



LEVUKA TOWN COUNCIL

Annual Report for the Year 2013





LEVUKA TOWN COUNCIL

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LEVUKA TOWN COUNCIL

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The Honorable Premila Kumar
Minister for Local Government, Housing & Community Development
Gladstone Road
SUVA

Dear Madam

I have much pleasure in submitting the Levuka Town Council Annual Report for the year 2013.

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

The Annual Report 2013 has been prepared in accordance with the provisions of Section 19(1) (a),(b) and (c) of the Local Government Act Cap. 125

Yours sincerely

Josese Rakuita
Chief Executive Officer
LEVUKA TOWN COUNCIL

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FOREWARD

The only historic town in Fiji, having been declared as such in 1987, Levuka was the first capital of the crown colony on the 10th October, 1874. A well known town in the 1800's and early 1900's, it began to dwindle when the copra industry was moved to Suva. Levuka was proclaimed a Town in 1877 and occupies a central place in the Lomaiviti Province and in the history of Fiji.

Levuka's landscape significance is it's well preserved geological features such as the mountains, vegetation and coastline. Various types of historic architecture such as schools, churches and the Police Station prevail. There are traditional houses and shops on Beach Street. Its contemporary architecture is being built compatibly with the historical context of the landscape of Levuka.

Levuka was honored by the additional funding received from government to enable us to repair and maintain old infrastructure in the buildings, drains and some of the old roads. Such upgrades were necessary to prepare Levuka for assessment by the World Heritage Committee of Levuka's suitability for World Heritage Status.

The Council is optimistic that with the continuous assistance by Government funding through annual grants we will continue to carry out some of the much needed infrastructure upgrading. The dedication of Levuka as a heritage town is another blessing in disguise as we put this historic town amongst the worlds heritage tourism for future sustainability.



.....
Josese Rakuita
Chief Executive Officer

LEVUKA TOWN COUNCIL

Prior to Cession there was no actual Local Government Authority formed to control the affairs of Levuka and the residents themselves had little or no say in the management of the town. This was a period when the town was being planned by the British engineers and this included the construction of roads, seawall, etc.

Three years after Cession the Town Ordinance of 1877 was passed giving residents of Levuka the right to govern the town. A Council was appointed with the first Warden of Levuka, the Hon. J.G. Smith. Various Wardens were appointed during the following years up till 1900. In the same year another ordinance was passed enabling the residents of Levuka to elect their own Councillors and Mayor. The first Mayor was Cr. D.J. Solomon, a well known member in those days.

It is important to note some events that led to a gradual decline in Levuka were: -

- ❖ The shift of the capital from Levuka to Suva in 1881 which led to a decline in the export trade.
- ❖ The hounding of German businesses during World War.
- ❖ The economic depression of the mid 1930's as already mentioned.
- ❖ The final blow was in the loss of the copra trade.

In 1935 the previous ordinance was rescinded and replaced by the township ordinance of the same year. The reason was due to the depressed state of the economy of Fiji in the mid 1930's.

It was during this period that Government took over the reigns and appointed a Township Board under the leadership of a chairman who was the Commissioner Eastern.

The government also gave a small grant to help the Board to function. As the economy improved the grant was decreased and was later withdrawn.

After independence the Local Government Act 4 of 1972 was passed giving all townships in Fiji municipality status and the power to elect their own Town Council and Councillors and its Mayor.

VISION

To uphold the significance of Levuka's heritage to derive sustainable livelihood for all

MISSION

To promote Levuka's economic growth through improved partnerships and efficient service delivery

VALUES

HONESTY:
responsibility.

To demonstrate trust and

LEADERSHIP:

To demonstrate knowledge and vision in the way one does things.

CUSTOMER CARE:

To place the needs of the customer above all else.

