



SAVUSAVU TOWN COUNCIL



ANNUAL REPORT

2012

Parliamentary No 72/2023



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Our Vision

Savusavu to be a model tourist town that promotes civic pride through community participation to preserve eco-tourism, nature, wild life & maritime resources.

Our Mission

Creating Savusavu, a Healthy and Safer place to live in.

Our Slogan

'A fast-developing tourist hot spot.'

'The Hidden Paradise'

'The Up-North'

Value

Resourcefulness

Efficient Service

Integrity

Customer focus

Innovation

Partnership

Co-operation

Participation

Strategic plan

- To identify Civic Centre site
- To revive Adi Seniniu Festival
- To improve and develop Ratu Ganilau Park
- To construct an ablution unit at Narains Park
- To identify site for a new library
- To preserve local history and heritage
- To develop Nakama hot spring
- To develop and maintain parks & gardens

Message from Special Administrator

It's my pleasure to present the Annual Report for Savusavu Town Council for the year 2012.

The year 2012 began with special attention to pressing issues of health, hygiene and environment matters for the town of Savusavu.

The Council in partnership with stakeholder agencies provided the ratepayers and citizens with opportunities for several projects that we thought would have been helpful for a healthy and pleasant living.

One such project was the fitness and exercise centre which complimented the health board walk that was planned already with partnership with Savusavu Tourism Association.

Apart from this, the town main CBD had new developments and a state of art building gradually shaped up providing the town with the first ever building that had elevators. This particular building was an investment by JKS commercial arm and its completion promised the town with more diversified nature of businesses that Savusavu would experience for the first time.

Major council roads were provided with direct funding in 2012 under CCAR programme which provided improved infrastructure to residents of Nakama, Hugh Street and Daniva Road.

Special attention was also provided to facelift the foreshore reserve, children's park and open spaces for recreation purposes.

The year rounded up with a lot enthusiasm and vigor that paved way for the needs for extensions to the current market and the dire need for providing more vendor opportunities for curio, fish and vegetable sellers.

All ratepayers, business houses and citizens are to be warmly thanked for their support rendered in 2012 towards day-to-day operations of Savusavu Town Council.

Vinaka Vakalevu

Mr. Vijay Chand
Special Administrator Savusavu/Labasa Town Council

Message from the CEO

Warm greetings to all our readers, on behalf of our Special Administrator, Mr. Vijay Chand and Management & Staff of Savusavu Town Council.

This year again is a challenging year for the Council. We have a couple of projects in place for Savusavu and the only way we can achieve these projects is by working together.

The Council would like to thank those ratepayers who have already paid their rates and garbage fees and is urging others to please pay their dues at the earliest.

Further the Council aims at providing prospective investors with necessary guidance and policy impacts essential for the acceleration of development in all sectors of the town economy.

Vinaka vakalevu.

Mr. Dharmendra Lal(JP)
Chief Executive Officer
Savusavu Town Council

ANNUAL REPORT

INTRODUCTION

Annual Report is a summary of proceedings and activities of the Council from January 1, 2012 to December 31, 2012 (s19).

ORGANISATION

The Ministry of Local Government, Urban Development, Housing and Environment appointed **Mr. Vijay Chand** as the Special Administrator of Labasa & Savusavu Town Council's on the 11th of February, 2009.

This appointment was as in Section 9A(1) of the Local Government (Amendment) Promulgation 2008 (Promulgation no. 29 of 2008).

The Special Administrator under subsection 1 shall be deemed to the duly constituted council of the assigned municipality and shall subject to any general or specific directions issued by the Minister, have the power to perform and discharge all rights, privileges, powers, duties and functions vested in or conferred or imposed on the council, and any officer of the council by the Act or any other written Law.

SENIOR OFFICERS OF THE COUNCIL

Chief Executive Officer
Properties Manager/Revenue HOD
Health Inspector/Building Surveyor
Market Manager
Works Supervisor/Depot Manager

Mr Dharmendra Lal
Mr Shiu Chand
Mr Timoci Vakabua
Mr Wame Nabete
Mr Sanjesh Goundan

PROFILING

-Population

Savusavu Urban - Approx. 6,000

Other Provinces that the council indirectly serves:

Bua - 14,176

Macuata - 72,441

Cakaudrove - 49,344

FINANCE DEPARTMENT

Financial Snapshot

The Council delivered a surplus total comprehensive income for the year.

Highlights:

- Total Comprehensive Income for the year: \$613,718.00
- Total Comprehensive Expenses for the year: \$534,385.00
- Total comprehensive profit for the year: \$79,333.00
- Council Equity: \$7,094,745.00

The Finance department has the following key roles in the Council:

1. Financial services

The department provides sound financial management and legislative requirements of the Council. The core services include; accounts payable, accounts receivable, Finance reporting (reconciliations), Budgeting, financial statements and meeting audit requirements.

2. Payroll

The team provides a range of human resources advice and support on matters including recruitment and selection and policies and procedures to the Council. The team also delivers weekly payroll to approximate 12 labours and fortnight payroll for 10 staffs.

3. Revenue, Property & Customer Service

The team issues town debtor's invoice such as rates invoices, rental and lease invoice, taxi, carrier and bus stand base fee invoices and other sundry debtor invoicing which leads to Council's debt recovery. In years to come the Council will update rates profile which will include each debtor's name and address into the accounting software system.

4. Procurements and Payments

The departments carried out procurement and payment processing as per the standard operating procedure of the Council.

Figure 1.1
Comprehensive Income Year 2012

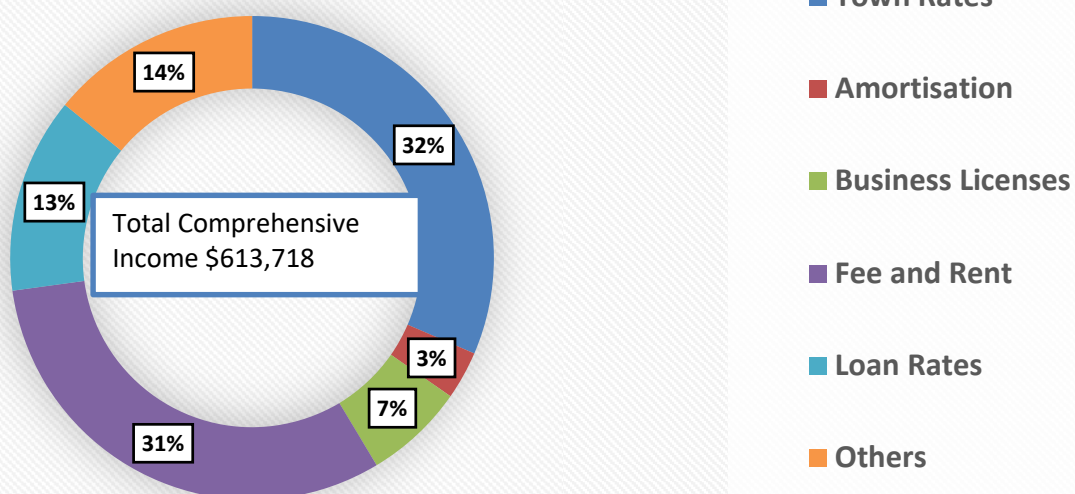
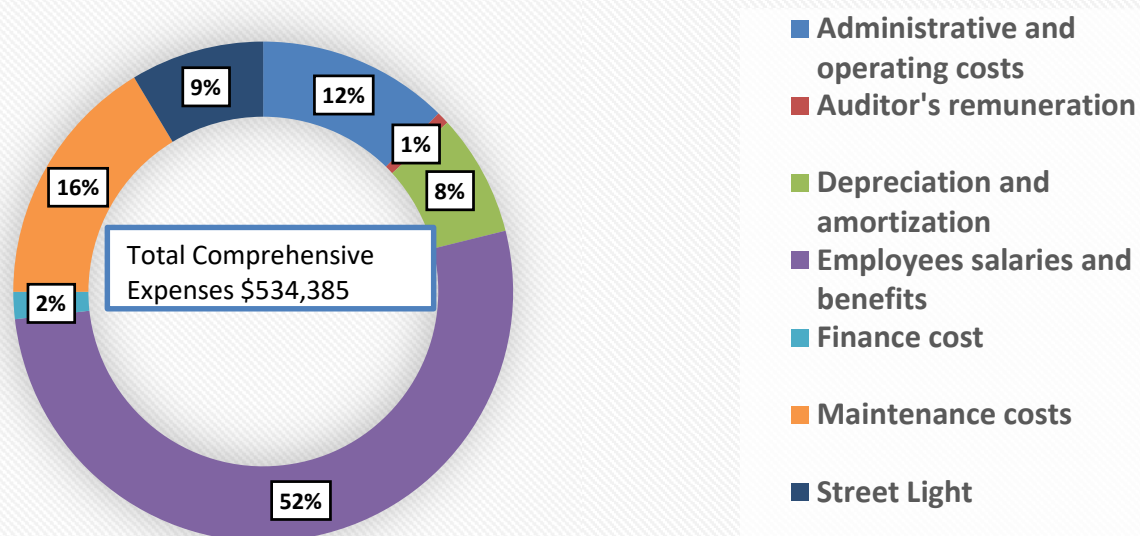


