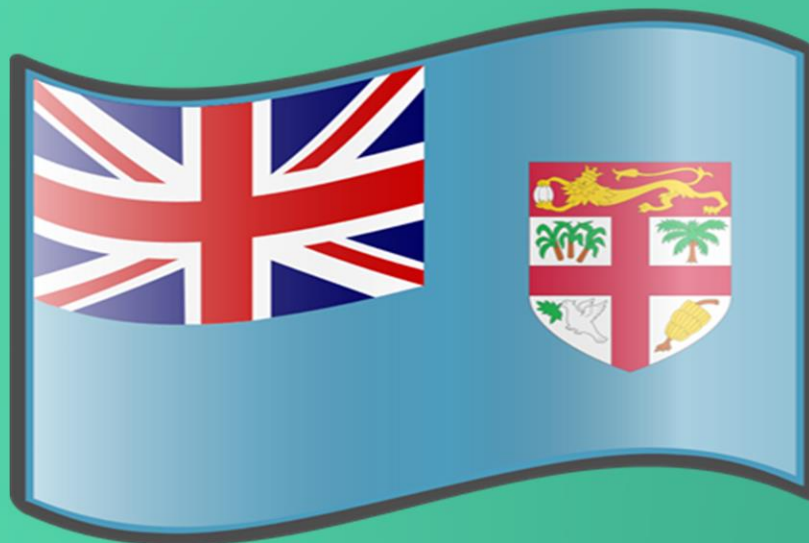




Parliamentary Paper
Numbers-72/24



Lautoka City Council 2017



ANNUAL REPORT

Annual Report - 2017

Annual Report - 2017

CHIEF EXECUTIVE OFFICER FOREWORD



I have much pleasure to present the 2017 Annual Report for Lautoka City Council.

Lautoka reaches its 40th Year of existences as a City after its proclamation in 1977 with the leadership of nineteen (19) Mayors and four (4) Special Administrators appointed by the central government.

At this juncture, Lautoka has evolved from the renowned Sugar City to the Administrative Capital of the Western Division with the vision to be one of the Best Sports Tourism destination in the South Pacific.

The official opening of the new synthetic athletic track by the Prime Minister, Honorable Rear Admiral (Retired) Josaia Voreqe Bainimarama has re-strengthen the council's ambition to provide high standards sporting infrastructure for its citizen and concurrently boost the local economy of the city with increased numbers of sporting activities that is to be hosted at the newly refurbished Churchill Park.

In additional to the milestone achievement of having a recognized IAAF synthetic athletic track at Churchill Park, the Honorable Prime Minister also confirmed the government commitment to construct an Olympic standard Swimming Pool at Lautoka on behalf of the Western division. The \$13Million estimated project will be fully

funded by government and it will be constructed at the Lautoka City Council's Botanical Garden. The council is optimistic that with the government commitment and support, it will definitely achieve its corporate visions and civic aspirations in the near future.

This year, Lautoka was fortunate to be recognized as host venue for the national celebration on International Environment Day, Climate Change Week, Constitution Day and the Centennial Celebration for the RFMF Military Band. These events enhanced the integrated approaches embedded between council and government departments and agencies

I will be failing my duty if I do not acknowledge and recognize the tremendous efforts and sincere support of my management, staff and contractors of the council who have continuously uphold and maintain the service standards to our ratepayers, business houses and other associated stakeholders in making our city a vibrant and agile place to stay and invest.

With the season greetings, I wish each and every one a safe and jovial Christmas with a refreshing New Year.

Au revoir,

A handwritten signature in black ink, appearing to read 'Jone Qio Nakauvadra'. The signature is fluid and cursive, written over a dotted line.

