



RAKIRAKI TOWN COUNCIL

Annual Report For the Year Ended 2020 - 2021

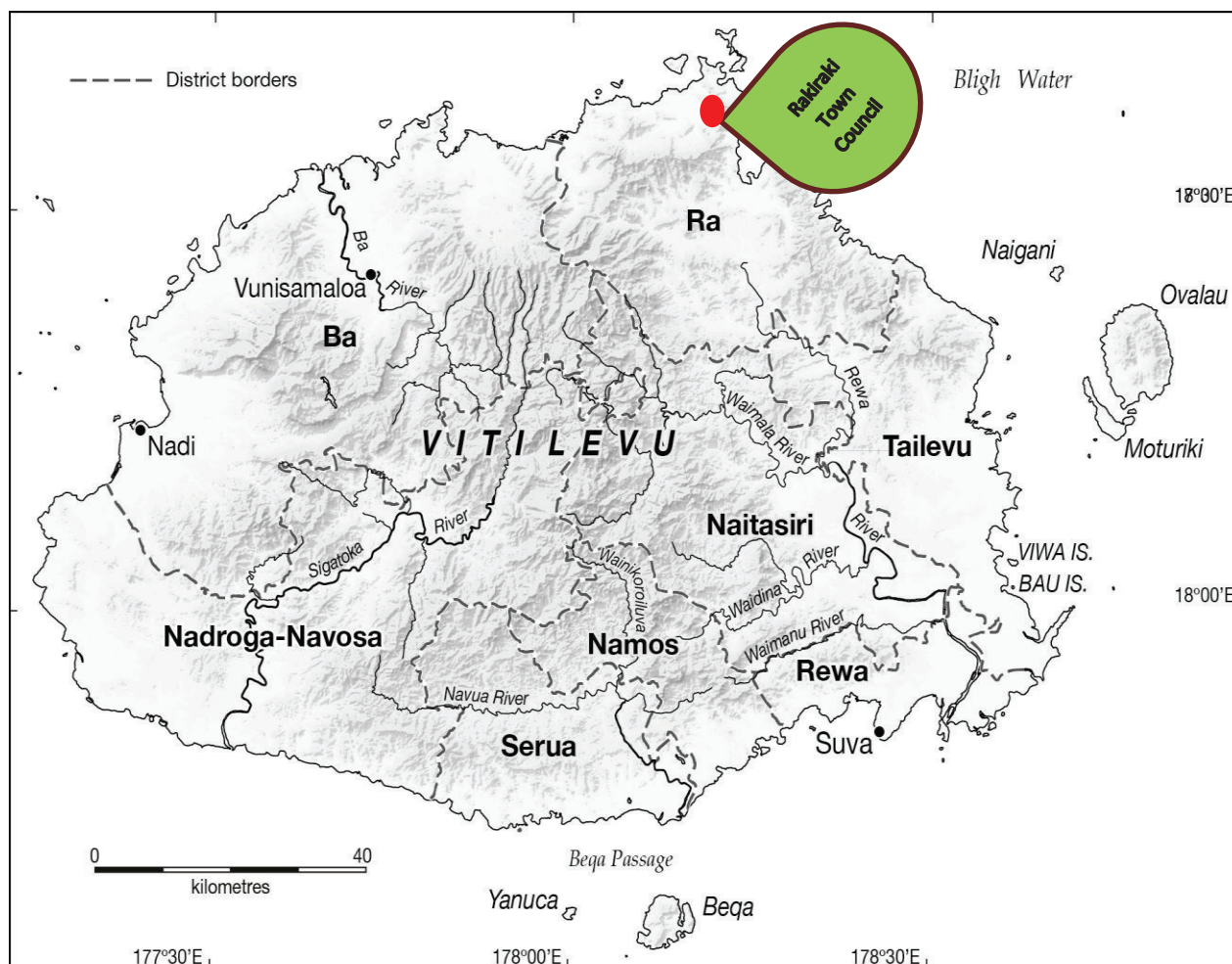


185 of 2024
PARLIAMENT OF FIJI

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Where is the Rakiraki Town Council?



Our Office:

Main Office:

Vaileka House

Ground Flr

Korotale Rd

Main street, Rakiraki Town

WELCOME AND INTRODUCTION TO RAKIRAKI TOWN COUNCIL'S ANNUAL REPORT FOR AUGUST 2020 – JULY 2021

Welcome to Rakiraki Town Council Annual Report. Council is committed to transparent reporting and accountability to the community.

This Annual Report provides the Rakiraki Town Council with information about Council's operations and performance during the financial year, and meets all obligations under (Section 19 – Local Government Act Cap 125)

VISION

The Rakiraki Town is a well-planned, healthy, safe and secure community with a strong community identity and sense of place. It is a full service, economically sustaining town where people can affordably live, work, shop and recreate.

It has an integrated open space, rivers, mountains and parks system that provide opportunities for residents to enjoy the natural resources of the community as well as quality, up to date infrastructure and facilities. The architecture and streetscape design provide for a small town, pedestrian oriented ambience. Neighborhood centers provide parks, shopping and community gathering opportunities in an appropriate mix and scale that promotes a feeling of community and connectedness.

Rakiraki has an active, educated and involved citizenry who provide invaluable resources to the town through their spirit of volunteerism and civic participation.

MISSION

The town of Rakiraki mission is to create and sustain our community vitality and quality of life by:

- i. Planning well for our Town's future while preserving the traditions of our past;
- ii. Instilling a sense of belonging and connection within our community
- iii. Safeguarding our community;
- iv. Providing adequate and quality community facilities and services and programs;
- v. Ensuring the economic health and fiscal stability of the Town;
- vi. Balancing economic development with the social values, traditions and needs of the community;
- vii. Developing positive relations with our citizens, businesses and partners and promoting community involvement;

Providing opportunities for citizens to enjoy and participate in educational, cultural and artistic VALUES

OUR VALUES

Continuous improvement

- We encourage and support innovation and creativity
- We commit to driving continuous improvement
- We constantly review what we do
- We embrace and respond to change as it occurs
- We strive to deliver the best possible outcomes

Recognition

- We recognize and encourage the contributions of others
- We actively support and promote our colleagues
- We acknowledge and reward employees exceeding performance expectations
- We celebrate success

Accountability

- We work in an open and transparent manner and follow through on commitments
- We take responsibility for our personal decisions and actions
- We adhere to policies and procedures
- We make the best use of our time and resources
- We all take responsibility for the way we treat each other

Fairness

- We show respect when speaking to and about others
- We build trusting and productive relationships
- We deal with others fairly and consistently
- We actively listen and respond appropriately
- We respect all people and celebrate our diversity

Teamwork

- We help each other to achieve organizational goals
- We involve team members in solving problems and decision-making
- We encourage everyone's contribution to the team
- We communicate clearly, openly and respectfully
- We provide positive, constructive and timely feedback

Role and Responsibilities of the Council

The council is responsible for the formulation and implementation of town Bylaws and planning policies. To achieve this, the Council defines the core business and responsibilities for 2019 as follows:

- a) Corporate services
 - i. Implementation of policy decisions for the overall administration of the council's budgeting, planning, Financial and accounting control and managing human resources.
- b) Local Government
 - i. Implementation and evaluation of the performance of council and stakeholders for good governance of economic activities. Acts and regulations implementation.
- c) Commercial Vehicles
 - i. Provision of stands for public transportation and access of the public.
- d) Market Operation
 - i. Administer the provision of market services with specific emphasis on quality of products and regularized standards and infrastructure.
- e) Women Vendors Overnight Accommodation
 - i. Manage, coordinate and monitor the economic empowerment of women in line with the UN Women Partner Improving Market project and UNDP PC Millennium Market objectives.
- f) Investment
 - i. Partner with investment Fiji for profile marketing of Rakiraki to Local and overseas investors.
- g) Commercialization
 - i. Public Private Partnership/sole operations for additional revenue generations.