Figure 1.1
Comprehensive Expenses Year 2012



Actions Taken against Defaulting ratepayers

The Council is taking the following actions against defaulting ratepayers to enhance rate collection, especially arrears of rates:

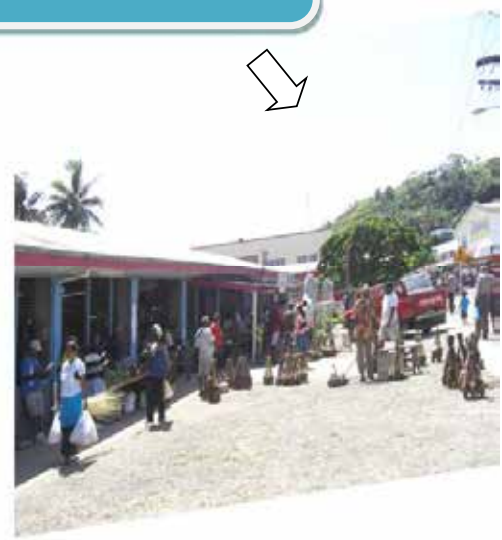
- Deduction at Source
- Arrangements
- 7 days' demand notice
- 14 days' demand notice
- 21 days' demand notice
- Attornment of leases – given to the tenants.
- Lodging of Fiji Charge (Caveat) on land
- Summons through Small claims tribunal
- Magistrate court
- Consultative Meetings
- Payment of rates by installments
- House to House rates Collections
- Pocket Meetings with Ratepayers, Special Administrator and CEO
- Exercising the provisions in the Local Government Act

MARKET

Less revenue collected in the market due to effect of TC Even December.



Effects of TC Evan
Farm produce & sea foods
sold in Savusavu market



Market Collection/2012 - \$87,296.00

ECONOMIC GROWTH

Council supports and encourage the stakeholders and ratepayers to develop and invest to create employment opportunities for the citizen.

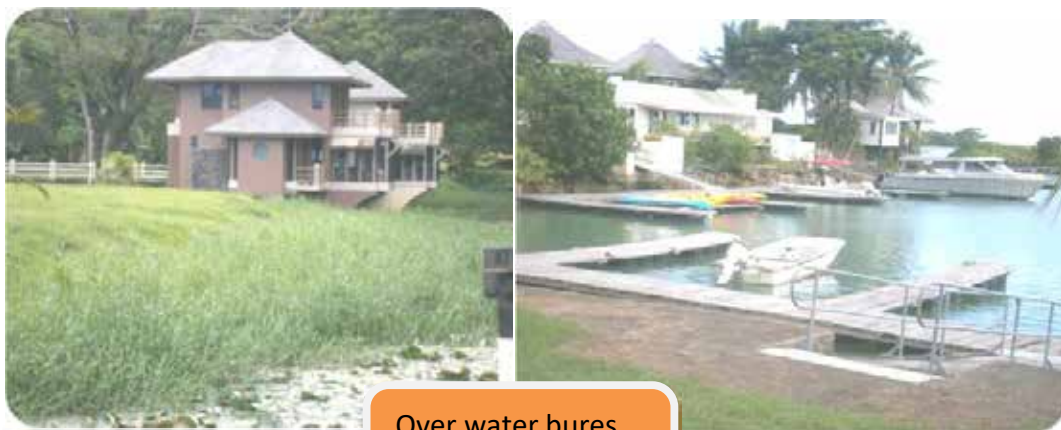
- 3 vacant industrial sites at Naqere area now occupied and operation expected to commence soon.



Once abandoned industrial lot now cleared to re-establish industrial operation

Hotels & Resorts

Economic contributors to towns economy includes Hotel, resorts and other nearby boarding/Lodging houses, located at Namale, Yaukolo, Wavi, Savasi and Hot springs Hotel.



Over water bures at Koro Sun resort

Some of the Major Business Operation



New pharmacy in operation



Savusavu Market taxi stand



Savusavu Carrier stand



A local hardware shon.

Poverty Alleviation

The Council supports opportunities for business towards poverty alleviations.

