



Parliamentary Paper
Numbers-71/24

LAUTOKA CITY COUNCIL ANNUAL REPORT 2016



ACRONYM

- 3Rs - Reduce, Reuse & Recycle
ADBS – Acting Director Building Services
ADES – Acting Director Engineering Services
CBD – Central Business District
CBH – Central Board of Health
CCTV – Closed Circuit Television
CEO – Chief Executive Officer
Col. – Colonel
CSP – Clean School Programme
DHS – Director Health Services
FBEA – Fiji Business Excellence Award
FICAC – Fiji Independent Commission Against Corruption
GE – General Elections
GHP – Good Hygiene Practices
Hon. – Honorable
Horti. – Horticulturists
HQ – Headquarter
IRB – International Rugby Board
IYC – International Year of Children
LCC – Lautoka City Council
MFAHR – Manager Finance Administration & Human Resource
MOA – Memorandum of Agreement
MOU – Memorandum of Understanding
MPT – Multipurpose Truck
STC – Severe Tropical Cyclone
RFMF - Republic of Fiji Military Force
UCV – Unimproved Capital Value
UN – United Nations

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CHIEF EXECUTIVE OFFICER MESSAGE



It's my pleasure to present the 2016 Annual Report as Chief Executive Officer of the second city in Fiji and being the Administrative Capital of the Western Division.

*The famous Mahatma Gandhi once said “**I supposed Leadership at one time meant muscles; but today it means getting along with people**” [unquote]. On the outset it's the power of good and proper networking that values the virtue of respect and dignity will sustain us to counter unfolding challenges.*

Lautoka also faced STC Winston aftermath effects whereas properties and essential infrastructural services were damaged and not to mention our local food-chain suppliers from farmers and rural market vendors.

The council offered 1 ½ months of grace period to all market vendors selling at the municipal market in order to cushion the high incurred costs and concurrently compliment the financial constraints faced by everyone.

Whilst recovery and restoration are taking its own process, LCC assisted schools and property holders in ensuring that all rebuilding structure to withstand Category 5 Cyclone as per directive of the government whilst the council management and staff organized Hurricane Relief Assistance to our counterparts in Rakiraki, Tavua and Ba.

Throughout the 75 days of State of Emergency, Lautoka City Council continues to support the

Office of the Commissioner Western in terms of assistances needed and vice versa.

Lautoka City Council has stamped its mark on the FBEA Framework with a Commitment Award during its 2016 Award Night and hoping to continue its services delivery and changes under the Best Business Practices enshrined by the framework.

Lastly, as we are in the process of completing the development works at Churchill Park; I wish to mention that we are also working with government in constructing a Lautoka Aquatic Center that will be consisted of an Olympic Standard 50mtr x 10 lanes Competition Swimming Pool and 25mtr x 8lanes Warm Up Pool with a Learners Pool for young children. These developments are part of the Council's Vision in establishing our city as the Sports Tourism destination.

I would like to acknowledge the hardworking management, staff and contractors of the council for the hard work, dedication and commitment.

I pray that God Almighty will continue to shower his blessings to all the citizen of Lautoka

Merry Christmas & Prosperous New Year

A handwritten signature in black ink, appearing to read 'Jone Q. Nakauvadra'.

.....
Jone Q. Nakauvadra
CHIEF EXECUTIVE OFFICER

COUNCIL'S STRATEGIC FOCUS

VISION

To be the best HEALTH, SPORTS & CULTURAL tourism city in the South Pacific

MISSION

With sugar being synonymous with Lautoka City, the council will continue to promote and facilitate:

- Clean and Healthy Environment**
- Safety and Security**
- Prosperous Investment**
- Better wellbeing of Ratepayers**

VALUES

- ⇒ Leadership**
- ⇒ Integrity**
- ⇒ Transparent**
- ⇒ Responsible**
- ⇒ Cleanliness**
- ⇒ Timeliness**
- ⇒ Standardization**
- ⇒ Customer Delight**

BACKGROUND INFORMATIONS

CITY PROFILE

LOCATION: CIVIC CENTRE
169 VITOGO PARADE
LAUTOKA

ADDRESS: P O BOX 124, LAUTOKA
OFFICE: (679) 666 0433
MOBILE: (679) 9908559
FAX: (679) 666 3288
EMAIL: lcc@connect.com.fj
WEB: www.mylautokacity.org

AUDITOR: AUDITOR GENERAL

BANKER: BANK OF SOUTH PACIFIC

LENDERS: WESTPAC LAUTOKA
BANK OF SOUTH PACIFIC
BSP LIFE (FIJI) LTD

SOLICITORS: S B PATEL & COMPANY
MISHRA PRAKASH & ASS
NATASHA KHAN & CO

INSURERS: AON RISKS (FIJI)
NEW INDIA ASSURANCE CO.

HISTORICAL BACKGROUND

Legend has been passed on that within the bounds of today's Lautoka city, there lived two tribes each with a chief. As a result of an argument one day, a fight broke out between the two chiefs at a spot which is now known as "Farquhar's point". As one chief speared the other screamed "LAU-TOKA" meaning "spear -hit" or "hit to win." And so, Lautoka acquired a name.

The development of Lautoka perhaps began in 1899 when sugar milling company, Colonial Sugar Refining Company Limited made an application to the government to build a wharf at Lautoka in order to export sugar from western Viti Levu. In that year it had decided to build a sugar mill in Lautoka which was completed in 1903

ESTABLISHMENT TIMELINES

- 01st Jun.1901-declared a *Port of Entry*.
- 02nd Feb.1929-proclaimed a Township.
- 01st Jan.1944-Lautoka Town Board was formed.
- 28th Mar.1953-Lautoka Town Council was established.
- 04th Nov.1972-1st Common Roll Election & introduction wards namely Waiyavi, Simla, Tavakubu & Veitari
- 25th Feb.1977- was declared a City & known as a *Sugar City*.
- 16th Feb. 2009 – elected Councilors were replaced with interim government appointed Special Administrators such as:
 - Mr. Josefa R. Vucago from February 2009 to May, 2010
 - Mr. Aisea Tuidraki from May, 2010 to July, 2010
 - Mr. Praveen Bala July 2010 to August 2014

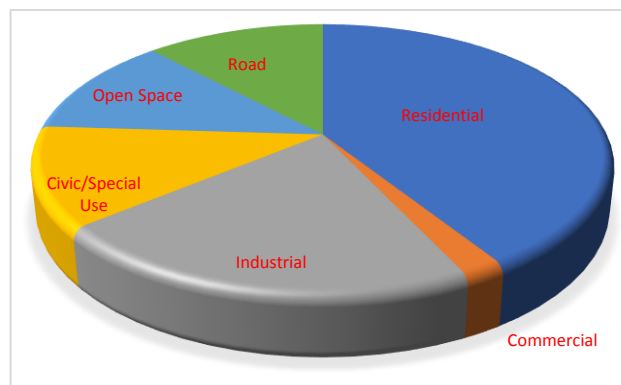
DEMOGRAPHIC DETAILS

- 8,164 – Registered Ratepayers
- 43,473 Population within City Boundary [extract 2008 Census]

GEOGRAPHICAL LOCATION

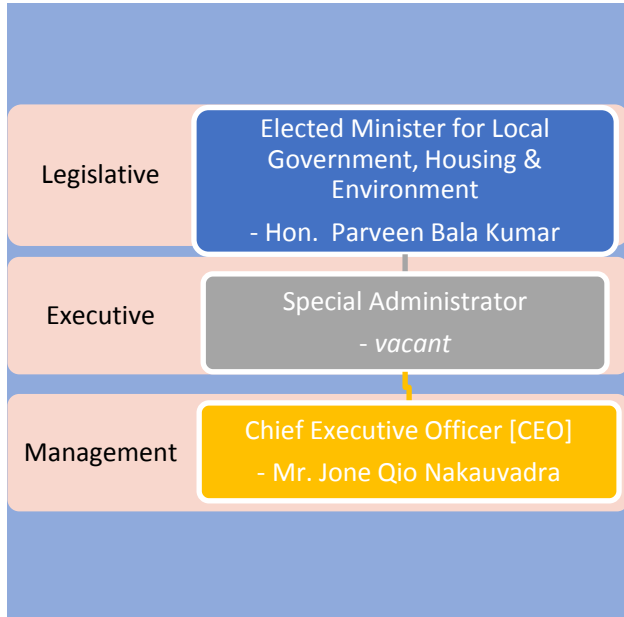
- 21km Northeast of Nadi International Airport
- Grid reference: 17° 37' 0" South, 177° 28' 0" East