.....
Jone Qio Nakauvadra
CHIEF EXECUTIVE OFFICER

Annual Report - 2017

TABLE OF CONTENTS

	PAGE
Chief Executive Officer Message	1
Council Strategic Focus	3
Background Information	4
Organization Structure	5
Brief Highlights - 2017	6
Town Rates Collection Report	9
Other Municipal Council Revenue	10
Public Health and Safety Compliance	11
Environmental Upkeep	14
Building and Engineering Report	15
New Lautoka Aquatic Center	16
Human Resource Brief	17
PHOTO GALLERY	18

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

- ⇒ We exhibit personal integrity with every decision**
- ⇒ We serve by leading and lead by serving**
- ⇒ We show a high level of respect and concern for our coworker and customers**
- ⇒ We encourage creativity and innovation to improve our effectiveness**
- ⇒ We learn and grow in progressive work environment**
- ⇒ Customer Delight**

Annual Report - 2017

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

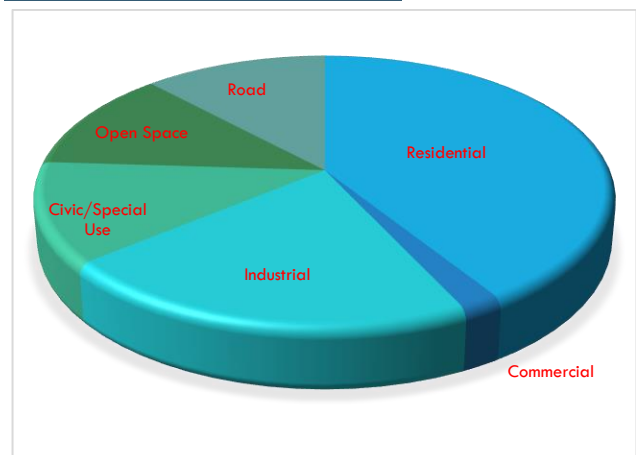
DEMOGRAPHIC DETAILS

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

GEOGRAPHICAL LOCATION

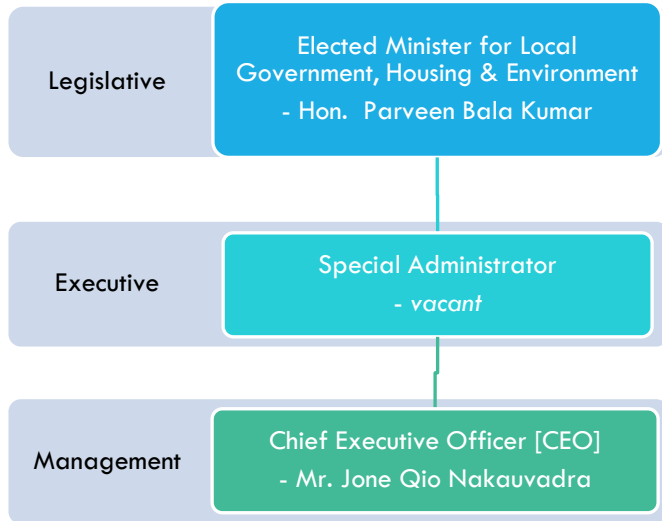
- 21km Northeast of Nadi International Airport
- Grid reference: 17° 37' 0" South, 177° 28' 0" East