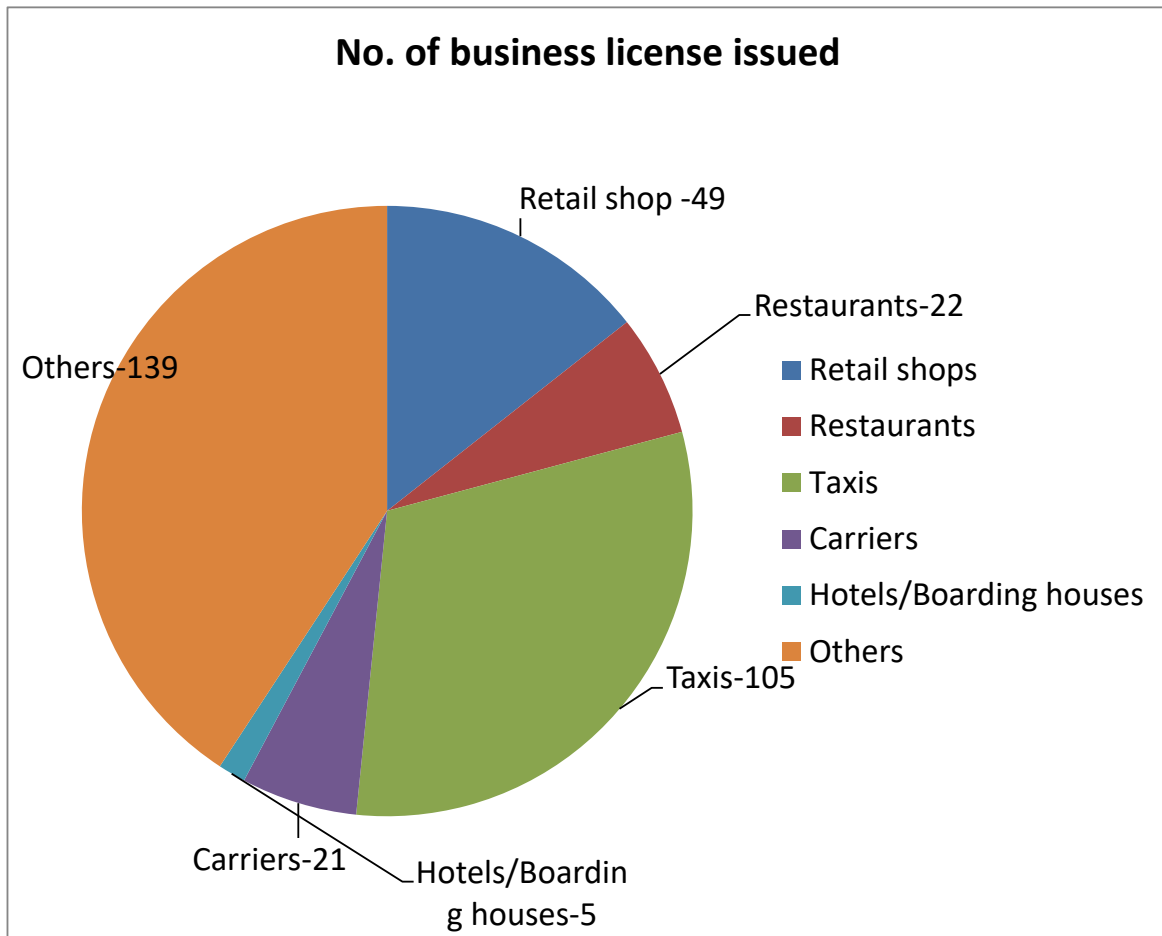


Jone Tuqiri, a paraplegic 43 year old father, selling handicraft to support his family.



Peanut sellers from rural dwellers earning dollars

BUSINESS LICENSE



38 Food Premises paid \$6,800.00 to CBH for health licenses.

ADMINISTRATION

Organizational Performance



Mr. Timoci Vakabua/Health Inspector, Building Surveyor attended the Emergency Operations & Initial Damages Assessments Courses held at the PA/Cak's conference room.

The council promotes internal and external training amongst the staff to improve the capacity building. The brainstorming exercise is conducted every morning for half an hour and generates interests amongst participants.

Encourage training to all staff to improve knowledge and performance.



Mr. Shiu Chand/Senior Revenue Clerk attending business management course

Council also paid tribute to the loss of our ratepayers & stakeholders



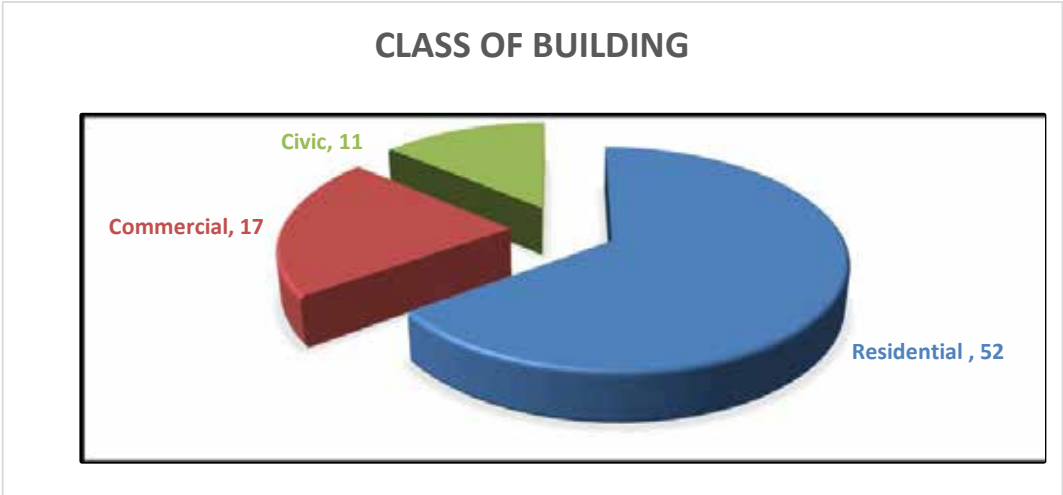
The loss of yachtists and business couple Mr. & Mrs Sean Cordy during a fire which completely destroyed their yacht and home, the Oblio.

Burnt yacht, Oblio, which claimed the lives of its owners.

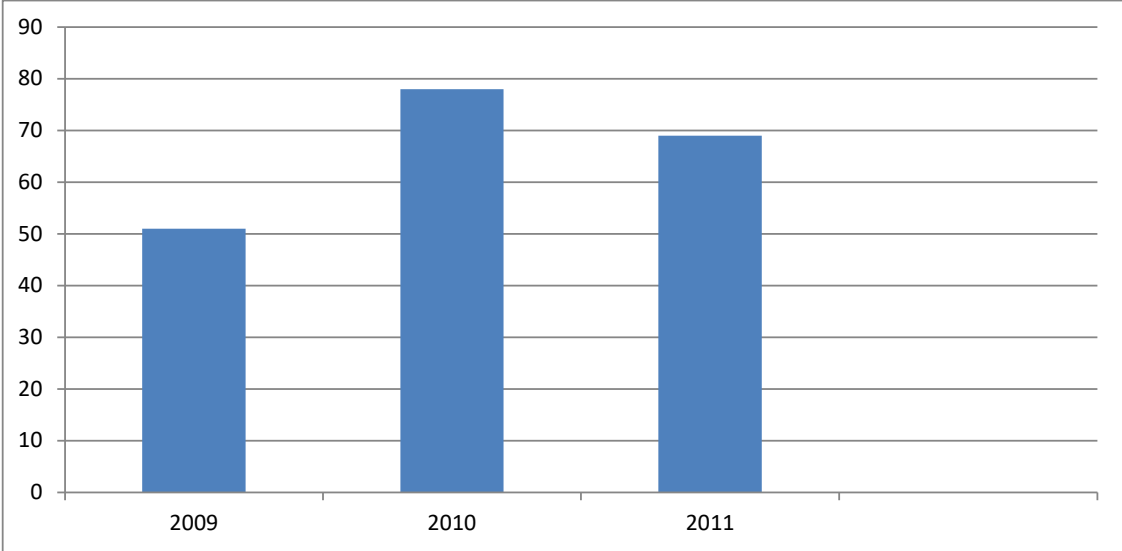
PUBLIC HEALTH, SANITARY SERVICES AND ENVIRONMENT

Building Development Control

- Total of 80 building applications received;
 - Residential: 52
 - Commercial: 17
 - Civic : 11

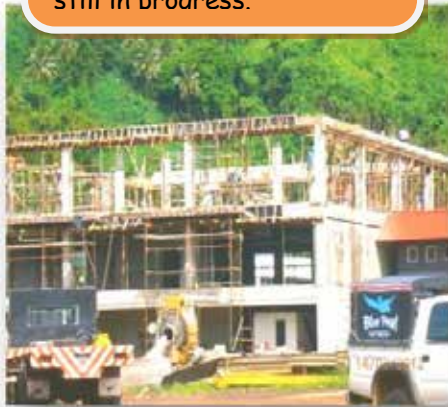


- During the last three (3) year's trend:
2009 – 51 2010- 78 2011- 69



Building Construction works in Progress

JKS commercial complex
\$2million dollar two storey
building construction works
still in proaress.



