



2014

ANNUAL REPORT

PARLIAMENTARY PAPER NO. 43 OF 2022



Core Business

- Establishment standards for registration and licensing of vehicles and drivers.
- Develop and implement effective and efficient enforcement strategies consistent with road safety and protection of the environment.
- Develop traffic management strategies in conjunction with relevant Authorities.
- Develop and improve customer service levels in all areas of operations.
- Ensure equitable and affordable fare schedule for all Public Service Vehicles.

Vision

“Steering Fiji Safely” encapsulates what we believe to be the core to what LTA stands for. The word “steering” epitomizes the niche activity of the Authority as the principal licensing Authority for all forms of land transportation, irrespective of whether it is driven on private or public road and the key role it occupies in ensuring adequate, effective, efficient and safe land transportation throughout Fiji.

“Steering Fiji Safely” shows what we do and the results that we deliver. The LTA results are developed from its objective through effectual customer service and responsiveness with effective, efficient enforcement and its compliance.

Mission

To provide a safe, efficient, customer-focus, economical, sustainable and environmentally friendly land transport system for the nation in partnership with Stakeholders, Government and the community.

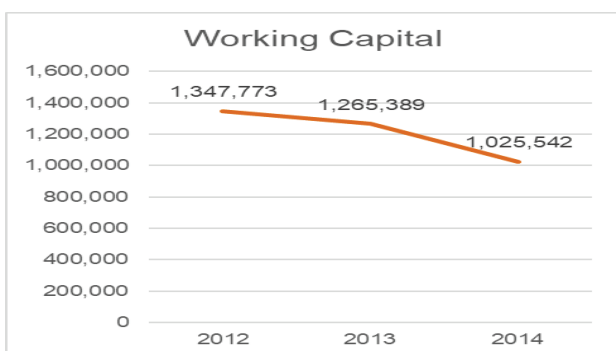
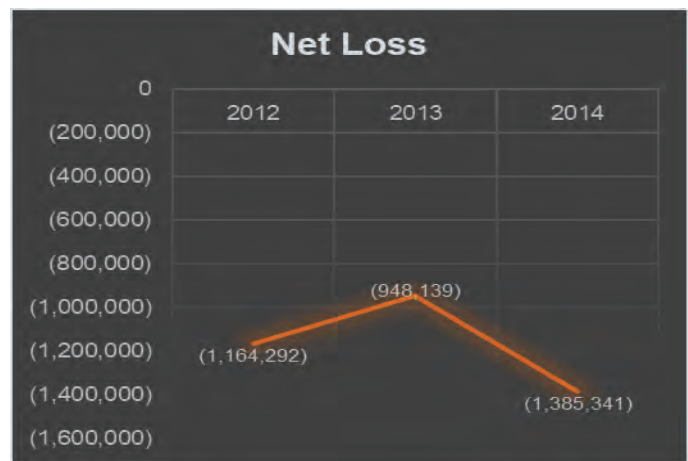
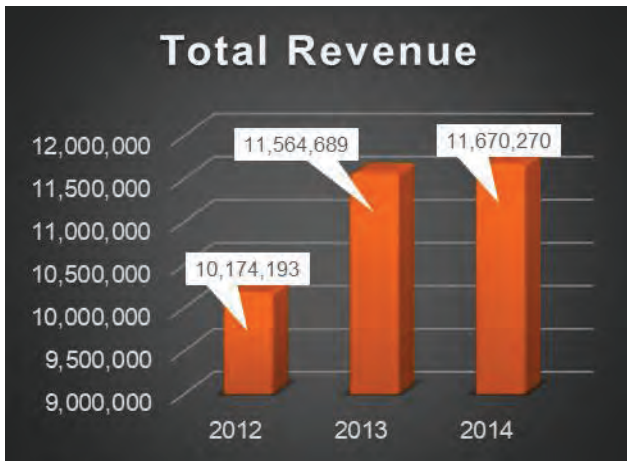
Values

Honesty
Teamwork
Customer Focus
Courage to do right
Innovation and creativity

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Key Financial Trends



NOTE: The LTA proprietary IT system for recording and tracking of all its transactions was replaced in 2015. In the period 2015 to the end of 2016, there was parallel running of two systems. This was necessary to ensure that the data migration was completed and full transition to the new system called LTA Soft was achieved. The legacy system was not capable of recording many transaction sub-categories which is done by the new system. This explains the apparent statistical inconsistencies in PSV permit data during the transition to steady state.

Board of Directors



Greg Lawlor
Chairman



Commander Francis Kean
Board Member



Tomasi Tui
Board Member



Lagisoa Delana
Board Member



Vijay Maharaj
Board Member

Management Team



Naisa Tuinaceva
Chief Executive Officer - LTA



Semisi Tawake
General Manager Finance & Administration



Faiyum Ali
General Manager Technical Operations

Corporate Governance

Corporate Governance is a way of structuring the Authority in order to safeguard the interests of a wide variety of stakeholders.

We at LTA firmly promise our stakeholders better business performance, which is nurtured and backed through properly formulated governance practices and procedures.

The Authority's Governance Framework includes formalized Board arrangements in accordance with the Land Transport Act, 1998. The Authority was created to improve financial management and operation efficiency through effective management systems and improved incentives for human resources, commercially oriented entity with strict accountability guidelines.

LTA was also created to operate as a successful commercial business to uphold Government's policies on deregulations, where agreed objectives are to be monitored progressively to ensure efficient and effective public service deliveries.

Appointments of Board of Directors

The Act provides for a Board of seven (7) members of the Authority comprising of the Chairman and five (5) others who are appointed by the Minister for a term of two (2) years, except for the Permanent Secretary for Ministry of Infrastructure and Transport who is automatically appointed to the Board.

Remuneration & Benefits

The Chairman of the Authority and members, other than the Permanent Secretary are entitled to remuneration and other expenses, as fixed by the Minister.

Responsibilities of Board

The Board is accountable to the Minister responsible for Infrastructure and Transport. Members of the LTA Board are required to observe LTA's Code of Conduct and other requirements specified by LTA's Governance Framework.

Board Meetings

There were six (6) board meetings held during the year.

Year In Review





Operations & Technical

Registration, Licensing and Driving

The primary objective of the Registration and Licensing Department is to register vehicles, license drivers and establish standards for registration and licensing in line with the objectives of road safety.

There was an improvement in the operations of the Registration, Licensing and Driving departments with the implementation of new policies realigned to meet our customer's needs without compromising the safety of all road users. These policies include the following:

- PSV driving tests conducted by two (2) driving examiners, (i.e. one examiner in-charge of conducting theory test while the other in-charge of conducting the practical test);
- Issue of warning letters to habitual traffic offenders before calling them for Show Cause disciplinary hearing which is presided over by the Chief Executive Officer;

- Suspension of driver's license and issue of warning for bad driving behaviors;
- Pre-conditions for PSV Driver License application;
- Demarcation of Class 9 Driver License; and
- Code of Conducts for Driving Examiners and Customer Service Officers.

Training for our Licensing Officers continued to be given top priority.

Registration of new vehicles and second hand vehicles in 2014

Region	New	Second hand	Total
Northern	154	223	377
Western	579	1,154	1,733
Central & Eastern	1,067	1,414	2,481
Others	2,476	3,787	6,263
Total	4,276	6,578	10,854

Driving License Department

The Driving Department is committed to ensure that it will uphold driving tests standards in order to produce competent and responsible drivers through stringent verification of driving test applications and examination process. This will monitor their driving competency and ensure that they drive vehicles in which they are licensed to drive.