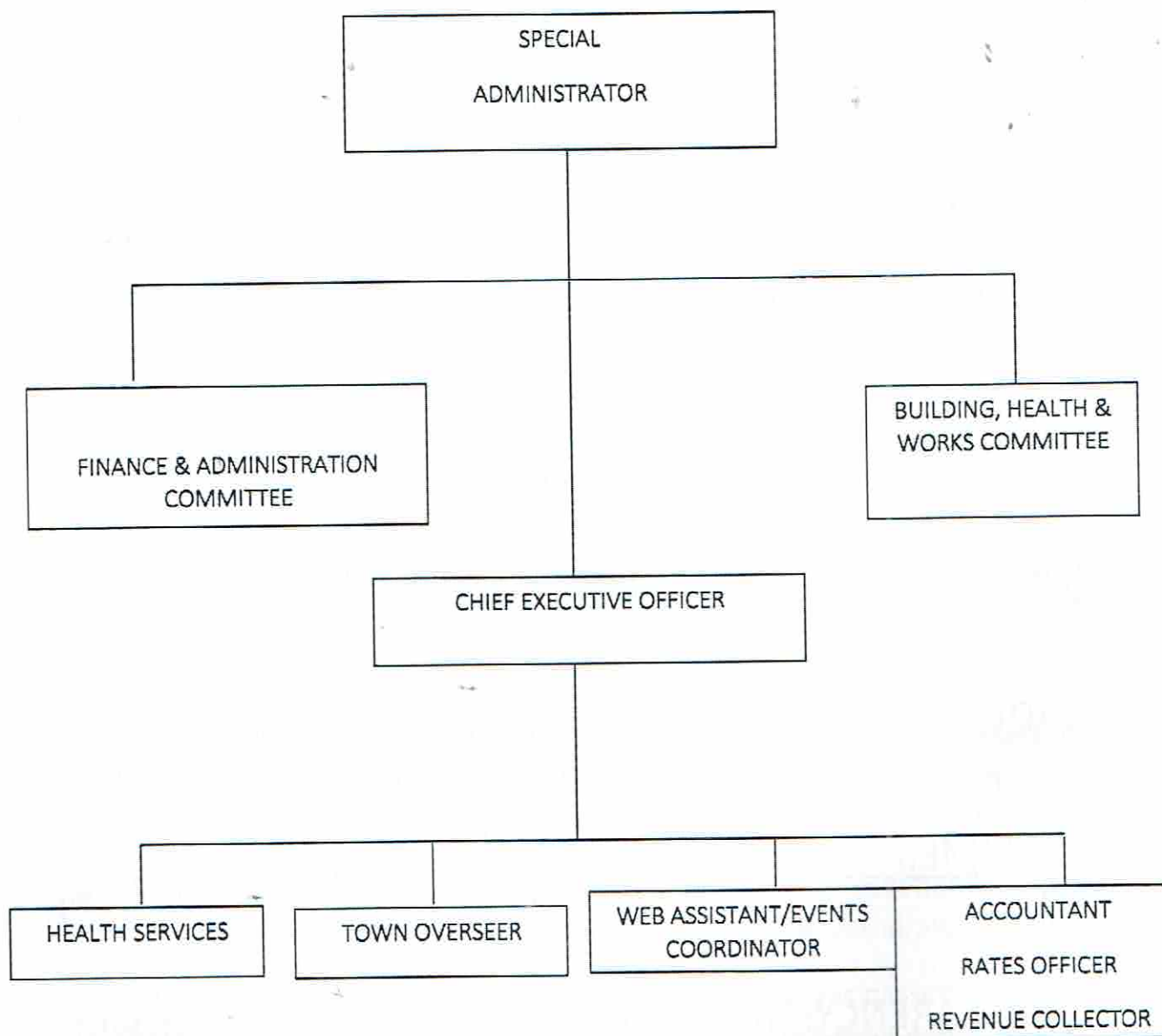
TRANSPARENCY:

To be seen to fair in one's dealings with people and not to be tainted with favoritism.

POLITENESS:

To be respectful of all people and to demonstrate humility and good faith.

ORGANISATION STRUCTURE



1. COUNCIL STAFF

- Mr. Napolioni Masirewa - Special Administrator(Levuka/Nausori)
- Ms. Suliana Sandys - Chief Executive Officer
- Mr. Apenisa Tawake - Executive Officer
- Shiu Nadan - Health Inspector
- Mrs. Leba Aloī - Revenue Collector
- Mrs. Ema Vakacegu - Rates Officer/Asst. Treasurer
- Ms. Teresa Yee Show - Web Assistant/Events Coordinator

2. MEETINGS

Number of meetings held during the year – 15

HIGHLIGHTS DURING THE YEAR

1. An important date for Levuka Town Council as Levuka Town was inscribed in the World Heritage Listing on 22nd June, 2013.
2. Courtesy visit from Minister for Labour, Industrial Relations & Employment.
3. Public Accounts Committee visited Council to conduct an interview for 2009 accounts.