J Dayaram
commercial complex
bulk store extension
recently. An adequate
space to
accommodate bigger
storage area and
improve customer



- All new building application are assessed to ensure all sewage system are connected to approve type septic tank.

Squatter Settlement



Development in squatter
settlements monitored
and controlled. Team
from Housing Dept.
visited areas at Nakama
Heights in June 2012.



Environment Sustainability

Working in partnership with the community and stakeholders in ensuring our environmental assets are our sources of pride today and our future generation



- Protect environment through proper waste management system.
- All new building application are assessed to ensure all sewage system are connected to approve type septic tank.
- Officers are enforcing proper solid waste disposal through litter bins.

Mosquito breeding ground removed after new water channels dug to encourage water flow in a creek at Naqere housing Subdivision.

The Council continue to support GO GREEN Concept within the Municipality.



Flower beds beautifying the shoreline at near the Nakama creek out-fall.

Waste Management

- Council garbage collection service three (3) days per week (Monday, Wednesday and Friday) and every morning within main CBD, from 6.00 a.m. and 8.00 a.m.
- Apart from this council carryout quarterly clean campaign for backyard rubbish.
- Approximately three hundred (300) tonnes per week delivered for disposal;



- Conjoint meeting with government HOD's in ways to monitor/control waste from mariners entering the bay. Approximately 400 overseas vessels and yachts calls at Savusavu port annually let alone the locals.
- Initial stage of proposed sewerage scheme has commenced with EIA Consultants assessing land-based design.

Sewerage system (Protecting our community via safe water and sewerage)

Water Authority of Fiji is negotiating with land owners on the

acquisition of



- Council supports and assist WAF during construction of retaining wall to protect water reservoirs site from damages by erosion.
 - The reservoir supplies treated water to the town and surrounding communities.
- The reservoir supplies treated water to the town and surrounding communities.

Litter Awareness Program

Community participation in cleanup campaign encouraged to control littering. Community also set up to facilitate community reach outs.



Conjoint meeting in Council chambers to discuss ways of minimizing waste and monitor/control pollution.

Grass cutting and Drainage Maintenance

- Council has implemented a calendar and action plan to see that ratepayers and stakeholders are provided with the services.
- The first priority of the council is to ensure that all drains and grasses within the town boundary are well maintained and a routine weekly inspection is conducted by the Department Heads.

Lovobalavu(ratepayer) drainage project completed through cost sharing basis.

Food Control

All food premises monitored for compliance to Food Safety Act following training by MOH National Food Unit followed by Restaurant Grading programme.



All food premises for compliance to Food Safety Act following training by MOH national Food Unit followed by Restaurant Grading programme.

ONGOING PROJECTS

Milo/Nestle Exercise Station Opened by the then Minister for Health, Dr. Neil Sharma. A way forward to reduce NCD and improve health.



Opened by the Minister for Health, Dr. Neil Sharma.

- A way forward to reduce NCD and improve health.

Foreshore reclamation –Conjoint project between the council, Savusavu Tourist Association and Savusavu Yacht Club. Area now available for children’s park development.



Drainage upgrading – Clearing and protection of drains embankments to prevent siltation. Foreshore protection for tidal erosion with assistance of Public Works Dept.

Road Upgrading Project – CCAR programme – Improvements done at Nakama road, Hugh Street, Daniva Street.



PROPOSED PROJECTS

- Market Extension: Fish market & Curio Centre
- Town Civic Centre: to be located at the market foreshore ground
- Ratu Ganilau Ground: New Stadium – 1000 sitting capacity
- Industrial Subdivision & Residential Subdivision at Nagere– by Directors of Lands
- Cakaudrove Women Resource Centre – by Cakaudrove Holdings Ltd.

MACHINERIES and EQUIPMENT

Council has two garbage trucks, one backhoe, one ride on mower, utility van and all essential tools which are regularly used for daily works.



Inventory & Registers

- Council has maintained a special inventory book where all the stocks are recoded and reviewed every quarterly to ensure that stocks are safe and kept in good hands.
- All the registers are updated daily and reviewed weekly by the Chief Executive Officer to ensure all the correspondence, complaints and data are updated on timely manner.

COMMUNITY AND LIFESTYLE

Holi festival

Council organizes and hosts Holi festival & invite participants within town and surrounding rural communities.

The one-day celebration was enjoyed by multiracial groups and visitors.



Holi festival promotes unity & enjoyments to the Community



National Drug & Substance Abuse Week celebrated by Khemenrda Central School, Savusavu



Special Administrator conveys his appreciation to a stake holder for supporting the Annual event - Savusavu Open Day/Savusavu On Sale

TOURIST VISITATIONS



Cruise liner continued to bring thousands of tourists to Savusavu and brings opportunity to the business communities. Income generated via these means would assist alleviate poverty.

HISTORY AND HERITAGE

Develop strategies to preserve and promote history and heritage.

- Working in partnership with OHS Unit and NFA officials via Enforcement of the National Building code helped promote preservation of old commercial timber buildings in Town.
- Four Timber buildings located within the Central Business District were assessed.

Significant change resulted with new look to the building.

Ah Kee building, with a new face lifted.



TRANSPORT SERVICES



Council supports the improvements of the port facilities continuing, to facilitate movements with support from PWD, Marine and Police Department.



CONCLUSION

With 5 five Strategic plan, Annual Cooperate plan, limited resources and finance council has the achieved the some of its targeted goals.

The council is also working together with Ministry of Local Government, N, GOS, Ratepayers, Stakeholders and Business community to move Savusavu to a tourist model town in order lure the investors to enhance economic growth.

With limited resources the council ensures that all services are delivered to ratepayers and stakeholders on timely manner.

Submitted to the hon. minister for Local Government, Urban Development, Housing and Environment.

For Mr. Vijay Chand
SPECIAL ADMINISTRATOR
Savusavu/Labasa Town Council



Chief Executive Officer
Seema Shiwani Dutt
03/08/2020



Special Administrator (Chair)
Justin Hunter
03/08/2020

OFFICE OF THE AUDITOR GENERAL

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Website: www.oag.gov.fj



File: 955/1

15 March 2023

Mr. Ami Kholi
The Chairman
Special Administrators
Savusavu Town Council
SAVUSAVU

Dear Mr. Kholi

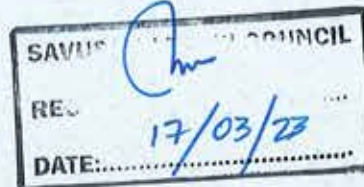
SAVUSAVU TOWN COUNCIL
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

The audited financial statements for Savusavu Town Council for the year ended 31 December 2012 together with my audit report on them are enclosed.

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

Yours sincerely

Sairusi Dukuno
ACTING AUDITOR-GENERAL



cc: Ms. Seema Dutt, Chief Executive Officer, Savusavu Town Council.

Encl.