ZONING ALLOCATION

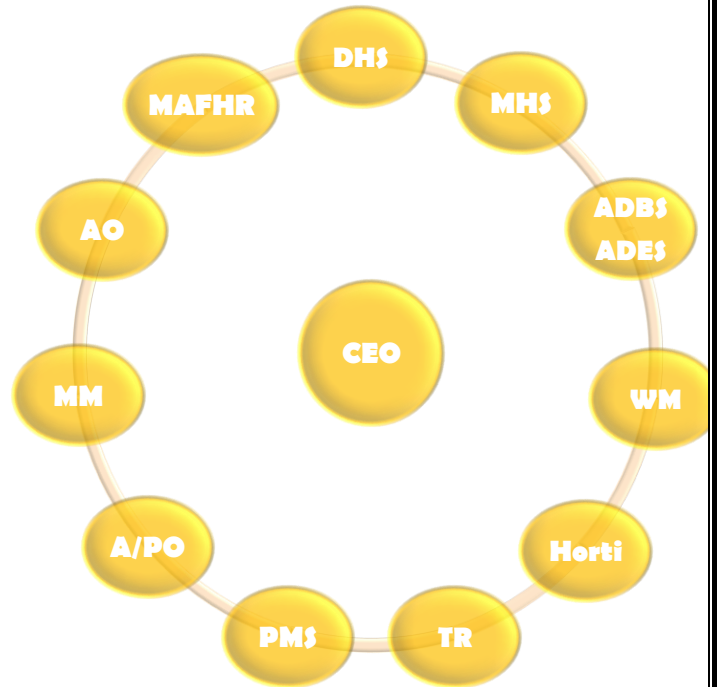


ORGANISATION STRUCTURES

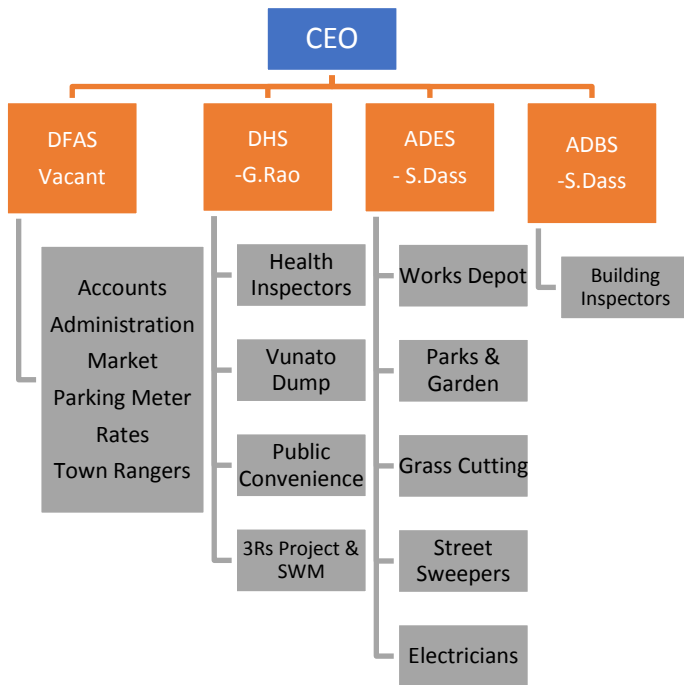
GOVERNANCE SETUP



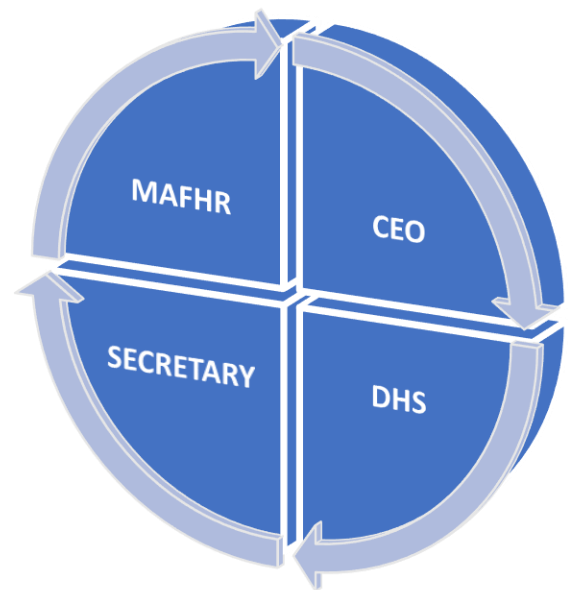
DEVELOPMENT & FINANCE COMMITTEES



MANAGEMENT HIERARCHY



STAFF BOARD



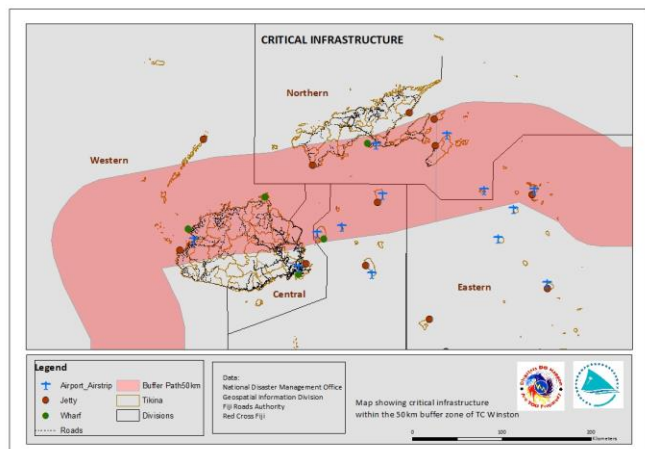
HIGHLIGHTS OF 2016

1. THE STATE OF NATURAL DISASTER AFTER STC WINSTON

For the first time in the Southern Hemisphere that we encounter the Category Five (5) Tropical Cyclone known as STC Winston.

The whole nation of Fiji was on stand-down period from the first 30 days of “*State of Natural Disaster*” declared on the 22nd of February, 2016 after STC Winston left the Yasawas on the eve of Saturday 20th February, 2016.

Lautoka was not spared from the damages caused by STC Winston as the eye of the cyclone crossed between Naviti and Nacula Island in the Yasawas, leaving some house in Lautoka roofless with damaged power and communication line.



With the State of Natural Disaster in place, the council sent its representative to the Western Division Emergency Operation Center (DivEOC) headed by the Commissioner Western, Colonel Manasa Tagicakibau.



LCC was represented by Mr. Esika Qorovarua who also acted as the Liaison Officer for the affected municipal council in the western division from Rakiraki to Ba during the initial response and recovery phases when all communication and road networks were inoperative.



With the severe damaged to infrastructures and people belongings across the nations, the government extended the State of Natural to another 30 days and extra 15 days later on.



Since, Lautoka is the Administrative Capital for the Western Division, all coordination and distribution of reliefs were conducted from the Sugar City before it reached the affected Fijians. The council also assisted Ba Town Council with manpower and machinery since Ba Town was severely affected with flooding caused by STC Winston.

HIGHLIGHTS OF 2016

2. FORMATION OF LAUTOKA'S MINISTRY OF LOCAL GOVERNMENT SPORTS TEAM TO PARTICIPATE AT THE 2016 NATIONAL SPORTS DAY

Lautoka City Council, Housing Authority, National Fire Authority, Department of Environment and Department of Town & Country Planning in Lautoka jointly formed a Ministry of Local Government, Housing & Environment Sports Team during the National Sports Day held at Nadovu Park.



Team Eagle under the leadership of Ratu Inoke Bokini, the Customer Relation Manager West for Housing Authority worked tirelessly in arranging our sports uniforms with refreshments and meals during and after the sporting event. The team won the mixed soccer and mixed netball competition.



3. THE ACQUISITION OF NEW GARBAGE COMPACTOR TRUCKS & THE IN-HOUSE OPERATIONS OF GARBAGE COLLECTIONS

A milestone achievement for LCC when the council decided to carry out its own garbage/refuse collections rather than paying the increased costs by the Garbage Collection Contractors.



The handing over ceremony of the seven (7) compactors for LCC, Nadi Town Council and Nasinu Town Council was officiated by the Prime Minister, Mr. Voreqe Bainimarama.



In February 8, 2016 the council had engaged in the garbage collection services with two (2) trucks donated by the Government and one (1) being purchased by council

HIGHLIGHTS OF 2016

4. 2016 TFL SUGAR FESTIVAL

The Telecom Fiji Limited (TFL) sponsored Sugar Festival was held at the Carnival ground to bring smiles and fun to citizen of Lautoka after going through the traumatized effect of STC Winston.



The contestant and its sponsors agreed with the Sugar Festival Committee that there will be no charity chest since people are still recovering from the aftermath of STC Winston.

5. TFL FIJI PAGEANT SHOW – 2016

The crowned 2016 Miss Sugar – Ms. Vakarau was the Lautoka representative to the 2nd Ministry of Local Government organized Fiji Pageant held at Lawaqa Park, Sigatoka.

Lautoka City Council was tasked to look after Ms. Vakarau after the Sugar Festival Association backed off from the sponsorship of Miss Lautoka to the said Telecom Fiji Sponsored Fiji Pageant Show whereby the winner will be representing Fiji to the South Pacific Pageant scheduled to be held in Nukualofa, Tonga on late November, 2016



6. GIRMIT CENTENNIAL CELEBRATION

LCC took the leading role in the organizing of the Centennial Year Celebration of the arrival of the last Giritiya vessel in Fiji.



The council staff organized a float with a replica boat known as S.S. Sutlej V which arrived in Fiji in early November, 1916.

The surviving sons and daughters of the last Giritiya were invited by the council to the celebration which was held at Girit Center and officiated by the Attorney General & Minister for Justice – Hon. Aiyaz Shaiyad Kaiyum.



The council sponsored a contestant and also a float procession which displayed the replica of the new 400meter synthetic track currently under construction at Churchill Park.

The 2016 Sugar Festival Queen will also represent Lautoka to the TFL 2016 Fiji Pageant in November, 2016.

HIGHLIGHTS OF 2016

7. PARTICIPATION AT THE FIJI BUSINESS EXCELLENCE AWARD FRAMEWORK 2016

Lautoka City Council second attempt for the FBEA Framework was recognized by the FBEA Secretariat at the FNU School of Productivity & Management.

The council management attended the awareness workshop at the UN Women Resource Center at the Sugar City Mall before weekend “wrapped-up” exercise with a business consultant at the Civic Center Chamber.



The council was awarded with the “Commitment to Business Excellence 2016” after the FBEA Evaluators evaluated the council’s operations and its management on the ground in view of the council’s written submission to the FBEA secretariat.

Feedback report was given to council to tighten up some loose ends and also streamline some of its processes and procedures with best business practices.

8. CHRISTMAS ON THE PARK

The council organized a week long Christmas on the Park at its Carnival ground with a theme:



The carnival ground was decorated with Christmas Trees lights and other Christmas decorations.



The commissioning of the event was held by the Commissioner Western – Mr. Manasa Tagicakibau with the assistance of Divisional Police Commander Western, SSP Marika Yalimaiwai and the Lautoka City Council CEO – Mr. Jone Nakauvadra.

9. NEW YEAR EVE CELEBRATION

In partnership with Fiji Broadcast Commission the council held its New Year Eve Park Jam at the Churchill Park ground 2 & 3 with some ferries-wheels and food stalls at the Carnival ground.