	2014		
	Provisional	Full	Total
Quarter 1	2,061	1,496	3,557
<i>Jan</i>	837	519	1,356
<i>Feb</i>	650	441	1,091
<i>Mar</i>	574	536	1,110
Quarter 2	1,939	1,290	3,229
<i>Apr</i>	591	419	1,010
<i>May</i>	678	492	1,170
<i>Jun</i>	670	379	1,049
Quarter 3	2,033	1,372	3,405
<i>Jul</i>	695	473	1,168
<i>Aug</i>	568	405	973
<i>Sept</i>	770	494	1,264
Quarter 4	2,571	1,486	4,057
<i>Oct</i>	679	503	1,182
<i>Nov</i>	741	486	1,227
<i>Dec</i>	1,151	497	1,648
Grand Total	8,604	5,644	14,248

Driving Examination

The Driving department conducts driving examinations to test applicant's competency on:

- Ability to operate a motor vehicle and its controls;
- Ability to understand the laws relating to the use of motor vehicles on roads;
- Understanding their responsibilities in relation to all other road users (including pedestrians); and
- Ability to recognize and avoid various road and driving hazards - can apply defensive driving techniques and attitudes.

Enforcement

The enforcement of traffic laws, and the careful monitoring of road users behaviour and motor vehicles are important. The two (2) stakeholders, LTA's Enforcement Department and the Fiji Police, work closely in its effort to ensure compliance levels are maintained and more importantly, lives are saved on all Fiji roads.

The Authority is empowered by law to ensure that transport facilities meet efficiency and safety standards. It has the responsibility for the overall enforcement of the provisions of the Land Transport Act and any other laws on land transport in Fiji.

To meet these obligations, the Authority's Enforcement Unit undertakes the following:

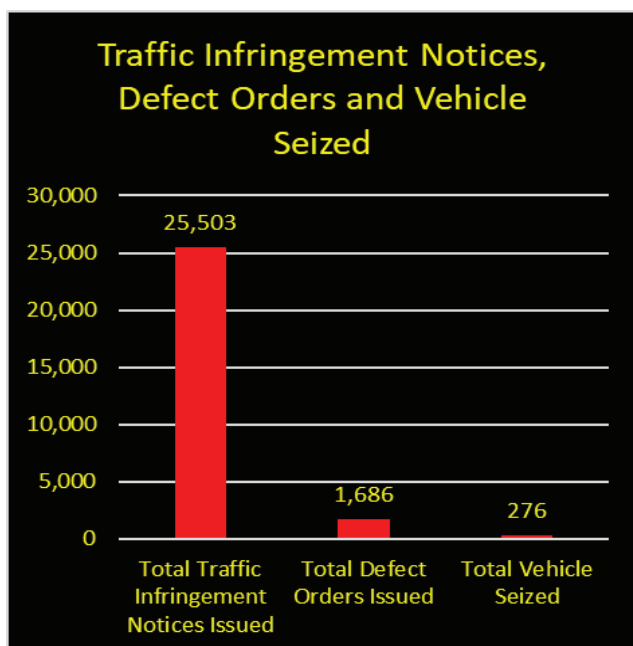
- Acts as a regulator for all licensed transport providers;

- Ensures all vehicles are within legal emission levels;
- Enforces the applicable legislation on operators to ensure compliance;
- Ensures that all transport sectors operate safely and efficiently;
- Provides customer care to all stakeholders;
- Brings all defaulters before respective courts to be sanctioned accordingly or otherwise;
- Follows up complaints and takes action when necessary; and
- Holds roadside checks and tests related to emissions, roadworthiness, carriage of dangerous goods and legal driving contraventions.

The Enforcement Unit's main thrust lies in enforcing the regulations related to Public Transport Service providers and commercial vehicles, whereas for all other classes of vehicles, the enforcement of safety and emissions regulations are also paramount.

A total of twenty-five thousand five hundred and three (25,503) Traffic Infringement Notices were issued to traffic offenders in 2014. This has increased by 36% as compared to 2013. Increase in traffic offences relating to use of mobile communications and careless driving continued to be a major challenge on roads during the year.

Top offences for the year	
Fail to use safety device	5,263
Improper use of mobile communications	2,253
Fail to produce license	1,437
Carrying excess passengers (applied to carriers only)	1,376
Failure to obey road marking	1,307
Driving without license or permitting	855
Failure to control steering	822
Driving unregistered vehicle or permitting	804
Non-conforming brakes	723
Non-conforming tyres	714
Use other than as licensed	707
Non-confirming lamps / reflectors	706
Improper taxi operation	687
Incorrect park or stop	679
Careless driving	441
Non-confirming film	433
Failure to keep true recs	404
Failure to displays/signs	399
Non-compliance - provisional license	370
Misconduct of drivers / passengers	337
Others	4,786
Total	25,503



In 2014, a total of 25,503 TIN's were issued, 1,686 Defect Orders were issued and 276 vehicles were seized.



Public Transport

In 2014, the LTA processed 4,477 transactions which includes 3,277 applications for permit renewals, 1,191 applications for permit transfers and 9 duplicate permit applications.

Permit Type	No. of Transactions
Taxi	3,564
Minibus	94
Carrier	60
Rental	343
RSL	239
RRL	1
RCL	31
Hire	145
TOTAL	4,477

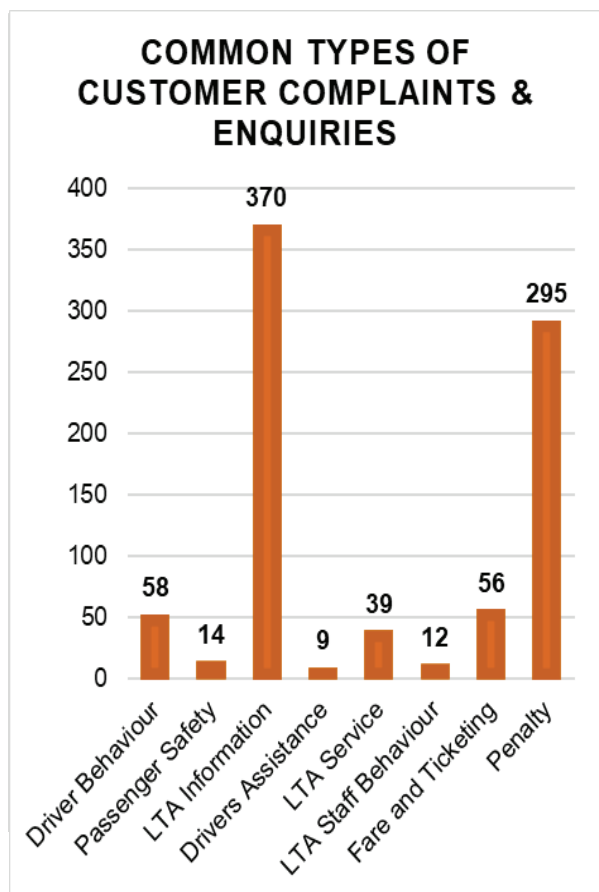
Customer Service

Excellent customer services delivery is pivotal to us. We continue to streamline our services in best effective way for our customers. LTA was recognized in the Fiji Business Excellence Awards in 2014 and was awarded the Commitment award in the Fiji Business Excellence Award category. This was a major achievement to LTA that conforms the processes undertaken during the year.



Contacts & Complaints

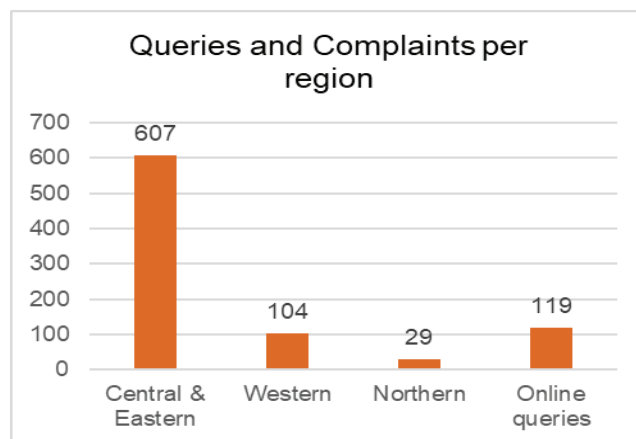
The core function of the Complaints Centre is to receive and respond to customer complaints and enquiries in a consistent and timely manner. Customers raise their issues through telephone calls, emails or by visiting the nearby LTA offices. Some of the common types of customer complaints / enquiries include information on LTA, passenger safety, driver's assistance, driver's behavior, fare and ticketing and penalty. There were a total of 853 complaints / queries received in 2014.