HEALTH SERVICES

1. Building Applications

Total Applications Received: 40

Total Applications approved: 24

Type of Development	Value
Residential	\$83,188.84
Commercial	\$283,119.10
Civic	\$84,542.40
Others	\$681,502.90
TOTAL	\$1,892,353.24

2. Land Developments

Nil

3. Nuisance Notices Served

No records with Council.

4. Complaints

No records to show complaints and its nature that was lodged with Council.

ENVIRONMENTAL SCAN

The SWOT Analysis

STRENGTH	WEAKNESS	OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Historical significant • Cohesive community • Historical infrastructure • Multiracial societies and values • Educated community 	<ul style="list-style-type: none"> • Isolation • Lack of space for development • Transportation • Limited economic activities • Old infrastructures • Migration • Unemployment 	<ul style="list-style-type: none"> • Tourism heritage • Cultural diversity • Diversification of Pafco products • Cohesive community spirit 	<ul style="list-style-type: none"> • Adverse weather pattern • Susceptibility to disasters eg. Fire • Environment degradation • Economic downturn

OFFICE OF THE AUDITOR GENERAL

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File: 769

09 September 2021

Mr. Josese Rakuita
Chief Executive Officer
Levuka Town Council
P O Box 70
LEVUKA

Dear Mr. Rakuita

LEVUKA TOWN COUNCIL

AUDITED FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

The audited financial statements for Levuka Town Council for the year ended 31 December 2013 together with my audit report on them are enclosed.

Particulars of the errors and omission arising from the audit have been forwarded to the management of the Council for necessary action.

Yours sincerely

Ajay Nand
AUDITOR-GENERAL

**LEVUKA TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

LEVUKA TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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**LEVUKA TOWN COUNCIL
MANAGEMENT REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

In accordance with a resolution of management, the Council herewith submits the statement of financial position as at 31 December 2013, the statement of profit and loss and other comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year ended on that date and report as follows:

1 Trading Results

The operating surplus for the year ended 31 December 2013 was \$100,274 (2012: \$64,071)

2 Current Assets

Management took reasonable steps before the financial statements were made out, to ascertain that the current assets of the Council were shown in the accounting records at a value equal to or below the value that would be expected to be realised in the ordinary course of business.

At the date of this report, management are not aware of any circumstances which would render the values attributable to the current assets in the financial statements as misleading.

3 Bad and doubtful debts

Management took reasonable steps before the financial statements were made out to ascertain that all known bad debts were written off and adequate provision was made for doubtful debts. At the date of this report, management are not aware of any circumstances which would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent.

4 Basis of accounting

The financial statements of the Council have been drawn up in accordance with the International Financial Reporting Standards for Small and Medium sized Entities (IFRS for SMEs) and the requirements of law. The financial statements of the Council have been prepared on an going concern basis. The ability of the Council to continue as a going concern is dependent on several factors including its ability to generate new business and positive cash flows. Management are confident of the ability of the Council to continue as a going concern, which contemplates continuity of operations and the realisation of assets and the payments of liabilities in the normal course of operations.

5 Events subsequent to balance date

a) Collection of Business License

As announced in the 2020/2021 National Budget, effective from 01 August 2020 Fiji's business license regime have been abolished. As a result, the business license fees from business owners will no longer be collected by the Council.

b) COVID-19 Outbreak

Subsequent to year end, the World Health Organization (WHO) declared the Coronavirus (COVID 19) a "Public Health Emergency of International Concern". Whilst measures and policies have been taken by the National Government and nearby trading countries to prevent the spread of the virus, the impact of the virus on amounts and estimates reported or used in the preparation of 2013 financial statements is not expected to be material.