The event was attended by patrons from Rakiraki to Sigatoka as it was the only New Year Eve celebration in the Western Division. The council is optimistic that the partnership with FBC will be sustained for future organized events by councils.

TOWN RATES COLLECTION REPORT

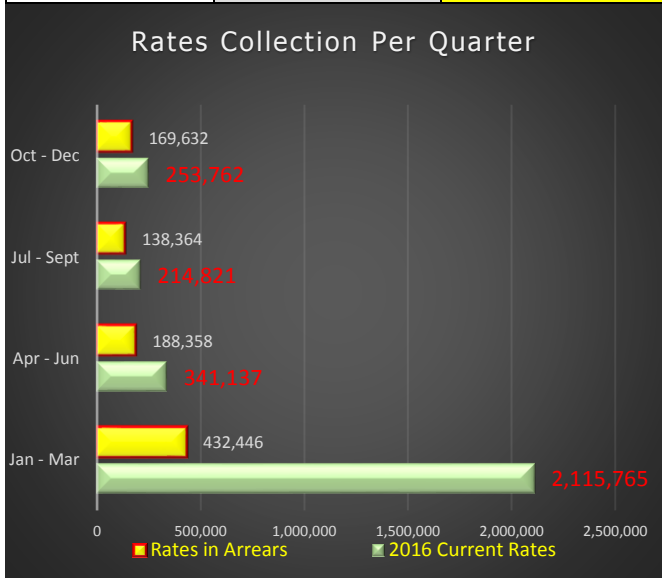
1. LAND VALUATION & RATE

The total unimproved capital valuation of land within the city for rating purposes was \$269,725,740 and the rate levy for 2016 was 1.5261cent in the \$3,838,882 based on UCV and rates income were as follows:-

RATES	Levy	U.C.V.	Rate Income
	C	\$	\$
General	0.8592	252,161,740	2,171,637
Loan	0.6669	263,161,140	1,60,201
Agriculture	0.185	4,808,000	7,044
			3,838,882

2. RATES COLLECTION REPORT - 2016

	<u>2014 Rate Levy</u>	<u>Rates in Arrears</u>
Total Budget	\$3,838,885	\$5,240,332
Collection	\$2,925,485	\$929,800
Balance	\$913,400	\$4,311,532
% Collected	76.21%	17.72%



The increased rates payment in Jan-Mar, 2016 was due to the discount period offered by councils as per Ministerial approval.

3. RATE ASSESSMENTS RATEPAYERS

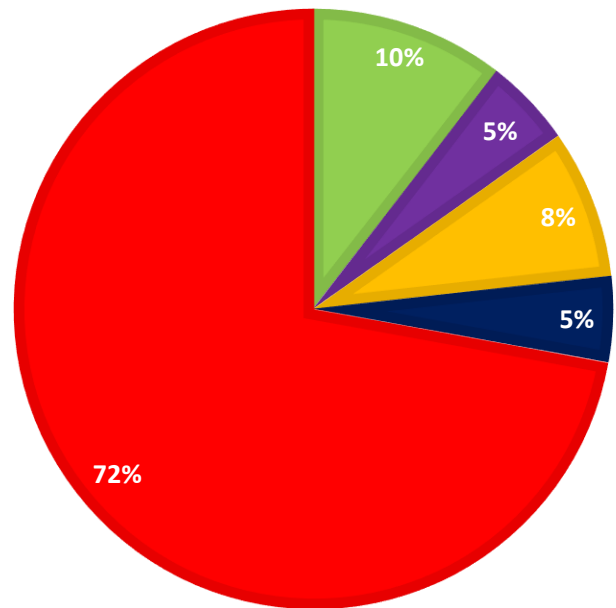
Total number of town ratepayers for the year ending 2016 is: **8,041**.

4. CLASSIFICATION OF MAJOR DEFAULTER IN TOWN RATES

Estate of Deceased Persons	\$789,841
PAC Investment	\$368,158
Expired Leases	\$168,062
Vacant Lots	\$282,192
Absent Landlords	\$162,642
Individuals	\$2,540,637
TOTAL	\$4,311,532

% OF DEFAULTERS

■ PAC Investment
 ■ Expired Lease
 ■ Vacant Lots
■ Absent Landlords
 ■ Individuals

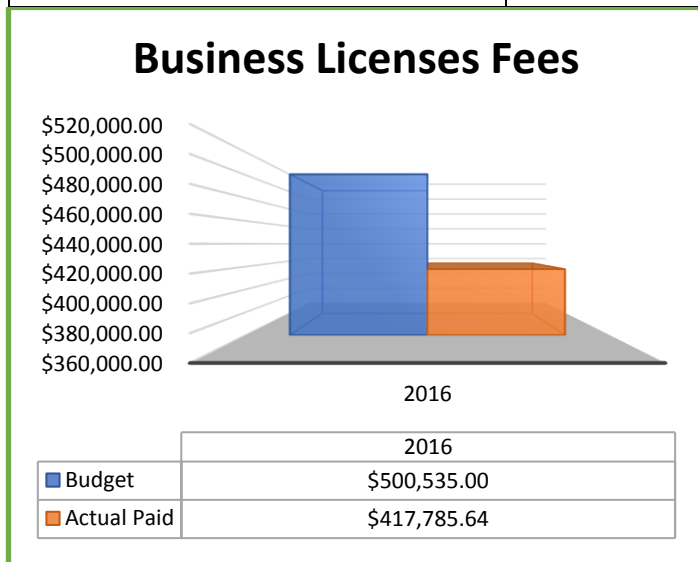


In 2016, the councils ensured that all registered ratepayers classified as Business Houses fully paid their Town Rates in comparison to yesteryears.

OTHER MUNICIPAL COUNCIL'S REVENUE UPDATE

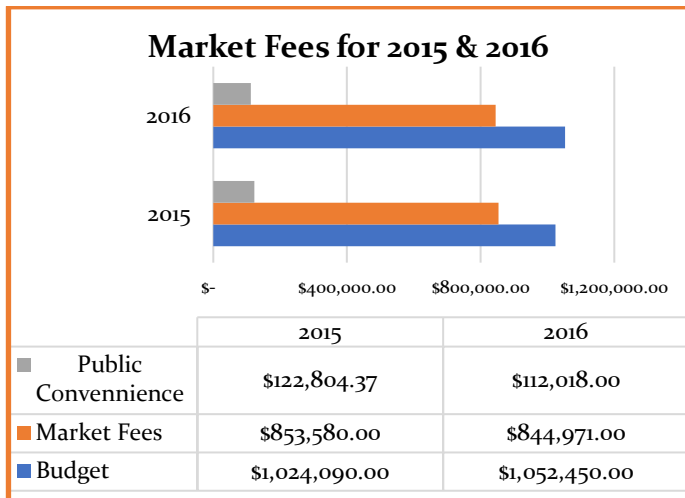
1. BUSINESS LICENSES UPDATES - 2016

FOR THE YEAR 2016	Nos. of Businesses
Licenses to be Issued	1,636
Business Licenses Closed	57
New Business Licenses Open	216
Actual Business Licenses Issued	1795



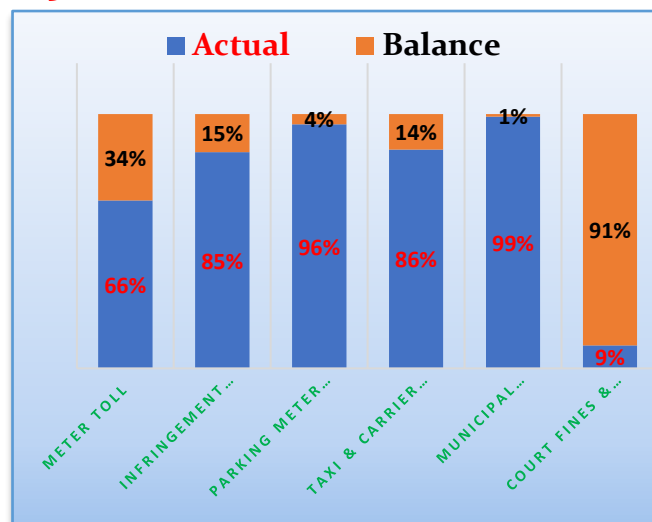
The disparity in the increased nos. of licenses issued compared to the less fees collected was attributed to the increased registration of business licenses (216 licenses) under Small Micro Enterprise (SME) Government Grant.

2. MUNICIPAL MARKET REVENUE



The reduction in collection for 2016 was due to the Grace Period offered to all market vendors for 1 ½ months after the STC Winstons. The council has to offer FOC to all market stalls in order maintain the prices for all market produces.

3. PARKING METER FUNDS



	BUDGET	ACTUAL	BALANCE
Meter Toll	\$209,500	\$139,296	\$70,204
Infringement Fines	\$55,000	\$46,990	\$8,010
Parking Permit Fees	\$45,000	\$43,098	\$1,902
Taxi & Carrier Base	\$242,125	\$208,602	\$33,523
Municipal Carpark	\$95,440	\$94,517	\$923
Court Fines & Costs	\$34,200	\$3,151	\$31,049

The increased nos. of vehicle owners in Lautoka is becoming a challenge for the council, especially on the parking spaces and traffic management flow. The council is optimistic that the construction of two parking lots at Tappos City will provide extra parking spaces whilst the Fiji Road Authority will look into the traffic management flow

PUBLIC HEALTH & SAFETY COMPLIANCE

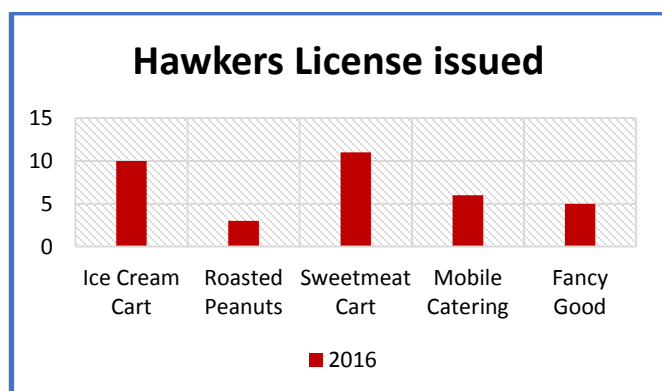
1. LICENCES & REGISTRATION OF PREMISES

Tabulated below the health business licenses issued by council for the year 2016

Types of Business	Total
Hotels/ Guest Houses	9
Restaurant and Refreshment Bars	3
Refreshment Bars/Takeaways	41
Restaurant with Liquor Licence	15
Restaurant without Liquor Licence	13
Refreshment Bars	42
Bake House with Retail Sale	13
Butcher Shop	23
Aerated Water, Ice Cream Factories	1
Confectionery/Sweet Meat Factories	2
Theatres	4
Hairdresser/Barbershop/Chiropodists	24
Billiard Tables/Amusement Centre	7
Laundries	2
Dance Halls/Night Clubs	7
Hawkers	42
Fish Retail	3
Food Processing/Packer	11
Supermarket with Liquor Licence	10
Club, Private with Liquor Licence	4
Total	276

4. HAWKERS

The bar graph illustrated the nos. of hawkers' license issues for the different business natures.



