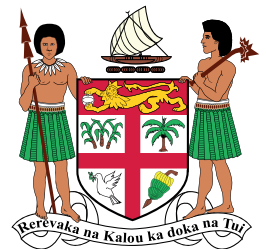




NADI TOWN COUNCIL

Annual Report for the Year 2016



PARLIAMENT OF FIJI
PARLIAMENTARY PAPER # 267/20

NADI TOWN COUNCIL

ANNUAL REPORT

(Section 19- Local Government Act, Cap 125)

**FOR THE YEAR ENDED
31ST DECEMBER, 2016**

**ROBIN K. ALI
SPECIAL ADMINSTRATOR**

**PETER DINNING
CHIEF EXECUTIVE OFFICER
(From October 2016 to October 2018)**

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Message from the Special Administrator

Cola Vina, Namaste & Welcome

I am proud to present the 2016 Annual Report .



I would like to take this opportunity to thank everyone in assisting me to run the municipality till the Chief Executive Officer was appointed in October 2016. The appointment of the Chief Executive Officer brought a relief in the running of the municipality and assisted me in shouldering the burden. It is indeed a relief and I must thank the Ministry of Local Government in providing a Chief Executive Officer who is not new to the business as he was involved in other municipalities around Australia.

I am not new in the local government environment, especially in this Municipality having served as a Health Inspector and later appointed as Chief Executive Officer for a period of forty six years till I retired. I know Nadi Town Council very well in terms of its weaknesses, its challenges and most importantly it's potential.

I would not elaborate more in my message as the Chief Executive Officer has covered the entire area but I would like to acknowledge everyone who has assisted in the running of the Council affairs.

- The Government of Fiji through the Ministry of Local Government for believing in this town as the biggest tourism earner for the country. The potential for investment and a booming economy pushed the government to investing back to Nadi town by providing grants to the municipality to enable it to be a liveable city with proper amenities as it gears up to the city declaration in 2017,
- Local Government Committee for the expansion of the town boundary
- Mrs Maraia Ubitau who was appointed as a consultant who worked tirelessly to gather and formulate a roadmap to the expansion of the town boundary so that we are ready to be declared a city by the end of 2017
- Ministry of Agriculture in joint collaboration with JICA for the flood control structures for Nadi which is an important for the town as Nadi is known to be prone to floods and the damage has been immense to the business community.
- The Minister for Civil Aviation with its Chief Executive Officer and the board for subleasing part of their prime land for the extension of the Namaka Market which will bring a different dimension accompanied with the new road construction in Namaka to a new level.
- Fiji Road Authority for the new Namaka Lane and the road infrastructure that has brought aesthetic to the Namaka area as a whole and the roadworks continues.
- Land Transport Authority and the Nadi Police Force for assisting in the traffic operation and enforcement
- Lautoka City Council Chief Executive Officer and his team for assisting us whenever we needed assistance
- Sigatoga City Council Chief Executive Officer for manning the municipality when I was abroad for an official business
- UN Women
- Commissioner Western
- District Administration
- Sister Cities in China
- Girit Centennial Committee for putting together a celebration that will be hatched in the memories of many who were associated with the Girit era in Fiji.
- Bula Festival Trust and the winning Miss Bula 2016 (Miss Grace Tueli) proudly sponsored by Nadi Town Council

Finally, on behalf of Council, I sincerely thank our dedicated team in assisting me and the Chief Executive to run the municipality as we commit to a number of important projects and work towards a busy 2017. Their continuous effort is an asset to the municipality and I look forward to working with the team at Nadi Town Council for a fruitful 2017.

Robin Ali
Special Administrator

Message from the Chief Executive Officer



Greetings

Welcome to the Council's Annual Report for the 2016 financial year.

This will be the first Annual Report from me as CEO, having commenced with Nadi Town Council in October 2016. Therefore my involvement in 2016 has been only a few months, so my message will be short but focussed on what I see as the strengths and opportunities for Nadi and its community.

The Nadi Town Council is an organisation in an enviable position both geographically and for the future.

Geographically we are at the forefront of the International gateway to the world through the Nadi International Airport. The location and momentum being experienced in growth and development is placing Nadi in a position where it will grow and become a significant contributor to the economy of Fiji.

The wider Nadi area which is predominately the peri urban spaces surrounding the established built up area has been experiencing significant change in terms of urban expansion over the past 3-5 years. This form of urban expansion is expected to escalate as demand continues for commercial, light industry and residential developments. In addition to these developments the services or service industries that will be required to facilitate this growth also need to be accommodated on a broader scale than that which currently exists.

In providing the community with the Nadi Town Council's Annual Report 2016, Council will provide a brief outline of the activities of Council, including the operations of the various Council departments, Council's involvement in or facilitation of community events, and the services delivered for its ratepayers and communities over the past 12 months. There have been a number of challenges, TC Winston was potentially the largest challenge in 2016, however, Nadi and its community were spared the devastation and loss of life, destruction of infrastructure and environment that many other communities endured. Nadi was fortunate to recover quickly and continue its rapid growth.

The more localised challenges are the management of household waste, litter control, drain cleaning, grass cutting, car parking and traffic control, to name a few. As the area grows these challenges continue to grow and the community will increase its demands for more services, which is a natural response in a growing community.

The work Council has delivered in 2016 will continue into the future, 2017 is a year with great expectations for Nadi and its community.

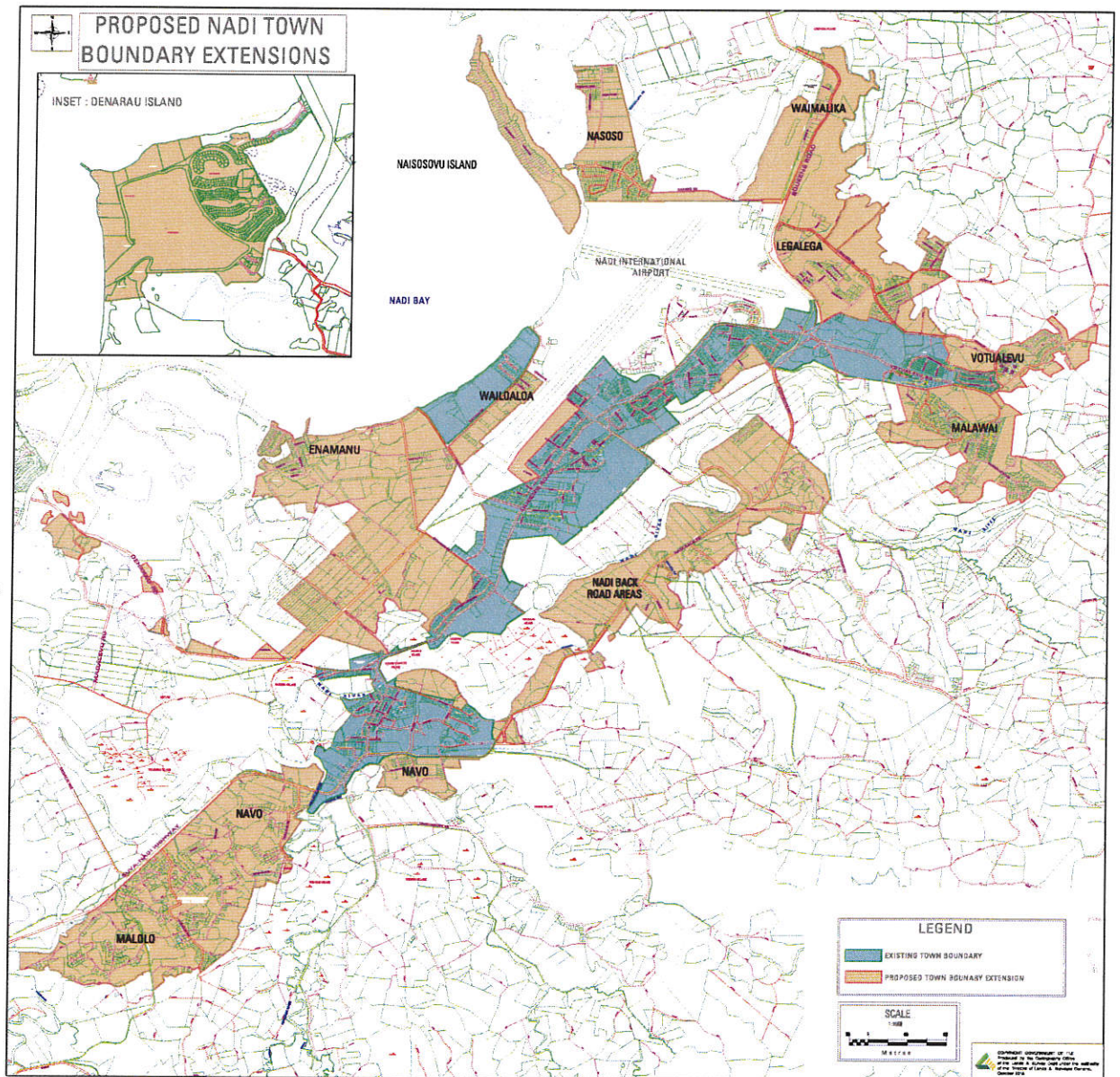
Many citizens will be aware that Nadi Town Council is working with the Ministry of Local Government, Housing and Environment to transition Nadi Town to Nadi City. This is an exciting time for the Town and its citizens but we have some considerable work to do.