However, in financial year 2020 and beyond, it is expected that the effect of the pandemic will be substantial on our major revenue streams such as general rates, market fees and rental income. This will eventually affect the Council's operations and cash flow.

6 Related party transactions

In the opinion of management all related party transactions have been adequately recorded in the books of the Council.

7 Other circumstances

At the date of this report, management is not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amounts stated in the financial statements as misleading.

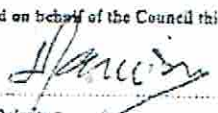
LEVUKA TOWN COUNCIL
MANAGEMENT REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013


8 Unusual transactions

The results of the Council's operations during the financial year have not in the opinion of management been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

For and on behalf of the Council this

26th day of August 2021.


Josese Rakutu
Chief Executive Officer

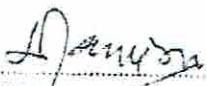

Venu Gopal Naidu
Chair of Special Administrator


LEVUKA TOWN COUNCIL
STATEMENT BY CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED 31 DECEMBER 2013

In my opinion:

- (a) the accompanying statement of profit and loss and other comprehensive income is drawn up so as to give a true and fair view of the results of the Council for the year ended 31 December 2013;
- (b) the accompanying statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Council for the year ended 31 December 2013;
- (c) the accompanying statement of changes in accumulated funds is drawn up so as to give a true and fair view of the movement in accumulated funds of the Council for the year ended 31 December 2013;
- (d) the accompanying statement of cash flows is drawn up so as to give a true and fair view of the cash flows of the Council for the year ended 31 December 2013; and
- (e) at the date of this statement there are reasonable grounds to believe the Council will be able to pay its debts as and when they fall due.

Signed on this 26th day of August 2021.


Joseph Rakupa
Chief Executive Officer


Venu Gopal Naidu
Chair of Special Administrator

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INDEPENDENT AUDITOR'S REPORT

To the Special Administrators of Levuka Town Council

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Levuka Town Council ("the Council"), which comprise the statement of financial position as at 31 December 2013, the statement of profit or loss and other comprehensive income, statement of changes in accumulated funds, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

Basis for Disclaimer Opinion

1. The Council did not comply with the requirements of *IFRS for SME's Paragraph 28 – Employee Benefits* by not recognizing employees annual leave due as at 31 December 2013. In addition, the Council did not account for trade payables, accruals and trade receivables in the financial statements for the year ended 31 December 2013 in accordance with the requirements of Paragraph 2.36 of the IFRS for SMEs.

Furthermore, the Council did not include in its financial statements various accounting policies in the Notes to the Financial Statements in accordance with the requirements of *IFRS for SME's Paragraph 8 – Notes to the Financial Statements* and related party transactions as required by *Paragraph 33 – Related Party Disclosures*. As a result, the financial statements of the Council are not completely and fairly presented in accordance with all the requirements of IFRS for SMEs.

2. The Council was unable to provide the rates receivables listings, subsidiary records and reconciliations to support the rates receivable balance of \$88,325 recorded in the Statement of Financial Position. Consequently, I was unable to ascertain the completeness and accuracy of the receivables balance of \$88,325 recorded in the financial statements.
3. The Council received government grant totaling \$52,500 in 2013 for heritage work project. As at 31 December 2013, the Council expended \$399,062 from the grant funds. The Council was unable to provide appropriate supporting documents such as payment vouchers, supplier invoices and supporting documents to support the expenses incurred from the government grant. As a result, I was not able to ascertain the accuracy of government grant bank account balance of \$53,438 recorded in the financial statements.

Basis for Disclaimer Opinion (con't)