5. WRITTEN NOTICES ISSUED

Number of intimation notices issued	719
Number of statutory notices issued	35
Number of poultry and animal notices issued	17
Number of notices in letter forms issued	263
Number of Litter Notices Issued	234
Number of Summons Served	14
Total	1291

6. SPECIAL HOUSEHOLD DRAINAGE INSPECTION

Total number of inspections	168
Number completed satisfactorily	94
Number connected to sewer	166
Total	428

7. UNSOUND FOOD ITEMS CONDEMNED AND DESTROYED

The council health inspectorate carried out Post TC Winston inspections of food establishments to ensure that they complied with Provisions of Food Safety Act 2003.

They were later joined by staff from Ministry of Health and Mr. Peter S Hoejskov from World Health Organization.

During inspections, food establishment owners were warned and advised on complying with the Food Safety Act 2003, deteriorated and thawed food were condemned and disposed at the council's dump at Vunato.

Food establishments failing to comply with the above were warned of possible litigation by council under the Public Health Act.

PUBLIC HEALTH & SAFETY COMPLIANCE

8. DOG TRAPPING EXERCISE

The dog trapping exercises were carried out in areas upon ratepayer's request.

The trapping exercise was conducted using council's Multipurpose Truck [MPT] and two [2] employees from Vunato Dump Site.



Total of **112 dogs** were trapped and the total cost incurred by council **was \$1,282.00**.

9. WASTE DISPOSAL AND MUNICIPAL GARBAGE DUMP

The garbage collection and removal services were carried out by contractors and all wastes disposed at the council's dump including refuse from market.

All other refuse arising from the cleaning of streets, gutters, drains, grass cutting, mowing of road verges and parks by the council and contractors together with all residential garden refuse and other such matters arising from private, commercial, industrial premises including condemned foods and dead animals were disposed at the council's dump.

- Total of 385 loads of refuse was collected by refuse contractor on a user pay concept and disposed at VDS.
- Total number of loads of refuse disposed at the council's dump was 20,828 during the year amounting to 35,322.70 tonnes.
- A total amount of 275.38 tonnes of recyclable waste was removed by waste pickers.

The area is low-lying mangrove swamp and the method of disposal is by open aerobic evaporation method of disposal. The total area of the dump site is 16 hectares.

The dump has been regularly sprayed against flies by council employees.

10. MOSQUITO CONTROL WORKS:

Survey Works: Larval

During the year as part of mosquito control works, monthly larval survey works were carried out in order to monitor the density of mosquito population in the city. Specimen of larva was collected and identification was carried out by Health Department inspectorate to ascertain the presence of vectors responsible for the spread of dengue fever and Ross River fever. Copies of reports were sent to Ministry of Health.

Mosquito Spraying at Private Premises:

The spraying of private residential premises and industrial premises was also carried out for the destruction of mosquitoes on user pay concept.

Other Control Measures:

Routine house-to-house visits by the inspectorate staff to check likely mosquito breeding grounds on the premises were carried out throughout the year. The residents were advised on source reduction by destruction of mosquito breeding grounds.

11. FOOD SAFETY ACT 2003:

Legal proceedings were instituted against one (1) person for selling food which was unfit for human consumption under the provisions of Food Safety Act 2003.

Total of **141 Health Licenses** were processed on behalf of Central Board of Health. Total of **\$95,328.72** in health license fees was collected and forwarded to CBH.

ENVIRONMENTAL UPKEEP

1. CLEAN SCHOOL PROGRAM

This year's program targeted **21 Urban Schools** and **11 Rural Schools** respectively.

After the CSP awareness to participating schools and continuous monitoring, the final judging was done for a period of 5 days.

The council hosted "2016 CSP Awarding Ceremony" on Monday 25th November 25, 2016.

The winners are as follows: -

(a) URBAN SCHOOLS COMPETITION

Overall Winner	Lautoka Arya Samaj Primary School
Overall Runner-up	Lautoka Andhra Sangam School
Environmental Awareness	
Winner	Lautoka Arya Samaj Primary School
Runner-up	Gandhi Bhawan Primary School
Composting	
Winner	Lautoka Andhra Sangam School
Runner-up	Lautoka Special School
Recycling	
Winner	Tilak High School
Runner-up	Jasper Williams High School
Other Awards	
Special Award	Lautoka Methodist School
Judges Award	Sunshine Special School



1.

(b.) RURAL SCHOOLS COMPETITION

Overall Winner	Drasa Primary School
Overall Runner-up	Lovu Primary School
Environmental Awareness	
Winner	Sathya Sai Primary School
Runner-up	Drasa Primary School
Composting	
Winner	Lovu Sangam School
Runner-up	Wairabetia Muslim Primary School
Recycling	
Winner	Drasa Primary School
Runner-up	Shri Ram Govind Memorial School
Other Awards	
Special Award	Vuda District School
Judges Award	Saru MGM School

2. ANTI-LITTER WORK:

The Litter Promulgation 2008 was enforced by the council's Litter Prevention Officers. Verbal warnings were given and on the spot fines were also imposed as provided in the Decree.

Number of fixed penalty notices and notice to attend court served	234
Number of offenders paid on spot fines	188
Number warned	2841



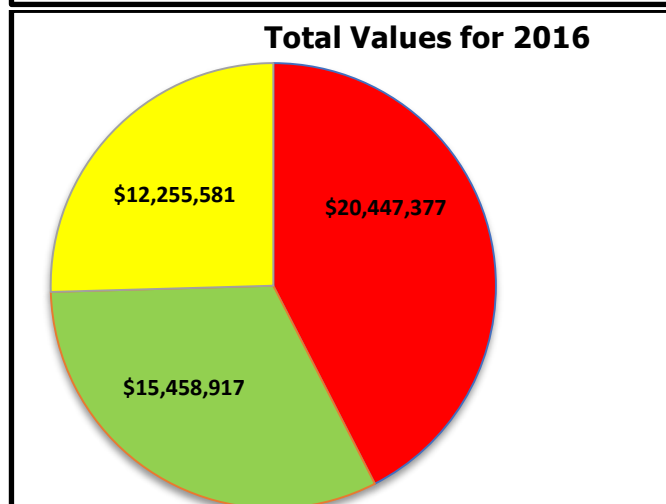
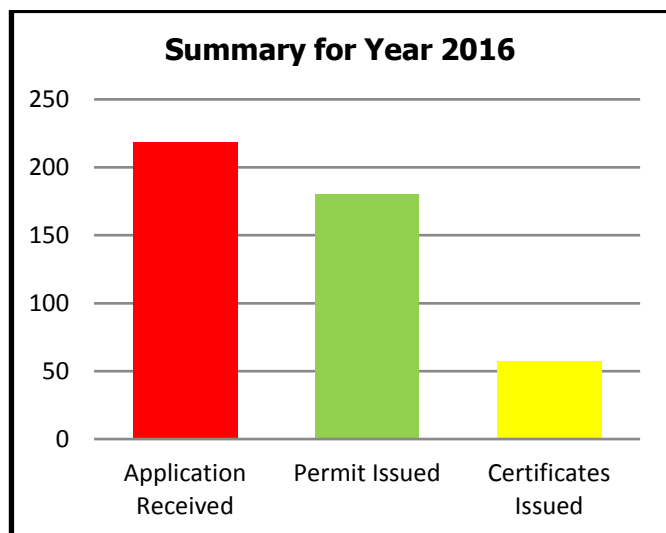
BUILDING & ENGINEERING REPORT

The Building and Engineering Department are currently merged under the supervision of Mr. Shalendra Dass, the Acting Director for Building/Engineering Service

- ⇒ Outline Building Application Processed – 57
- ⇒ Total Building Inspections – 1,340
- ⇒ Building Fees Collected - \$54,928.92

1. BUILDING APPLICATION, PERMITS & COMPLETION CERTIFICATE ISSUED

Refer graphs below the sum of building application received, permits issued and nos. of completion certificates issued after all building standards are adhered.



- ⇒ Building Application Received – 218
- ⇒ Building Permit Issued – 180
- ⇒ Completion Certificate Issued – 57

2. SUBDIVISION AND REZONING

Tabulated below the nos. of application received, processed and approved or declined by our Engineering department for the year 2015

(a) REZONING	
Nos. Received	1
Nos. Approved	1
(b) SUBDIVISION SCHEME	
Nos. Received	2
Nos. Approved	3
(c.) ENGINEERING DRAWINGS	
Nos. Received	3
Nos. Approved	1
(d.) SURVEY PLAN	
Nos. Approved	3

3. COMPLAINTS RECEIVED & ACTION TAKEN IN 2016

- ✓ 304 Complaints for blockage drains were registered at the Engineering Department Office and referred to Works Manger who had delegated Maintenance Supervisor and his drainage gang to attend and rectify all the complained matters.