In closing my brief statement I would like to acknowledge the hard work and commitment of the Nadi Council staff as we undertake the stewardship and responsibility of ensuring we continue to deliver the services to our community and encourage the growth that will help Nadi strive "to be *Fiji's most liveable City*".

I commend this 2016 Annual Report to you all.

Peter Dinning
Chief Executive Officer

Map of Nadi



Background

Nadi is where most visitors hear their first “BULA” and welcome to Fiji. Nadi boasts itself as the main tourist centre of Fiji. The beautiful sceneries, mixed topography accompanied by the clean tropical sunshine and clear blue seas are just some of the attractive features of Nadi. The colourful marketplace, located only a few minutes’ drive from the airport, features relaxing yaqona stalls, homemade souvenirs and local culture. Apart from the readily available exotic resorts nearby, Nadi is also the gateway to the Mamanuca Group where you will find exquisite island resorts as well as laid back surfer camps and budget accommodation.

Places to visit in Nadi include Sri Siva Subramaniya, largest Hindu temple in the Southern hemisphere, the Sleeping Giant and orchid gardens. Ferries leave Nadi for the Mamanuca Islands. Nadi International Airport is located 9 kilometers from the town, is the largest airport in Fiji and is served by Fiji Airways formerly known as Air Pacific (the international airline of Fiji), Air New Zealand, Pacific Blue, Korean Air and some other domestic airlines such as Pacific Sun.



Sri Siva Subramaniya, Hindu temple

Economic development in the district has grown rapidly over the years and to date Nadi is an economic power base in Fiji. The Council with its green and friendly policies have been attracting both local and foreign investors into Nadi in the last years. This investment trend is envisaged to remain and should increase rapidly in years to come. Demands for Council services in the extended areas of the towns will see Nadi developing into a city very soon.

Furthermore, the town of Nadi is expanding quickly and finds itself in a transition, which has created many expectations among the population, but not an equivalent change in the conduct of the municipal business. Opportunities are always available for future investments and the door is open for future partnerships with the Nadi Town Council on business venture projects.

History of the Council

Nadi Township was established in 1947. Around that time Government of Fiji has established its own “Government Station” on the higher grounds of Nadi.

It is said that a couple of business set up their business around the “Government Station” to service the Government Station. The other business organization from other parts of Fiji also followed suit. It is reported that there was a very strong move by some concerned citizens of Nadi to move the town centre to Martintar because of the existing Nadi Town centre being so prone to flooding. This did not materialize because the move to shift the town centre to Martintar came in too late as the Nadi Township had already developed strong roots in the existing location.

The elected system was introduced in 1967. Dr. A.H Sahu Khan was the first elected Chairman of the Nadi Township Board. With the introduction of Local Government Act in 1972 the Board changed its status to Council. Mr H.M Lodhia became the first Mayor of Nadi Town Council in 1972 and remained the Mayor until December, 1973.



Nadi Town Council Mayoral Chain

The Special Administrator of Nadi is Mr Robin K. Ali, who was appointed by Government in 2013. Mr Ali was previously employed by Nadi Town Council as the Senior Health Inspector, Town Clerk, Town Clerk/Chief Executive Officer until his retirement in 2010.

The Nadi Town Council is responsible for the provision and maintenance of a wide range of services to ratepayers in its 780 hectares locality. These services include sanitation services, roads, carparks, business licensing, gardens, parks and public recreational facilities and public facilities such as the Municipal library, Nadi and Namaka Markets and the Civic Centre auditorium.

Such services are financed from rates, fees and charges with the exception of capital works, which are generally financed from loan funds.

Under Section 57 of the Local Government Act, the Council is required to prepare annual statements before 31 May every year showing the assets, liabilities, income and expenditure of the Council on the 31 December of the preceding year. These annual statements are to be audited by the Auditor General and certified by August of every year.

Nadi continues to be a hardworking and resilient community, the effects of severe weather events like Tropical Cyclone Winston in early 2016, while not as severely impacted as other Fijian communities the Nadi community continue to watch and pray that the Nadi River will not adversely impact the region as it has in 2012 and previous years. History will show that the Council and the community have been able to work tirelessly to revitalise services and help restore the much needed confidence of our community and stakeholders despite the adversity that nature often brings.

Population

Current population statistics indicate 11,970 persons (2007 Census).

By the completion of the 2017 Census and anticipated Town Boundary expansion in to Nadi Peri –Urban area the population is anticipated to be 26,000 people add to this the Rural areas and Nadi population will grow to over 70,000 people. A city in the making with sufficient population to be “Fiji’s most liveable City”.

Wards

Nadi Town is divided into three (3) wards as follows:

Nadi Ward	-	249.3718ha (approx.)
Martintar Ward	-	266.0037ha (approx.)
Namaka Ward	-	144.6920ha (approx.)

Total Number of Ratepayers is 2654

Our Vision

To be a clean and beautiful city that is leading and innovative, valuing diversity, involving its community, balancing its ratepayers and citizens needs for now and in the future.

Our Mission

To promote health, welfare and convenience of the inhabitants of the municipality and to preserve the amenities or credit for the present and future generation.

Our Goals

1. To revitalize the town in order to enhance the quality of life of the residents.
2. To improve traffic safety and pedestrian safety in the town.
3. Make provisions for people with disabilities.
4. Provide adequate parking space for the citizens and visitors of the town.
5. Improve visual aesthetics of the town.
6. Work towards finding a permanent solution to the flooding faced by the town.
7. To have an effective town planning scheme which has policies and proposals for the controlled development and use of land in the town.
8. To support and promote the town’s economy without losing its social and environmental values.

Delivering our Vision, Mission and Goals

- 1.0 The council has an effective town planning scheme. The objectives of the scheme are:
 - (i) To develop policies and respond to development proposals in a structured and consistent management approach
 - (ii) relate development proposals to the precise area of the land and zoning provisions
 - (iii) To provide a detailed basis for development control and land use.

- 2.0 The Council now has a master drainage scheme plan for Nadi which guides the Council in assisting with the alleviation of the flooding problem.
- 3.0 The Council has been working with FRA to identify ways to reduce the traffic congestion in the town.
- 4.0 The Council developed a master plan to revitalise the central business district of Nadi. The key elements will address:-



Nadi Streetscape

Improved Traffic Safety

Intersections are improved through kerb extensions to minimise illegal use of the corners. Sight lines have improved as a result. There is better management of carparking in these areas.

Installation of Traffic Lights

Council has examined the potential of controlled traffic lights in the Main Street of Central Business District.