4. Detailed listings, payment vouchers and supplier invoices to support the additions to property, plant and equipment of \$43,480 as disclosed in Note 9 to the financial statements were not provided. In addition, the Council did not provide details of office equipment with written down value of \$23,441 as reported in Note 9 to the financial statements. I was unable to satisfy myself by alternative means as no proper records has been maintained by the Council for fixed asset verification performed in 2013. Consequently, I was not able to ascertain the accuracy and completeness of the total property, plant and equipment balance of \$4,026,454 recorded in the financial statements.
5. The Council recorded loan balance of \$4,975 in the statement of financial position as at 31 December 2013. The Council was unable to provide the details of the loan and loan reconciliation which was necessary to confirm the existence and completeness of the balance. As a result, I was not able to ascertain the accuracy of loan balance of \$4,975 recorded in the financial statements.
6. The Council was unable to provide the reconciliation and relevant supporting documents to substantiate the amortization of deferred grant for the year amounting to \$112,308 as reported in Note 7 to the Financial Statements. In addition, the Council has not disclosed the nature and amounts of government grant recognized in the financial statements and unfulfilled conditions and other contingencies attaching to the government grant that have not been recognized in income. Furthermore, the accounting policy on deferred income as disclosed on Note 2.5 to the Financial Statements are not in accordance with paragraph 24 of the IFRS for SMEs. Consequently, I was not able to ascertain the accuracy of the deferred income balance of \$167,612 recorded in the financial statements.
7. The Council was unable to provide detailed listings, subsidiary records, and reconciliations to substantiate the business, and trading license fees of \$26,737, rates of \$121,567, garbage fees of \$24,013 and stand fees of \$8,925. In addition, I was not provided with acquittals and supporting documentations to substantiate the grant income of \$112,308. Furthermore, the Council was unable to provide satisfactory explanations/records to substantiate an unidentified adjustment of \$129,969 included in the total revenue balance. Consequently, I am unable to ascertain the accuracy of the total revenue amount of \$474,644 recorded in the financial statements.
8. The Council was unable to provide the annual pay reports, employee signed timesheets and reconciliations to support wages and salaries of \$210,313 disclosed in the Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2013. As a result, I am unable to ascertain the accuracy of the wages and salaries amount of \$210,313 recorded in the financial statements.
9. The Council did not account for discount allowed on rates for the financial year ended 31 December 2013. Furthermore, relevant details and records for discount allowed was not provided by the Council. As result, I was unable to determine whether any adjustments might have been necessary in respect of the discount allowed on rates and any corresponding adjustments to the elements making up the Statement of Profit or Loss and Other Comprehensive Income.

Emphasis of Matter

I draw attention to the following matters:

1. Note 12(b) to the financial statements notes the novel coronavirus (COVID-19) global pandemic subsequent to 31 December 2013 and how this has been considered by the Council in the preparation of the financial statements. As set out in Note 12 (b), no adjustments have been made to the financial statements as at 31 December 2013.

Emphasis of Matter (con't)

However, the Council notes that the impact of COVID-19 global pandemic will have a significant impact on all the major revenue streams of the Council in the financial year 2020 and beyond.

2. Generally, internal control function of the Council were found to be weak. Monthly bank reconciliations were not prepared, separation of duties in receipting, banking, updating of accounting records were not practiced, journal voucher system was not maintained, annual board of survey not conducted, and assets were not tagged.

My opinion is not modified in respect of these matters.

Other Matters

1. Note 12 (a) to the financial statements notes that effective from 01 August 2020 Fiji's business license regime has been abolished. As a result, the business license from business owners will no longer be collected by the Council.
2. A total of 28 audit findings were noted during the audit of which 11 or 39% were recurring issues from prior years. The oversight responsibility of the Special Administrators, Chief Executive Officer and senior officers of the Council needs to be strengthened to effectively implement the audit recommendations in a timely manner.
3. The Council have yet to put in place Risk Management Policy, Asset Capitalization Policy, Disaster Recovery Plan/Business Continuity Plan, and Human Resources policy.
4. The Council did not submit the draft financial statements for the year ended 31 December 2013 on or before 31 May in accordance with the requirements of Section 57(1) of the Local Government Act. The draft financial statements of the Council were received on 17 October 2018.
5. There was no evidence to indicate that the budget for the year 2013 was approved as required under the Local Government Act Cap 125 Section 46.