- ✓ 124 Complaints for streetlights issues were received at the council's office and all referred to Fiji Road Authority for its contractor attentions.

INFRASTRUCTURE UPGRADE & BEAUTIFICATION WORKS

1. UPGRADING DEVELOPMENT AT CHURCHILL PARK

With the completion of all earth working and removal of the wooden pavilion (Pavilion C) the following works are in progress:

- a) Construction of 400m by 8 lane Synthetic tracks and play field
- b) Relocation of Flood lights towers and Cabling works including Upgrading of Main switch board
- c) Construction of new Convenience, Ticket booth and concrete fence wall
- d) Construction of new concrete pavement rear of Pavilion A
- e) Construction of change rooms under Pavilion B
- f) Face lift Pavilion A& B Fascia



The government grant received for the said project was **\$2,841,000.00** & **\$3,650,000.00** was council's contributions.

2. CONSTRUCTION OF A NEW LAUTOKA AQUATIC CENTER

Lautoka citizens will enjoy the Olympic standard swimming pool at Thompson Crescent whereby the council has subdivided its Botanical Garden for the construction of the its Aquatic Center.



The project is in partnership with the government whereby \$12.6Million is estimated to complete the Lautoka Aquatic Center Olympic Swimming Pool with associated facilities.



The initial civil works is currently in progress and the completed 3 x swimming pools (competition, warm-up and kids/learner's pool) with changing rooms and kiosk is projected to be completed in late 2019.

HUMAN RESOURCE BRIEF

1. ESTABLISHMENTS

At the end of the year, the council had following employees on its payroll: -

Department	Staff	Un-established	Total
Town Clerk's	19	5	24
City Engineer	8	80	88
Building	5	2	7
Public Health	16	17	33
Parking Meter/Car Park	12	-	12
Total	60	104	164

2. STAFF RESIGNATION

- (i.) Mrs. Sera Bogileka, resigned as Secretary to Special Administrator in February 2016 after recruited at the council as Receptionist from February 2004.
- (ii.) Ms. Diksha Naidu, resigned as Acting Manager Finance, Administration & Human Resource in August 2016 after recruited as Internal Auditor from February 2014.

3. OTHER AWARENESS AND TRAININGS CONDUCTED BY COUNCIL STAFF

Date	Organisation	Topics Covered	Facilitated by
4 th May	Model Towns Charitable Trust	Recycling and Home Composting	Shalend Singh

4. STAFF LOCAL TRAININGS

Officer	Programme	Date/Venue
Esika Qorovarua	JICA & NDMO Open Street Mapping for Disaster Relief Coordination	1 st & 2 nd April @ Novotel Hotel, Nadi
Shalend Singh & Wally Atalifo	JICA Consultation Meeting	29 th June @ Suva
MHS Rouhit K Singh	Chemical Management Training	14 th - 18 th November @ Suva
Shalend Singh	Food Safety and Dangerous Decibels (Audiology) Training	22 nd - 24 th November @ Nadi
Esika Qorovarua	CCDRM Component Workshop by UNDP & NDMO	23 rd & 24 th November @ Tanoa International, Nadi



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OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



Level 1, Modyl Plaza
Karsanji Street, Vatuwaqa
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Suva, Fiji



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Website: <http://www.oag.gov.fj>



File: 1300/1

15 August 2023

Mr. Anil Amin
The Chairman
Special Administrators
Lautoka City Council
169 Vitogo Parade
LAUTOKA

Dear Mr. Amin

LAUTOKA CITY COUNCIL
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

The audited financial statements for Lautoka City Council for the year ended 31 December 2016 together with my audit report on them are enclosed.

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

Yours sincerely

Sairusi Dukuno
ACTING AUDITOR-GENERAL

cc: Mr. Mohammed Anees Khan, Chief Executive Officer, Lautoka City Council.

Encl.

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**LAUTOKA CITY COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016**

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LAUTOKA CITY COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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LAUTOKA CITY COUNCIL
COUNCIL'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The Council herewith submits the Statement of Financial Position at 31 December 2016, the related Statement of Comprehensive Income and Statement of Movements in Funds of the Council for the year then ended on that date and report as follows:

1. Administrators

There was no Special Administrators during the year 2016 till August 2019.

The Special Administrators (SA) in office from 26 September 2019 and up to the date of this report were:

Ms. Lala Sowane (Chair)	- appointed on 26 September and resigned after one month
Ms. Debra Sadranu (Chair)	- appointed on April 2020 till 31 July 2021
Dr. Rohit Kishore	- appointed on 26 September till February 2020
Ms. Beatrice Nast	- appointed on 26 September till 31 July 2021
Ms. Dipti Sharma	- appointed on 26 September till 31 July 2021
Ms. Renee Browne	- appointed on 26 September till 31 July 2021
Mr Shaheen Ali	- appointed as Acting SA on 8 October 2021 till 15 February 2022
Mr. Anil Amin (Chair)	- appointed on 16 February 2022
Mr. Zahi Wahab	- appointed on 16 February 2022
Mr. Joeli Waqa	- appointed on 16 February 2022

Management Staff

Chief Executive Officer - Jone Q. Nakauvadra (contract expired in 2020)

Chief Executive Officer - Mohammed Anees Khan (appointed in 2020)

2. Principal Activity

The principal activities of the Council under the Local Government Act are to provide for the health, welfare and convenience of the inhabitants of the Lautoka City Municipality and to preserve the amenities or credit thereof.

3. Results

The net result of the Council for the year ended 31 December 2016 amounted to \$3,208,624 (2015: \$1,943,010).

4. Bad and Doubtful Debts

Prior to the completion of the Council's financial statements, the Council took reasonable steps to ascertain that action had been taken in relation to writing off of bad debts and provision for doubtful debts.

As at the date of this report, the council is not aware of any circumstances, which would render the amount written off for bad debts inadequate to any substantial extent.

5. Non-current Assets

Prior to the completion of the financial statements of the Council, the Executive Members took reasonable steps to ascertain whether any non current assets were unlikely 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 directors are not aware of any circumstances which would render the values attributed to the non-current assets in the Council's financial statements misleading.

6. 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 Council believes the classification and carrying amounts of assets and liabilities as stated in these financial statements to be appropriate.

7. Unusual Transactions

Apart from these matters and other matters specifically referred to in the financial statements, in the opinion of the Council, the results of the operations of the Council during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, in the opinion of the Council, to affect substantially the results of the operations of the Council in the current financial year, other than those reflected in the financial statements.

LAUTOKA CITY COUNCIL
COUNCIL'S REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

8. Subsequent Events

a) Amendments to The Local Government Act 1972

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

b) COVID-19 Outbreak

Subsequent to year end, the World Health Organisation (WHO) declared the Coronavirus (COVID 19) a "Public Health Emergency of International Concern". Whilst measures and policies have been taken by the National Government and nearby trading countries to prevent the spread of the virus, the impact of the virus on amounts and estimates reported or used in the preparations of 2016 financial statements is not expected to be material.

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

c) Business Licenses

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

d) 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 events, no other 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.

No other change on the assets of the Council has arisen since the end of the financial year to the date of this report to secure the liabilities of any other person.

9. Other Circumstances

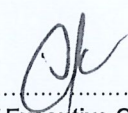
As at the date of this report:

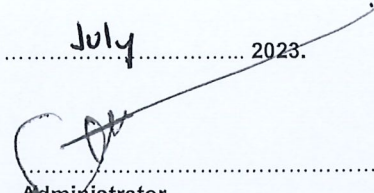
- (i) no charge on the assets of the Council has been given since the end of the financial year to secure the liabilities of any other person;
- (ii) no contingent liabilities or other liabilities of the Council has become or is likely to become enforceable within the year of twelve months after the end of the financial year which in the opinion of the directors 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 director are not aware of any circumstances that have arisen not otherwise dealt with in this report which could make adherence to the existing method of valuation of assets and liabilities of the Council misleading or inappropriate.

Signed for and on behalf of the Council in accordance with a resolution of the Councillors.

Dated this 14th day of July 2023.


.....
Chief Executive Officer


.....
Administrator

LAUTOKA CITY COUNCIL
STATEMENT BY COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2016

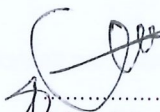
The Council, states that:

- (i) the accompanying statement of comprehensive income is drawn up so as to give a true and fair view of the results of the Council for the year ended 31 December 2016;
- (ii) the accompanying statement of changes in accumulated funds of the Council for the year ended 31 December 2016 is drawn up so as to give a true and fair view of the movement in accumulated funds;
- (iii) 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 December 2016;
- (iv) the accompanying statement of cash flow is drawn up so as to give a true and fair view of the cash flows of the Council for the year ended 31 December 2016;
- (v) 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;
- (vi) all relevant related party transactions have been recorded in the books of the Council and adequately reflected in the attached financial statements; and
- (vii) the financial statements have been made out in accordance with International Financial Reporting Standards and the Local Government Act.

Signed for and on behalf of the Council in accordance with a resolution of the Councillors.

Dated this 14th day of July 2023.