SPECIAL ADMINISTRATORS MESSAGE

Rakiraki Town Council had a very challenging year with Tropical Cyclone Ana and Tropical Cyclone Yasa strike Fiji causing major floodings in Rakiraki. In the same year, the Corona virus outbreak worldwide subjected people to isolation, loss of jobs and financial difficulties. Rakiraki Town was not spared as there were similar cases noted. However, with stringent measures, the Rakiraki Town Council avoided laying off any of its workers. In addition, the Council received Government grants to sustain its operations.

I am impressed with the performance of the Council and would like to take this opportunity to acknowledge and appreciate the effort of the executives, staff and workers.

Luke Mataiciwa
Chair – Special Administrator
Rakiraki and Tavua Town Councils.

INTRODUCTION

1.0 HISTORY

Rakiraki town boasts a number of historic sites and buildings. It has the first sugar mill in Fiji, the first Hindu Temple when the Fijians of Indian descent first settled in Fiji. It has the first primary school Established in western division; it has burial ground of the last cannibal “Udreudre”



1.1 ESTABLISHMENT

The Town of Rakiraki was legally declared on Thursday July 1 2010. The Public Service Commission approved the use of an office space in the government rented complex at Vaileka House where official operations commenced on Monday 6th July 2010.

1.2 POPULATION

It has about 6952 residents were recorded from 2000 Census .Rakiraki is an ideal town where people from various ethnic backgrounds have settled and have lived harmoniously and have prospered with their hard work and dedication. Total of 9 schools, 3 secondary schools & 6 primary schools.

1.3 WEATHER

Rakiraki is renowned for its fantastic weather with beautiful sunny days and clear blue skies all the year round. The two seasons annually May to September is cool and dry and October to April the hot and wet. Humidity is usually low even though the temperature is high. The average warm temperature is 30^oc.

1.4 LOCATION

Rakiraki Town is situated in the western side of Viti Levu, the largest island of Fiji. The town is surrounded by mountains of the Nakauvadra Ranges which provides the natural forests, rivers and streams with rich flora and fauna. A breathe of fresh air every time you walk out into the open surroundings.

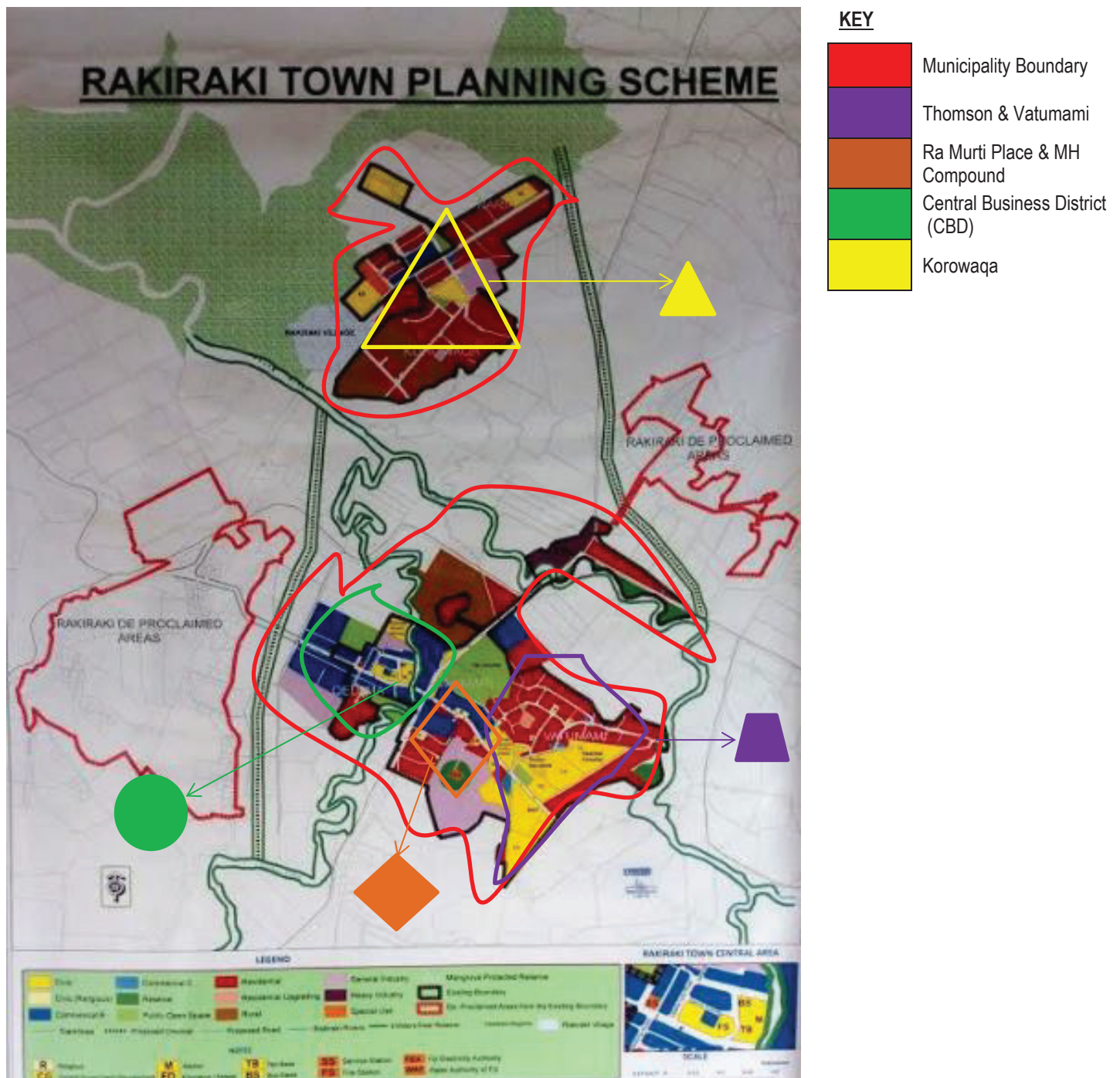
Rakiraki town is surrounded by preserved acreage of open space, mountains and rivers which provides recreational opportunities as well as contributes to high quality of life for residents. The mountain ranges and rivers and streams provide opportunities for walking trails, forest tracking and hiking.

Rakiraki town is within reasonable commuting distances to other major towns and cities in Fiji.

The Rakiraki Town Council Area is divided into five electoral wards:

