$36,000 in costs for repair of a fire tender purchased by the Council.
- (ii) The Council is a defendant in a legal action by Fiji Forest Sawmilling, who is claiming approximately \$360,000 in rental compensation.

The Council's solicitor's are vigorously defending these claims and it is the Council's opinion that no material damages will arise.

SIGATOKA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
(Continued)
Year Ended 31 December 2005

12. NOTES TO STATEMENT OF CASH FLOWS

	GENERAL FUND	
	2005	2004
	\$	\$
a) Reconciliation of the Net Surplus to		
Net deficit from Operations		
General fund	(7,564)	(693,546)
Add: Capital Purchases	140,983	623,163
Gain on sale	(172,833)	-
Depreciation	48,388	47,312
	<u>8,974</u>	<u>(23,071)</u>
Changes in Assets and Liabilities		
(Increase) in debtors	(21,328)	(27,938)
Increase in creditors and other accruals	(3,082)	32,753
Increase in sundry deposit	(3,976)	1,560
(Increase) in VAT receivable	28,513	(63,280)
(Increase)/decrease in sundry advance	<u>(295)</u>	<u>(583)</u>
Net Cash Inflows (used in)/from Operating Activities	<u>8,806</u>	<u>(80,559)</u>
b) Reconciliation of cash		
For the purpose of statement of cash flows, cash includes cash at bank and on hand net of outstanding bank overdraft. Cash at end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Bank Overdraft	-	(132,671)
Cash on Hand and at Bank	4,150	104,549
	<u>4,150</u>	<u>(28,122)</u>

SIGATOKA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
(Continued)
Year Ended 31 December 2005

13 NOTES TO STATEMENT OF CASH FLOWS

PARKING METER FUND

a) Reconciliation of the Net Surplus to

Net Surplus from Operations	(56,769)	12,549
Add: Depreciation	2,438	178
Changes in Assets and Liabilities		
Increase in VAT payable to General Fund	27,333	-
Increase in creditors	1,282	-
Increase/(Decrease) in VAT receivable	7,293	(6,270)
Net Cash Inflows from Operating Activities	<u>(18,423)</u>	<u>6,457</u>

b) Reconciliation of cash

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

Cash at Bank	<u>6,301</u>	<u>37,396</u>
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14. PRIOR YEAR ADJUSTMENT

This represents transfer of funds from Parking Meter Fund account to General Fund for expenses relating to 2004 which was paid by General Fund on behalf of Parking Meter. These transactions totalling \$36,218 was overlooked in 2004 and hence is now being taken as a prior year adjustment. The other adjustment relates to the VAT payable by Parking Meter Fund to General Fund amounting to \$30,470 which was unaccounted for in 2004.

15 GAIN ON SALE OF LAND

The sale of land during the year and related adjustments in Property, Plant and Equipment and Asset Revaluation Reserve has in turn resulted in the disclosure of the full sale price of \$172,833 in the Statement of Revenue and Expenditure.

**SIGATOKA TOWN COUNCIL
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2005**

PARKING METER	Asset Revaluation Reserve	Accumulated Surplus	Total
	\$	\$	\$
Balance as at 31 December 2003	-	47,009	47,009
Net Surplus for the year	-	12,549	12,549
Balance as at 31 December 2004	-	59,558	59,558
Net Surplus for the year	-	(56,769)	(56,769)
Balance as at 31 December 2005	-	2,789	2,789