SAVUSAVU TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

**SAVUSAVU TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

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**SAVUSAVU TOWN
COUNCIL COUNCILS'
REPORT**

The Council herewith submits the statement of financial position at 31 December 2012, the related statement of comprehensive income, statement of cash flows and statement of changes in accumulated funds and reserves for the year then ended and reports as follows:

Management Staff

Vijay Chand - Special Administrator Chairperson Labasa/Savusavu - resigned 19 December 2018. Ami Kohli - Special Administrator Chairperson Labasa/Savusavu - appointed 18 March 2022 Doreem Robinson - Special Administrator - appointed 18 March 2022
Seema Shiwani Dutt - Chief Executive Officer

Principal activities

The principal activities of the Council under the Local Government Act 1972 is to provide for the health, welfare and convenience of the inhabitants of the Savusavu Town Municipality and to preserve the amenities or credit thereof.

Results

The operating surplus for the year is:

2012	\$79,333
2011	\$40,526

Basis of accounting

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

Events subsequent to balance date

Transfer of Assets, Interests and

Liabilities

The Fiji Roads Act 2012 state that as from the commencement of the Act, all assets, interest, rights, privileges, liabilities and obligations of municipal councils in relation to municipal council roads, shall be immediately transferred to and shall vest in the Authority without conveyance, assignment or transfer. The Council has come to an agreement with FRA effective from 2014.

Amendments to the Local Government Act 1972

A recent amendment to the Local Government Act 1972 through Local Government (Budget Amendment) Act. Municipal Councils to update the audit of annual financial statements up to 31 July 2020 and have them published in a newspaper in Fiji by 31 March 2021. As a result of the amendment, all Councils will need to prepare and submit for audit seven-month period from 1 January to 31 July 2020.

Business Licenses

As announced in the 2020/2021 National Budget, effective from 1 August 2020 Fiji's business license regime would no longer be collected by the Council.

Base and Market Fees

As announced in the 2021/2022 National Budget, the Government of Fiji will pay full stall fee for one year effective from 1 August 2021.

Covid-19

Subsequent to balance date the corona virus disease (COVID-19) outbreak developed rapidly in 2020 bringing a significant health impact globally. Measures taken to contain the virus are already having an impact on global markets and economic activity and Fiji is also impacted with business disruptions and levels of activity already reducing in several market sectors. There is considerable uncertainty around the possible duration of and the resulting depth of impact that may arise subsequently from the disruptions caused.

**SAVUSAVU TOWN
COUNCIL COUNCILS'
REPORT**

The Council members and management are carefully considering the impact of the COVID-19 outbreak on the Council and assessing future operational options. The financial impacts, however, cannot be reasonably estimated at this time as it is largely attributable to matters the Council cannot control. Management and the directors believe the Council have sufficient financial resources together with arrangements with their customers and suppliers at this time to be able to successfully manage the business risks despite the current uncertain economic outlook due to the COVID-19 outbreak.

They have a reasonable expectation that the Council have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Aside from the matters referred to above, no charge on the assets of the Council has arisen since the end of the financial period to the date of this report to secure the liabilities of any other person. No contingent or other liability has become enforceable or is likely to become enforceable within a period of twelve months from the date of this report, which in the opinion of the Board, will or may affect the ability of the entity to meet its obligation when they fall due.

Other circumstances

As at the date of this report:

- a) no charge on the assets of the Council has been given since the end of the financial year to secure the liabilities of any other person;
- b) no contingent liabilities have arisen since the end of the financial year for which the Council could become liable; and
- c) no contingent liabilities or other liabilities of the Council have become or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the management, will or may substantially affect the ability of the Council to meet its obligations as and when they fall due.

As at the date of this report, management are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the Council's financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the Council misleading or inappropriate.

Management benefits

Since the end of the previous financial year, no management staff has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by management shown in the financial statements or received as the fixed salary of a full time employee of the Council) by reason of a contract made by the Council with the management or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

For and on behalf of the Council and in accordance with a resolution of the Special Administrator and the management.

Dated this 23 day of Feb 2023.



Special Administrator


.....
Chief Executive Officer

**SAVUSAVU TOWN COUNCIL
STATEMENT BY THE COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2012**

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

- (a) the accompanying statement of comprehensive income of the Council is drawn up so as to give a true and fair view of the results of the Council for the year ended 31 December 2012;
- (b) the accompanying statement of changes in accumulated funds and reserves is drawn up so as to give a true and fair view of the movement in the Council's funds for the year ended 31 December 2012;
- (c) the accompanying statement of financial position of the Council is drawn up so as to give a true and fair view of the state of affairs of the Council as at 31 December 2012;
- (d) the accompanying statement of cash flows is drawn up so as to give a true and fair view of the state of the cash flows of the Council for the year ended 31 December 2012;
- (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; and
- (f) all related party transactions have been adequately recorded in the books of the Council

For and on behalf of the Council and in accordance with a resolution of the Special Administrator and the Management.

Dated this 23 day of Feb 2023.



Special Administrator



Chief Executive Officer



INDEPENDENT AUDITORS REPORT

Savusavu Town Council

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Savusavu Town Council ("the Council"), which comprise the Statement of Financial Position as at 31 December 2012, Statement of Comprehensive Income, Statement of Changes in Accumulated Funds and Reserves, the Statement of Cash Flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

Basis for Qualified Opinion

1. The Council recorded Rates Debtors of \$445,298 (Note 4) in the Statement of Financial Position as at 31 December 2012. The Council was unable to provide rates listings, subsidiary ledgers and reconciliations to support the above balance. Furthermore, the Council has not provided evidence of impairment assessment carried out on its Rate Debtors. As a result, I was unable to ascertain whether Rates Debtors balance of \$445,298 is fairly stated in the Statement of Financial Position as at 31 December 2012.
2. The Council recorded Deferred Grant amounting to \$171,503 in the financial statements. The Council was unable to explain or provide relevant supporting documents to substantiate these balances. Accordingly, I was unable to ascertain the accuracy of Deferred Grant amounting to \$171,503 recorded in the Statement of Financial Position as at 31 December 2012.
3. The Council recorded Trade Creditors balance of \$120,705 (Note 6) in the financial statements. Included in this amount are transactions totalling \$40,544 for which the Council was unable to explain or provide relevant supporting documents to substantiate the transaction balances. As a result, I was unable to ascertain whether Trade Creditors balance of \$120,705 is fairly stated in the Statement of Financial Position as at 31 December 2012.
4. The Council recorded Salaries, Wages and Allowances totalling \$238,493 in the financial statements. The Council was unable to provide employee contracts, payroll reconciliations and other relevant payroll records to substantiate the balance. Furthermore, payment vouchers pertaining to Councils operating expenditure totalling \$57,932 was not provided for my verification. Consequently, I was unable to confirm the accuracy of these payments and its disclosure in the Statement of Comprehensive Income for the year ended 31 December 2012.
5. The Council have not disclosed Related Party Transactions as required by Section 33 of IFRS for SMEs– Related Party Disclosures. As a result, the financial statements of the Council are not complete nor fairly disclosed in accordance with all the requirements of IFRS for SMEs.

I have conducted my audit in accordance with International Standards on Auditing (ISA). 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 my 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

I draw attention to the following:

1. The Council does not hold sufficient cash and cash equivalent to cover the total sundry deposits of \$451,454 held by the Council as shown in Note 6 to the financial statements, should depositors require a refund.
2. Note 11 to the financial statements notes the announcement made in the 2020/2021 National Budget, that effective from 01 August 2020, Fiji's business license regime would be abolished and fees will no longer be collected by the Council.

My opinion is not modified in respect of these matters.