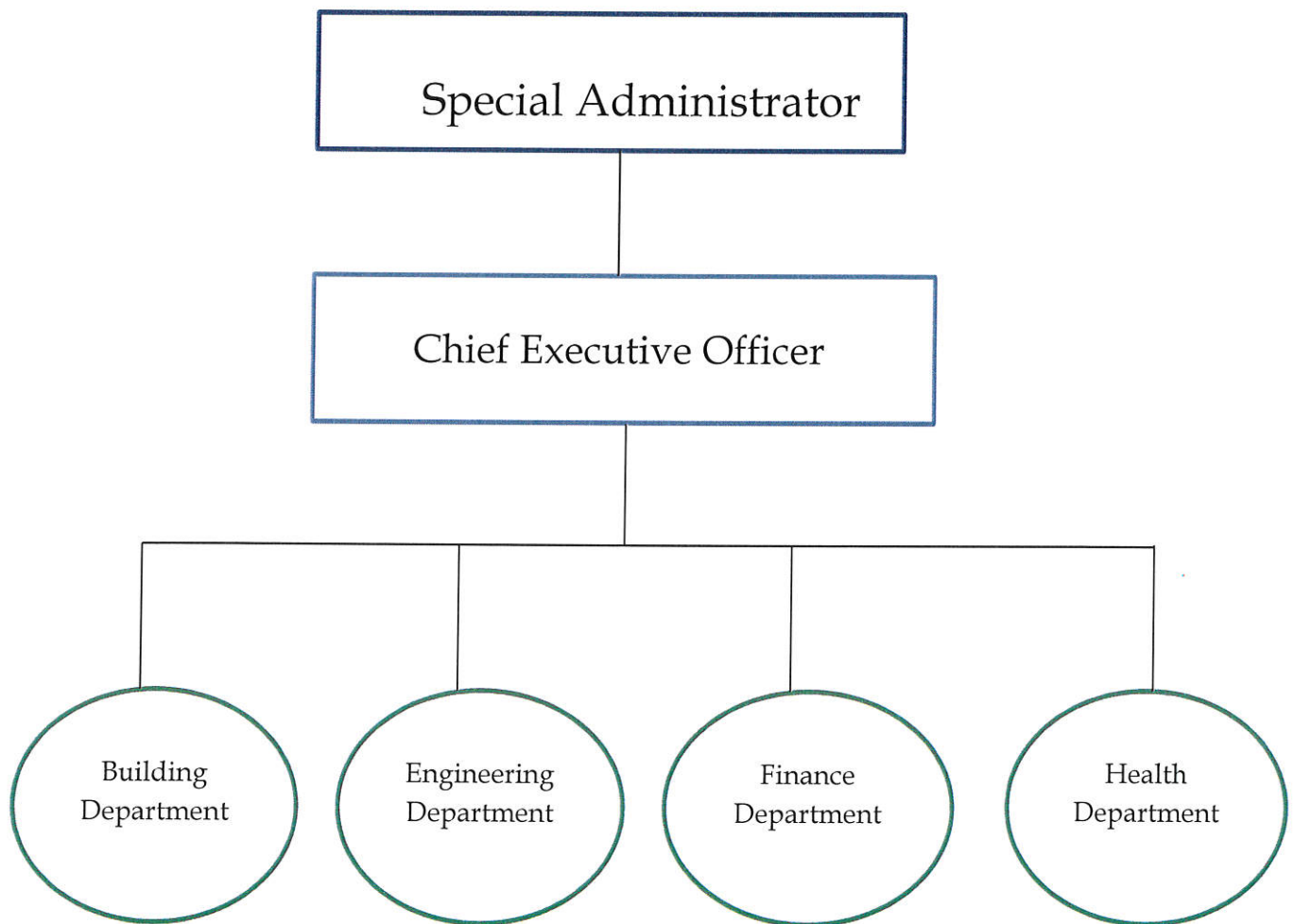
Improved Visual Aesthetics

The overall aesthetics of the street scape have been identified and improvements planned through planting and gardens, new streetlights, seats and garbage bins.



Nadi Streetscape

Nadi Town Council Organisation Structure 2016



Council Officers

Special Administrator

Mr Robin Khadim Ali

Chief Executive Officer

Mr Peter Dinning (From 11/10/2016)

Manager Finance

Mrs Anita Betty Vanua

Acting Manager Planning & Building

Ratu Meli Naevo Koroitamana

Acting Senior Health Inspector

Mrs Premila Chandra

Acting Manager Engineering

Mr Haroon Shamim Ali

Governance

1. Committees of the Council

The following committees were appointed by the Council.

- ♦ Health and Market
- ♦ Development, Town Planning, Works, Buildings, Tourism, Beautification and Parks
- ♦ Library, Enforcement & Prosecution Committee
- ♦ Finance Committee
- ♦ Human Resource Committee
- ♦ Building Plans
- ♦ Traffic

The Health and Market, Development, Town Planning, Works, Buildings, Tourism, Beautification and Parks, Library, Enforcement and Prosecution, and Finance Committees were required to meet once every month to transact all business which falls within their jurisdiction and the Human Resources, Building Plans Committee, and Traffic Committee met as and when required.

2. Number of Meetings held during the Year 2016

Council Meetings

Ordinary	-	10
Special	-	2
Emergency	-	3

Committee Meetings

Health and Market	-	8
Development, Town Planning Works, Building, Tourism, Beautification and Parks	-	8
Finance	-	8
Library, Enforcement & Prosecution	-	8
Human Resource Committee	-	9

3. Legal and Compliance

a. Auditors of the Council

- i. Office of the Auditor General
Street Address: 8th Floor, Ratu Sukuna House, 2-10 MacArthur Street, Suva, Fiji.
Postal Address: P O Box 2214, Government Buildings, Suva, Fiji.
Telephone: (679) 3309032
Facsimile: (679) 3303812
E-mail: info@auditorgeneral.gov.fj

- ii. Ernst & Young
EY- LAUTOKA
P. O. Box 1068
Lautoka
Fiji
Phone: +679 6662433
Fax: +679 6662433

b. **Solicitors of the Council**

- i. Janend Sharma Lawyers
P.O.Box 2114
Nadi
- ii. Patel & Sharma Lawyers
P O Box 40
Nadi
- iii. Anil J Singh
P O Box 16
Suite 10
Nadi Town Council Arcade



Girmit Centennial Committee discussing about Centennial Celebration to mark the arrival of the last ship, "MV SUTLEJ V", the ship which carried the last group of Girmitiyas from India and Girmit Remembrance Day for Women

DEPARTMENTAL PERFORMANCE

The overall performance of the Council on a department basis is as follows:-

Building & Planning Development

Nadi Town Covering an area of 780 hectares is divided into three wards:-

- Town Ward
- Martintar Ward
- Namaka Ward

Staffing

The Building Department was staffed by Acting Manager Building & Planning, Assistant Town Planner, Building Inspector and one (1) Temporary Building Inspector

The services provided by the Building Department are as follows:

- Issuance of Development Permits
- Advertisement Control
- Rezoning
- Sub-divisions
- Development Control
- Issuance of Business Licenses
- Building and Site Inspections
- Town Planning

Legislations:

- Town Planning Act
- Town Planning Scheme
- General Provisions
- Public Health (Building) Regulations
- Building Code of Fiji

The building/planning department is also involved in the acquisition of lands for the council's developments and are the project managers for the major projects which are undertaken by the Council.

Building

The total number of building applications received during the year was **157** which total to an aggregate value of **62.8** million dollars. The total revenue received for processing these applications was **\$147,081** Of the **157** applications received and processed **78** applications were approved with **586** inspections carried out for the year 2016.

Building applications received during the 2016 year

MONTH	NO. OF APPLICATIONS RECEIVED	VALUE (\$)	FEES (\$)
January	9	1,519,206.60	4506.20
February	12	860,052.49	2,493.44
March	13	977,595.85	2,960.61
April	7	472,098.50	1,472.28
May	24	2,235,153.55	7,386.90
June	20	1,443,772.40	5,518.82
July	10	347,504.38	1,262.05
August	11	17,281,018.51	38,046.99
September	16	33,181,979.50	71,266.14
October	11	571,886.87	2,229.82
November	15	3,477,617.80	8,515.98
December	9	511,868.05	1,422.04
TOTAL	157	62,879,753.50	147,081.27

Building Inspection

Inspections carried out by the Building Inspectors together with the number of notices served and complaints investigated are shown in Table C.



Building works – Residential

Building Surveyors Report for the 2016 Year

MONTH	INSPECTION BY APPOINTMENT	ILLEGAL WORKS	NOTICE SERVED	COMPLAINTS INVESTIGATED
January	53	8	2	5
February	38	2		2
March	38		1	3
April	40		2	4
May	54			1
June	75		1	5
July	54		4	5
August	51			
September	57			
October	47	4	1	
November	48	1	3	
December	31			
TOTAL	586	15	14	25

Building Plans Processed

Total number of plans processed	-	157
Total number of buildings inspected for the issue of completion certificates	-	40

Planning

The section is involved with the processing of conditional developments, assessment of relaxation of provisions, processing light industrial developments, liaising with Department of Town and Country planning for the processing of major developments like integrated tourism development, multi storey commercial or apartment, processing of Rezoning applications and checking compliance on subdivision schemes as per the approved General Provisions.

The section is also involved in the Town Boundary Expansion and is assisting the Consultant in providing information. The Town Boundary Expansion has been initiated to uplift the development standards and to achieve a better development control in the peripheral areas of the current Town Boundary. The provision of the basic services which are garbage collection, streetlights, public area cleansing and maintenance, grass cutting and such are not available within the proposed areas therefore once they come under the control of Nadi Town Council these services would be introduced in stages.

Development Applications Processed and Referred to Department of Town and Country Planning

MONTH	REZONING	SUBDIVISION	CONDITIONAL DEVELOPMENT	RELAXATION OF PROVISION
January	1	1	1	3
February	3		1	5
March		1	1	4
April	2		1	1
May	3		1	2
June	1	1		2
July	1	2	1	3
August	1		1	7
September	1	1	1	
October	1		1	
November	1			
December	1		1	
TOTAL	16	6	10	27



Building works – Commercial

Engineering Department

Staffing

The Engineering Department was staffed by Manager Engineering, Engineering Assistant, Store man, 17 permanent workers and 31 contractual workers.

The Engineering Department operations were as follows:-

1. Roads and Car Parks

The Council boundary has approximately, 60km of roads within the boundary. Repair and Upgrading of all the roads within the Municipal boundary is carried out by Fiji Road Authority.

Council did patching works on its car parks.

- Old Courts Taxi Stand
- Market Car Park
- Carrier Stand

2. Drainage

Council workers carried out works on the drains in the town boundary during the year which included desilting and flushing of drains. On need basis more casuals were recruited to attend on the drain cleaning.

Also the main drain starting from Concave subdivision to FASA Avenue was cleaned using a hired excavator.

Drains in all the wards were cleaned by the council workers and contractors.



Drainage works - Sagayam Road



Drainage works - Beddoes Circle

Parks and Gardens

Bula Park was upgraded to give an aesthetic look for the area. Council in its works placed seating, did landscaping, added to the whole span a 3m wide footpath and planted palm trees.