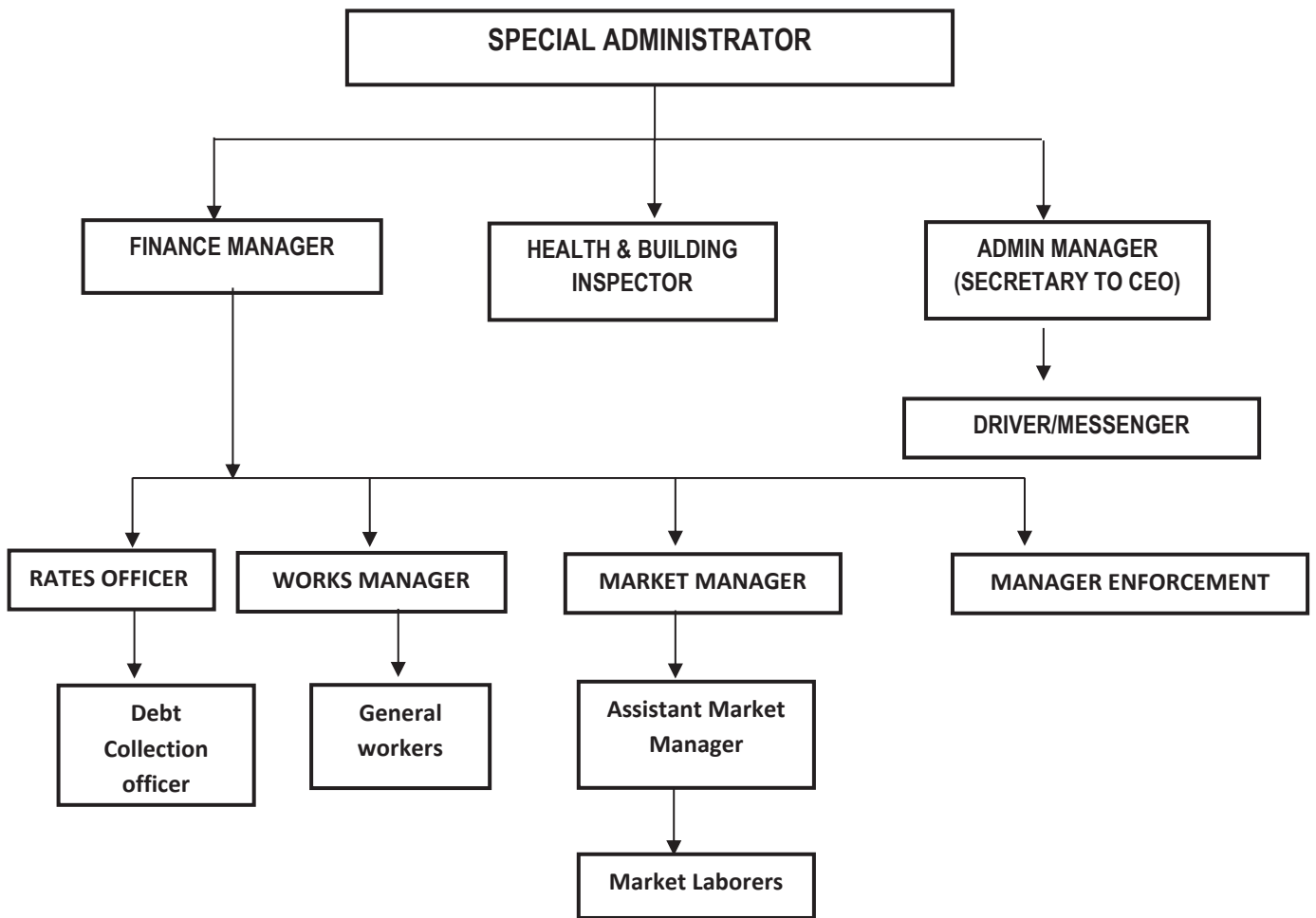
1. Thomson & Vatumami
2. Ra Murti Place & MH Compound
3. Central Business District (CBD)
4. Korowaqa

Rakiraki Town Council is committed to the principles of access and equity. We are continually working towards improving equal access to our services and facilities to all who live in, work in and visit the area.



RAKIRAKI TOWN COUNCIL - ORGANISATION STRUCTURE

AUGUST 2020- JULY 2021



HIGHLIGHTS FOR AUGUST 2020 – JULY 2021

STATE OF DISASTER

The impact of Tropical Cyclone Ana & Tropical Cyclone Yasa that hit Fiji and were heavily felt respectively by our neighboring municipalities.

Lower parts of Rakiraki was flooded especially those residing Central Business District. Part of Naqallau flat was submerged whilst the spillover of drains and channels causing the flooding of roads within part of CBD area.

During TC Sarai, The NFA offered assistance in terms of cleaning the main CBD area.



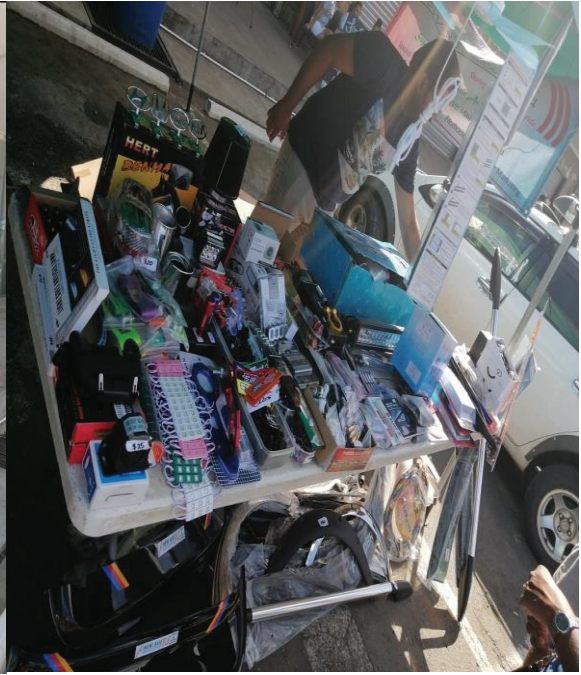
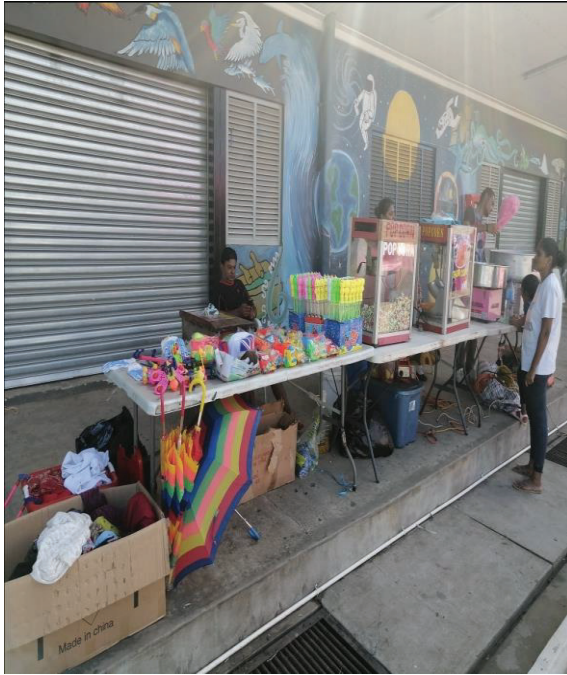
VODAFONE RAKIRAKI CARNIVAL –2021

There was no Carnival held in Rakiraki in 2021 following the impact of Covid-19 and the restrictions that are still in place.

TOWN BEAUTIFICATION



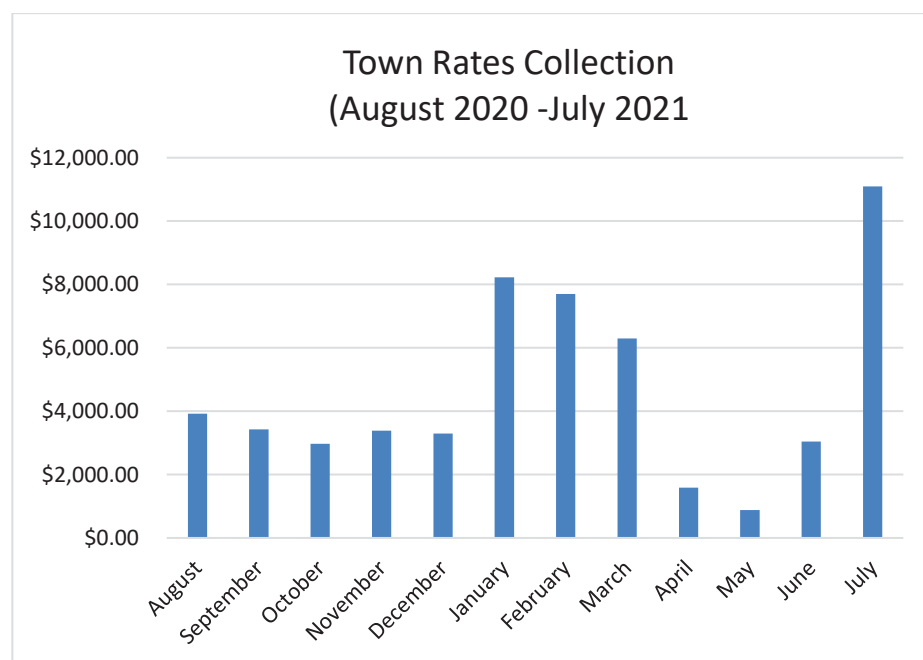
FLEA MARKET



ADMINISTRATION & FINANCE

TOWN RATES

Month	Amount Collected (\$)
August	\$3924.70
September	\$3421.05
October	\$2969.96
November	\$3,383.76
December	\$3293.65
January	\$8228.56
February	\$7,702.91
March	\$6292.33
April	\$1,588.39
May	\$877.34
June	\$3045.00
July	\$11,089.18
Total	\$ 58,420.16



5.1 Garbage Fees

The Council levied garbage fees of \$25.05 per bin per annum; this is the rate that was being levied by the Rural Local Authority when operations were transferred to the Council of 28th September 2010.