Queries and Complaints

The most number of complaints received during 2014 were from the Central and Eastern region with a total of 607 complaints. Online queries came in

second with 119 complaints; Western region recorded 104 complaints while the Northern region registered the lowest number of complaints at 29.



Road Safety

Road Safety is an ongoing concern for the Authority. The Authority's Road Safety unit is responsible in creating an enabling environment for the nation by working towards eradicating road related accidents and deaths.

The road safety education programs operate under the goal three (3) of the Authority's annual corporate plan, which is to create a safety conscious generation of road users who consider and respect others on the road.

One of the three E's (education, enforcement and engineering) of road safety undertaken all over the world including Fiji is education. Strategies and programs have been strategically put in place to ensure that road users are well informed on road safety. This is in line with the Fiji Decade of Action for Road

Safety 2011 – 2020 national action plan, which is aimed at reducing the number and severity of road traffic crashes and fatalities.

The Authority's Road Safety unit undertook 9 key programmes in 2014 to engage various stakeholders in an effort to create awareness and bring about the change needed to tackle the issue of road safety.

Pedestrian Road Safety (Home visitation): This programme attempts to meet the road users at the home front. The program was about systematically presenting the road safety message at home.

Driver Road Safety (5 Star Road Safety Interventions): This campaign covered sudden behavioural changes in fatality and accident trends that occur during the year. Interventions were carried out at strategic locations around the country to address the driver behaviour.

Passenger Road Safety (Bus Ministry): More than 90% of the travelling public use bus as their main mode of transport. Thus, the programme intends to highlight the need for bus safety to passengers.

Children and Senior Citizens Road Safety (5 Star Pedestrian Intervention): The increase in pedestrian fatalities prompted an immediate response for interventions at pedestrian crossings around the busy town areas. The target group for this programme were children and senior citizens.

Community Road Safety (Community Awareness on Road Safety): This programme focusses on identifying highrisk community groups in both rural and

urban centres. The programme tries to increase road safety conscious to increase road safety consciousness in the community.

Rural and Maritime Road Safety (Community Outreach Program): This programme was planned, coordinated and conducted for the rural and maritime communities in an attempt to increase their knowledge of safety consciousness needed in high – traffic environments like towns and cities. The idea is to change their perception of “road attention” when they visit busy places.

Community Involvement – Village Traffic Calming Measures (A-Frame boards): A-Frame boards were developed and delivered to high-risk villages along the major highways. The A-Frame boards carry road safety messages and catching slogans targeting the travelling public.

National Road Safety Public Education Program (Road Safety Advocacy Program): This programme was targeted to schools where students participated in competitions and oratory contests. A total of two hundred and eighty five (285) schools were visited by the team reaching out to almost one hundred five thousand seven hundred forty two (105,742) students.

Road Marshall Club (Expansion of Road Marshall Clubs): Volunteers are trained and registered with the Authority as Road Marshalls. They are the eyes and ears on the ground and report on unsafe road usage by any user. The program targeted community involvement in eradicating unsafe road user behaviour.

Standard and Compliance

The Standards & Compliance Department is responsible for drafting, reviewing and implementing standard policies and procedures, and making necessary changes to suit the LTA's business processes for continuous improvements.

Another important function of the Department is to conduct training workshops for up-skilling of staff. Internal and external investigations were conducted to deal with complaints and secondary checks carried out on operational areas, for example, hire / rental permit applications, half cut vehicles and tampered chassis. The Department also provides policy guidance on processes, procedures and Code of Practice.

Quality Assurance Maintenance System

The QAMS inspections for 2014 were conducted by the Standards & Compliance department. The QAMS inspections are conducted concurrently for phases 1 and phase 2 and only upon compliance to these phases can inspections proceed for phase 3.

Region	Companies Achieved 100% QAMS		
	Phase 1	Phase 2	Phase 3
Central Eastern	3	4	0
Western	2	3	0
North	0	0	0
TOTAL	5	7	0

During the year, the following five (5) companies achieved QAMS phase 1:



- Pacific Transport Co. Limited
- Island Bus Limited
- Tebara Transport
- Shahabud Dean Transport Limited
- Sunbeam Transport Limited

The following seven (7) companies achieved QAMS phase 2:

- Sunbeam Transport Limited
- Khan Buses Limited
- Shore Buses Limited
- Tebara Transport Limited
- Shahabud Dean Transport Limited
- Central Transport Limited
- Tacirua Transport Limited

Achievements

During 2014 the Department achieved the following:

- Training on Forensic Vehicle Accident Investigation during 17 March 2014 to 21 March 2014 to enhance capabilities of the LTA staff.
- Renovation works commenced in 2014 for the New Lautoka Ramp to equip the area of vehicle inspection leading to betterment of customers and raising the standards for vehicle inspection. Vehicle inspection and compliance is pivotal in the Authority's service delivery.



Traffic Management Services

The Traffic Management Services Department (TMS) develops and implements traffic management strategies and practices consistent with the needs of road users and the objectives of road safety in conjunction with the highway Authorities and Stakeholders. A new camera was installed at Samabula to capture dual offences, red light violations and speeding. During 2014, there were a total of 470 red light camera offences captured while the speeding offenses amounted to 15,333.



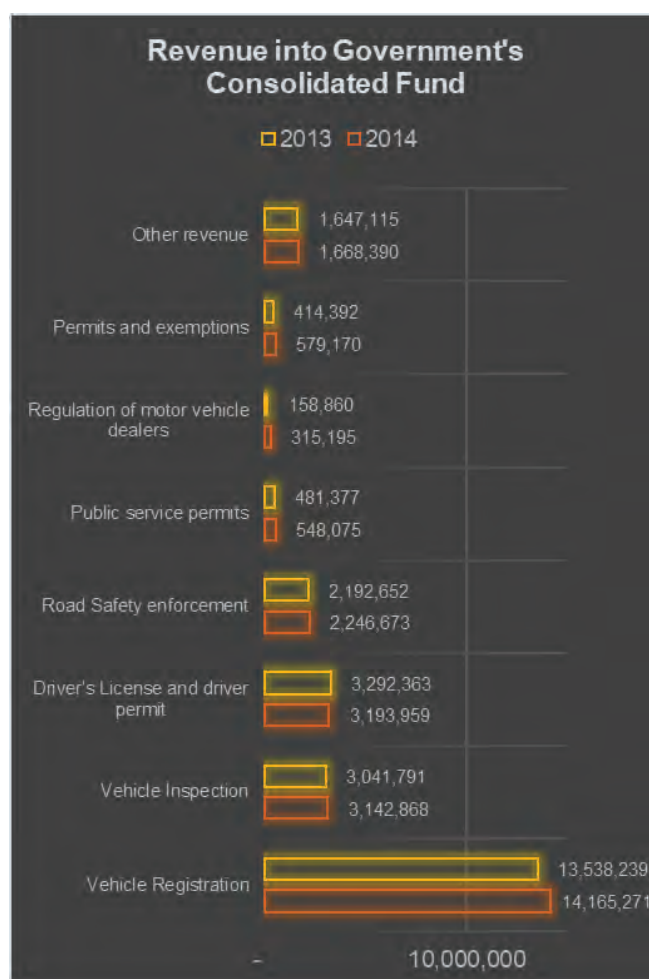


Financial Overview

The LTA continued to administer functions where the revenue is deposited directly to the Government Consolidated Fund account. The total administered revenue at the end of financial year 31 December 2014 was \$25.8 million, 4.4% increase than the total revenue of \$24.7 million in the previous year.

The financial performance continued the trend of positive results we have seen in the recent years.

The largest contribution to revenue collection is from Vehicle Registration, followed by Drivers Licenses, Drivers Permit and Vehicle Inspection.