Also 15 NEW LED lights were installed to replace the old for brightening of the entire area.

Prince Charles park flood lights replacement was done after the damages of cyclone.

Total of Fourteen (14) NEW lights was bought and replaced.

Other parks were maintained as normal. DR Kewal Park – Equipment's were repaired and painted.

All existing gardens were pruned and hedges trimmed. New gardens were created at Bula Park.

Street Light

Street lights are also repaired by FRA through there contractor Prime Fiji. All complain received from ratepayer were forwarded to Prime Fiji. A fresh survey report has been forwarded to FRA for new lights within the dark spot areas.

Grass cutting

Grass cutting and drain cleaning was done in all the Zones was managed by our contractors.

Complaints

Complaints received from rate payers were recorded. Summary of complaints received which were attended to accordingly for the year are noted in the table on page 18.

Table of Complaints Received

MONTH	DRAINS	STREET LIGHTS	MAINTENANCE	OTHERS
January	11	1	21	15
February	17	5	8	6
March	15	7	9	11
April	7	6	7	5
May	14	9	6	5
June	4	5	9	5
July	10	8	10	5
August	1	3	11	5
September	3	5	9	1
October	1	1	2	1
November	5	2	13	3
December	10	4	12	3
TOTAL	98	56	117	65

Plant and Vehicles

Councils workshop at the depot is responsible for repairs and general maintenance of plants and vehicles.

Councils plant and vehicles in 2016 comprised:

- 1 tractor
- 3 compactor trucks*
- 1 MPT truck
- 2 x 3ton tip trucks
- 1 mini excavator
- 1 back hoe
- 2 utility pick up
- 1 twin cab
- 2 station wagon cars
- 2 x SUV

* A new compactor truck was received from Japanese Embassy in October.

Capital Works

Handicraft Centre was upgraded at a cost of \$30,000-00.



Nadi Handicraft Market

Finance Department

The Finance Department is divided into the two (2) main areas of operation

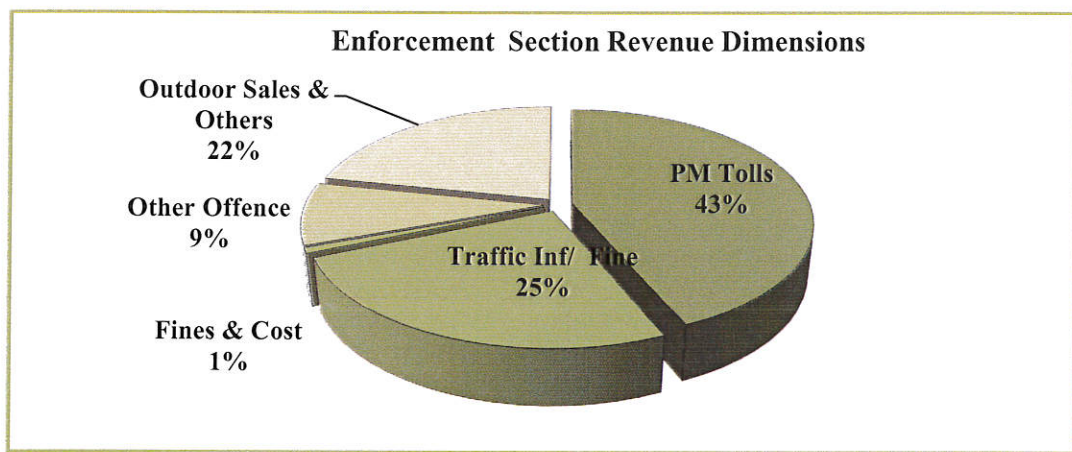
- i. Services
 - Enforcement
 - Library Services
 - Municipal Markets
- ii. Financial Support
 - Rates
 - Accounts Payable
 - Accounts Receivable
 - Cashier
 - Licensing
 - Procurement

Services

i. Enforcement

- Enforcement Services Section consists of a 10 member team under the supervision of the Senior Enforcement Officer.
- The Section looks after the traffic enforcement operations together with the operations of the parking meters.

86 Parking Meters were removed from Namaka Lane for the accommodation of the new 4 way lane road. Electronic parking meters are programmed for installation in 2017 following the completion of the road construction works.



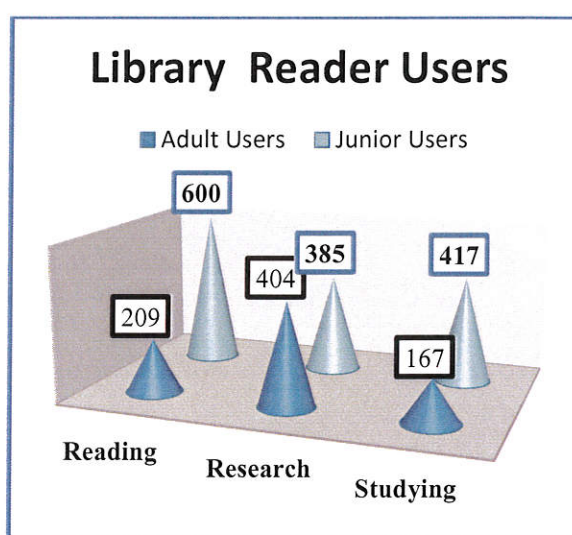
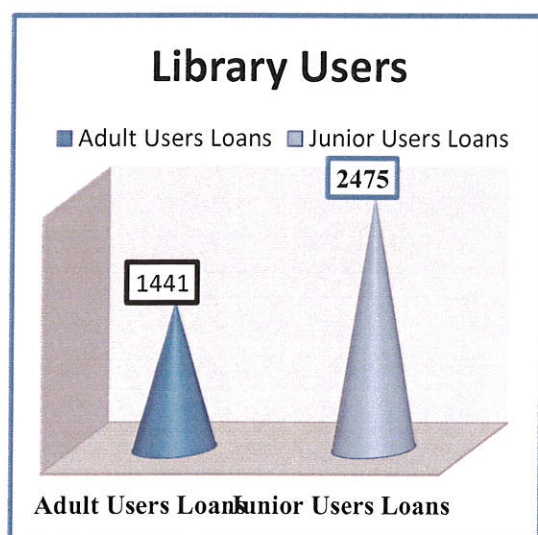
- A total of 10,476 Parking Meter Infringement Notices, 704 Traffic Infringement (Other Offences) were issued and 362 Parking and Traffic cases taken to court.
- A refresher course was arranged in collaboration with Sigatoka Town Council for Enforcement Officers relating to delegated powers
- A thorough Bus Station survey was done to ascertain the number of trips made by the individual bus operators.
- The town is known for illegal vehicle operators and it is a booming business in Nadi so the Council together with the Land Transport Authority and the Fiji Police Force through a joint operation embarked on phases 2 to 4 beginning 17th November to 8th December-to crack down on illegal operators.

The Council also nominated Mr Shaisas Afroz Ali to represent the Fiji Disabled Peoples Federation meeting held in Dratabu Village, Nadi on November 17th, 2016 which aimed to improve facilities provided for the disabled in the Municipality. Such facilities like disable friendly washrooms, footpaths and car parking.

Mr Shaisas Afroz Ali (Acting Enforcement Officer) was also chosen to chair the Loloma Operation and this was a corporate responsibility that the Council participated in. The operation was activated to address mental cases and beggars in the Municipality.

ii. Library Services

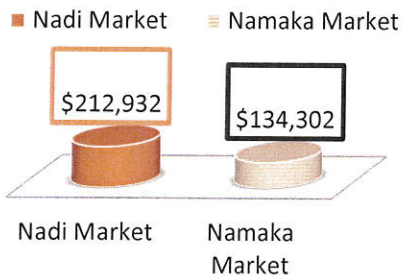
- The Library Team consists of 2 members under the supervision of the Librarian.
- The National Library week celebration was held from the 5th to the 10th of September 2016 and the theme for the week was “LIBRARY TRANSFORMS”
- Activities for the Library week consisted of Poster Competition, Kindergarten Day, Constitution Day, Story Reading Competition, Oratory Competition and the Character Parade on the closing day.
- 286 books were processed for the year



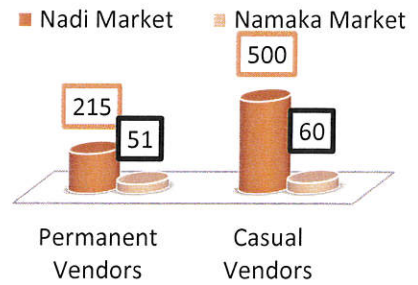
iii. Municipal Markets

- Staffing in the Nadi and Namaka Markets comprise an 8 member team under the supervision of the Market Master.
- An average of 800 market vendors sells at Nadi Market, and approximately 100 vendors sell at Namaka Market on any given Saturday.
- Total numbers of stalls at the Nadi Market is 1,089, and Namaka Market has 221 stalls.
- Cyclone Winston and the regular flooding events brought a lot of damages to the agriculture industry and this had a huge impact on our market vendors. The shortage in the supply of the agriculture products escalated the prices of the vegetables and customers had to pay a lot more than the usual price,
 - The Honourable Minister for Local Government, Housing and Environment Mr Praveen Bala also declared a whole month of free stall fees for all market vendors and this was appreciated by the vendors without compromising any service delivery in terms of providing the usual services like stall space, lighting, cleaning and garbage collection that is associated with the market.
 - The Council maintained a very good networking with the UN Women and through this networking, the Council nominated Mr Solomon Raura and Mr Ameet Narayan to attend a workshop on UN Gender Responsive Budgeting Training held at the Grand Pacific Hotel in October, 2016. The officers were chosen based on their work knowledge & experience in the areas of the market operation. Through the networking, the Council also secured donations and this has been highlighted under a following section on Donor & Grant Funding