.....
Chief Executive Officer


.....
Administrator

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OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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INDEPENDENT AUDITOR'S REPORT

Lautoka City Council

Report on the Audit of the Financial Statements

I have audited the financial statements of Lautoka City Council ("the Council"), which comprise the Statement of Financial Position as at 31 December 2016, the Statement of Comprehensive Income, Statement of Changes in Accumulated Funds and Reserves, Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Disclaimer Opinion

1. The Council was unable to provide detailed listings and relevant supporting documents to support receivables totaling \$705,455. In addition, an unreconciled variance of \$304,114 exists between the rates receivable listing provided by the Council and the rates receivable balance of \$5,011,035 included in the total gross receivables balance of \$5,716,490 (Note 12(a)). Consequently, I was unable to ascertain the accuracy of total receivables balance of \$5,716,490 disclosed in Statement of Financial Position as at 31 December 2016.
2. The Council recorded gross receivables amounting to \$5,716,490 (Note 12(a)). The Council has provided a provision for doubtful debts amounting to \$1,000,000 of the gross receivables. No documentations were made available to substantiate the management's estimate of the provision for doubtful debts. Consequently, I was not able to satisfy myself if the management's estimate of \$1,000,000 is adequate for assessing the impairment of receivables and whether any adjustment might have been necessary in respect of the Council's receivables balance as at 31 December 2016 and any corresponding adjustments to the elements making up the Statement of Comprehensive Income.
3. The Council has recorded term deposits of \$184,120 in other receivables balance (Note 12(b)) which is a double accounting of term deposits. Consequently, this has resulted in overstatement of Other Receivable by \$184,120. As a result, I was unable to ascertain the accuracy of other Receivables balance of \$258,837 disclosed in Statement of Financial Position as at 31 December 2016.
4. The Council recorded Property, Plant and Equipment (PPE) amounting to \$7,556,213 in the Statement of Financial Position as at 31 December 2016. The Council was unable to provide the detailed fixed assets register to enable me to perform appropriate audit procedures to ascertain existence of PPE. In addition, the Council did not provide detail listing of work in progress of \$1,193,139 as reported in Note 17 to the financial statements. As a result, I was unable to ascertain whether Property, Plant and Equipment balance of \$7,556,213 is fairly stated in the financial statements.

Basis for Disclaimer Opinion (con't)

5. The Council recorded written down value of investment properties of \$6,049,932 in the Statement of Financial Position as at 31 December 2016. The Council was unable to provide the details of the investment properties to enable me to perform appropriate audit procedures to ascertain the existence and accuracy of the investment properties balance. As a result, I was unable to ascertain whether the investment properties balance of \$6,049,932 is fairly stated in the financial statements.
6. The Council was unable to provide inventory listings, annual stock-take records and reconciliations to substantiate the project supplies balance of \$189,794 recorded in the Statement of Financial Position as at 31 December 2016. In addition, there is a lack of audit trail as stock cards cannot be traced to the general ledger. I also did not observe the counting of the physical inventories at the end of the year. As a result, I am unable to ascertain if the project supplies of \$189,794 is fairly stated in the financial statements.
7. An unreconciled variance of \$111,280 exists between the VAT reconciliations provided by the Council and the VAT receivable balance of \$24,877 recorded in the Statement of Financial Position as at 31 December 2016. As a result, I am unable to ascertain whether the VAT receivable balance of \$24,877 is fairly stated in the financial statements.
8. The Council was unable to provide the detailed listings and detailed reconciliations to substantiate the capital grant in aid balance of \$1,823,802 (Note 16) recorded in the Statement of Financial Position as at 31 December 2016. As a result, I was unable to ascertain whether the capital grant in aid balance of \$1,823,802 is fairly stated in the financial statements.
9. Included in the creditors and accruals balance of \$457,689 (Note 13) is sundry creditors and accruals balance of \$168,425, security deposits balance of \$227,230 and refundable building deposits balance of \$62,034. The Council was unable to provide subsidiary ledgers and detailed listings to substantiate these balances. As a result, I was unable to ascertain whether the total creditors and accruals balance of \$457,689 is fairly stated in the financial statements.
10. The Council was unable to provide details and relevant supporting documents to support the amortization of capital grant income of \$1,206,857 (Note 4) included in the other income balance of \$6,082,713 in the Statement of Comprehensive Income. In addition, an unreconciled variance of \$151,477 exists between the business license fees listing provided by the Council and the business license fees income of \$478,748 (Note 4) included in the other income balance. Furthermore, an unreconciled variance of \$282,719 exists between the rates revenue listing provided by the Council and the rates revenue of \$3,678,335 reported in the Statement of Comprehensive Income. As a result, I was unable to ascertain whether the total revenue of \$9,761,048 is fairly stated in the financial statements.
11. Included in fees, charges and rent income caption of \$2,914,345 is revenue relating to market fees, roadside stalls, carpark, and public conveniences. These amounts were received by the Council on a cash collection basis with limited controls over the collection process, accordingly I was unable to obtain sufficient appropriate evidence over completeness and accuracy of this revenue and my audit procedures with respect to income from these sources had to be restricted to the amounts recorded in the financial statements. As a result, I am unable to express an opinion whether income from these sources is complete.
12. The Council was unable to provide payment vouchers, invoices and receipts to support transactions totaling \$929,521 which are for non-payroll expenditure from the total expenditure of \$4,317,410 disclosed in the Statement of Comprehensive Income. In addition, the Council was unable to provide transaction details and appropriate supporting documents to substantiate provisional withholding tax expenses of \$159,886 and a general journal entry of \$176,877 recorded in garbage removal service expenses account. As a result, I was unable to verify the occurrence and accuracy of the transactions and also

Basis for Disclaimer Opinion (con't)

unable to determine whether any adjustments might have been necessary in respect of the various expenses account at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position as at 31 December 2016.

- 13. The Council did not disclose nor provide details of contingent liabilities and commitments as at balance date. As a result, I was unable to determine whether any disclosures to the financial statements in respect of the contingent liabilities and commitments were necessary.
- 14. Generally, internal control function of cash, revenue management, payroll processing and procurement of good and services were found to be weak. Poor internal control may lead to fraud and possible misappropriation of funds.

Emphasis of Matter

I draw attention to Note 21(b) to the financial statements which notes the novel coronavirus (COVID-19) global pandemic subsequent to 31 December 2016 and how this has been considered by the Council in the preparation of the financial statements. As set out in Note 21(b), no adjustments have been made to the financial statements as at 31 December 2016. However, the Council notes that the impact of COVID-19 global pandemic will have a significant impact on all the major revenue streams of the Council in the financial year 2020 and beyond.

My opinion is not modified in respect of this matter.

Other information

The Management and Special Administrators is responsible for the other information. The other information comprises the information included in the Special Administrators' report but does not include the financial statements and my auditors' 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work, I conclude that there is a material misstatement of this other information, I am required to report that fact. Accordingly, I am unable to conclude whether or not the other information is materially misstated with respect to matters described in the Basis for Disclaimer of Opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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



Sairusi Dukuno
ACTING AUDITOR-GENERAL



Suva, Fiji
15 August 2023

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LAUTOKA CITY COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
General Fund			
<i>Revenue</i>			
Rates	3	3,678,335	4,111,032
Other Income	4	6,082,713	4,075,829
		<u>9,761,048</u>	<u>8,186,861</u>
<i>Expenditure</i>			
Personnel costs	5	2,730,063	2,293,736
Administrative and operating costs	6	1,336,794	1,220,576
Rate payer services	7	846,571	908,613
Depreciation and amortisation expenses		544,032	709,400
Parks, gardens and public amenities	8	1,005,438	647,654
Legal and professional fees		113,416	377,869
Interest		334,235	322,274
Streetlight and street maintenance costs		136,924	239,236
Auditors remuneration		-	16,000
		<u>7,047,473</u>	<u>6,735,358</u>
General Fund Surplus		<u>2,713,575</u>	<u>1,451,503</u>
Parking Meter Fund			
Revenue		438,003	477,081
Expenses		37,470	30,623
Parking Meter Fund Surplus		<u>400,533</u>	<u>446,458</u>
Car Park Fund			
Revenue		94,516	86,099
Expenses		-	41,050
Car Park Fund Surplus		<u>94,516</u>	<u>45,049</u>
Other comprehensive income		-	-
Total Comprehensive Income		<u>3,208,624</u>	<u>1,943,010</u>

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

LAUTOKA CITY COUNCIL
 STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES
 FOR THE YEAR ENDED 31 DECEMBER 2016

	Reserve	Parking Meter	Car Park	General Fund	Total Accumulated Funds
	\$	\$	\$	\$	\$
Balance at 1 January 2015	455,490	500,643	328,031	10,828,214	12,112,378
Surplus for the year	-	446,458	45,049	1,451,503	1,943,010
Balance as at 31 December 2015	455,490	947,101	373,080	12,279,717	14,055,388
Surplus for the year	-	400,533	94,516	2,713,575	3,208,624
Balance as at 31 December 2016	<u>455,490</u>	<u>1,347,634</u>	<u>467,596</u>	<u>14,993,292</u>	<u>17,264,012</u>

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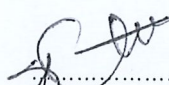
LAUTOKA CITY COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
Current Assets			
Cash on hand and at bank	9(b)	6,519,966	6,101,704
Held to maturity investment	10	1,428,478	1,415,678
Project supplies	11	189,794	63,919
Receivables	12(a)	4,716,490	4,759,949
Other receivables	12(b)	258,837	65,071
Vat receivable		24,877	-
Total current assets		<u>13,138,442</u>	<u>12,406,321</u>
Non-Current Assets			
Property, plant and equipment	17	7,556,213	4,655,997
Investment properties	18	6,049,932	6,264,984
Total non current assets		<u>13,606,145</u>	<u>10,920,981</u>
TOTAL ASSETS		<u>26,744,587</u>	<u>23,327,302</u>
Current Liabilities			
Creditors and accruals	13	457,689	758,957
Provisions	14	127,433	130,598
Interest bearing borrowings	15	793,010	793,010
VAT Payable		-	70,310
Total current liabilities		<u>1,378,132</u>	<u>1,752,875</u>
Non-Current Liabilities			
Provisions	14	190,799	160,370
Interest bearing borrowings	15	6,087,842	6,549,107
Capital grant in aid	16	1,823,802	809,562
Total non-current liabilities		<u>8,102,443</u>	<u>7,519,039</u>
TOTAL LIABILITIES		<u>9,480,575</u>	<u>9,271,914</u>
NET ASSETS		<u>17,264,012</u>	<u>14,055,388</u>
Accumulated funds			
Accumulated funds		14,993,292	12,279,717
Reserves	19	455,490	455,490
Council Trust Fund			
Parking meter funds		1,347,634	947,101
Car park funds		467,596	373,080
TOTAL MUNICIPAL FUNDS		<u>17,264,012</u>	<u>14,055,388</u>

Signed for and on behalf of the Council in accordance with a resolution of the Councillors.