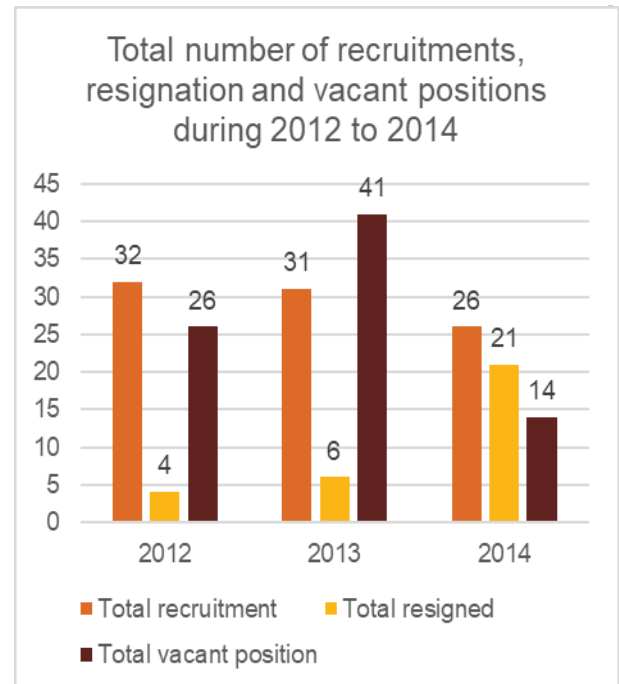
Human Resources

The Human Resource (HR) Department plays a critical role in the Authority. The success of the organization depends on the high level of skills and professionalism of our people. The year 2014 was dedicated to further developing the HR function and moving towards a People Management Department.

Throughout 2014 the organization witnessed a lot of staff exits as employees tend to look for greener pastures. A total of twenty-one (21) employees left the organization for better employment opportunities and to study overseas. Twelve (12) of these employees left the organisation due to summary dismissal.

The increase in the number of employment relation issues led to the implementation of aggressive awareness and adoption of the new Collective Agreement. This was done at each division emphasizing the benefits and the changes to the disciplinary process. A total of twenty-six (26) employees were recruited in the year filling the vacuum left by those that exited.

Recruitment continues to be a major part of the department's work programme with successful efforts in decreasing the vacancies turnaround time.



LTA Staff by Gender in 2012, 2013 and 2014

Year	Female	%	Male	%	Total Staff
2012	126	41	175	59	301
2013	131	42	180	58	311
2014	144	44	182	56	326

Training and Development

Year	Total Local Training	Total Overseas Training
2012	13	4
2013	26	6
2014	18	4

The HR department continued to strive to provide an approachable and the best People Management Department.

Information, Communication & Technology (ICT)

Strategic Highlights & Achievements

The “Green” ICT initiative was introduced in the LTA’s ICT environment in 2014. The “Green” initiative is aimed not only to save on emissions and waste, but also to assist the Authority on financial implications.

The department also undertook several Strategic and “Green” ICT initiatives and projects which included the implementation of the Video Conferencing System, Print & Paper Control and Management System and Vehicle Tracking System which contributed to the controlling of the cost as well as contributing towards having a Greener Environment.

The department implemented a full-fledged contact center system that enabled the organization to measure the service quality on our calls. This enabled the Authority to ensure that all customers coming through our telephone lines are attended to in a timely manner.

The department also expanded the Queue Management System (QMS) at the Sports City Office which enabled the customers to take ticket and wait patiently to be served. This provided an indication to the Authority on the total number of customers being served, waiting and serving time per customer and room for improvement for better customer services.

Other implementations included the installation of Door Access System for ICT

Department and Head Quarters Admin Buildings, hardening of the gateway firewall security and VPN Access by introducing Two Factor Authentications. The department also introduced wireless links as well as wireless devices to certain areas that eliminated the need of having wires and enabled cost savings and mobility.

Operational Highlights

The department continued to provide the following:

- Critical improvements through timely upgrade of Email and Domain Controller Systems by ensuring up to date and fully patched systems.
- Valuable statistical information on timely and regular basis to board, management and even the staffs to enable them to make informed decision and guide them in formulating strategies for improvement.
- Introduction of the SMS Facility enabling the Authority to send reminder and road safety messages directly to LTA Customers having mobile contacts with us.

Legal

The Legal Services department is tasked with providing an efficient and effective legal advice and litigation for the Authority. The Department has its offices in all regions to which Prosecutors have been assigned.

Civil Cases

Number of cases called	49
Number of cases for mention	23
Number of case for hearing	7
Number of cases for ruling	16
Number of cases struck out/closed	3

Equal Rights Trust cases

Number of cases called	16
Number of cases for mention	8
Number of case for hearing	2
Number of cases for ruling	4
Number of cases struck out/closed	2

Tribunal Appeals

Number of cases called	119
Number of cases for mention	59
Number of case for hearing	12
Number of cases pending	107

The litigation section of the department is solely responsible for the dealing of all cases within the different jurisdictions of the Judicial System. The department attends to litigation cases representing the Authority in the following Judicial and Quasi-Judicial Institutions:

- Magistrates Court/ High Court/ Court of Appeal/ Supreme Court;
- Arbitration Tribunal;
- Appeals Committee;
- Appeals Tribunal; and
- Mediation to assist only.

The department reordered a total of forty-nine (49) civil cases during the year. During the year, the LTA Appeals Tribunal recorded a total of one hundred and nineteen (119) cases.

Apart from attending to Civil Cases and assisting the Prosecution, the Legal Department was also tasked with the following:

- Providing legal advice;
- Drafting and vetting contracts;
- Review of legislations
- Attending to legal queries;
- Attending to company and title searches;
- Interpreting and applying the law; and
- Provide legal support and advice for the operations of the various departments in the Authority.

Properties Services

The unit has five (5) key Roles and Function, as follows:

- i. To ensure that facilities fully accommodate the Authority's core functions;
- ii. To ensure that all facilities are well maintained;
- iii. All OHS requirements are fully met;
- iv. All internal or external customer complaints are rectified within the given timeframe; and
- v. Continues research and implementation is done to projects which complement the service delivery of the Authority.

The Team comprising of two (2) - Properties Officers and a Handyman, In-addition to the above operational functions, the team is also heavily involved in all Construction and refurbishment works.

The Properties Department commenced construction of the new warehouse at Valelevu Head office costing around a quarter million dollars (\$0.25 million). The main objective of this project was to create a proper and organized archiving system. This will further improve the filing system by introducing the 5s (Sort, Straighten, Sweep, Standardize and Sustain) and an important component for the ISO 9000 certification.

The department also maintained all of its offices and added five new operational motor vehicles to ensure that all stakeholders have the best service delivery, be safe in our premises and are informed of various operations of the Authority.

Achievements

The Department achieved the following during the year:

The construction of a new vehicle examination office, fully Automated Vehicle Inspection System ramp and installation support at the Lautoka office. The completion of the new Nadi Waimalika office with a fully-fledged facility. Purchase of five new motor vehicles as an addition to the LTA Fleet.



Quality Assurance

The Unit had two (2) main objectives in 2014, and which were to:

- Improve customer satisfaction; and
- Implement efficient and effective organization systems.

The following activities were implemented to improve customer satisfaction:

- Coordination and establishment of a refurbished Reception and Complaints Unit in Head Quarters in order to improve customer reception and confidentiality whilst customers are lodging their complaints;
- Establishment of a Complaints Unit to handle daily customer complaints (including enquiries). This featured registration, referral, follow up, analysis and reporting of all regional complaints and enquiries on a weekly basis;
- Development and implementation of a Customer Complaints & Enquiries Handling Policy to guide the Complaints Unit; and
- Reduction of customer complaints' resolution timeframe from five (5) to two (2) working days, which was done to align to Government's two (2) working days resolution timeline.

For 2014, a total of thirty-seven (37) Tenders and three (3) Expression of Interests were facilitated by the LTA Management Tender Committee.

Implementation of efficient and effective organization systems had involved the following activities:

Reviewing/developing and approving policies and procedures: This was achieved through the commitment of the respective Managers and Steering Committee. For 2014, a total of ten (10) policies were approved by the Board.