Municipal Markets Revenue



Municipal Markets Vendors



Flowers – Namaka Market



Flower Vendors – Namaka Market



Market Product – Nadi Market

iv. **Financial Support Team**

❖ **Rates**

- There are 3 wards in the town boundary :
Martintar Ward – 823 Ratepayers
Nadi ward – 474 ratepayers
Namaka Ward – 1415 ratepayers
Total ratepayers – 2712
- Rates Struck for the year was \$1,637,714
- Rates Discount offered to the ratepayers was 7% in January and 5% in February.
- Current Rates collected for the 2016 year was 92%
- Rate Arrears collected were 47%.
- The Council launched the face to face meeting with Ratepayers for Namaka Ward by the Honourable Minister to address complaints and service delivery for the Ratepayers.

❖ **Business Licence**

- Business Licence for the year - \$672,300.00
- New businesses in 2016 - 223

Donors, Grants & Projects

❖ **Donors**

UN Women

- Donation received for the Nadi & Namaka Market are as follows:
5 Tents
25 Plastic Folding Tables
50 Plastic Folding Chairs



Official handover of tents, chairs and tables by the UN Women to Market vendors

❖ **Grants**

Garbage Compactor Truck

- The Embassy of Japan in Fiji donated \$179,023 for the provision of one Garbage Compactor Truck.

v. **Namaka Market**

- The Council received \$755,000 from the Ministry of Local Government for the construction of the new Namaka Market in July, 2016
- The Project is due to start in 2017.



❖ **Projects**

Health Office Relocation

- Council's health office was relocated and refurbished in the Council building.
- The budget provided a provision of \$16,350VIP for the tiling, work stations, electrical works and cabling.

❖ **Bula Park/Handicraft Centre**

- The area hosts 32 Handicraft vendors.
- The budget provided a provision of \$30,000VIP for the upgrade of the Park.
- This was for new wide cement footpaths to be disabled friendly around the frontage of the stalls and installation of outdoor furniture's to allow for more seating area.
- New trees were planted as the Council is working towards a Clean Green Future.
- The area is also dark and prone to a lot of vandalism at night so new LED lighting was installed
- The project has brought a relaxing atmosphere to the area due to the large trees providing shade.



Nadi Handicraft Market

❖ **Flood Lights for the Prince Charles Park**

- A total of \$48,720VIP was budgeted for purchase of flood lights at the Prince Charles Park.

Health Department

Staffing

The Health Department had an operational staff of 11 with 4 Health Inspectorate staff, 6 ancillary staff and 1 JICA volunteer. The department is managed by the Acting Senior Health Inspector, with the support of the Acting Senior Assistant health Inspector, and 2 Assistant Health Inspectors one of whom joined in October, 2016. The other 2 officers are Litter Prevention Officers who joined the council in June and August respectively. The 3 remaining staff is supporting the department with waste management as 3 R officers. The JICA volunteer was farewelled in June as his term expired.

The services provided by the Health Department are as follows:

- Public Health and Sanitation
- Waste management
- Food Safety
- Clean Schools Program
- Education and Awareness
- Environment and Litter
- Building and Plumbing
- Implement Projects and programs relating to Health and Environment with stakeholders and NGOs
- Attending to meetings, trainings and workshops
- Conducting trainings and meetings



Compost workshop on Navini Island



2016 Clean Schools Program Awarding Ceremony

Key achievements for the year

- The department sustained its waste management activities through the promotion of home composters, separate collection of recyclables, promotion and sale of eco-bags. The Clean Schools Program was continued with schools showing interest in rubbish separation at source, promotion of composting and creating continuous education and awareness. The schools were awarded for their achievements with prizes, trophies and certificates with the support from Department of Environment. This activity is highly recognised by the Ministry and is now carried out by all Municipal Councils in the country.
- Members of the Shibushi City Council from Japan visited the Council in May as part of their courtesy call and were impressed with the level of sustainability in our waste minimisation program by making positive contributions during the meet.
- Apart from this the staff were invited by SPREP to be part of and as a presenter in the Clean Pacific 2025 Roundtable inaugural meet which was held in Suva in July.
- The department also received and facilitated trainings for regional counterparts from Nauru and the Fiji National University as part of the Regional Solid Waste Management training.

- The quarterly clean-up campaign was sustained with 4 major clean up organised during the year which also included the message on “fight the bite”.
- The department continued to support DoE in the promotion of 3R activities and Litter works nationally.
- Continued with supporting NGOs in the promotion of 3R activities including education and awareness not only within the town boundary but also in the outer islands and rural communities.
- The department continued with its public health and sanitation work to ensure that the sanitary district is maintained in a clean, green and healthy environment at all times.



Green waste shredding during quarterly clean-up

Annual statistics

- The Health Department staff conducted a total of 5,300 sanitary inspections and reinspections during the year from which 2,117 insanitary conditions were ordered to be abated.
- A total of 320 Litter reminder notices were served with 30 Fixed Penalty Notices.
- 11 Abatement of nuisance and 7 open fire notes were also served and complied with.
- Total businesses inspected for issuance of business licences was 568.
- Total number of complaints received was 272 of which 228 were compiled after issuance of appropriate notices, others were either found not to be genuine or were compiled immediately after inspection.
- A total of 592.832L, 22.614 tons and 47.04 kg of assorted food items were condemned during the year mostly due to damages during cyclone Winston and through routine inspection.
- 4,253 tons of garbage and 1,374 tons of refuse was collected and disposed at the Vunato Landfill site in Lautoka.
- A total of 12 organisations with 268 participants took part in the “Fight the bite” campaign organised this year.
- The department staff attended 23 deferent meetings/workshops/training and consultations during the year.
- As part of waste management apart from the collection and disposal of garbage and refuse the department promoted the sale of 285 eco-bags and 21 home composters.
- The Clean Schools Program was also sustained during the year with 17 schools taking part in the program.



Fight the bite clean-up by schools.

OFFICE OF THE AUDITOR-GENERAL

Promoting Public Sector Accountability and Sustainability Through Our Audits



6-8TH Floor, Ratu Sukuna House
2-10 McArthur St
P. O. Box 2214, Government Buildings
Suva, Fiji

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



File: 831/1

12 August 2020

Mr. Adish Naidu
Chairman Special Administrators
Nadi Town Council
P O Box 241
NADI

Dear Mr. Naidu

NADI TOWN COUNCIL

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

The audited financial statements for Nadi Town Council for the year ended 31 December 2016 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

cc: Mr. Craig Powell, Chief Executive Officer, Nadi Town Council.

Encl.

NADI TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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INDEPENDENT AUDITOR'S REPORT

NADI TOWN COUNCIL

I have audited the financial statements of Nadi Town Council, which comprise the statement of financial position as at 31 December 2016, the statement of income and expenditure, 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.

I do not express an opinion on the accompanying financial statements of Nadi Town Council. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. The Council recorded trade and other receivables balance of \$2,758,948 in the Statement of Financial Position as at 31 December 2016. Included in this balance are other debtors of \$406,850, miscellaneous debtors of \$80,682, and enforcement and parking meter infringement fines of \$43,717. The Council was unable to provide debtors listings, subsidiary ledgers and reconciliations to support the above balances. Furthermore, the Council has not provided evidence of impairment assessment carried out on its receivable balance. As a result, I am unable to ascertain whether the trade and other receivables balance of \$2,758,948 is fairly stated in the financial statements.
2. Included in trade and other receivables (Note 4) is VAT receivable of \$203,414. A variance of \$168,219 existed between the VAT receivable balance recorded in Note 4 of the financial statements and VAT reconciliations provided by the Council. As a result, I am unable to satisfy myself on the accuracy of the VAT receivable balance reflected in the financial statements amounting to \$203,414.
3. Included in trade and other payables of \$229,423, is trade payables totaling \$176,123. An unreconciled variance of \$75,759 existed between the trade creditors listing and the amount reflected in Note 7 to the financial statements. As a result, I am unable to ascertain the accuracy and completeness of the trade balance of \$176,123 reflected in Note 7 to the financial statements.
4. The Council was unable to provide detailed listings, and contract agreements to support the sundry deposits balance of \$1,103,009 recorded in the statement of financial position as at 31 December 2016. As a result, I was unable to verify the completeness and accuracy of the balance and also unable to determine whether any adjustments might have been necessary in respect of sundry deposits balance at the end of the financial year and any corresponding adjustments to the elements making up the statement of income and expenditure and statement of financial position.