Area	Total Fees Collected
Municipal Boundary	\$ 10,479.50
Outside the Municipal Boundary(Including Hotels & resorts)	\$ 8,543.65
Total Garbage collection	\$ 19,023.15

5.2 Business License Fees

The Business License survey team recorded Four Hundred & twelve (412) businesses in town boundary as at 31st July 2021.

Breakdown of Business Nature

BUSINESS CATEGORIES	NO
BUSINESS HOUSES	205
MICRO SMALL BUSINESS CATGEORIES(FOOD OPERATORS MARKET COMPLEX	9
JUICE STALL HOLDERS	9
MOBILE BUSINESS HAWKERS	13
WHEEL BARROW OPERATORS	12
TAXI OPERATORS	78
CARRIER OPERATORS	41
MINI BUS	8
LC BASE-Point B Route	34
RURAL BOUNDARIES -	3
	412

5.3 Commercial Vehicle Base Fees

Rakiraki consist of 5 modes of commercial base services which are as highlighted.

NO	COMMERCIAL BASES CATEGORIES	NO
1	TAXI BASES	78
2	CARRIER BASE	41
3	MINI BUS	8
4	LC CARRIER BASE –HIRE	40
5	RURAL BOUNDARIES	3
	TOTAL BASE AS AT AUGUST 2022	170

Municipal Market Fees

Market Fees have not been reviewed since the operation were transferred from the Ra Rural Local Authority on the 28th September 2010. Current fees are still maintained. 2021 Market Fees is subsidized by Government Grant.

Name of section	How many vendors	How many male	How many women
Handicraft	6	0	6
Fish	3	2	1
Grocery	16	7	9
Raw Kava	15	11	4
Mixed Kava	8	6	2
Fruits & Vegetables	126	32	94
Cooked food	5	0	5
Juice	8	5	3
Sweet cart	6	6	-
TOTAL	193	69	124

: -

RECURRENT REVENUES & EXPENDITURES

The total recurrent revenue and expenditure of the council for the year ending July 31, 2021 were as follows

Acct No	Revenue	Actual Collection for the Year to date
1	Rates - General	\$ 58,420.22
2	Rates- Special	\$ -
3	Market	\$ 90,976.50
4	Toilet Fees	\$ 23,512.00
5	Properties Rental	\$ 14,983.55
6	Commercial Stands	\$ 36,244.20
7	Business License	\$ 30,603.02
8	Permit Fees	\$ 9,200.49
9	Prosecution and Booking	\$ 540.00
10	Solid Waste Management	\$ 33,396.78
11	Hire of Boardroom	\$ 316.00
12	Car Park	\$ 21,668.60
13	General	\$ 171,774.86
	Total Revenue	\$ 491,636.22
		Actual Expenditure to date (YTD)
15	Wages and Salaries including FNPF, LICI, PAYE, FNU Levy, Uniform etc	\$ 245,498.32
16	Grass Cutting/Drain Cleaning and Sweeping	\$ 8,446.70
17	Solid Waste Management	\$ 400.00
18	Town Rates Expenses	\$ 140.00
19	SA's & CEO's Claim	\$ 18,966.56
20	FEA & Water Bill	\$ 26,343.41
21	Telecom & Vodafone	\$ 5,935.24
22	Office Expense	\$ 79,763.48
23	FRCA (FBT & VAT)	\$ -
24	Fuel (Garbage Truck & Council Vehicle)	\$ 2,357.34
25	Market Expense	\$ 5,420.00
26	Vehicle Servicing	\$ 1,708.00
27	Toilet Expense	\$ 11,153.00
28	Training & Meeting	\$ 1,605.24
29	General	\$ 18,361.52
	Total Expenditure	\$ 426,098.81
30	Net	\$ 65,537.41
31	Loan Repayments	\$ -
	Net after Loan	\$ -

PUBLIC HEALTH & ENVIRONMENT

1.1 Licenses /Registration of Premises

Types of Business	No. of Licenses
Hotels/Guest Houses	2
Restaurant	15
Refreshment Bars	3
Supermarket	5
Retail Shop	11
Retail Shop/Supermarket with Liquor License	3
Bake House	3
Butcher Shop	3
Hairdresser/Barbershop/Chiropodists	14
Billiard Tables/Amusement Centre	4billiard/1 amusement center
Night Club	1
Hawkers	4
Juice Operators	5
Fish Retail	4
Food Processing	1
Total	79

HAWKERS:

Types of Business	No. of License
Mobile Food Hawkers	4
Food Container/Takeaway	8
Sweet Cart	6
Juice Operators	8
Total	26

SUMMARY OF INSPECTION

Type of Inspection		Nos. Existing	Total Inspection	Total Re-Inspection	Total
1.	House to House Inspection of district	8	2	2	10
2.	Investigation of Complaint nuisance, food etc.	9	32	32	41
3.	Hotels, Guest Houses or Private Hotels	2	0	0	2
4.	Hairdresser	14	0	0	14
5.	Restaurant, Refreshment Bars, Takeaway	26	26	26	26
6.	Food Shops, Food Stores, Supermarket	16	16	16	16
7.	Bake House	3	2	2	3
8.	Butcher Shop	3	3	3	3
9.	Food Kitchen	23	15	15	23
10.	Food Vehicle & Cart & Food Stall	16	6	6	16
11.	Food Processing Factories	1	-	-	1
12.	Bulk Stores	4	4	4	4
13.	Hawkers for License	4	-	-	4
14.	Schools & Kindergartens	7	-	-	7
15.	Dance Halls & Night Club	1	-	-	1
16.	Billiard Rooms	4	-	-	4
17.	Public Conveniences	2	-	-	2
18.	Street Drain	-	-	-	-
19.	Total	143	106	106	177

SUMMARY OF SANITARY IMPROVEMENTS, ETC.

Improvement Works		Ordered	Completed	Total
1.	Repairs, cleansing or improvement to drains	1	Completed	3
2.	Repairs, cleansing of bathroom/washing place			
3.	Repairs to rubble drain and soakage pit	8	4	8
5.	Removal of accumulation of refuse/litter others	2	Completed	
6.	Clearing of overgrowth of weeds and long grass	4	Completed	
7.	Abatement of mosquito breeding	6	Completed	
8.	Abatement of nuisance from poultry	2	Completed	
9.	Repairs ,cleansing or improvements to restaurant or refreshment Bar	10	Completed	18
10.	Repairs and cleaning or improvements to food stores, supermarkets and market	13	Completed	29
11	repairs, cleansing or improvements to bake house	3	Completed	3
12	Repairs and Cleansing of Food Kitchen	10	Completed	23
13	Cleansing or improvement to school and kind..	-	-	
14.	Public Conveniences- cleansing/Repairs	2	-	
16.	Total	64	4	84

WRITTEN NOTICES ETC.ISSUED

Number of intimation notices issued	9
Number of poultry and animal notices issued	1
Number of notices in letter forms issued	2
Number of Litter Notices Issued	1
Number of Summons Served	-

WASTE DISPOSAL AND MUNICIPAL GARBAGE DUMP

Solid Waste Management awareness programs to Schools

Awareness on Solid Waste Management was conducted in two Primary Schools by the Health Department. The awareness was to facilitate the School on the practices which needs to be implemented in order to manage our waste and since the Council is providing Services for collection to extended rural areas including Schools, Timetables for the scheduled date of collection was also been highlighted and handouts were issued to the respective Head Teachers.