ISO 9001 Certification: ISO 9001 certification requires the Authority's Quality Management System (i.e. its set of policies, procedures and processes) to be documented and functioning in all facets

of the organization. However due to the ongoing consultation process in 2014, certification has been moved to 2015. As part of the consultation process, it requires a holistic effort involving Managers and Team Leaders, legal advice, guidance and directions from the Steering Committee and the necessary Board's approval.

Participation in the 2014 Fiji Business Excellence Award (FBEA) program: The FBEA program is another example of a quality improvement tool to enhance an organization's services both internally and externally, and in which the Authority has participated actively in 2013 and 2014.

A Commitment Award was received during 2014 participation, and its feedback report has highlighted critical customer service and operational areas that the Authority will need to look at in order to grow as an efficient and effective organization.

Moving towards 2015, the Authority will need to look at investing additional resources such as manpower and centralized system software to enhance the Authority's monitoring, analysis and reporting of all regional customer complaints and enquiries as real-time data and most importantly, provide timely feedback to its customers.

This also extends to the need to look at additional support systems to carry out adequate customer surveys (both internal and external), as another quality improvement tool that will assist the Authority to grow more effective and efficient in its customer service delivery and overall operations.

Financial Statements

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**LAND TRANSPORT AUTHORITY
MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

In accordance with a resolution of the Authority's members, the members submit the statement of financial position of the Authority as at 31 December 2014, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and report as follows:

Authority's members

The names of the Authority's members in office during the year are:

Mr Greg Lawlor - Chairman
Mr Vijay Maharaj
Commander Francis Kean
Mr Tomasi Tui
Mr Lagisoa Delana

Principal activities

The principal activities of the Authority in the course of the financial year were regulating, controlling and licensing of all means of land transport, ensuring safety for all road users, co-ordination of road transport services and improvement of road transport services.

Operating results

The operating loss for the year ended 31 December 2014 was \$1,385,341 (2013: \$529,184).

Dividends

No dividends were declared or paid during the year.

Reserves

There was no amounts transferred to or from reserves during the year.

Bad and doubtful debts

Prior to the completion of the Authority's financial statements, the members took reasonable steps to ascertain that action has been taken in relation to writing off bad debts and the allowance for doubtful debts. In the opinion of the members, adequate provision has been made for doubtful debts.

As at the date of this report, the members are not aware of any circumstances, which would render the amount written off for bad debts, or the allowances for doubtful debts in the Authority, inadequate to any substantial extent.

Non-current assets

Prior to the completion of the financial statements of the Authority, the members took reasonable steps to ascertain whether any non-current assets were unlikely to be realized in the ordinary course of the business compared to their values as shown in the account records of the Authority. 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 realize. As at the date of this report, the members are not aware of any circumstances, which would render the values attributed to non-current assets in the Authority's financial statements misleading.

**LAND TRANSPORT AUTHORITY
MEMBERS' REPORT - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2014**

Basis of accounting

The members believe the basis of the preparation of the financial statements is appropriate and the Authority will be able to continue its operation for at least twelve months from the date of this statement. Accordingly, the members believe the classification and carrying amounts of assets and liabilities as stated in these financial statements are appropriate.

Unusual transactions

The Authority's Labasa Branch Operational building situated at Vatunibale Labasa was completely burnt down on 11/01/14 together with its contents amounting to \$885,105. The main cause of the fire according to the Fire report was due to electrical short circuit. The Authority received the insurance compensation of \$851,225 on the 15/10/14 which was deposited to the Government Consolidated Fund CFA on 16/10/14 as per LTA Act and revenue policy which requires all revenue to be deposited to Consolidated Fund Account.

Events subsequent to balance date

As per the Employment Tribunal's ruling, compensation payments were made to some former employees of the Authority subsequent to the end of the financial year. The cumulative balance of the payments made was \$28,028.

Other circumstances

As at the date of this report:

- (i) no charge on the assets of the Authority 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 Authority could become liable. Some cases especially the Industrial Relation cases judgment has been given during the financial year. However, the payments have been made after financial year and has been on-going; and
- (iii) no contingent liabilities or other liabilities of the Authority 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 members, will or may substantially affect the ability of the Authority to meet its obligations as and when they fall due.

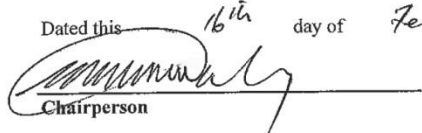
Apart from the matters specifically referred to in the financial statements, in the opinion of the Authority's members, the results of the operations of the Authority during the financial year were not substantially affected by any items, transaction or event of an abnormal nature.

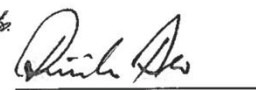
Members' benefits

Since the end of the previous financial year, no member 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 members shown in the financial statements) by reason of a contract made by the Authority with the member or with a firm of which he is a member, or with an entity in which he has a substantial financial interest.

Signed for and on behalf of the Authority and in accordance with a resolution of the Authority's members.

Dated this 16th day of February 2016


Chairperson


Member

**LAND TRANSPORT AUTHORITY
STATEMENT BY AUTHORITY'S MEMBERS
FOR THE YEAR ENDED 31 DECEMBER 2014**

In accordance with a resolution of the members of the Authority, we state that:

- (i) the accompanying statement of comprehensive income of the Authority is drawn up so as to give a true and fair view of the results of the Authority for the year ended 31 December 2014;
- (ii) the accompanying statement of changes in equity of the Authority is drawn up so as to give a true and fair view of the changes in equity of the Authority for the year ended 31 December 2014;
- (iii) the accompanying statement of financial position of the Authority is drawn up so as to give a true and fair view of the state of affairs of the Authority as at 31 December 2014;
- (iv) the accompanying statement of cash flows of the Authority is drawn up so as to give a true and fair view of the cash flows of the Authority for the year ended 31 December 2014;
- (v) at the date of this statement, there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due; and
- (vi) all related party transactions have been adequately recorded in the books of the Authority.

Signed for and on behalf of the Authority and in accordance with a resolution of the Authority's members.

Dated this

16th

day of

February

2016


Chairperson


Member

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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INDEPENDENT AUDITOR'S REPORT

To the members of Land Transport Authority

I have audited the accompanying financial statements of the Land Transport Authority, which comprises the statement of financial position as at 31 December 2014, and the statement of comprehensive income, the statement of changes in equity, the 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 21.

Director's and Management's Responsibility for the Financial Statements

The directors and management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the Land Transport (Amendment) Decree 2010. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit. I have conducted the audit in accordance with International Standard 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 judgement, 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 company'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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 give a true and fair view of the financial position of the Land Transport Authority as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and other statutory requirements.

Without qualifying the opinion expressed above, I draw attention to the following “Other Matters”:

- Leasehold lands are not held in the name of the Authority. The buildings on the land have been incorporated in the books of account of the Authority on the principal assumption that the titles of the land will be registered under the Land Transport Authority in future.
- Transactions relating to national road safety and funded through donor funds have not been accounted for in the financial statements of the Authority since the dissolution of the National Roads Safety Council in 2010 by way of the LTA Decree No. 41 of 2010.



Atunaisa Nadakuitavuki
for **AUDITOR GENERAL**



16 March 2016
Suva, Fiji

**LAND TRANSPORT AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 \$	2013 Restated \$
Revenue			
Grant received	2	10,942,827	10,415,778
Other income	3	727,443	1,148,911
Expenses			
Administrative expenses	4	(7,680,154)	(7,303,199)
Operating expenses	5	(4,571,018)	(4,516,407)
Other expenses	6	(804,439)	(693,222)
Loss before income tax from operations		(1,385,341)	(948,139)
Income tax expense	1 (I)	-	-
Loss after income tax continuing operations		(1,385,341)	(948,139)
Other comprehensive income			
Gain on Revaluation of Fixed Assets		-	418,955
Total Comprehensive Loss for the year		(1,385,341)	(529,184)

The accompanying notes form an integral part of this Statement of Comprehensive Income.