Other information

The Management and Special Administrators are responsible for the other information. The other information comprises the Annual report but does not include the financial statements and the auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report the fact. I have nothing to report in this regard.

Responsibilities of Management and those charged with governance for financial statements

The Management of the Council and the Special Administrators are responsible for the preparation and fair presentation of these financial statements in accordance with IFRS for SMEs and the Local Government Act 1972 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.

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. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Special Administrators.
- Conclude on the appropriateness of the Management's and Special Administrators' use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Management and Special Administrators 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.

Report on Other Legal and Regulatory Requirements

In my opinion, the financial statements have been prepared in accordance with the requirements of the Local Government Act 1972 in all material respects, and;

- a) I have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b) the Council has kept financial records sufficient to enable the financial statements to be prepared and audited.



Sairusi Dukuno
ACTING AUDITOR-GENERAL



Suva, Fiji
15 March 2023

SAVUSAVU TOWN COUNCIL
 STATEMENT OF COMPREHENSIVE
 INCOME FOR THE YEAR ENDED 31
 DECEMBER 2012

	2012	2011
	\$	\$
Income		
Rates:		
General	211,624	208,089
Lighting rates	-	-
Interest income rates	-	-
	<u>211,624</u>	<u>208,089</u>
Less: rates discount	(786)	(5,058)
Less: interest waiver	-	-
Less: town rate waiver	(17,754)	(127,246)
	<u>(18,540)</u>	<u>(132,304)</u>
	<u>193,084</u>	<u>75,785</u>
Amortisation of capital grant	19,882	19,882
Business license fees	41,074	36,394
Fees, charges and rent	192,988	179,966
Loan rates	80,242	79,130
Others	86,448	122,083
	<u>420,634</u>	<u>437,455</u>
Total income	<u>613,718</u>	<u>513,240</u>
Expenses		
Administrative and operating costs	66,133	51,330
Auditor's remuneration	4,348	435
Depreciation and amortization	42,166	46,583
Employees salaries and benefits	278,720	254,003
Finance cost	9,300	8,528
Maintenance costs	87,470	94,938
Street lights	46,248	16,897
Total expenses	<u>534,385</u>	<u>472,714</u>
Other comprehensive income	-	-
Total comprehensive profit for the year	<u>79,333</u>	<u>40,526</u>

SAVUSAVU TOWN COUNCIL
 STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES
 FOR THE YEAR ENDED 31 DECEMBER 2012

2012

	Reserves	Accumulate d Funds	Total
Note	\$	\$	\$w
Balance at January 1, 2012	7,108,371	(92,960)	7,015,411
General fund	-	45,340	45,340
Loan fund	-	80,242	80,242
Streetlight fund	-	(46,248)	(46,248)
Balance at 31 December 2012	7,108,371	(13,626)	7,094,745

2011

	Reserves	Accumulated Funds	Total
	\$	\$	\$
Balance at January 1, 2011	235,641	(123,198)	112,443
Deficit for the year			
General fund	-	(31,891)	(31,891)
Loan fund	-	79,130	79,130
Streetlight fund	-	(16,897)	(16,897)
Asset revaluation reserve	6,872,730	-	6,872,730
Opening balance adjustment	-	(104)	(104)
Balance at 31 December 2011	7,108,371	(92,960)	7,015,411

SAVUSAVU TOWN COUNCIL
 STATEMENT OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2012

	2012	2011
Note	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	3 20,376	10,397
Trade and other receivables	4 446,284	375,841
	<u>466,660</u>	<u>386,238</u>
NON-CURRENT ASSETS		
Property, plant and equipment	5 7,610,840	7,633,740
	<u>7,610,840</u>	<u>7,633,740</u>
TOTAL ASSETS	<u>8,077,500</u>	<u>8,019,978</u>
LIABILITIES		
CURRENT LIABILITIES		
Bank Overdraft	3 169,200	130,995
Trade payables	6 614,551	639,951
Term Loan (FNPF Loan)	27,501	42,236
	<u>811,252</u>	<u>813,182</u>
NON-CURRENT LIABILITIES		
Deferred grant	7 171,503	191,385
	<u>171,503</u>	<u>191,385</u>
TOTAL LIABILITIES	<u>982,755</u>	<u>1,004,567</u>
NET ASSETS	<u>7,094,745</u>	<u>7,015,411</u>
MUNICIPAL FUNDS		
Reserves	7,108,371	7,108,371
Accumulated funds	(13,626)	(92,960)
TOTAL MUNICIPAL FUNDS	<u>7,094,745</u>	<u>7,015,411</u>

For and on behalf of the Council and in accordance with a resolution of the Special Administrator and the Management.

Dated this 23 day of Feb 2023.


 Special Administrator


 Chief Executive Officer

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

	2012	2011
Note	\$	\$
Cash flows from operating activities		
Receipts from customers	541,933	459,655
Payments to trade creditors, other creditors and employees	(560,318)	(444,958)
Net Vat movement	9,426	22,679
Net cash (used in)/provided by operating activities	<u>2 (8,959)</u>	<u>37,376</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	<u>(19,267)</u>	<u>(21,971)</u>
Net cash used in investing activities	<u>(19,267)</u>	<u>(21,971)</u>
Net (decrease)/ increase in cash and cash equivalents held	(28,226)	15,405
Cash and cash equivalents at beginning of year	(120,598)	(136,003)
Cash and cash equivalents at end of financial year	<u>3 (148,824)</u>	<u>(120,598)</u>

**SAVUSAVU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

1.1 General information

The Savusavu Town Council was incorporated in Fiji under the Local Government Act, 1972. The address of its registered office and principal place of business is Verevere Street, Main Town, P O Box 201, Savusavu Town Council, Savusavu. The principal activities under the Local Government Act is to provide for the health, welfare and convenience of the inhabitants of the Savusavu Town Municipality and to preserve the amenities or credit thereof.

1.2 Basis of preparation of the financial statements

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB).

For all periods up to and including the year ended 31 December 2010, the Council prepared its financial statements in accordance with local generally accepted accounting principles (Local GAAP). These financial statements for the year ended 31 December 2012 are the second the Council has prepared in accordance with IFRS for SMEs.

These financial statements have been prepared on historical cost basis, except for property, plant and equipment that have been measured at fair value. The financial statements are presented in Fijian dollars and all values are rounded to the nearest dollar, except when otherwise indicated.

Standards, amendments and interpretations issued

The following standards, amendments and interpretations to existing standards were published and are mandatory for the accounting periods beginning on or after 1 January 2011 or later periods. No significant impact arose out of these standards, amendments and interpretations. The amendments to existing standards were for the following:

- IAS 27,'Investment Entities' (Amendments to IFRS 10 and 12); and
- IAS 32,'Offsetting Financial Assets and Financial Liabilities'.

Statement of compliance

The financial statements of Savusavu Town Council have been prepared in accordance with International Financial Reporting Standards for Small and Medium- sized Entities ("IFRS for SMEs") issued by the International Accounting Standards Board and the Local Government Act 1972.

1.3 The Savusavu Town Council reporting entity

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of these financial statements

Amounts received as tender deposits and retention amounts controlled by the Council are included in the financial statements, disclosed as "sundry deposits" under current liabilities.

1.4 Significant accounting judgments, estimates and assumptions

The preparation of the Council's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcome that could require a material adjustment to carrying amount of the asset liability affected in the future.