Extended Boundary Collection



Clean Up Campaign

Clean up campaign were usually conducted in public holiday. Notices were given to business operators, ratepayers, residential, commercial and industrial building about the particulars of the cleanup. The council cleanup is schedule to be held around Diwali. Other small cleanup is usually conducted upon request by ratepayers or any sponsorship organization such as the Rotary Club International. Clean up is conducted both inside and outside town boundaries.

Other Control Measures

Routine house- to- house visit were carried by the health inspector to check potential breeding places of mosquitoes. The residents were advised on source reduction of mosquito by removing and destruction of all potential breeding sites. Door to door awareness were also carried on dengue. Intimation notices were also served to residents to clear overgrown grass and remove potential breeding site.

FOOD SAFETY WORKS

Routine food surveillance and food safety inspections of food premises were conducted, investigating food complaint, restaurant grading, and food recall and conducting awareness. All health inspection of all food establishments were carried out by the council environmental officer with the assistance from the health officer. Copies of referral letter for inspection were sent to the health office for issuing of invoice, 25th and 26th schedule for the processing of health license.



PARK

There is only one (1) Park maintained by the Council name as Korowaqa Children's Park. This project was initially funded by the Ministry of Social Welfare.

Planting of trees and flowers was also undertaken in the commercial and industrial areas as part of an ongoing beautification of the town and keep up with the image of Rakiraki being a "GREEN TOWN"



BUILDING WORKS

SUMMARY OF BUILDING APPLICATIONS RECEIVED

	Nos.	Amount (\$)
Commercial Buildings	3	\$489,350.00
Industrial Buildings	-	-
Residential Buildings	10	\$675,325.00
Alterations & Repair	-	-
Miscellaneous: retaining walls, fence, sewer connections, etc		
TOTAL	13	\$1,164,675.00

August 2020– July 2021 Capital Projects

1. Name of the project;

- Rakiraki Market 1st Floor Mezzanine Upgrade

2. Progress of the project;

- Full Upgrade Plan
- Quantity Survey Report
- Scope of Work

3. Timelines for completion;

- Approx. 6 months

4. Funding - how will the Councils fund the project;

- Loan from local financial institution \$300,000. Please refer to #6 for justification

5. Challenges faced by the Councils;

- C19 Restrictions. Could not visit or inspect similar structural setup in Suva such as MHCC, Suva Central, FNPF Boulevard etc.

6. Other relevant information.

- 6 Office/Retail shop, 12 SMEs/Kiosk, 2 Restaurants, 1 Coffee Shop, 1 Conference Room and Toilet Male/Female

HUMAN RESORCE & INDUSTRIAL RELATION

Total workforce by gender as of 31st July 2021:

A breakdown of our direct employees is:

- 22 permanents (3 females & 18 males)
- 5 temporary project workers (1 female & 4 male)

RETIREMENT

Staff -None

RESIGNATION

Staff - None

TERMINATED

Staff - None

APRRECIATION

The council wishes to convey its appreciation and gratitude to the ratepayers for paying their rates and other dues to meet the running cost of the city administration.

The council also wishes to acknowledge the dedicated and loyal services rendered by its staff and employees.

MR.LUKE MATAICIWA
CHAIRMAN -SPECIAL ADMINISTRATOR

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



Level 1, Modyl Plaza
Karsanji St. Vatuwaqa
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File: 910/1

20 December 2022

Mr. Luke Mataciwa
Chairman Special Administrators
Rakiraki Town Council
Vaileka House, Office 1
RAKIRAKI

Dear Mr. Mataciwa

RAKIRAKI TOWN COUNCIL

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

The audited financial statements for Rakiraki Town Council for the year ended 31 July 2021 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: Mr. Salosi Sawana, Chief Executive Officer, Rakiraki Town Council.

Encl.

**RAKIRAKI TOWN COUNCIL
FINANCIAL STATEMENTS
31 JULY 2021**

RAKIRAKI TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

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RAKIRAKI TOWN COUNCIL
COUNCIL DIRECTORY
FOR THE YEAR ENDED 31 JULY 2021

Nature of operations:	Town Council
Accountants:	Parkers Chartered Accountants Pte Limited Suva
Location:	Main Street Rakiraki Fiji Island
Bankers:	Bank of Baroda Rakiraki
Executive Members:	Special Administrator - Luke Mataiciwa (chair) Special Administrator - Praveena Devi Lal Chief Executive Officer - Sailosi Sawana Secretary - Salesia Buka Treasurer - Deepika Darshni Goundar

**RAKIRAKI TOWN COUNCIL
EXECUTIVE MEMBERS REPORT
FOR THE YEAR ENDED 31 JULY 2021**

The Executive Members have pleasure in presenting their report together with the financial statements of the Rakiraki Town Council for the year ended 31 July 2021 and the Auditor's Report thereon.

Operating Results :-

	2021
	(\$)
The results of the year are summarized as below :-	
Operating profit of the Council for the year ended 31 July 2021 was	(174)
Retained earnings at the beginning of the year were	<u>6,465,655</u>
Accumulated profit at the end of the year	<u>6,465,481</u>

RESERVES

It is not proposed to make any transfer to reserves.

The state of the Council as at 31 July 2021 was :-

Total Assets	6,812,209
and were financed by :-	
Liabilities of	186,728
and Councils surplus of	<u>6,465,481</u>
	<u>6,652,209</u>

Executive Members

The Executive Members in office at the date of this report are:-

Special Administrator - Luke Mataiciwa (chair)
Special Administrator - Praveena Devi Lal
Chief Executive Officer - Sailosi Sawana
Secretary - Salesia Buka
Treasurer - Deepika Darshni Goundar

PRINCIPAL ACTIVITIES

The principal activities of the Rakiraki Town Council during the year were to protect the welfare of the Rakiraki Town and its inhabitants.

BAD AND DOUBTFUL DEBTS

Prior to the completion of the Council's accounts, the Executive Members took reasonable steps to ascertain that action has been taken in relation to writing off bad debts and the making of provision for doubtful debts. In the opinion of the Executive Members, adequate provision has been made for doubtful debts.

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

CURRENT ASSETS

Prior to the completion of the financial statements of the Council, the Executive Members took reasonable steps to ascertain whether any current assets were likely to realize in the ordinary course of the business their values as shown in the accounting records of the Council. Where necessary these assets have been written down or adequate provision has been made to bring the value of such assets to an amount they are expected to realize.

As at the date of this report the Executive Members are not aware of any circumstances which would render the values attributed to the current assets in the Council's financial statements misleading.

UNUSUAL TRANSACTION

In the opinion of the Executive Members, the results of the operation during the financial year were not substantially affected by any item, transaction or event of an abnormal character, nor has there arisen between the end of the financial year and the date of this report any item, transaction or an event of an abnormal character likely in the opinion of the Executive Members to affect substantially the results of the operations of the Council in the current financial year.

SIGNIFICANT EVENTS DURING THE YEAR

- COVID 19 Outbreak

The World Health Organization (WHO) proclaimed the Coronavirus (COVID 19) A "Public Health Emergency of International Concern" shortly after the year ended. While the national Government and surrounding trading countries have taken steps to prevent the virus from spreading, the virus is unlikely to have a significant influence on the amounts and estimations reported or used in the preparation of financial statements.

However, the impact of the pandemic on our primary revenue sources such as general rates, market fees and rental income is likely to be significant in the financial year 2021 and beyond. The Council's operations and financial flow will be impacted as a result.