Dated this 14th day of July 2023.


.....
Chief Executive Officer


.....
Administrator

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

LAUTOKA CITY COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers		8,218,383	8,311,708
Payments to suppliers and employees		<u>(6,676,865)</u>	<u>(5,778,179)</u>
Net cash from operations		1,541,518	2,533,529
Finance costs		<u>(334,235)</u>	<u>(322,274)</u>
Net cash provided by operating activities	9(a)	<u>1,207,283</u>	<u>2,211,255</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(3,229,196)	(1,717,746)
Acquisition of term deposits (net)		<u>(12,800)</u>	<u>(8,433)</u>
Net cash used in investing activities		<u>(3,241,996)</u>	<u>(1,726,179)</u>
Cash flows from financing activities			
Repayment of term loan		(461,265)	(476,956)
Receipt of government grant		<u>2,914,240</u>	<u>293,783</u>
Net cash provided by/(used in) financing activities		<u>2,452,975</u>	<u>(183,173)</u>
Net increase in cash held		418,262	301,903
Cash and cash equivalents at the beginning of the year		<u>6,101,704</u>	<u>5,799,801</u>
Cash and cash equivalents at the end of the year	9(b)	<u>6,519,966</u>	<u>6,101,704</u>

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

LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1.0 GENERAL INFORMATION

The financial statements of Lautoka City Council ("the Council") for the year ended 31 December 2016 were authorised for issue by the Chief Executive Officer on _____. The Council was incorporated in Fiji under the Local Government Act, 1972.

1.1 BASIS OF PRESENTATION

The financial statements have been prepared on accrual basis under the historical cost convention using the accounting policies described below and except where stated, do not take into account current valuation of non-current assets. The financial statements are presented in Fijian dollars.

Statement of Compliance

The financial statements of Lautoka City Council have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and the Local Government Act. These policies have been consistently applied, unless otherwise stated.

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.

In the process of reporting on the local government as a single unit, all transactions and balances between those Funds have been eliminated.

Trust Funds

The Lautoka City Council has received parking monies in compliance with the Traffic Act and contributions from developers under the Town Planning Act. As the Council performs a custodial role, these funds are excluded from Council Funds.

1.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparations of the Council's financial statement 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 outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

a) **Cash and Cash Equivalents**

Cash comprise of cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Statement of cash flows

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short term deposits as defined above, net of any outstanding bank overdrafts which forms an integral part of the Council's cash management. Bank overdraft are shown in current liabilities on the statement of financial position.

Operating activities are the principal revenue producing activities of the Council. Cash flows from operating activities generally result from the transactions and other events and conditions that enter into the determination of profit or loss.

Investing activities are those activities relating to the acquisition, holding and disposal of long term assets and other investments not included in cash equivalents.

Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the Council.

b) **Inventories**

Inventories, comprising of maintenance materials, concrete products, steel, iron, mechanical spares, uniforms, stationery, and miscellaneous items are valued at the lower of cost and net realizable value. Cost is assigned on a first-in-first-out basis.

1.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Trade and Other 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 amortized cost using the effective interest method less any allowance for impairment. Gains or losses are recognised in the statement of comprehensive income when the receivables are derecognized or impaired, as well as through the amortisation process. Bad debts are written-off as incurred. Rates received in advance of the rating period are recognised as a liability.

d) Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria is met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of comprehensive income as incurred.

Rates are as follows:

	Over the term of the lease
Leasehold land	
Buildings	2.50%
Furniture and fittings	20%
Plant and equipment	20%
Office equipment	20%
Motor vehicles	20%
Roads, footpath and drains	1%

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is recognised. The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

e) Investment Property

Investment property is stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the investment property when that cost is incurred, if the recognition criteria is met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the investment property as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of comprehensive income as incurred.

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

Building	2.50%
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Premiums on leasehold land are capitalised and amortised over the term of the lease. An item of investment property is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is recognised. The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

f) 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 developments cost, are not capitalised and expenditure is reflected in the statement of comprehensive income in the year in which the expenditure is incurred. The useful lives of intangible assets for the Council are assessed to be infinite.

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

1.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Intangible Assets (continued)

Intangible assets with finite 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 statement of comprehensive income in the expenses category consistent with the function of the intangible assets.

Gain 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 the asset and are recognised in the statement of comprehensive income when the asset is derecognised.

g) Financial Assets

Financial assets are classified into the following categories: at fair value through profit and loss, held-to-maturity, available-for-sale, and loans and receivables. The classification is dependent on the purpose for which the financial assets are acquired.

Management determines the classification of investments at the time of the purchase and re-evaluates such designation on a regular basis. Purchases and sales of investments are recognised on the trade date, which is the date the Council commits to purchase or sell the asset. Cost of purchase includes transaction costs. The Council recognised the following financial assets:

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current.

b) Available for sale financial assets

Available for sale (AFS) financial assets are non-derivatives that are either designated in this category or not classified as loans and receivables, held-to-maturity investments, financial assets at fair value through profit or loss. AFS assets are measured at fair value. Fair value changes on AFS assets are recognised directly in equity, other comprehensive income, except for interest on AFS assets and impairment losses. The cumulative gain or loss that was recognised in equity is recognised in profit or loss when an available for sale financial asset is derecognised.

c) Held-to-Maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Council has positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost.

h) Impairment

At each reporting date, the Council reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exist, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from the other assets, the Council estimates the recoverable amount of the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. Reversal of impairment loss is recognised immediately in profit or loss.

Recoverable amount is the higher of the 'fair value less cost to sell' and value in use. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. For assets carried at fair value, the impairment loss is treated as a revaluation decrease.

1.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Fund Accounting

The Lautoka City 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. 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:

a) *Parking Meter Fund*

The Council, in compliance with the Traffic Act, has to maintain a separate account for the operation of Parking Meters in designated areas of roads within the city.

b) *Car Park Fund*

This fund has been created for contributions received from developers under the Town Planning Act. The fund is used to construct and develop car parks.

j) 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.

k) Financial Liabilities

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs and have not been designated 'as at fair value through profit or loss'. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit and loss when the liabilities are derecognition as well as through the amortisation process.

l) 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 recognised as an interest expense.

a) *Employee entitlements*

Employee entitlements relating to wages, salaries, annual leave, long service 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.

b) *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 current pay rates in respect of employees services up to that date.

c) *Provision for long service leave*

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expect future wage and salary levels, experience of employees departures and periods of service. Expected future payments are discounted using interest rates on government guaranteed securities with terms of maturity that match, as closely as possible, the estimated future cash outflows.

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

1.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m) 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 fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Council as a lessee

Finance leases, which transfer to the Council substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are reflected in the statement of comprehensive income. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Board will obtain ownership by the end of the lease term.

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

n) Revenue

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

o) Income Tax

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

p) Comparatives

Comparatives figures have been restated where necessary for changes in presentation in current year.

2. FINANCIAL RISK MANAGEMENT

Overview

The Council has exposure to the following risks from its use of financial statements:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk
- (iv) Capital management

This note presents information about the Council's exposure to each of the above risks, the Council's objectives, policies and processes for measuring and managing risk and the Council's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk Management Framework

The board of directors has overall responsibility for the establishment and oversight of the Council's risk management framework. The Council's risk management policies are established to identify and analyse the risks faced by the Council, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Council's activities.

(i) Credit risk

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

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

2. FINANCIAL RISK MANAGEMENT (continued)

Risk Management Framework (continued)

(ii) Financial risk management

The Council's establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss of component established for Companies of similar assets in respect of losses that have been incurred but not yet unidentified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

(iii) Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another cash financial asset. The Council's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Councils reputation.

(iv) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Councils income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

Fair value interest rate risk arises from the potential for a change in interest rates to cause a fluctuation in their fair value of financial instruments. The objective is to manage the interest rate risk to achieve stable and sustainable net interest earnings in the long term. In managing this risk, the Council seeks to achieve a balance between reducing risk to earnings and market value from adverse interest rate movements, and enhancing net interest income through correct anticipation of the direction and extent of interest rate changes.

(v) Interest Rate Risk

As the Councils interest bearing assets are small relative to its operations, its cash flows are substantially independent of changes in market interest rates.

3. RATES	2016 \$	2015 \$
General rates	2,104,684	2,671,632
Rates - applied to borrowings	1,573,651	1,439,400
	<u>3,678,335</u>	<u>4,111,032</u>

Rates revenue received by the Council are applied towards general fund expenditures and reducing the Councils borrowings by 53% and 47% respectively.