5. The Council was unable to provide details and reconciliations to support the amortization balance of deferred income amounting to \$153,181 recorded in the statement of financial position as at 31 December 2016. In addition, the Council did not comply with the requirements of IFRS for SMEs Section 24 – Government Grants by not recognizing in government grant as income totaling \$341,099 despite the Council fulfilling the performance conditions attached with the government grant. As a result, I was unable to verify the completeness and accuracy of the balance and also unable to determine whether any adjustments might have been necessary in respect of deferred income balance at the end of the financial year and any corresponding adjustments to the elements making up the statement of income and expenditure and statement of financial position.
6. There was an unreconciled variance of \$244,564 between the rates income listings and the rates amount of \$1,579,272 reflected in the financial statements. The Council was unable to provide documentary evidence to substantiate the variance. As a result, I am unable to ascertain whether the general rates of \$1,485,693 and loan rate of \$93,579 is fairly stated in the financial statements.
7. The Council was unable to provide reconciliations to support the sewerage service fund balance of \$59,700 recorded in the statement of changes accumulated funds for the year ended 31 December 2016. As a result, I was unable to verify the existence of this balance in the statement of changes in accumulated fund.
8. The Council was unable to provide supporting documentations to support payments and journal entries totaling \$280,897 which were recorded in various general ledger expenses accounts under the General Fund Account Statement of Income and Expenditure. In addition, relevant approvals and supporting documents for the write-off of unreconciled variance totaling \$97,586 were not provided by the Council for my examination. As a result, I was unable to ascertain whether the General Fund expenses totaling \$3,709,001 is fairly stated in the financial statements.
9. The Council was unable to provide market fees and public car park collection record register for the financial year 2016. In addition, variances amounting to \$17,679 were noted between the total daily market tickets issued to market vendors and the amount receipted. Due to the nature of transactions of the market fees and public car park, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts of the Council and daily market tickets issued. Accordingly, I am not able to satisfy myself whether the market fees and public car park fees amounting to \$391,775 and \$88,270 is fairly stated in the financial statements.
10. The Council paid parking meter operating expenses relating to electricity, salaries and wages, FNPF employer contribution, uniform and protective clothing, vehicle fuel, vehicle repairs and maintenance, and water charges totaling \$169,631 from the General Fund bank account instead of Parking Meter Fund. As a result, the net surplus of the Parking Meter account is overstated by \$169,631, and the General Fund Account is understated by \$169,631 in the financial statements.

I conducted my audit in accordance with International Standards on Auditing ("ISAs"). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Council in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant

to my audit of the financial statements in Fiji and I have fulfilled other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

Without further qualifying the opinion expressed above, I draw attention to the following:

1. The Statement of Income and Expenditure of the Loan Repayment Fund Account shows that the Council recorded \$93,579 as loan rates revenue and paid \$285,054 as loan repayment. The Council did not maintain separate accounts for loan rates in accordance with the requirements of the Local Government Act, section 59 (3). As a result, the loan rates were accounted together with the general rates in the rates system.
2. Total Cash at Bank balance of \$865,245 (excluding restricted cash of \$754,964 and parking meter fund of \$303,745) is not sufficient to cover the total sundry deposits of \$1,120,643 held by the Council as shown in Note 8, should depositors require a refund.
3. Note 15 (b) to the financial statements notes the novel coronavirus (COVID-19) global pandemic subsequent to 31 December 2016 and how this has been considered by the Council in the preparation of the financial statements. As set out in Note 15 (b), no adjustments have been made to the financial statements as at 31 December 2016. 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 financial year 2020 and beyond.
4. The Council has not undertaken a full review of the depreciation rates and the economic useful lives of its property, plant and equipment in progressive and structured manner for assets with zero written down value totaling \$422,188.

Other Matters

1. The Council did not have a risk management policy, business plan, and capitalization policy in place.
2. The Council was unable to provide supporting documents for the receivable balance of \$26,565 as shown in note 9 to the financial statements. As a result, I was unable to verify the existence of this balance recorded under non-current assets.

Responsibilities of the Special Administrators and Management for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS for SMEs and the Local Government Act (CAP 125) and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Special Administrators are responsible for overseeing the Council's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

I communicate with the management of the Council 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
12 August, 2020

NADI TOWN COUNCIL
STATEMENT BY THE COUNCIL
FINANCIAL STATEMENTS

Council's Statement

In our opinion the financial statements have been properly drawn up so as to show a true and fair view of the Nadi Town Council's operations for the year ended 31 December 2016 and of the state of affairs as at that date.



Debra Sadranu
Special Administrator (Chair)

Date: 29/07/2020



Craig Powell
Chief Executive Officer


Date: 29/07/2020

NADI TOWN COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016


	Notes	2016 (\$)	Restated 2015 (\$)
Accumulated Funds			
Accumulated surplus		17,890,408	17,179,572
		<u>17,890,408</u>	<u>17,179,572</u>
Funds employed were represented by:			
Current Assets			
Cash and cash equivalents	3	1,923,954	1,194,289
Trade and other receivables	4	2,758,948	2,641,603
Total current assets		<u>4,682,902</u>	<u>3,835,892</u>
Non Current Asset			
Property, plant and equipment	5	18,353,481	18,020,964
Receivables	9	26,565	26,565
Intangible assets	12	1,632	-
Total non current assets		<u>18,381,678</u>	<u>18,047,529</u>
TOTAL ASSETS		<u>23,064,580</u>	<u>21,883,421</u>
Current Liabilities			
Creditors and other accruals	7	229,423	273,451
Sundry deposits	8	1,085,375	908,340
Employee benefits	10	94,907	71,337
Loan	6	167,470	154,648
Income received in advance	13	17,634	32,893
Total current liabilities		<u>1,594,809</u>	<u>1,440,669</u>
Non Current Liabilities			
Deferred income	11	1,687,728	1,173,619
Loan	6	1,874,001	2,056,668
Total non current liabilities		<u>3,561,729</u>	<u>3,230,287</u>
TOTAL LIABILITIES		<u>5,156,538</u>	<u>4,670,956</u>
NET ASSETS		<u>17,908,042</u>	<u>17,212,465</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 Nadi Town Council's operations for the year ended 31 December 2016 and the state of affairs as at that date.


Debra Sadranu
Special Administrator (Chair)

Date: 29/07/2020


Craig Powell
Chief Executive Officer

Date: 29/07/2020

NADI TOWN COUNCIL
STATEMENT OF INCOME AND EXPENDITURE - GENERAL FUND
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 (\$)	Restated 2015 (\$)
Income		
Advertising	90,757	103,424
Building fees	162,940	87,183
Bus stand charges	-	34,091
Business and trading licenses	579,057	520,243
Fee for services	31,582	45,356
Fee-mini buses	42,550	-
General rates	1,485,693	1,113,430
Handicraft stall fees	19,751	19,472
Interest on overdue accounts	-	149
Interest on overdue rates	45,370	26,490
Library subscription, fines and costs	898	2,893
Legal fee recoveries	11,284	-
Market fees	391,755	476,162
Miscellaneous	39,030	114,531
Park fee	151,509	174,748
Public car park	88,270	89,452
Public convenience	67,375	65,386
Rental income	565,979	535,261
Taxi, bus stand and carrier stand charges	56,996	91,411
Amortisation of deferred income	361,161	105,071
Interest received	19,115	2,850
Sundry income	34,173	24,444
Total income	4,245,245	3,632,047
Expenditure		
Recurrent		
Garbage services	473,122	513,674
Library services	2,627	1,907
Salaries, wages and related payments	1,376,321	1,342,313
Maintenance and Operating Expenses		
Administrative expenses - market	1,419	4,234
Advertising	20,462	39,255
Audit and accounting fees	16,000	16,000
Buildings	-	622
Civic reception and entertainment	16,515	10,673
Cleaning materials	31,641	60,180
Cleaning contract and materials	39,264	35,134
Cleaning campaign and waste minimization	66,685	23,413
Computer support fees	5,418	-
Depreciation	321,681	228,747
Disaster fund	64,401	127
Electricity and water	112,052	114,242
Fringe benefit tax	5,342	6,902
FNU levy	-	6,370
Insurance	70,878	59,757
Interest and bank charges	5,406	5,072
Land rent	68,027	109,447
	2,697,261	2,578,069

NADI TOWN COUNCIL
STATEMENT OF INCOME AND EXPENDITURE - GENERAL FUND (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 (\$)	2015 (\$)
Balance brought forward	2,697,261	2,578,069
Legal expenses	9,906	17,145
Loss on disposal of assets	-	5,976
Maintenance of office equipment	-	485
Meeting expenses	5,790	6,125
Miscellaneous	18,946	33,941
Parks and gardens	-	11,510
Plant, machinery, motor vehicle and tools	108,107	67,392
Printing, stationery and office expenses	36,718	42,773
Public celebration	34,738	9,910
Security charges	75,304	63,800
Staff development costs	31,306	30,549
Subscription	4,100	1,176
Telecommunications	29,501	35,993
Travelling, subsistence and incidentals	525	674
Town planning	11,152	26,948
Unreconciled balances written off	97,586	-
Beautification and landscaping	20,182	12,395
Roads, drains and footpath improvements	253,414	254,413
Maintenance - various	230,244	62,191
Valuation fees	44,221	-
Total expenditure	3,709,001	3,261,465
Net surplus for the year	536,244	370,582