- Waiver of Business Licenses

Fiji's business license regime was repealed on August 1, 2020 as announced in the 2020/2021 National Budget and fees was no longer be collected by the Council.

- Natural Disasters - Tropical cyclone Ana and Yasa

Apart from the COVID-19 pandemic, the Council experienced two (2) major cyclones named TC Ana and TC Yasa in 2020 and 2021 which was an unexpected year for the Council. These cyclones wreaked havoc on homes, communication networks and fallen trees resulting in road closures and property losses. The considerable damage caused by the heavy and continuous rains rendered it difficult to restore. In terms of restoration costs, the Council's resources were stretched to their limits.

There were no other significant events which lead to changes in the affairs of the Council during the financial year.

SUBSEQUENT EVENTS

Base Fees and Market Fees

As announced in the 2021/2022 National budget, effective from 01 August 2021 to 31 July 2022, Government will pay the market fees and base fees for taxis, minibuses, carriers, and bus operators.

Other than the above mentioned event, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the council, the results of those operations, or the state of affairs of the council in future financial years.

RELATED PARTY TRANSACTION

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

GOING CONCERN

There has been no matter of event arising that has affected the council's ability to operate or such that it would not be able to meet its obligations in the ordinary course of business. Therefore, financial statements have been prepared under the going concern basis of accounting.

RAKIRAKI TOWN COUNCIL
EXECUTIVE MEMBERS REPORT (Continued)
FOR THE YEAR ENDED 31 JULY 2021

OTHER CIRCUMSTANCES

As at the date of this report:

- (i) 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;
- (ii) No contingent liabilities have arisen since the end of the financial year for which the Council could become liable; and
- (iii) No contingent liabilities or other liabilities of any Council has become or is likely to become enforceable within the period of twelve months after the end of the financial year which in the opinion of the Executive Members will or may substantially affect the ability of the Council to meet its obligation as and when they fall due.


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

Dated at Rakiraki this 16th day of December 2022

Signed for and on behalf of the Board in accordance with a resolution of the Executive Members.


Special Administrator


Chief Executive Officer


Treasurer

RAKIRAKI TOWN COUNCIL
STATEMENT BY EXECUTIVE MEMBERS
FOR THE YEAR ENDED 31 JULY 2021


In accordance with a resolution of the Executive Members of Rakiraki Town Council we state that in the opinion of the Executive Members :-

- (a) The accompanying Statement of Profit or Loss and Other Comprehensive Income is drawn up so as to give a true and fair view of the results of the Council for the year ended 31 July 2021;
- (b) The accompanying Statement of Changes in Equity for the year ended 31 July 2021 is drawn up so as to give a true and fair view of the movement in Council funds;
- (c) The accompanying Statement of Financial Position is drawn up so as to give a true and fair view of the state of affairs of the Council as at 31 July 2021;
- (d) The accompanying Statement of Cash Flows is drawn up so as to give a true and fair view of the cash flows of the Council for the year ended 31 July 2021;
- (e) At the date of this statement there are reasonable grounds to believe that the Council will be able to pay its debts as and when they fall due;
- (f) All related party transactions have been adequately recorded in the books of the Council; and
- (g) The financial statements have been prepared in accordance with Applicable Accounting Standards and the Local Government Act.

Signed for and on behalf of the Board and in accordance with a resolution of the Executive Members.


Special Administrator


Chief Executive Officer


Treasurer

Dated at Rakiraki this 16th day of December 2022

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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P. O. Box 2214, Government Buildings
Suva, Fiji



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Website: www.oag.gov.fj



INDEPENDENT AUDITOR'S REPORT

Rakiraki Town Council

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Rakiraki Town Council ("the Council"), which comprises the Statement of Financial Position as at 31 July 2021, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraphs, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at 31 July 2021, 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. Included in the Trade and Other Receivables balance of \$104,768 (Note 9) is town rates receivable amounting to \$91,801, of which \$68,678 or 75% of total rates are over 90 days old. The Council has not made provision for impairment of rates receivable. Consequently, I am unable to ascertain if the rates receivable balance of \$91,801 is fairly stated as at 31 July 2021.
2. Included in the office building and equipment balance of \$6,452,263 (Note 10) is the cost of the new Rakiraki Municipal Market totaling \$6,100,818. The market has been operating since June 2020. The Council has not booked depreciation for the new market as the rate for depreciation is yet to be determined. As a result, I was unable to determine whether any adjustments might have been necessary in respect of the written down value of the new Rakiraki Municipal Market at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Profit or Loss and Other Comprehensive Income and statement of financial position.

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.

Other information

The Management of the Council 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 International Financial Reporting Standard for Small and Medium-sized Entities (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.

Auditor's Responsibilities for the Audit of the Financial Statements (con't)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 of the Council 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
20 December 2022

RAKIRAKI TOWN COUNCIL
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2021

		12 months ended 31 July 2021 (\$)	7 months ended 31 July 2020 (\$)
	Notes		
Revenue	4	659,718	1,105,527
Total Income		659,718	1,105,527
Administrative expenses	5	437,705	309,206
Marketing expenses	6	9,414	2,440
Other operating expenses		36,992	29,199
Depreciation		15,433	19,514
Total Expenditure		499,544	360,359
Net surplus for the year		160,174	745,168
Finance cost		348	183
Net surplus for the year		159,826	744,985

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements as set out on pages 14 to 20.

RAKIRAKI TOWN COUNCIL
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2021

		Accumulated Fund	Total
	Note	(\$)	(\$)
Balance at the beginning of the year		5,796,705	5,796,705
Net surplus for the year 2020		744,985	744,985
Prior year adjustment	14	(76,035)	(76,035)
Balance as at 31 July 2020 (Re-stated)		<u>6,465,655</u>	<u>6,465,655</u>
Net surplus for the year 2021		<u>159,826</u>	<u>159,826</u>
Balance as at 31 July 2021		<u>6,625,481</u>	<u>6,625,481</u>

The Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements as set out on pages 14 to 20.

RAKIRAKI TOWN COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2021

		12 months ended 31 July 2021 (\$)	Restated 7 months ended 31 July 2020 (\$)
	Notes		
Current Assets			
Cash and cash equivalents	7	250,720	122,636
Trade and other receivables	9	104,768	119,687
Total current assets		355,488	242,323
Non Current Assets			
Intangible asset	8	2,467	3,701
Property, plant and equipment	10	6,454,254	6,407,526
Total non-current assets		6,456,721	6,411,227
TOTAL ASSETS		6,812,209	6,653,550
Current Liabilities			
Trade and other payables	11	178,831	187,895
Provision for annual leave		7,897	-
Total current liabilities		186,728	187,895
TOTAL LIABILITIES		186,728	187,895
NET ASSETS		6,625,481	6,465,655
Accumulated Fund			
Accumulated funds		6,625,481	6,465,655
TOTAL COUNCIL'S FUND		6,625,481	6,465,655

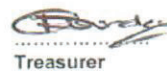
In our opinion the financial statements have been properly drawn up so as to show a true and fair view of the Rakiraki Town Council's operations for the year ended 31 July 2021 and the state of affairs as at that date.


Special Administrator

Date: 16/12/22


Chief Executive Officer

Date: 16/12/22


Treasurer

Date: 16/12/22

The Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements as set out on pages 14 to 20.

RAKIRAKI TOWN COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2021

		12 months ended 31 July 2021 (\$)	7 months ended 31 July 2020 (\$)
	Notes		
Cash flows from operating activities			
Receipts from customers		674,637	1,102,983
Payments to suppliers and employees		(484,392)	(343,930)
Net cash provided by operating activities	12(ii)	<u>190,245</u>	<u>759,053</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(62,161)	(748,544)
Net cash used by investing activities		<u>(62,161)</u>	<u>(748,544)</u>
Net increase in cash and cash equivalents		128,084	10,509
Cash and cash equivalents at the beginning of the year		<u>122,636</u>	<u>112,127</u>
Cash and cash equivalents at the end of the year	12(i)	<u>250,720</u>	<u>122,636</u>

The Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements as set out on pages 14 to 20.