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

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

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

Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was unable to provide a basis for an audit opinion of these financial statements.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Ajay Nand
AUDITOR-GENERAL



Suva, Fiji
09 September, 2021

LEVUKA TOWN COUNCIL
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 \$	2012 \$
Revenue	3	474,644	397,772
Wages and salaries	4	(210,313)	(170,951)
Depreciation		(24,647)	(20,778)
Other operating expenses	5	<u>(139,032)</u>	<u>(269,399)</u>
Surplus from operations		100,652	(63,356)
Finance costs		<u>(378)</u>	<u>(715)</u>
Surplus / (deficit) for the year		<u>100,274</u>	<u>(64,071)</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income / (loss) for the year		<u>100,274</u>	<u>(64,071)</u>

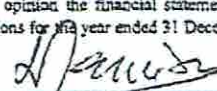
The statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

LEVUKA TOWN COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT YEAR ENDED 31 DECEMBER 2013

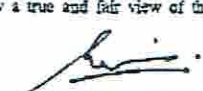
	Notes	2013 \$	2012 \$
Current Assets			
Cash at bank	6	93,069	151,698
Receivables	8	88,325	8,563
		<u>181,394</u>	<u>160,261</u>
Non-Current Assets			
Property, plant and equipment	9	4,026,454	4,007,621
		<u>4,026,454</u>	<u>4,007,621</u>
TOTAL ASSETS		<u>4,207,848</u>	<u>4,167,882</u>
Current Liabilities			
Deferred income	7	167,612	227,420
		<u>167,612</u>	<u>227,420</u>
Non-Current Liabilities			
Loan		4,975	5,475
		<u>4,975</u>	<u>5,475</u>
TOTAL LIABILITIES		<u>172,587</u>	<u>232,895</u>
NET ASSETS		<u>4,035,261</u>	<u>3,934,987</u>
Accumulated funds		<u>4,035,261</u>	<u>3,934,987</u>

The statement of financial position is to be read in conjunction with the accompanying notes

In our opinion the financial statements have been properly drawn up so as to show a true and fair view of the Levuka Town Council's operations for the year ended 31 December 2012 and the state of affairs as at that date.


Josese Rakau
Chief Executive Officer

Date: 14/8/14


Venu Ogepal Naidu
Chair of Special Administrator

Date: 14/8/14

LEVUKA TOWN COUNCIL
 STATEMENT OF CHANGES IN ACCUMULATED FUNDS
 FOR THE YEAR ENDED 31 DECEMBER 2013

	Accumulated Funds S
Balance as at 31 December 2011	3,999,058
Deficit for the year	(64,071)
Balance as at 31 December 2012	3,934,987
Surplus for the year	100,274
Balance as at 31 December 2013	4,035,261

LEVUKA TOWN COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 S	2012 S
Cash flows from operating activities			
Cash receipts from rates, fees, license and other income sources		282,574	297,669
Cash paid to suppliers and employees		(349,723)	(445,950)
Net cash flows used in operating activities		(67,149)	(148,281)
Cash flows from investing activities			
Payments for plant and equipment		(43,480)	(88,089)
Net cash used in investing activities		(43,480)	(88,089)
Cash flows from financing activities			
Cash receipts from government grant		52,500	400,000
Repayment of loan		(500)	(500)
Net cash flows from financing activities		52,000	399,500
Net (decrease) / increase in cash and cash equivalents		(58,629)	163,130
Cash and cash equivalents at the beginning of the financial year		151,698	(11,432)
Cash and cash equivalents at the end of the financial year	6	93,069	151,698

The statement of cash flows is to be read in conjunction with the accompanying notes.

LEVUKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

NOTE 1: GENERAL INFORMATION

These financial statements were authorised for issue by management on 26/08/21

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of accounting

The financial statements of Levuka Town Council have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs). They have been prepared under the historical cost convention, unless otherwise stated.

The financial statements of Levuka Town Council comprises the Council's General and Government Grant fund accounts.

2.2 Fixed assets

Fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The council adds to the carrying amount of an item the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the council. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to statement of profit or loss and other comprehensive income during the period in which they are incurred. Depreciation on assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Building	4.0%
Equipment	13.0%
Motor Vehicle	25.0%

2.3 Receivables

Receivables comprises rates in arrears for the year.

2.4 Payables

Payables are obligations to pay for goods or services that have been acquitted in the ordinary course of operations from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

2.5 Deferred Income

Grant received relating to the Levuka Town Council's programmes is deferred and amortized over the periods to which the income relates or the periods during which the Levuka Town Council receives contracted benefits.