NADI TOWN COUNCIL
 STATEMENT OF INCOME AND EXPENDITURE - LOAN REPAYMENT FUND ACCOUNT
 FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 (\$)	2015 (\$)
The revenue for the year was derived from:		
Loan rate	93,579	466,715
Loan rate in arrears	73,294	76,249
Total revenue	<u>166,873</u>	<u>542,964</u>
The expenditure for the year was incurred on:		
Interest	116,810	172,553
Total expenditure	<u>116,810</u>	<u>172,553</u>
Net surplus for the year	<u>50,063</u>	<u>370,411</u>

NADI TOWN COUNCIL
STATEMENT OF INCOME AND EXPENDITURE - PARKING METER FUND ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 (\$)	2015 (\$)
Income		
Infringement fines and costs	54,262	113,469
Meter tolls	101,114	59,954
Total income	155,376	173,423
Expenditure		
Bank charges	298	-
Electricity and water	-	4,053
Certification of meters	8,000	8,164
Maintenance of parking meters and bays	15,630	14,463
Office rent and maintenance	-	1,536
Plant and vehicle - operations	278	6,248
Printing and advertising	3,087	6,943
Salaries and related payments	-	181,366
Search fee and legal expenses	3,369	16,034
Miscellaneous expense	185	3,869
Telecommunications	-	1,765
Uniform and protective clothing	-	813
Total expenditure	30,847	245,254
Net surplus/ (deficit) for the year	124,529	(71,831)

NADI TOWN COUNCIL
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 (\$)	Restated 2015 (\$)
General Fund Account		
Balance at the beginning of the year	10,640,723	10,270,141
Surplus for the year	536,244	370,582
Balance at the end of the year	<u>11,176,967</u>	<u>10,640,723</u>
Loan Repayment Fund Account		
Balance at the beginning of the year	6,550,980	6,180,569
Surplus for the year	50,063	370,411
Balance at the end of the year	<u>6,601,043</u>	<u>6,550,980</u>
Sewerage Service Fund Account		
Balance at the beginning of the year	59,700	59,700
Balance at the end of the year	<u>59,700</u>	<u>59,700</u>
Parking Meter Account		
Balance at the beginning of the year	(71,831)	-
Surplus/(deficit) for the year	124,529	(71,831)
Balance at the end of the year	<u>52,698</u>	<u>(71,831)</u>
Total Accumulated Surplus	<u>17,890,408</u>	<u>17,179,572</u>

NADI TOWN COUNCIL
STATEMENT OF CHANGES IN ACCUMULATED FUNDS - PARKING METER FUND ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	(\$)	(\$)
Parking Meter Fund Account		
Balance at the beginning of the year	(16,579)	55,252
Surplus/(deficit) for the year	124,529	(71,831)
Balance at the end of the year	<u>107,950</u>	<u>(16,579)</u>

NADI TOWN COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 (\$)	2015 (\$)
Cash flows from operating activities			
Receipts from customers		4,088,988	4,216,798
Payments to suppliers and employees		(3,292,108)	(3,675,331)
Interest paid		(116,810)	(172,553)
Net cash provided by operating activities	19(ii)	<u>680,070</u>	<u>368,914</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(654,198)	(207,061)
Payments for intangible assets		(1,632)	-
Net cash (used in) investing activities		<u>(655,830)</u>	<u>(207,061)</u>
Cash flows from financing activities			
Loan repayments		(169,845)	(138,415)
Receipt of Government grant		875,270	255,000
Net cash (used in) financing activities		<u>705,425</u>	<u>116,585</u>
Net increase in cash held		729,665	278,438
Cash at the beginning of the reporting period		1,194,289	915,851
Net cash at the end of the reporting period	19(i)	<u>1,923,954</u>	<u>1,194,289</u>

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

NADI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1. GENERAL INFORMATION

Nadi Town Council was established under Local Government Act. The address of its registered office and principal place is Main Street, Nadi Town. The principal activity of the council are to provide for health, welfare and convenience of the inhabitants of the Nadi Town municipality and to preserve the amenities or credit thereof. The principal activities of the Council are described in Note 14.

The financial statements of Nadi Town Council for the year ended 31 December 2016 were authorised for issue in accordance with a resolution of the Special Administrator and Management on 29/07/2020

(a) Basis of preparation and accounting policies

The financial statements have been prepared in accordance with the International Financial Accounting Standard for Small and Medium-sized Entities issued by the International Standards Board. They are presented in Fiji dollars.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the council are stated to assist in a general understanding of these financial statements. The accounting policies adopted are consistent with those of the previous year except as stated otherwise.

(a) Revenue

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

(b) Income tax

Under section 20 (1) of the Income Tax Act and part 1 (3) of 2016 regulation, the Council is exempt from tax on its income.

(c) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment:

• Office equipment	7%, 12.5%, 20%, 25%, 33.3% & 100% per annum
• Furniture and fittings	7%, 10% & 100% per annum
• Plant and machinery	7%, 12%, 12.5%, 20%, 33.3% & 100% per annum
• Motor vehicles	15%, 20% & 25% per annum
• Buildings	1.25% per annum
• Roads and footpaths	1% per annum

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Trade and other receivables

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest rate method. At the end of each reporting year, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit and loss.

(e) Impairment of assets

At each reporting date, property, plant and equipment, intangible assets, and investments in associates are reviewed to determine whether there is any indication that those assets have suffered impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit or loss.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If any item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(f) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less. For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

(g) Value Added Tax (VAT)

Revenue, expenses and assets are recognised net of the amount of respective sales tax except:

- (i) where the Value Added Tax incurred on the purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (ii) receivables that are stated with the amount of Value Added Tax included and payables that are stated with the amount of Value Added Tax included.

The net amount of Value Added Tax and Service Turnover Tax recoverable or payable to the tax authority is included as part of the receivables or payables in the balance sheet.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Provisions

Provisions are recognised when the council has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation.

(i) Fund accounting

The Council has adopted a fund accounting system as a considerable part of annual revenues which comprises rates for different purposes and special purpose funds as required by the Local Government Act. Accordingly, it is necessary to establish separate funds to cover the amounts received, expenditure incurred and the net balance of funds available to be carried forward into the next financial period.

The identification of funds is maintained throughout the accounting system, thus providing the control necessary to ensure that each fund is used only for the purpose for which it is received.

Details of special purpose funds maintained by the Council are :

Parking meter fund

The Council in compliance with the Land Transport Act, has to maintain a separate account for operation of parking meters in designated areas of roads within municipality.

Loan rate fund

The Council in compliance with the Local Government Act, has to maintain a separate account for operation of loan rate fund account.

(j) Comparatives

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

(k) Employee entitlement

Provision is made for benefits accruing to employees in respect of salaries/wages and annual leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using remuneration rate expected to apply at the time of settlement.

(l) Deferred income

Government and other grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match them with the related costs which the grant are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related assets.

(m) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost (inclusive of VAT where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the council.

NADI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
NOTE 3. CASH AND CASH EQUIVALENTS	(\$)	(\$)
Cash on hand	1,500	1,500
Cash at bank - Westpac Banking Corporation	246,886	188,744
Cash at bank - Westpac account (2)	572,799	658,806
Cash at bank - Bank of South Pacific	43,942	37,801
Cash at bank - Grant account	118	138,100
Cash at bank - Parking meter account	303,745	169,338
Cash at bank - Market account	754,964	-
	<u>1,923,954</u>	<u>1,194,289</u>

The cash at bank balance of \$754,964 is not available for use except for the purpose of the construction of the new Namaka Market.