RAKIRAKI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

NOTE 1. GENERAL INFORMATION

Rakiraki Town Council ("the Council") was established under the Local Government Act. The address of its registered office and principal place is Main Street, Rakiraki Town. The principal activity of the Council are to provide for health, welfare and convenience of the Rakiraki town municipality and to preserve the amenities or credit thereof. The financial statements of the Council for the year ended 31 July 2021 were authorized for issue in accordance with a resolution of the Special Administrator and Management on 16 December 2021.

NOTE 2. BASIS OF PRESENTATION

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities issued by the International Accounting Standards Board (IASB). They are presented in Fiji dollars and have been rounded off to the nearest dollar.

NOTE 3. 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) 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.

b) Trade 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 amortized cost using the effective interest rate method. At the end of each reporting period, 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 recognized immediately in profit and loss.

c) Employee Benefits

Liabilities for wages and salaries expected to be settled within 12 months of the reporting date are accrued up to the reporting date.

The liability for annual leave is recognized in the provision for employee benefits. Liabilities for annual leave are expected to be settled within 12 months of the reporting date and are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Contributions to Fiji National Provident Fund are expensed when incurred.

d) 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:

	Rates
Office building and equipment	1.25% - 24%
Plant and machinery	7% - 24%
Motor vehicle	20%
Work in progress	Nil

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

RAKIRAKI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 JULY 2021

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Trade Payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in the foreign currency are translated into Fiji dollar using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

f) Revenue Recognition

Government grants

The Council recognizes a conditional government grant in profit or loss as other income when the grant becomes receivable. Other government grants are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Council will comply with the conditions associated with the grant; they are recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Council for expenses incurred are recognized in profit or loss on a systematic basis in the years in which the expenses are recognized.

Revenue comprises the fair value of the consideration received or receivable for the services provided in the ordinary course of the Council's activities. Revenue is shown net of value added tax, returns, rebates and discounts.

g) Borrowing Costs

Borrowing costs directly attribute to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the respective assets. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

h) Income Tax

Under section 20(1) of the Income Tax, the Council is exempt from tax on its income.

i) Value Added Tax (VAT)

Revenue, expenses and assets are recognized net of the amount of respective vat except:-

- 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 recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables are stated with the amount of value added tax included and payables are stated with the amount of value added tax included.

The net amount of valued added tax recoverable or payable to the tax authority is included as part of the receivables or payables in the statement of financial position.

j) Comparatives

The comparative figures are for the year ended 31 July 2020 and have been regrouped where considered necessary. Prior year adjustment for difference in VAT assessment which has been carried forward from previous years has been adjusted in the year 2020.

k) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. Following initial recognition, intangible, assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit and loss in the year in which the expenditure is incurred.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Intangible Assets (cont'd)

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortized period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in the accounting estimates. The amortization expenses on intangible assets with finite lives is recognized in the income statement as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable, if not, the change in useful life from indefinite to finite is made on a prospective basis.

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

The following annual rates are used for the amortization of intangible asset:

	Rates
Software Installation	24%

l) Deferred Income

Government and other grants are recognized 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 recognized 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 recognized as deferred income and released to income in equal amounts over the expected useful life of the related assets.

m) Impairment of Property, Plant and Equipment

The Council assesses whether there are any indicators of impairment of all property, plant and equipment and investment property at each reporting date. Property, plant and equipment and investment property are tested for impairment and when there are indicators that the carrying amount may not be recoverable, a reasonable provision for impairment is created. The director's and management's assessment of recoverable amount involves making a judgment, at the particular point in time, about inherent uncertain future outcomes of events or conditions. Accordingly, subsequent events may result in outcomes that are significantly different from assessment.

For the year ended 31 July 2021, no provision for impairment has been made as the Council reasonably believes that no indicators for impairment exist.

	12 months ended 31 July 2021 (\$)	7 months ended 31 July 2020 (\$)
NOTE 4. REVENUE		
Business, trading and other licenses	8,515	46,980
General rates	47,209	77,165
Grant income	409,083	879,526
Other fees, charges and rent	186,242	92,178
Other revenue	8,669	9,678
	659,718	1,105,527

RAKIRAKI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 JULY 2021

	12 months ended 31 July 2021 (\$)	7 months ended 31 July 2020 (\$)
NOTE 5. ADMINISTRATIVE EXPENSES		
Accounting and audit fees	11,477	4,740
Amortization of intangible asset	1,234	720
CEO's salary	23,523	-
Special administrator allowances	12,773	29,000
Equipment hire expenses	10,458	1,468
Infrastructure upgrade	29,238	2,484
Printing, postage and stationary	14,546	3,013
Office expenses	6,887	1,947
OHS compliance	-	505
Motor vehicle expenses	23,864	11,517
Repair and maintenance	13,975	6,289
Security hire expenses	-	10,150
Superannuation	22,560	13,821
Sub-contractor fees for drainage upgrade	7,156	73,853
Salary and wages	226,893	124,209
Telephone	6,733	5,639
Travelling expenses	524	574
Utilities	25,864	19,277
	<u>437,705</u>	<u>309,206</u>
NOTE 6. MARKETING EXPENSES		
Advertising and marketing expense	<u>9,414</u>	<u>2,440</u>
NOTE 7. CASH AND CASH EQUIVALENTS		
Petty cash	159	60
Undeposited Cash	5,606	2,200
Cash at bank - BOB rural account	21,626	26,192
Cash at bank - BOB market account	143,606	30,222
Cash at bank - BOB operational account	79,397	55,249
Cash at bank -BOB capital account	126	162
Cash at bank -BOB drainage account	122	8,454
Cash at bank - BOB carnival account	78	97
	<u>250,720</u>	<u>122,636</u>
The cash at bank balance totalling \$143,606 is not available for use except for the purpose Rakiraki new market construction.		
NOTE 8. INTANGIBLE ASSETS		
Software installation	5,140	5,140
Amortization of software	<u>(2,673)</u>	<u>(1,439)</u>
	<u>2,467</u>	<u>3,701</u>
NOTE 9. TRADE AND OTHER RECEIVABLES		
Town rates	91,801	95,976
Garbage collection	3,095	4,860
Bus base collection	1,740	1,812
Taxi base collection	1,395	1,955
Carrier base collection	-	2,977
Minibus base collection	1,591	4,196
Market debtors	1,124	-
Property/carpark rent collection	4,022	-
VAT receivables	-	7,911
	<u>104,768</u>	<u>119,687</u>

RAKIRAKI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 JULY 2021

NOTE 10. PROPERTY, PLANT AND EQUIPMENT

i) Reconciliations

Reconciliations of the carrying amounts for property, plant and equipment by class at the beginning and end of the financial year.