**LAND TRANSPORT AUTHORITY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	Asset Revaluation Surplus	Capital	Retained Earnings	Total
			\$	\$	\$
Balance as at 31 December 2012		-	1,650,146	7,595,040	9,245,186
Total comprehensive loss for the period			-	(948,139)	(948,139)
Asset Revaluation Surplus		418,955			418,955
Adjustment to equity relating to amounts due 20 (a) to Government Consolidated Account			-	(22,177)	(22,177)
Restated balance as at 31 December 2013		418,955	1,650,146	6,624,724	8,693,825
Loss for the period			-	(1,385,341)	(1,385,341)
Balance as at 31 December 2014		418,955	1,650,146	5,239,383	7,308,484

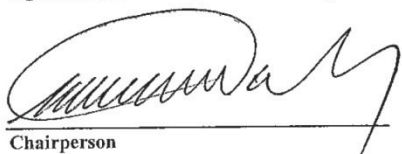
The accompanying notes form an integral part of this Statement of Changes in Equity.

**LAND TRANSPORT AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	Notes	2014 \$	Restated 2013 \$
Current Assets			
Cash and cash equivalents	7	1,351,417	1,300,653
Receivables	8	1,170,018	1,257,670
Inventories	9	899,243	722,229
Total current assets		<u>3,420,678</u>	<u>3,280,552</u>
Non-Current Assets			
Property, plant and equipment	10 (i)	<u>13,169,730</u>	<u>12,159,367</u>
Total non-current assets		<u>13,169,730</u>	<u>12,159,367</u>
Total Assets		<u>16,590,408</u>	<u>15,439,919</u>
Current Liabilities			
Creditors and other accruals	11 (i)	1,526,531	1,326,442
Owing to Government consolidated account	11 (ii)	44,173	53,457
Provisions	12	824,432	635,264
Total current liabilities		<u>2,395,136</u>	<u>2,015,163</u>
Non-Current Liabilities			
Capital grant	13	6,556,468	4,730,931
Finance Lease Liability	14	330,320	-
Total non-current assets		<u>6,886,788</u>	<u>4,730,931</u>
Total Liabilities		<u>9,281,924</u>	<u>6,746,094</u>
NET ASSETS		<u>7,308,484</u>	<u>8,693,825</u>
Capital and Reserves			
Asset Revaluation Surplus		418,955	418,955
Capital		1,650,146	1,650,146
Retained earnings		5,239,383	6,624,724
TOTAL CAPITAL AND RESERVES		<u>7,308,484</u>	<u>8,693,825</u>

The accompanying notes form an integral part of this Statement of Financial Position.

Signed for and on behalf of the Authority and in accordance with a resolution of the Authority's members.



Chairperson



Member

**LAND TRANSPORT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 Inflows/ (Outflows) \$	Restated 2013 Inflows/ (Outflows) \$
Operating Activities			
Receipts from government for operational expenditure		10,942,827	11,121,555
Payments to suppliers and employees		(11,544,774)	(11,685,115)
Payment of Owing to Government		(9,284)	(663,128)
Net cash provided by/(used) in operating activities		(611,231)	(1,226,688)
Investing Activities			
Receipts from government for capital expenditure		2,552,980	2,173,913
Payments for property, plant and equipment		(1,890,985)	(1,675,499)
Net cash (used in)/provided by investing activities		661,995	498,414
Net increase/(decrease) in cash held		50,764	(728,274)
Cash and cash equivalents at the beginning of the year		1,300,653	2,028,927
Cash and cash equivalents at the end of the year	7	1,351,417	1,300,653

The accompanying notes form an integral part of this Statement of Cash Flows.

LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Land Transport Authority (the "Authority") is a statutory body established under the Land Transport Act, 2008. The financial statements were authorized for issue with a resolution of members on 16th of February 2016.

The principal activities of the Authority are described in Note 18.

Set out below is a summary of the significant accounting policies adopted by the Authority in the preparation of the financial statements. These policies have been consistently applied to all the years, unless otherwise stated.

(a) Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

(b) Basis of preparation

These financial statements have been prepared under historical cost accounting and do not take into account changing money values or current valuations of non-current assets unless otherwise stated.

(c) Foreign currency

All foreign transactions are translated to Fijian dollars at the rates of exchange ruling at the dates of transactions. Amounts receivable and payable in foreign currencies at balance date are translated at the rates of exchange ruling at balance date. Gains and losses arising on such transactions are recognized in the result of the year.

Exchange differences relating to amounts receivable and payable in foreign currencies are brought to account as exchange gains or losses in the statement of comprehensive income in the financial year in which the exchange rate changes.

The Authority does not hedge its foreign currency commitments.

(d) Property, plant and equipment

Property, plant and equipment (PPE) were revalued for the year ended 31 December 2013. The Authority engaged Professional Valuations Limited, an independent registered valuer to carry out the valuation, which was conducted from 18/11/13 to 13/12/13. Property plant and equipment are stated at valuation, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset. Any increase and decrease in carrying amounts arising from revaluation are recognized in other comprehensive income. Property that is being constructed or developed for future use is classified as work in progress under property, plant and equipment and stated at cost until construction or development is complete.

Acquisitions during the year are stated at historical cost.

Property that is being constructed or developed for future use is classified as work in progress under property, plant and equipment and stated at cost until construction or development is complete.

Depreciation and amortisation

Items of property, plant and equipment including buildings are depreciated using the straight line method over their remaining useful life. Leasehold land is amortised over the leasehold period.

LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2014

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

(d) Property, plant and equipment - *continued*

Depreciation and amortisation - continued

The depreciation rates used for each class of asset are as follows:

	Leasehold period
Leasehold land	2.50%
Buildings	20%
Motor vehicles	20%
Plant and equipment	33%
Computer hardware	20%-33%
Computer software	20%
Office equipment	

Disposal of assets

Gains and losses on disposal of property, plant and equipment are taken into account in determining the results for the year.

Impairment

The carrying amount of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying amount may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

(e) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Authority as a lessee

Operating lease payments are recognized as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term.

(f) Other receivables

Other receivables include postmaster receivables, payroll receivables, deferred expenses, interest receivable on short term deposit, prepayments and others. The collectability of debts is assessed regularly and provisions are made for any doubtful balances.

(g) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is assigned on a first in first out basis.

(h) Annual leave

The provision for employee entitlements relate to amounts expected to be paid to employees for annual leave and is measured at balance date at current employee pay rates.

LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2014

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

(i) Provisions

A provision is recognized in the statement of financial position when the Authority has a legal or contractual obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(j) Revenue recognition

Revenue comprises grants received when due.

(k) Expenses

Net financing costs

Net financing costs comprise interest payable on finance leases and interest receivable on term deposits that are recognised in profit and loss.

Interest income is recognized in the statement of comprehensive income as it accrues. The interest expense component of finance lease payments is recognized in the statement of comprehensive income.

(l) Income tax

The Authority is not subject to income tax under the Fiji Income Tax Act (1974), CAP 201 (Section 17(70)).

(m) Value Added Tax

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

- where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables are stated with the amount of VAT included.

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

(n) Capital grant

Capital grants received in respect of the purchase of non-current assets are treated as a deferred income and amortized to the statement of comprehensive income annually over the useful economic life of the related asset.

(o) Comparative information

Comparative information has been restated where necessary to achieve consistency in disclosure with current year amounts. Certain restatements have been made to previously reported amounts for the year ended 31 December 2014. The restatement adjustments are disclosed in detail in Note 20.