4. OTHER INCOME

Fees, charges and rent	2,914,345	2,621,478
Other	1,429,686	708,508
Business license fees	478,748	384,834
Amortisation of capital grant	1,206,857	293,783
Interest	53,077	67,226
	<u>6,082,713</u>	<u>4,075,829</u>

5. PERSONNEL COSTS

Salaries and wages	2,370,852	1,977,620
FNPF	234,061	208,401
Staff training and welfare	11,324	83,654
Security costs	113,826	23,011
Refund of security	-	1,050
	<u>2,730,063</u>	<u>2,293,736</u>

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

	2016	2015
	\$	\$
6. ADMINISTRATIVE AND OPERATING COSTS		
Council expenses		
General expenses	369,118	308,353
Office expenses	229,740	241,603
Licencing fees	46,438	189,681
Insurance	80,529	68,710
Printing, postage and stationery	74,037	64,725
Administrative and operating costs	33,284	61,048
Advertising	20,118	55,440
Motor vehicle-repairs and maintenance	17,285	49,828
Lease payments	103,974	40,311
Uniforms	2,842	28,532
Fiji National University	27,228	24,400
Provisional tax/ Withholding tax	23,400	20,848
Motor vehicle fuel	159,886	20,453
Telephone	55,232	10,295
Other expenses	32,101	8,329
Materials for celebrations/ events	9,175	7,685
Depot - rent	32,837	4,619
Fringe benefit tax	2,827	4,334
Subscription	3,919	3,858
Computer expenses	882	2,041
Ticket seller allowance	-	2,036
Bank charges	-	1,660
Motor vehicle - wheel tax (LTA)	3,539	1,438
	8,403	349
	<u>1,336,794</u>	<u>1,220,576</u>
7. RATE PAYER SERVICES		
Garbage removal services		
Rate payer services	329,148	309,658
Town planning fees	-	145,852
Drain maintenance	5,600	5,861
	511,823	447,242
	<u>846,571</u>	<u>908,613</u>
PARKS, GARDENS AND PUBLIC AMENITIES		
Public convenience		
City expenses	254,044	165,929
Market	87,513	129,881
Repairs and Maintenance	120,641	90,354
Electricity	224,604	85,805
Water rates	50,696	65,897
Parks, garden and public amenities	64,885	54,240
Cleaning expenses	115,690	35,096
Tissue and detergents	2,280	9,688
Hire of plant	72,462	9,060
	12,623	1,704
	<u>1,005,438</u>	<u>647,654</u>

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

	2016 \$	2015 \$
9. NOTES TO THE STATEMENT OF CASH FLOWS		
a) Reconciliation of net surplus after tax to cash provided by operating activities: -		
Net surplus after tax	3,208,624	1,943,010
<u>Add/(Less) Non cash items/ items classified as investing:</u>		
Depreciation	544,031	709,400
Amortisation of capital grant	(1,900,000)	(293,783)
<u>Change in Operating Assets and Liabilities:</u>		
Increase in trade and other receivables	(150,306)	(106,772)
Increase in inventories	(125,875)	(37,778)
Decrease in accounts payable	(301,269)	(111,663)
Increase in provisions	27,264	38,531
Increase in VAT payable	(95,186)	70,310
Cash flow provided by operating activities	<u>1,207,283</u>	<u>2,211,255</u>
b) Cash and cash equivalents consist of: -		
<u>Cash on hand and at bank</u>	736,640	1,353,034
General account	534,146	534,146
Parking meter funds*	4,171,580	4,152,301
Savings account	1,076,600	61,223
Capital Project Account *	1,000	1,000
Cash on hand	<u>6,519,966</u>	<u>6,101,704</u>
<i>* As the Council performs a custodian role, the Capital Project account and Parking Meter fund account is not available for use except for the purpose of capital projects and for development of parking meters.</i>		
10. HELD AT MATURITY INVESTMENTS		
Westpac Banking Corporation	-	1,119,200
Bank of the South Pacific (BSP)	848,358	296,478
Home Finance Company (HFC)	580,120	-
	<u>1,428,478</u>	<u>1,415,678</u>
The term deposits with BSP and HFC has a maturity period of 12 months at various interest rates between 3.25% - 4.00%.		
11. PROJECT SUPPLIES		
Materials	189,794	63,919
	<u>189,794</u>	<u>63,919</u>
12. RECEIVABLES		
a) Receivables	5,716,490	5,759,949
Less: provision for doubtful accounts	(1,000,000)	(1,000,000)
	4,716,490	4,759,949
b) Other receivables	258,837	65,071
Total receivables	<u>4,975,327</u>	<u>4,825,020</u>
Movement in the provision for doubtful accounts were as follows:		
Rates Receivables:		
At 1 January	1,000,000	1,000,000
Movement net	-	-
At 31 December	<u>1,000,000</u>	<u>1,000,000</u>

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

13. CREDITORS AND ACCRUALS	2016	2015
	\$	\$
Sundry creditors and accruals		
Other creditors	168,425	155,432
Security deposits	-	296,517
Refundable building deposits	227,230	228,974
Audit fees accrued	62,034	62,034
	-	16,000
	<u>457,689</u>	<u>758,957</u>

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 60 day term;

Other payables are non-interest bearing and have an average term of six months.

14. PROVISIONS

Long Service Leave

At 1 January	160,370	137,606
Net arising during the year	35,811	36,668
Net leave utilised	(5,382)	(13,904)
At 31 December	<u>190,799</u>	<u>160,370</u>

Annual Leave

At 1 January	130,598	114,831
Net arising during the year	66,921	72,816
Net leave utilised	(70,086)	(57,049)
At 31 December	<u>127,433</u>	<u>130,598</u>

Total provisions

318,232 290,968

Disclosed as:

Current		
Non-current	127,433	130,598
Total Provisions	<u>190,799</u>	<u>160,370</u>
	<u>318,232</u>	<u>290,968</u>

15. INTEREST BEARING BORROWINGS

Current

Bank of the South Pacific - General		
Total current	<u>793,010</u>	<u>793,010</u>

Non-current

Bank of the South Pacific - General		
Total non-current	<u>6,087,842</u>	<u>6,549,107</u>

The loan from Bank of the South Pacific are secured by pari passu debenture deeds of \$10,611,358 over all of the Councils assets and undertakings without any preference or priority of existing debentures one over another.

16. CAPITAL GRANT

At 1 January		
Addition	809,562	809,562
Released to the statement of comprehensive income	2,914,240	293,783
Closing balance as 31 December	<u>(1,900,000)</u>	<u>(293,783)</u>
	<u>1,823,802</u>	<u>809,562</u>

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

17. PROPERTY, PLANT AND EQUIPMENT

	Land & Building	Plant & Equipment	Furniture & Fittings	Office Equipment	Motor Vehicles	Parking Meter Equipment - WIP	Work In Progress	Total
<u>Cost</u>								
As at 31 December 2015	3,634,037	361,074	232,292	346,173	1,573,609	566,544	1,193,139	7,906,868
Additions	-	108,180	3,649	13,774	-	-	-	3,229,196
Disposals	-	-	-	-	-	-	-	-
As at 31 December 2016	<u>3,634,037</u>	<u>469,254</u>	<u>235,941</u>	<u>359,947</u>	<u>1,573,609</u>	<u>566,544</u>	<u>4,296,732</u>	<u>11,136,064</u>
<u>Accumulated Depreciation</u>								
As at 31 December 2015	1,256,772	325,852	206,508	324,046	1,137,693	-	-	3,250,871
Depreciation	90,851	39,554	5,077	7,099	186,399	-	-	328,980
Disposals	-	-	-	-	-	-	-	-
As at 31 December 2016	<u>1,347,623</u>	<u>365,406</u>	<u>211,585</u>	<u>331,145</u>	<u>1,324,092</u>	<u>-</u>	<u>-</u>	<u>3,579,851</u>
<u>Net Carrying amounts</u>								
As at 31 December 2015	<u>2,377,265</u>	<u>35,222</u>	<u>25,784</u>	<u>22,127</u>	<u>435,916</u>	<u>566,544</u>	<u>1,193,139</u>	<u>4,655,997</u>
As at 31 December 2016	<u>2,286,414</u>	<u>103,848</u>	<u>24,356</u>	<u>28,802</u>	<u>249,517</u>	<u>566,544</u>	<u>4,296,732</u>	<u>7,556,213</u>
							2016	2015
							\$	\$

18. INVESTMENT PROPERTIES

<u>Cost</u>	8,602,098	8,602,098
Opening balance	8,602,098	8,602,098
As at 31 December 2016		
<u>Accumulated Depreciation</u>	2,337,114	2,122,062
Opening balance	215,052	215,052
Depreciation	2,552,166	2,337,114
As at 31 December 2016		
Net book value	<u>6,049,932</u>	<u>6,264,984</u>

19. RESERVES

In-house cyclone reserves	418,490	418,490
Workmen's compensation reserve	9,000	9,000
Cyclone reserves	28,000	28,000
	<u>455,490</u>	<u>455,490</u>

20. RELATED PARTIES

a) Special Administrators

There was no Special Administrators during the year till August 2019.

The Special Administrators (SA) in office from 26 September 2019 and up to the date of this report were:

Ms. Lala Sowane (Chair)	- appointed on 26 September and resigned after one month
Ms. Debra Sadranu (Chair)	- appointed on April 2020 till 31 July 2021
Dr. Rohit Kishore	- appointed on 26 September till February 2020
Ms. Beatrice Nast	- appointed on 26 September till 31 July 2021
Ms. Dipti Sharma	- appointed on 26 September till 31 July 2021
Ms. Renee Browne	- appointed on 26 September up till 31 July 2021
Mr Shaheen Ali	- appointed as Acting SA on 8 October 2021 till 15 February 2022
Mr. Anil Amin (Chair)	- appointed on 16 February 2022
Mr. Zahi Wahab	- appointed on 16 February 2022
Mr. Joeli Waqa	- appointed on 16 February 2022

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

20. RELATED PARTIES (continued)

	2016	2015
	\$	\$
a) Special Administrators (continued)		
Special Administrators' remuneration		
Administrator - Honorarium	-	-

b) Transactions with Key Management Personnel

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

During the year, the Chief Executive Officer, the Director Health Services, Manager Finance and Director Engineering/Building Services were identified as the key management personnel.

The aggregate remuneration and compensation paid to key management personnel for the financial year ended 31 December 2016 was:

Salary, allowances, and benefits	<u>184,915</u>	<u>35,556</u>
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c) Transactions with Related Parties

During the year, the Council entered into various transactions with related parties. The aggregate value of major transactions with related parties during the year is as follows:

Government of Fiji

Government grant contribution	<u>2,914,240</u>	<u>293,783</u>
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21. EVENTS SUBSEQUENT TO BALANCE DATE

a) Amendments to The Local Government Act 1972

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

b) COVID-19 Outbreak

Subsequent to year end, the World Health Organisation (WHO) declared the Coronavirus (COVID 19) a "Public Health Emergency of International Concern". Whilst measures and policies have been taken by the National Government and nearby trading countries to prevent the spread of the virus, the impact of the virus on amounts and estimates reported or used in the preparations of 2015 financial statements is not expected to be material.

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

c) Business Licenses

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

d) 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 events, 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 affair of the Council in future financial years.

22. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Councillors and authorised for issue to members on the 14 day of July, 2023 in accordance with a resolution of the Councillors.