Judgments

In the process of applying the company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

SAVUSAVU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

Estimations and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Impairment of non-financial assets

The Council assesses whether there are any indicators of impairment for all non- financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

1.5 Summary of significant accounting policies

The following are significant accounting policies applied by the Council in preparing its consolidated financial statements.

a) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and land deposits with an original maturity of three months or less. For the purposes of the statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

b) Investments and other financial assets

Initial recognition of financial instruments

The classification of financial instruments at initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics. All financial instruments are measured initially at their fair value plus, in the case of financial assets and financial liabilities not at fair value through profit and loss, any directly attributable incremental costs of acquisition or issue.

Receivables

Rates receivables are non-Derivative financial assets with fixed or determinable payments that are not quoted in an active market. Rates receivables are initially recognised as receivables from the commencement of each rating period (inclusive of VAT where applicable). After initial measurement loans and receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Gains or losses are recognised in the income statement when the receivables are derecognised or impaired, as well through the amortisation process. Bad debts are written-off as incurred.

c) Impairment of financial assets

The Council assesses at each statement of financial position date whether a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognised in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in the income statement. In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Council will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

**SAVUSAVU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

d) Property, plant and equipment

Property, plant and equipment are tangible items that:

- Are held for use in the production or supply of goods and services, for rental to others or for administrative purposes; and
- Are expected to be used during more than one period.

Items of property, plant and equipment are initially recognised at cost less accumulated depreciation and any accumulated impairment losses, except for land and buildings which are stated at revalued amounts. Costs include all costs incurred to bring the asset to the condition necessary for it to be capable of operating in the manner intended by management. The revalued amount is the fair value at the date of the revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting year.

When land and building are revalued, the gross carrying amount is adjusted consistently with the revaluation of the carrying amount. The accumulated depreciation at that date is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses. Any increase or decrease in an asset's carrying amount, as a result of revaluation, is recognised in other comprehensive income and accumulated in the revaluation reserve in accumulated funds.

Depreciation is calculated on a straight line basis over the useful life of the asset as follows:

• Land and building	2.5%	• Motor Vehicle	10%
• Office equipment	10%	• Tools, plant and equipment	2.5%
• Roads & Drains	2.5%		

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.

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The useful lives of intangible assets for the Council are assessed to be finite.

Intangible assets with infinite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is renewed at least at each financial year end. Changes in the expected useful life or expected pattern of consumption in future economic benefits embodied in the asset is accounted by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible assets.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of asset and are recognised in the income statement when the asset is derecognised.

f) Impairment of non-financial assets

The Council assesses at each reporting date or more frequently if events or changes and circumstances indicate that the carrying value may be impaired, whether there is an indication that a non financial asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Council makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset (or cash

**SAVUSAVU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

generating unit) exceeds its recoverable amount, the asset (or cash generating unit) is considered impaired and is written down to its recoverable amount.

For assets an assignment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Council makes an estimate of the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount, since the last impairment loss was recognised. If that is the case the carrying amount of the assets is increased to its recoverable amount.

g) Fund accounting

The Savusavu Town Council has adopted a fund accounting system, as a considerable part of annual revenues comprises of rates for different purposes and special purpose funds as required by the Local Government Act 1972. Accordingly, it is necessary to establish a separate fund to record the amount received, expenditure incurred and the net balance of funds available to be carried forward into the next financial year.

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:

Land Dealing

This fund has been created for contributions received from deposit of land. The fund will be utilized to develop the same land.

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. Where the Council expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when reimbursement is virtually certain. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-Tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

i) Employee entitlements

Employee entitlements relating to wages, salaries, annual leave, sick leave, and retirement benefit represents the amount which the Council has a present obligation to pay resulting from the employees' services provided up to balance date.

Wages and salaries, sick leave and annual leave

Liabilities for wages and salaries and annual leave are recognised, and are measured as the amount unpaid at the reporting date at the current pay rates in respect of employees' services up to that date.

j) Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

k) Trade and other payables

Liabilities for other payables 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 entity. Amounts payable that have been denominated in foreign currencies have been translated to local currency using the rates of exchange ruling at the end of the financial year.

**SAVUSAVU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

l) Deferred grant

Plant and equipment acquired through donations and grant are brought to account as assets. Such donations and funding's are treated as deferred income which are brought to income over the asset's estimated useful life.

m) Revenue recognition

Revenue is recognised in the financial statements using the accrual concept of accounting.

n) Income tax

The Council is exempt from income tax in accordance with the provisions of Section 17(4) of the Income Tax Act 2015.

o) Comparative figures

Comparative figures have been amended where necessary, for changes in presentation in the current year.

**SAVUSAVU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

2 Cash flow information

	2012	2011
	\$	\$
Reconciliation of net income to net cash provided by operating activities:		
Net surplus for the year	79,333	40,526
Non-cash flows in profit:		
Depreciation	42,166	46,583
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	-70,443	-33,703
- increase/(decrease) in trade and other payables	-40,133	-1,056
- increase/(decrease) in other loans payable	-	4,908
- increase/(decrease) in deferred income	-19,882	-19,882
Net cashflows from operating activities	<u>(8,959)</u>	<u>37,376</u>

3 Cash and cash equivalents

Land Dealing	3,963	2,887
Project A/C 2013	15,496	7,196
Naveria Tenants	237	297
Petty Cash	680	17
	<u>20,376</u>	<u>10,397</u>
Bank overdraft		
Bank overdraft	<u>169,200</u>	<u>130,995</u>
Total cash and cash equivalents	<u>(148,824)</u>	<u>(120,598)</u>

As the Council performs a custodian role, Cash at bank - Naveria Tenants are only to be used for development of the said area.

4 Trade and other receivables

Rates debtor	445,298	374,855
Deposits	986	986
	<u>446,284</u>	<u>375,841</u>

SAVUSAVU TOWN COUNCIL
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2012

5 Property, plant and equipment

	Ganilau Park	Nakama Stage 3	Nakama Stage 4	Foreshore	Market	Bus Stand	Office Equipment	Plant machinery & tools	Motor Vehicles	Roads and drains	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gross carrying amount											
At 31 December 2011	705,163	555,975	3,496,100	852,998	827,000	803,700	4,382	24,741	90,003	342,403	7,702,466
Additions	-	-	-	3,670	1,748	-	-	1,730	12,118	-	19,266
Asset Revaluation	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2012	705,163	555,975	3,496,100	856,668	828,748	803,700	4,382	26,471	102,121	342,403	7,721,732
Accumulated depreciation											
At 31 December 2011	20,463	-	-	225	8,944	6,632	2,945	4,740	16,071	8,705	68,725
Depreciation	1,768	-	-	422	11,943	8,843	181	2,355	8,144	8,510	42,166
Disposals	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2012	22,231	-	-	647	20,887	15,475	3,126	7,095	24,215	17,215	110,891
Net carrying amount											
As at 31 December 2011	684,700	555,975	3,496,100	852,773	818,056	797,068	1,437	20,001	73,932	333,698	7,633,740
As at 31 December 2012	682,932	555,975	3,496,100	856,021	807,861	788,225	1,256	19,376	77,906	325,188	7,610,840

Property, plant and equipment's are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses. The revaluations were performed on the 21st day of March, 2011 and the Councilors have adopted these current market values for the purposes of financial reporting for the year ended 31 December 2011.