Assets acquired through capital grants are capitalised to property, plant and equipment and the corresponding credit is taken as deferred income. Property, plant and equipment are depreciated over their estimated useful lives. The benefit arising from the capital grants being the recoupment through depreciation is credited to income over the period of the useful lives of those assets.

LEVUKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Cont'd)

2.6 Revenue Recognition

The council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, and specific criteria have been met.

2.7 Comparative figures

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

2.8 Rounding

Amounts have been rounded to the nearest dollar except where otherwise stated.

NOTE 3: REVENUE

	2013	2012
	\$	\$
The breakdown of revenue is as follows:		
Fees and licenses		
Rates	71,385	64,438
Other Income	121,567	110,733
Grant Income	169,384	50,021
	112,308	172,580
	<u>474,644</u>	<u>397,772</u>

NOTE 4: WAGES AND SALARIES

Salaries and wages		
FNPF	203,587	156,732
FNU levy	5,760	13,955
	966	264
	<u>210,313</u>	<u>170,951</u>

NOTE 5: OTHER OPERATING EXPENSES

Audit and legal fees		
Conservation fund expense	12,790	4,009
Donations	-	65,000
Garbage fees	620	40,254
Insurance	35,718	26,360
Repairs and maintenance	-	357
Utilities	57,791	90,771
Website	1,897	2,740
Workshop	2,250	2,709
Other expenses	1,152	907
	<u>26,814</u>	<u>36,292</u>
	<u>139,032</u>	<u>269,399</u>

NOTE 6: CASH AT BANK

Operational account		
Government grant account	35,194	589
	<u>57,875</u>	<u>151,109</u>
	<u>93,069</u>	<u>151,698</u>

The cash at bank balance of \$57,875 is not available for use except for the purpose of heritage works. Government grant for heritage work was received in 2013.

LEVUKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

NOTE 7: DEFERRED INCOME

	2013 S	2012 S
Opening balance	227,420	-
Government grants received during the year	52,500	400,000
Less: Amortisation for the year	(112,308)	(172,530)
	<u>167,612</u>	<u>227,420</u>

NOTE 8: RECEIVABLES

	2013 S	2012 S
Rates receivable	88,325	-
VAT receivable	-	8,563
	<u>88,325</u>	<u>8,563</u>

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	Land S	Building S	Motor Vehicle S	Equipment S	Total S
Year ended 31 December 2012					
Opening net book amount	3,505,000	433,560	1,750	-	3,940,310
Additions	-	62,777	-	25,312	88,089
Depreciation charge	-	(18,696)	(500)	(1,582)	(20,778)
Closing net book amount	<u>3,505,000</u>	<u>477,641</u>	<u>1,250</u>	<u>23,730</u>	<u>4,007,621</u>
As at 31 December 2012					
Cost	3,505,000	513,777	2,000	25,312	4,046,089
Accumulated depreciation	-	(36,136)	(750)	(1,582)	(38,468)
	<u>3,505,000</u>	<u>477,641</u>	<u>1,250</u>	<u>23,730</u>	<u>4,007,621</u>
Year ended 31 December 2013					
Opening net book amount	3,505,000	477,641	1,250	23,730	4,007,621
Additions	-	40,381	-	3,099	43,480
Depreciation charge	-	(20,759)	(500)	(3,388)	(24,647)
Closing net book amount	<u>3,505,000</u>	<u>497,263</u>	<u>750</u>	<u>23,441</u>	<u>4,026,454</u>
As at 31 December 2013					
Cost	3,505,000	554,158	2,000	28,411	4,089,569
Accumulated depreciation	-	(56,895)	(1,250)	(4,970)	(63,115)
	<u>3,505,000</u>	<u>497,263</u>	<u>750</u>	<u>23,441</u>	<u>4,026,454</u>

NOTE 10: COMMITMENTS AND CONTINGENT LIABILITIES

- (a) There were no commitments as at 31 December 2013 (2012:\$67,945).
- (b) There were no contingent liabilities as at 31 December 2013 (2012:\$Nil)