	12 months ended 31 July 2021 (\$)	7 months ended 31 July 2020 (\$)
<u>Plant and machinery - at cost</u>		
Plant and machinery - at cost	49,902	49,824
Accumulated depreciation at beginning	(45,966)	(44,450)
Depreciation	(1,945)	(1,516)
	<u>1,991</u>	<u>3,858</u>
<u>Office building and equipment - at cost</u>		
Office building and equipment - at cost	6,881,135	771,580
Accumulated depreciation at beginning	(420,235)	(415,174)
Depreciation	(8,637)	(5,061)
	<u>6,452,263</u>	<u>351,345</u>
<u>Motor vehicle -at cost</u>		
Motor vehicle -at cost	119,679	119,679
Accumulated depreciation at beginning	(114,828)	(101,892)
Depreciation	(4,851)	(12,936)
	<u>-</u>	<u>4,851</u>
<u>Work in progress</u>		
Work in progress - construction of new market	-	6,047,472
Net written down value	<u>6,454,254</u>	<u>6,407,526</u>

(ii) Movements in carrying amount included in the accounts on the following basis:

	Carrying amount at beginning	Addition / (Deletion)	Transfer from work in progress	Depreciation	Carrying amount at end
Plant and equipment	3,858	78	-	(1,945)	1,991
Office building and equipment	351,345	62,083	6,047,472	(8,637)	6,452,263
Motor vehicle	4,851	-	-	(4,851)	-
Work in progress	6,047,472	-	(6,047,472)	-	-
Net Written Down Value	<u>6,407,526</u>	<u>62,161</u>	<u>-</u>	<u>(15,433)</u>	<u>6,454,254</u>

NOTE 11. TRADE AND OTHER PAYABLES

Trade creditors	6,793	11,522
Other creditors	4,742	4,092
Sundry deposits	12,081	12,081
Funding assistance payable	131,910	131,910
VAT payable	14,816	-
Accrued audit fees payable	8,489	28,290
	<u>178,831</u>	<u>187,895</u>

RAKIRAKI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 JULY 2021

NOTE 12. STATEMENT OF CASH FLOW

i) Cash balance at the end of the year

Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the financial position as follows: -

	12 months ended 31 July 2021 (\$)	7 months ended 31 July 2020 (\$)
Petty cash	159	60
Undeposited Cash	5,606	2,200
Cash at bank - BOB rural account	21,626	26,192
Cash at bank - BOB market account	143,606	30,222
Cash at bank - BOB operational account	79,397	55,249
Cash at bank - BOB capital account	126	162
Cash at bank - BOB drainage account	122	8,454
Cash at bank - BOB carnival account	78	97
	<u>250,720</u>	<u>122,636</u>

ii) Reconciliation of net cash flows provided by the operating profit

Net surplus for the year	(174)	744,985
<u>Add Non Cash Item</u>		
Depreciation	15,433	19,514
Amortization	1,234	720
	<u>16,493</u>	<u>765,219</u>
<u>Changes in assets and liabilities</u>		
(Increase) / decrease in receivables	14,919	(2,544)
Decrease in payables and accruals	(1,167)	(3,622)
Net cash provided by operating activities	<u>30,245</u>	<u>759,053</u>

NOTE 13. PRINCIPAL ACTIVITY

The principal activity of the Council are to provide for health, welfare and convenience of the Rakiraki town municipality and to preserve the amenities or credit thereof.

NOTE 14. PRIOR YEAR ADJUSTMENT

In 2021, the Council corrected its VAT receivable/payable recorded in the financial statements. The correction of errors has been accounted for in the comparative information, and the 2020 VAT receivable and accumulated funds balance has been restated. The correction resulted in the decrease in VAT receivable by \$88,174 and decrease in accumulated funds by \$76,035 in 2020.

NOTE 15. COUNCIL DETAILS

The Council was incorporated in Fiji under the Local Government Act .

(i) **Registered Office**
P O Box 68
Main Street
Rakiraki

Principal Place of Business
Main Street
Rakiraki

NOTE 16. SEGMENT REPORTING

(i) Industry segment

The Council operates predominantly to protect the welfare of the Rakiraki Town and its inhabitants.

(ii) Geographic Segment

The Council operates in Rakiraki and therefore has only one geographical area for reporting purposes.

RAKIRAKI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 JULY 2021

NOTE 17. RELATED PARTIES

a) Special Administrators

The Special Administrators who held office during the financial year and up to the date of this report are as follows:

Special Administrator - Mark Hirst Tuilau (Chairman - resigned on November 2020)

Special Administrator - Luke Mataiciwa (Chairman- contract ended on 28/08/2021 and reappointed from 16/02/2022)

Special Administrator - Praveena Devi Lal (appointed on 16/02/2022)

The Special Administrator's remunerations are paid for by the Ministry of Local Government. The allowance of the Special Administrator paid for by the Council during the year was as follows:

	12 months ended 31 July 2021 (\$)	7 months ended 31 July 2020 (\$)
Allowances, and benefits	12,773	29,000

b) Amounts due to, and Receivable from Related Parties

Appropriate disclosure of these amounts is contained in the respective notes to the financial statements.

c) Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

During the year, the Chief Executive Officer was identified as key management personnel. The remuneration of the key management personnel during the year was as follows:

	12 months ended 31 July 2021 (\$)	7 months ended 31 July 2020 (\$)
Salary, allowances, and benefits	23,523	-

NOTE 18. SUBSEQUENT EVENTS

Base Fees and Market Fees

As announced in the 2021/2022 National budget, effective from 01 August 2021 to 31 July 2022, Government will pay the market fees and base fees for taxis, minibuses, carriers, and bus operators.

Other than the above mentioned event, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the council, the results of those operations, or the state of affairs of the council in future financial years.

NOTE 19. CAPITAL COMMITMENTS

Capital commitments as at 31 July 2021 amounted to \$143,487 for the final retention payment for the construction of the new Rakiraki market. (2020: \$311,135)

NOTE 20. CONTINGENT LIABILITIES

Contingent liabilities exist with respect to legal claims amounting to \$4,027. (2020: \$NIL)

NOTE 21. CONTINGENT ASSETS

Contingent assets at balance date is \$NIL (2020: \$NIL)

RAKIRAKI TOWN COUNCIL
DETAILED STATEMENT OF INCOME & EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2021

	12 months ended 31 July 2021 (\$)	7 months ended 31 July 2020 (\$)
INCOME		
Advertising	679	-
Building and subdivision	3,966	3,628
Bus station/commercial /taxi base fee	24,835	31,481
Business, trading and other licenses	8,515	46,980
CEO's salary - grant	-	50,000
Garbage collection fees	17,658	15,947
Town general rates	47,209	77,165
Market	75,245	22,490
Municipal (permit / traffic / fine)	25,126	2,747
Rent	17,768	3,858
Hiring of boardroom	73	-
Public convenience	21,571	12,027
Sundries	7,632	9,388
Government Grant	249,083	815,659
UN Women grant	160,000	-
British high commission grant	-	13,867
Interest	358	290
Total Income	659,718	1,105,527
LESS EXPENSES		
Administration Expense		
Accounting and audit fees	11,477	4,740
Amortization of intangible asset	1,234	720
CEO's salary	23,523	-
Special administrator allowances	12,773	29,000
Equipment hire expenses	10,458	1,468
Infrastructure upgrade	29,238	2,484
Printing, postage and stationary	14,546	3,013
Office expenses	6,887	1,947
OHS compliance	-	505
Motor vehicle expenses	23,864	11,517
Repair and maintenance	13,975	6,289
Security hire expenses	-	10,150
Superannuation	22,560	13,821
Sub-contractor fees for drainage upgrade	7,156	73,853
Salary and wages	226,893	124,209
Telephone	6,733	5,639
Travelling expenses	524	574
Utilities	25,864	19,277
Total Administration Expenses	437,705	309,206
Marketing Expense		
Advertising and marketing	9,414	2,440
Total Marketing Expense	9,414	2,440
Other Operating Expenses		
Allowance	886	323
Cleaning expense	10,027	4,244
Entertainment	1,433	766
FNU levy	2,032	1,041
Garbage collection	12,431	734
Penalties	7,839	-
Miscellaneous	108	65
Staff amenities and training	2,236	22,026
Total Other Operating Expenses	36,992	29,199
Total Expenses	484,111	340,845

RAKIRAKI TOWN COUNCIL
 DETAILED STATEMENT OF INCOME & EXPENDITURE (CONT'D)
 FOR THE YEAR ENDED 31 JULY 2021

	12 months ended 31 July 2021 (\$)	7 months ended 31 July 2020 (\$)
Earnings before Interest and depreciation	175,607	764,682
Depreciation	15,433	19,514
Interest and bank charges	348	183
Total Interest expenses and depreciation	15,781	19,697
Net surplus for the year	159,826	744,985