LAND TRANSPORT AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*

FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	\$	\$
2 REVENUE		
Fiji Government grant received	10,942,827	10,415,778
3 OTHER INCOME		
Legal Cost for Ravin Millan Case - Government Grant	-	705,777
Release of Government Grant	727,443	443,134
	<u>727,443</u>	<u>1,148,911</u>
4 ADMINISTRATION EXPENSES		
Annual leave	531,255	80,129
Audit fees	10,522	14,248
Bank charges	12,481	8,682
Board members' fees and remuneration	44,911	34,447
Consultancy charges	76,288	77,133
Fiji National Provident Fund contributions	519,931	469,565
Fiji National University levies	44,736	57,012
Insurance	478,140	349,400
Legal fees	61,001	673,304
Staff training	89,966	76,987
Fringe Benefits Tax	13,270	30,961
Wages and salaries	5,797,653	5,431,331
	<u>7,680,154</u>	<u>7,303,199</u>
5 OPERATING EXPENSES		
Accommodation hire	47,496	95,750
Advertising	97,906	104,919
Conferences	14,096	32,714
Depreciation	880,622	832,652
Driver license consumables	226,620	196,421
Electricity and water	355,306	337,361
Enforcement	144,042	99,392
Entertainment	67,934	50,789
Motor vehicle expenses	236,636	656,753
Number plates	169,128	110,973
Printing and stationery	619,606	606,607
Radio telephone rental	22,236	22,236
Rent and rates	362,833	313,052
Repairs and maintenance	383,853	402,364
Security hire	169,279	145,143
Telephone equipment lease charges	268,922	270,120
Interest expenses	989	-
Telephone and facsimile	176,650	109,144
Travelling	123,933	118,945
Uniforms	58,022	11,072
Loss of property, plant and equipment by Fire	144,909	-
	<u>4,571,018</u>	<u>4,516,407</u>

LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
6 OTHER EXPENSES		
Commission expense	11,789	15,567
Hire charges	67,745	33,192
Internet expenses	30,600	30,900
Maintenance computer software	273,872	271,865
Meals and catering	230,446	179,150
Miscellaneous	27,395	73,217
Occupational health and safety	37,729	1,386
Pest control	-	1,922
Postage, postal, courier, freight and cartage	68,488	41,584
Sanitation and cleaning	37,778	36,306
Subscription	3,552	4,973
Transfer allowance	15,045	3,160
	<u>804,439</u>	<u>693,222</u>
7 CASH AND CASH EQUIVALENTS		
For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks. Cash and cash equivalents at the end of the financial period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash at bank	1,341,368	1,290,867
Cash on hand	10,049	9,786
	<u>1,351,417</u>	<u>1,300,653</u>
8 RECEIVABLES		
VAT receivable	99,964	989,802
Grant receivable	851,226	
Prepayments	86,830	101,991
Deposits	72,652	35,590
Staff advances	9,231	39,155
Postmaster receivables	24,695	43,002
Other	25,420	48,130
	<u>1,170,018</u>	<u>1,257,669</u>
9 INVENTORIES		
Stationery	680,596	575,620
Computer consumables	-	22,296
Number plates	-	114,933
Goods in transit	218,647	9,380
	<u>899,243</u>	<u>722,229</u>

LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

10 PROPERTY, PLANT AND EQUIPMENT

	Leasehold Land	Buildings	Motor Vehicles	Plant and Equipment	Furniture and Fitting	Computer Equipment	Office Equipment	Work in Progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost or Valuation									
Balances at 31 December 2013	3,595,000	5,314,684	1,647,781	418,445	129,574	212,767	175,937	665,179	12,159,367
Acquisitions	-	34,743	339,648	270,975	3,809	256,196	60,592	1,810,127	2,776,090
Disposals (ii)	-	(800,000)	-	(13,700)	(10,255)	(26,050)	(35,100)	-	(885,105)
Transfers	-	170,626	12,729	675,196	-	632,087	-	(1,490,638)	-
Balances at 31 December 2014	3,595,000	4,720,053	2,000,158	1,350,916	123,128	1,075,000	201,429	984,668	14,050,352
Accumulated Depreciation									
Balances at 31 December 2013	-	-	-	-	-	-	-	-	-
Depreciation and Amortisation	-	118,428	357,711	138,100	27,759	193,488	45,136	-	880,622
Balances at 31 December 2014	-	118,428	357,711	138,100	27,759	193,488	45,136	-	880,622
Carrying Amount									
As at 31 December 2014	3,595,000	4,601,625	1,642,447	1,212,816	95,369	881,512	156,293	984,668	13,169,730
As at 31 December 2013	3,595,000	5,314,684	1,647,781	418,445	129,574	212,767	175,937	665,179	12,159,367

(i) The Authority's property, plant and equipment were revalued for the year ended 31 December 2013. The valuation was carried out by Professional Valuations Limited, an independent registered valuer (Registration No. 097), from 18/11/13 to 13/12/13 using the summation and sales comparison approach of valuation.

(ii) The Authority's Labasa Branch Operational building situated at Vatunibale Labasa was completely burnt down on 11/01/14 together with its contents amounting to \$885,105. The main cause of the fire according to the Fire report was due to electrical short circuit. The Authority received the insurance compensation of \$851,225 on the 15/10/14 which was deposited to the Government Consolidated Fund CFA on 16/10/14 as per LTA Act and revenue policy which requires all revenue to be deposited to consolidated Fund account.

LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

10 PROPERTY, PLANT AND EQUIPMENT - continued

	Leasehold Land	Buildings	Motor Vehicles	Plant and Equipment	Furniture and Fitting	Computer Equipment	Office Equipment	Work in Progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost or Valuation									
Balances at 31 December 2012	1,509,502	7,003,091	1,106,519	1,367,507	206,640	3,990,994	862,306	-	16,867,034
Transfers	-	-	-	-	-	-	-	(155,296)	(155,296)
Revaluation increase/(decrease)	2,085,498	(1,688,407)	541,262	(949,052)	(77,066)	(3,778,227)	(686,369)	-	(4,552,361)
Balances at 31 December 2013	3,595,000	5,314,684	1,647,781	418,455	129,574	212,767	175,937	665,179	12,159,377
Accumulated Depreciation									
Balances at 31 December 2012	90,382	1,181,542	774,381	499,124	114,149	2,894,184	415,707	-	(5,969,469)
Depreciation and Amortisation	-	190,316	132,289	191,605	11,366	259,093	47,983	-	832,652
Eliminated on Revaluation	(90,382)	(1,371,858)	(906,670)	(690,729)	(125,515)	(3,153,277)	(463,690)	-	(6,802,121)
Balances at 31 December 2013	-	-	-	-	-	-	-	-	(11,938,938)
Carrying Amount									
As at 31 December 2013	3,595,000	5,314,684	1,647,781	418,455	129,574	212,767	175,937	665,179	12,159,377
As at 31 December 2012	1,419,120	5,821,549	332,138	868,383	92,491	1,096,810	446,599	820,475	10,897,565

LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
11 CREDITORS AND OTHER ACCRUALS		
(i) Trade creditors	424,368	272,979
Accruals and other payables	1,102,163	1,053,463
	<u>1,526,531</u>	<u>1,326,442</u>

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60 days terms; and
- Other creditors, sundry and accruals are non-interest bearing and have an average term of six months.

(ii) Owing to Government consolidated account		
Balance at 1 January	31,280	686,473
Fees, levies and charges collected	359,173	344,078
Transfer to Government consolidated account	(346,280)	(999,271)
Balance at 31 December	<u>44,173</u>	<u>31,280</u>

The Authority, under Promulgation 49 of 2007 and Promulgation 1 of 2009, is responsible for the collection of all revenues which were deposited directly by the Authority into the Government's Consolidated Fund Account. The Authority does not receive these funds in its bank account except for those fees, levies and charges collected in Taveuni. Government's Consolidated Fund Account, is maintained with the Westpac Banking Corporation ("WBC"). WBC does not operate a branch in Taveuni. The Authority opened an account with the Bank of South Pacific ("BSP") in Taveuni under its name to deposit all revenues collected in the Island. A transfer of \$346,280 was made to the Government Consolidated Account in 2014.