The fair value of property, plant and equipment's are determined by the Councilors with reference to a property valuation carried out by an independent professionally qualified valuer registered in Fiji named Peremo Caginivula of Landworths PRC (Reg. No.107). The valuation is based on an open market value. In determining the valuation, the valuer refers to current market conditions and recent sales transactions of similar properties. In estimating the fair value of the property, the highest and best use of the property is their current use.

**SAVUSAVU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

6 Trade payables

	2012	2011
	\$	\$
Trade creditors	120,705	159,476
Other payables	7,071	3,734
Payroll liabilities	3,216	4,876
Deposits	451,454	449,186
VAT payable	32,105	22,679
	<u>614,551</u>	<u>639,951</u>

7 Deferred grant

At 1 January	191,385	211,267
Grant received	-	-
Amortization of deferred grant	(19,882)	(19,882)
At 31 December	<u>171,503</u>	<u>191,385</u>

The deferred grant relates to a Backhoe Digger and Garbage Truck donated by the Japanese Embassy at the value of \$168,200. Benefits realised in the cost of construction of Shiu Chand Road carried out by Public Works Department. The value of the road totaling \$57,960 less \$10,000 constructions by the Council, \$47,960 to be amortised over the useful life.

8 Reserves

Balance at January 1	7,108,371	235,641
Asset revaluation	-	6,872,730
At 31 December	<u>7,108,371</u>	<u>7,108,371</u>

9 Contingent liability

As at 31 December 2012, the Council's contingent liabilities not otherwise provided for in the financial statements amounted to \$Nil (2011: \$Nil).

10 Events after the end of the Reporting Period

Since the end of the financial year, the Council is not aware of any matters or circumstances not otherwise dealt with in the report or financial statements that has significantly or may significantly affect the operations of the Council, the results of those operations, or the state of affairs of the Council in subsequent years.

No matters or circumstances have arisen since the end of financial year which significantly affected or may affect the operations of the Savusavu Town Municipality and to preserve the amenities or credit thereof.

Transfer of Assets, Interests and Liabilities

The Fiji Roads Act 2012 state that as from the commencement of the Act, all assets, interest, rights, privileges, liabilities and obligations of municipal councils in relation to municipal council roads, shall be immediately transferred to and shall vest in the Authority without conveyance, assignment or transfer.

**SAVUSAVU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

10 Events after the end of the reporting period

Amendments to the Local Government Act

1972

A recent amendment to the Local Government Act 1972 through Local Government (Budget Amendment) Act. Municipal Councils to update the audit of annual financial statements up to 31 July 2020 and have them published in a newspaper in Fiji by 31 March 2021. As a result of the amendment, all Councils will need to prepare and submit for audit seven-month period from 1 January to 31 July 2020.

Business licenses

As announced in the 2020/2021 National Budget, effective from 1 August 2020 Fiji's business license regime would no longer be collected by the Council.

Base and market fees

As announced in the 2021/2022 National Budget, the Government of Fiji will pay full stall fee for one year effective from 1 August 2021.

Covid-19

Subsequent to balance date the corona virus disease (COVID-19) outbreak developed rapidly in 2020 bringing a significant health impact globally. Measures taken to contain the virus are already having an impact on global markets and economic activity and Fiji is also impacted with business disruptions and levels of activity already reducing in several market sectors. There is considerable uncertainty around the possible duration of and the resulting depth of impact that may arise subsequently from the disruptions caused.

The Council members and management are carefully considering the impact of the COVID-19 outbreak on the Council and assessing future operational options. The financial impacts, however, cannot be reasonably estimated at this time as it is largely attributable to matters the Council cannot control. Management and the directors believe the Council have sufficient financial resources together with arrangements with their customers and suppliers at this time to be able to successfully manage the business risks despite the current uncertain economic outlook due to the COVID-19 outbreak.

They have a reasonable expectation that the Council have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Aside from the matters referred to above, no charge on the assets of the Council has arisen since the end of the financial period to the date of this report to secure the liabilities of any other person. No contingent or other liability has become enforceable or is likely to become enforceable within a period of twelve months from the date of this report, which in the opinion of the Board, will or may affect the ability of the entity to meet its obligation when they fall due.

11 Approval of the financial statements

These financial statements were approved by the Council and authorised for issue on the 23 day of Feb, 2023.

SAVUSAVU TOWN COUNCIL
 STATEMENT OF INCOME AND EXPENDITURE - GENERAL
 FUND FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	\$	\$
Income		
Amortisation of deferred income	19,882	19,882
Backhoe hire	5,992	3,262
Building fees	4,729	3,986
Business, trading and other licenses	41,074	36,394
Carnival charity	9,873	5,600
Ganilau Park	2,150	2,785
Garbage Dump charges	17,653	11,772
Gate takings	10,514	4,035
General rates	211,624	208,089
Grant	-	961
Interest - overdue rates	40,410	33,310
Jetty lease	30,098	45,494
Land account	1,000	-
Litter fines	-	300
Market fees and charges	87,858	79,699
Lease Income	13,438	-
Miscellaneous	1,766	2,079
Road Show	3,938	5,135
Taxi, bus and carrier stand fees	32,248	28,213
Rates [unidentified]	17,754	75,212
Other income	15	206
Total income	552,016	566,414
Expenditure		
Advertising	2,650	1,298
Audit and accounting fees	4,348	10,619
Back hoe - maintenance	3,122	1,145
Civic Reception	2,548	2,777
Depreciation	42,166	46,583
Discount	786	5,058
FNPF	16,895	16,381
TPAF levy	2,420	1,007
General	1,323	3,553
Incidental & emergency	1,919	4,284
Insurance	7,983	6,860
Interest and bank charges	9,300	8,528
Land rent	612	612
Cleaning Expenses	1,321	813
Legal	3,394	-
Motor Vehicle maintenance	56,376	62,839
Parks and beautification	184	412

SAVUSAVU TOWN COUNCIL
 STATEMENT OF INCOME AND EXPENDITURE - GENERAL
 FUND FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	\$	\$
Office equipment - maintenance	878	855
Office and market - maintenance	693	5,574
Office stationery, postage, printing and advertising	11,282	6,828
General repairs and maintenance	15,328	15,411
Roads and drains - maintenance	9,712	3,317
Other expenses	9,398	4,115
Salaries, wages and allowances	238,493	207,167
Security	7,526	2,055
Staff training and welfare	3,679	4,894
Uniform	25	3,362
Town rate waiver	17,754	127,246
Travelling and incidental	17,209	21,192
Utilities	17,353	23,520
Total Expenditure	<u>506,677</u>	<u>598,305</u>
Total	<u>45,339</u>	<u>(31,891)</u>

SAVUSAVU TOWN COUNCIL
 STATEMENT OF INCOME AND EXPENDITURE - LOAN RATE
 FUND FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	\$	\$
Income		
Loan rates	80,242	79,130
	<u>80,242</u>	<u>79,130</u>
Expenditure		
	<u>-</u>	<u>-</u>
Surplus for the year	<u>80,242</u>	<u>79,130</u>

The above statement is to be read in conjunction with the notes to and forming part of the financial statements.

SAVUSAVU TOWN COUNCIL
STATEMENT OF INCOME AND EXPENDITURE - STREET LIGHT FUND
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	\$	\$
Income		
Street light rate	-	-
Expenditure		
Street Light Expenses	46,248	16,897
Deficit for the year	<u>(46,248)</u>	<u>(16,897)</u>

The above statement is to be read in conjunction with the notes to and forming part of the financial statements.