NOTE 4. TRADE AND OTHER RECEIVABLES

Rates debtors	1,687,528	1,653,885
Rent debtors	296,375	261,515
Other debtors	406,850	410,334
Value Added Tax refundable	203,414	156,924
Insurance prepayments	22,550	16,455
Miscellaneous	80,682	80,682
Electricity deposit	17,832	17,091
Float	-	1,000
Enforcement and parking meter infringement	43,717	43,717
	<u>2,758,948</u>	<u>2,641,603</u>

NOTE 5. PROPERTY, PLANT AND EQUIPMENT

Land

Deemed cost:		
At 1 January	9,489,309	9,470,000
Addition	-	19,309
Net book value	<u>9,489,309</u>	<u>9,489,309</u>

Office equipment

Deemed cost:		
At 1 January	132,607	121,272
Additions	50,820	11,335
	<u>183,427</u>	<u>132,607</u>
Depreciation and impairment:		
At 1 January	92,192	84,767
Depreciation charge for the year at 31 December	12,484	7,425
	<u>104,676</u>	<u>92,192</u>
Net book value	<u>78,751</u>	<u>40,415</u>

NADI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 5. PROPERTY, PLANT AND EQUIPMENT (continued)	2016 (\$)	2015 (\$)
<u>Furniture and fittings</u>		
Deemed cost:		
At 1 January	71,556	70,591
Additions	-	965
	<u>71,556</u>	<u>71,556</u>
Depreciation and impairment:		
At 1 January	55,193	51,325
Depreciation charge for the year at 31 December	2,902	3,868
	<u>58,095</u>	<u>55,193</u>
Net book value	<u>13,461</u>	<u>16,363</u>
<u>Plant and Machinery</u>		
Deemed cost:		
At 1 January	596,065	569,525
Addition	118,986	26,540
	<u>715,051</u>	<u>596,065</u>
Depreciation and impairment:		
At 1 January	396,785	349,555
Depreciation charge for the year at 31 December	51,228	47,230
	<u>448,013</u>	<u>396,785</u>
Net book value	<u>267,038</u>	<u>199,280</u>
<u>Motor vehicles</u>		
Deemed cost:		
At 1 January	620,853	664,321
Additions	453,050	39,565
Disposal	-	(83,033)
	<u>1,073,903</u>	<u>620,853</u>
Depreciation and impairment:		
At 1 January	353,268	363,812
Depreciation on disposal	-	(77,052)
Depreciation charge for the year at 31 December	139,251	66,508
	<u>492,519</u>	<u>353,268</u>
Net book value	<u>581,384</u>	<u>267,585</u>
<u>Buildings</u>		
Deemed cost:		
At 1 January	9,265,307	9,155,957
Additions	31,342	109,350
	<u>9,296,649</u>	<u>9,265,307</u>
Depreciation and impairment:		
At 1 January	1,257,295	1,153,579
Depreciation charge for the year at 31 December	115,816	103,716
	<u>1,373,111</u>	<u>1,257,295</u>
Net book value	<u>7,923,538</u>	<u>8,008,012</u>
Total property, plant and equipment	<u>18,353,481</u>	<u>18,020,964</u>

NADI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 (\$)	2015 (\$)
NOTE 6. INTEREST-BEARING LOANS AND BORROWINGS		
Balance at 1 January	2,211,316	2,349,731
Add: Interest and fees	115,209	172,553
	2,326,525	2,522,284
Less: Loans repaid	(285,054)	(310,968)
Balance at 31 December	2,041,471	2,211,316

Repayment periods are categorised as follows :

Current	167,470	154,648
Non - Current	1,874,001	2,056,668
	2,041,471	2,211,316

Details of interest bearing loans and borrowings are:

Loans raised by the Council bear interest charges ranging from 7.30% to 10% per annum and are repayable over 10 years. All loans are raised under the provisions of the Local Government Act. As at balance date, the Council had one loan with Westpac Banking Corporation. This include term number 9803041772 taken on 30/11/2010 bearing first registered mortgage over Crown Lease no. 131281 (Council's Arcade situated at the main street, Queens road, Nadi Town) and first mortgage over Approval Notice no. 12363 (Lot 1 Nadi Municipal market, Lot 2 New shopping mall, Lot 3 - Bus station, Lot 4 - Koroivulo park all situated at Hospital road - Nadi town). Overdraft facility was not utilized in 2016.

NOTE 7. TRADE AND OTHER PAYABLES

Trade payables	176,123	237,809
Audit and accounting fees	53,300	35,642
	229,423	273,451

NOTE 8. SUNDRY DEPOSITS

Contributions - Public car park	182,604	182,604
Curio vendors	126,685	126,685
Tenders	197,466	195,816
Contribution for works	84,880	84,880
Building deposit	21,682	19,452
Ground deposit	5,731	2,029
DTCP deposit	843	843
Other deposit	53,794	15,926
Park deposit	10,000	10,000
Gate takings	374	-
Rental bond received	115,952	-
Miscellaneous	302,998	302,998
	1,103,009	941,233

NOTE 9. RECEIVABLES

Korociri	26,565	26,565
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NADI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	Restated 2015
	(\$)	(\$)
NOTE 10. EMPLOYEE BENEFITS LIABILITIES		
Provision for employee entitlement	94,907	71,337

The amounts expected to be paid to employees for their pro-rata entitlements for annual leave are accrued at current wage

NOTE 11. DEFERRED INCOME

Japanese grant	45,572	76,702
Add grants received during the year	164,260	-
Less benefits realised	(195,379)	(31,130)
	<u>14,453</u>	<u>45,572</u>
Japanese grant - purchase of Mini Excavator	145,350	157,950
Less benefits realised	(12,600)	(12,600)
	<u>132,750</u>	<u>145,350</u>
Government grant	982,697	789,038
Add grants received during the year	711,009	255,000
Less benefits realised	(153,181)	(61,341)
	<u>1,540,525</u>	<u>982,697</u>
	<u>1,687,728</u>	<u>1,173,619</u>

NOTE 12. INTANGIBLE ASSETS

Software	<u>1,632</u>	<u>-</u>
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NOTE 13. INCOME RECEIVED IN ADVANCE

Rates	14,254	32,893
Rent	3,380	-
	<u>17,634</u>	<u>32,893</u>

NOTE 14. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management includes the Council of Managements, all members of Management and the Council Secretary. In addition to their salaries, the Council also provides non-cash benefits to key management personnel. Transactions with key management are no more favorable than those available, or which might be reasonably be expected to be available, on similar transactions to third parties at arm's length.

The amounts disclosed is recognised as an expense during the reporting period related to key management personnel.

NOTE 15. PRINCIPAL ACTIVITY

The Nadi Town Council was established under the Local Government Act to provide for health, welfare and convenience of the inhabitants of Nadi Town Municipality and to preserve and amenities or credit thereof.

NOTE 16. SUBSEQUENT EVENTS

- In the financial year 2017, the Council commenced with the upgrade/construction of the Namaka Market. The Namaka market which was funded by the Government of Fiji and UN Women was completed in February, 2020 with the total cost of \$5,169,395.
- 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 2016 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 cashflow.

NADI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 17. CONTINGENT LIABILITIES

Contingent liabilities at balance date include various legal claims involving the council, including the following lawsuits;

- (i) Shakuntla Raju v Sitar Indian & Thai Restaurants (Fiji) Ltd (Mai Kana Café) & Dulcinea Limited & NTC - Lautoka High Court Civil Action number 153 of 2016. No amount is recognised in the financial statements for this possible liability, the existence of which is dependent upon the outcome of the legal proceedings.
- (ii) Sharmila Singh v Sitar Indian & Thai Restaurant (Fiji) Limited & Dulcinea Limited and NTC - Lautoka High Court Civil Action Number 242 of 2016. No amount is recognised in the financial statements for this possible liability, the existence of which is dependent upon the outcome of the legal proceedings.
- (iii) Sheetal Payda vs NTC (ARB276/2016). No amount is recognised in the financial statements for this possible liability, the existence of which is dependent upon the outcome of the legal proceedings.

NOTE 18. RESTATEMENT OF PRIOR YEAR BALANCE

The JICA(Japanese) donation of MPT Truck Hino and Shredder Vermeer totalling \$207,531 in 2010, and Mini Excavator of \$170,550 in 2013 were incorrectly amortise to income from financial years 2011 to 2015 and financial years 2014 to 2015 respectively. The 2015 figures have been restated to correct this error. The effect of this restatement is a \$130,399 decrease in deferred income liability account and a \$130,399 increase in amortisation of deferred income as at 31 December 2015. This resulted in a \$130,399 (increase) restatement of retained earnings at 31 December 2015.

NOTE 19. CAPITAL COMMITMENTS

Capital commitments as at 31 December 2016 amounted to \$755,000. This relates to the upgrade/construction of the Namaka market.

NOTE 20. NOTES TO THE STATEMENT OF CASH FLOWS

	2016 (\$)	2015 (\$)
(i) Reconciliation of cash		
Cash at the end of the reporting period was as follows:		
Cash on hand	1,500	1,500
Cash at bank - Westpac Banking Corporation	246,886	188,744
Cash at bank - Westpac account (2)	572,799	658,806
Cash at bank - Bank of South Pacific	43,942	37,801
Cash at bank - Grant account	118	138,100
Cash at bank - Parking Meter	303,745	169,338
Cash at bank - Market	754,964	-
	<u>1,923,954</u>	<u>1,194,289</u>
(ii) Reconciliation of net cash provided by operating activities:		
Net surplus from operations	710,836	669,162
Depreciation	321,681	228,747
Amortisation of deferred income	(361,181)	(105,071)
Asset written off	-	5,976
Unreconciled balances written off	97,586	-
Changes in Assets & Liabilities		
Increase in trade and other receivables	(98,979)	(572,776)
(Decrease)/increase in accounts payables and accruals	(44,028)	77,308
Increase in sundry deposits	30,565	37,510
Increase in provision for employee entitlement	23,570	28,058
Net cash provided by Operating activities	<u>680,070</u>	<u>368,914</u>