12 PROVISIONS

	Employee Entitlements \$	Payroll \$	Total \$
Balance at 1 January 2014	635,264	-	635,264
Provisions made during the year	189,168	-	189,168
Balance at 31 December 2014	<u>824,432</u>	<u>-</u>	<u>824,432</u>

Employee Entitlements

Provision for employee entitlements is recognized in accordance with the policy noted in 1(h).

Payroll

Provision for payroll is recognized in accordance with the policy noted in 1(i).

LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	Restated 2013
	\$	\$
13 CAPITAL GRANT		
Balance at 1 January	4,730,931	3,000,152
Grant received during the year	2,552,980	2,173,913
Release of capital grant revenue	(727,443)	(443,134)
Balance at 31 December	<u>6,556,468</u>	<u>4,730,931</u>

Under the Ministry of Works and Transport's approved 2014 budget, the Authority received \$2,552,980 (VIP) for capital purchases. The Authority actually received \$2,219,983 (VEP). Capital grant was approved for the following capital purchases:

	Total
Motor Vehicle	1,254,120
Computer Hardware and Software	769,490
Plant and Equipment	529,370
	<u>2,552,980</u>

14 FINANCE LEASE LIABILITY

The value of Motor Vehicles held by Land Transport Authority under finance lease as at 31 December 2014 was FJD \$330,320 (2013: nil). Leased assets are pledged as security for the related finance lease liabilities of the Authority. The Land Transport Authority pays the sum of FJD\$11,838.61 monthly repayments including interest for the period of 36 months. The Authority upon completion of the repayment term of 36 months, shall pay the lessor the residual value as per the lease agreement to fully own the motor vehicles.

15 COMMITMENTS AND CONTINGENCIES

(a) Capital expenditure commitments	2,552,980	2,173,913
Capital expenditure approved but not contractually committed	<u>-</u>	<u>-</u>
(b) Finance Lease commitments		
Within one year	-	-
After one year but not more than five years	426,190	-
More than five years	-	-
Total Finance lease commitments	<u>426,190</u>	<u>-</u>
(c) Contingent liabilities	<u>426,986</u>	<u>1,302,197</u>

The above denotes total possible liabilities that the Authority can incur from cases brought against it. The Authority is confident that it will be able to defend the cases and hence, the balance has not been provided in the Authority's books of accounts.

LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

16 RELATED PARTIES

The Authority is wholly owned by the Government of Fiji. The Authority undertook various transactions with Government owned entities on normal trading terms and conditions.

Authority's members

The names of the Authority's members in office during the year are:

Mr Greg Lawlor - Chairman

Mr Vijay Maharaj

Commander Francis Kean

Mr Tomasi Tui

Mr Lagisoa Delana

The board fees and remuneration for the year ended 31 December 2014 was \$44,911 (2013: \$34,447).

Key Management Personnel	Position		
Mr Naisa Tuinaceva	Chief Executive Officer		
Ms Elena Wakolo	General Manager Finance and Administration		
Mr Josefa Vosanibola	General Manager Operations		
		2014	2013
		\$	\$
Compensation of key management personnel of the Authority			
Short-term employee benefits		180,366	222,800
Housing and other allowances and benefits		14,400	30,000
Fiji National Provident Fund contributions		14,607	25,280
		<u>209,373</u>	<u>278,080</u>

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Principal financial liabilities comprise of trade payables. The main purpose of these financial liabilities is to raise finance for the Authority's operations. The authority has various financial assets such as trade receivables and cash which arise directly from its operations.

The main risk arising from the Authority's financial statements are market risk, credit risk, and liquidity risk. The Authority's members reviews and agrees policies for managing each of these risks which are summarized below:

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Authority's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Political climate

The Authority operates in Fiji and changes to Governments and the policies they implement affect economic situation and ultimately the revenues of the Authority.

(b) Credit risk

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

The Authority has no significant concentrations of credit risk.

The Authority establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2014

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - *continued*

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	\$	\$
Cash and cash equivalents (Note 7)	1,351,417	1,300,653
Receivables (Note 8)	1,170,018	1,257,669
	<u>2,521,435</u>	<u>2,558,322</u>

(c) Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Authority's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The table below summarizes the maturity profile of the authority's financial liabilities at 31 December 2014 based on contractual undiscounted payments.

Year ended 31 December 2014	On demand	Later than 3 months	Total
Creditors and other accruals (Note 11)	<u>1,570,704</u>	<u>-</u>	<u>1,570,704</u>
	<u>1,570,704</u>	<u>-</u>	<u>1,570,704</u>
Year ended 31 December 2013			
Creditors and other accruals (Note 11)	<u>1,357,722</u>	<u>-</u>	<u>1,357,722</u>
	<u>1,357,722</u>	<u>-</u>	<u>1,357,722</u>

(d) Capital Management

The primary objective of the Authority's capital management is to ensure that it maintains a healthy capital ratio in order to support its business objectives. The Authority manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Authority may adjust the dividend payment to shareholders or return capital to shareholders. No changes were made in the objectives, policies or processes for the year ended 31 December 2014.

	2014	2013
	\$	\$
Creditors and other accruals (Note 11)	1,570,704	1,357,722
Less: Cash and cash equivalents (Note 7)	<u>(1,351,417)</u>	<u>(1,300,653)</u>
Net debt	219,287	57,069
Equity	<u>7,308,484</u>	<u>8,693,825</u>
Total capital	7,308,484	8,693,825
Capital and net debt	<u>7,527,771</u>	<u>8,750,894</u>
Gearing ratio	3%	1%

18 PRINCIPAL ACTIVITIES

The principal activities of the Authority in the course of the financial year were regulating, controlling and licensing of all means of land transport, ensuring safety for all road users, co-ordination of road transport services and improvement of road transport services.

LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

19 EVENT SUBSEQUENT TO BALANCE DATE

As per the Employment Tribunal's ruling, compensation payments were made to some former employees of the Authority subsequent to the end of the financial year. The cumulative balance of the payments made was \$28,028.

20 RESTATEMENT OF PRIOR YEAR RETAINED EARNINGS

	Previously Reported \$	Restated 2013 \$
Statement of Financial Position		
(a) Owings to Government Consolidated Account	31,280	53,457
(b) Capital Grant	5,174,065	4,730,931
Retained Earnings	6,622,722	6,624,724
Statement of Comprehensive Income		
(b) Other Income - Release of Government Grant	-	443,134

Retained earnings for the year ended 31 December 2013 was incorrectly stated due to:

- (a) Errors relating to the inclusion of Government Consolidated Fund Revenue together with transactions relating to the Authority's operation. Adjustment has been made resulting in an decrease in Retained Earnings and Owings to Government Consolidated Account by \$22,177.
- (b) Restatement has been made to prior year accounts as stated below to account for deferred income not realised in 2013 financial statement.

21 AGENCY TRANSACTION ADMINISTERED FOR THE FIJI GOVERNMENT

Effective from 2008, the Authority under Promulgation 49 of 2007 is to be responsible for the collections of the following revenues which are deposited directly by the Authority into the Government's Consolidated Fund.

The Authority does not receive these funds in its bank account. Government revenue is recognized on receipt. A comparison in relation to revenue collected and deposited directly into Government's Consolidated Fund are as follows:

	2014 \$	2013 \$
Revenue		
Vehicle registration	14,165,271	13,538,239
Vehicle inspection	3,142,868	3,041,791
Driver's License and driver permit	3,193,959	3,292,363
Road safety enforcement	2,246,673	2,192,652
Public service permits	548,075	481,377
Regulation of motor vehicle dealers	315,195	158,860
Permits and exemptions	579,170	414,392
Other revenue	1,668,390	1,647,115
	<u>25,859,601</u>	<u>24,766,789</u>

Effective from 1 January 2009, the Authority under Promulgation 1 of 2009 had been given the powers to administer, implement, and control the collection of Road User Levy for the road infrastructure, maintenance, upgrade, and development of roads to ensure the safe transporting of passengers and goods.

The Authority shall deposit the Road User Levy into the Consolidated Fund Account. The total Road User Levy collected in 2014 was \$10,507,711 (2013: \$9,746,391).



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