NOTE 11: RELATED PARTY TRANSACTIONS

Key management personnel

Key management includes the Chief Executive Officer. The compensation paid or payable to key management for employee services is shown below:

	2013 S	2012 S
Salaries	<u>30,513</u>	<u>26,001</u>

LEVUKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

NOTE 12: EVENTS SUBSEQUENT TO BALANCE DATE

a) **Collection of Business License**

As announced in the 2020/2021 National Budget, effective from 01 August 2020 Fiji's business license regime have been abolished. As a result, the business license fees from business owners will no longer be collected by the Council.

b) **COVID-19 Outbreak**

Subsequent to year end, the World Health Organization (WHO) declared the Coronavirus (COVID 19) a "Public Health Emergency of International Concern" Whilst measures and policies have been taken by the National Government and nearby trading countries to prevent the spread of the virus, the impact of the virus on amounts and estimates reported or used in the preparation of 2013 financial statements is not expected to be material.

However, in financial year 2020 and beyond, it is expected that the effect of the pandemic will be substantial on our major revenue streams such as general rates, market fees and rental income. This will eventually affect the Council's operations and cash flow.

LEVUKA TOWN COUNCIL
DETAILED STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 \$	2012 \$
Revenue		
Business and trading license		
Fees	26,737	24,160
Hire charges	44,648	40,278
Rates	3,405	3,141
Refund	121,567	110,733
Grant Income	9,013	14,499
Rent	112,308	172,580
Other income	20,569	5,907
Total revenue	<u>136,397</u>	<u>26,474</u>
	<u>474,644</u>	<u>397,772</u>
Expenditure		
Audit and legal fees		
Conservation fund expense	12,790	4,009
Depreciation	-	65,000
Donations	24,647	20,778
Finance costs	620	40,254
FNPF contribution	378	715
FNU levy	5,760	13,955
Garbage	966	264
Insurance	35,718	26,360
Property maintenance	-	357
Roads and drains maintenance	20,156	54,900
Street light maintenance	5,184	13,288
Street maintenance	19,640	19,249
Utilities	12,811	3,334
Salaries and wages	1,897	2,740
Website	203,587	156,732
Workshop	2,250	2,709
Other expenses	1,152	907
Total expenditure	<u>26,814</u>	<u>36,292</u>
	<u>374,370</u>	<u>461,843</u>
Surplus / (Deficit) for the year	<u>100,274</u>	<u>(64,071)</u>

LEVUKA TOWN COUNCIL
STATEMENT OF RECEIPTS AND PAYMENTS - GOVERNMENT GRANT ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 S	2012 S
Receipts		
Government grant	52,500	400,000
Total receipts	52,500	400,000
Payments		
Advisory Salary	15,181	22,814
Anglican Church	-	7,000
Awareness workshop	1,152	907
Bank fees	-	10
Baba drains and footpath	1,525	-
Bentley's Lane drain upgrade	-	1,622
Bowling club renovation	-	11,907
Catholic Church	-	7,000
CEO top up salary	13,513	9,001
Conservation fund	-	65,000
Convent road and health center drains upgrade	-	1,882
Engineer	31,363	360
Executive officer top up	530	161
Health inspector	7,124	-
Levuka-vakaviti Methodist Church	-	7,000
Manholes covers	5,196	1,234
Market renovation	16,741	16,432
Mission hill drain	1,098	-
Nasova house repair	2,955	1,267
Navoka Church	-	7,000
Heritage lights	1,641	12,409
Public convenience	15,568	1,724
Office equipment	1,457	4,182
Ovalau club	620	5,254
Pavilion upgrade	8,072	8,423
Repairs and maintenance	1,427	6,573
Royal hotel	-	7,000
Solid waste management	203	2,210
Street beautification	3,691	85
Street improvement	3,924	2,015
Town hall and office renovation	-	26,016
Turret Clock	1,176	-
Vulcane Lane footpath upgrade	597	818
Vulcane Lane and church street drain upgrade	-	7,046
Web assistant and events coordinator	13,167	1,830
Website	2,250	2,709
Total payments	150,171	248,891
(Deficit) / Surplus for the year	(97,671)	151,109
Balance at the beginning of the year	151,109	-
Net Surplus	53,438	151,109