ZONING ALLOCATION

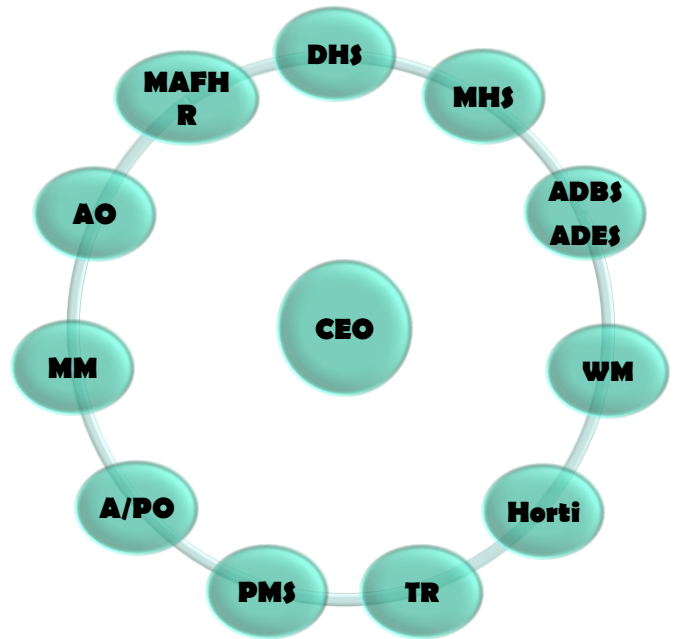


ORGANISATION STRUCTURES

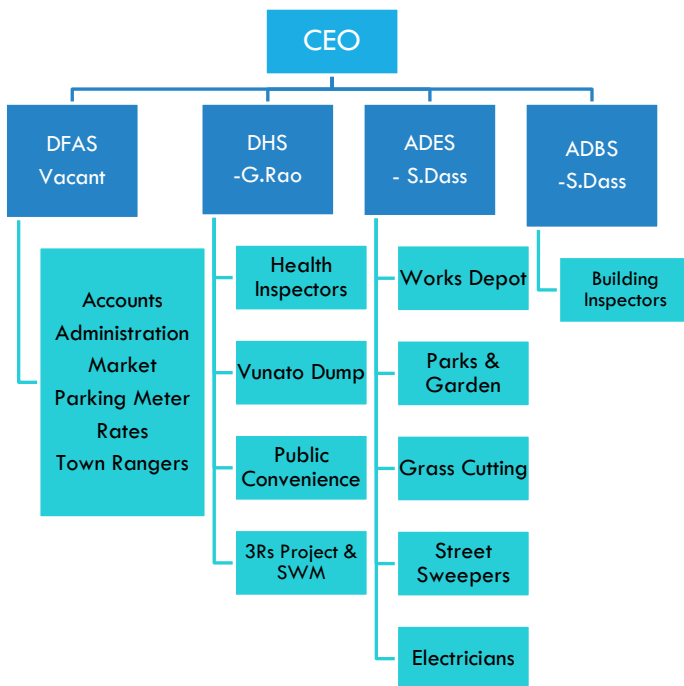
GOVERNANCE SETUP



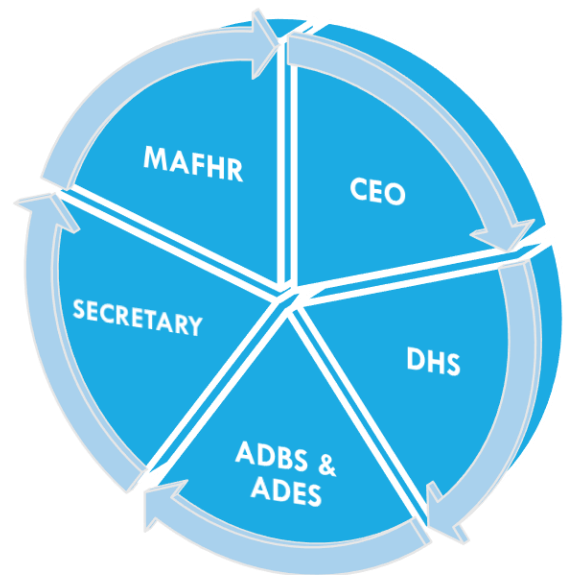
DEVELOPMENT & FINANCE COMMITTEES



MANAGEMENT HIERARCHY



STAFF BOARD



HIGHLIGHTS OF 2017

1) OPENING OF THE NEW SYNTHETIC ATHLETIC TRACK AT CHURCHILL PARK

Prime Minister Hon. Voreqe Bainimarama opened the upgraded Churchill Park with its synthetic tracks.



The \$5.5 million project have been made successful via a partnership between the Fijian Government and LCC whereby Churchill Park was upgraded to an international standard playing field with IAAF standards synthetic tracks as well.



The council involved the *Vanua o Vitogo* during the traditional iTaukei opening ceremony and also invited schools and former sporting personnel in the western divisions to witness the special occasion



2) HOSTING OF THE WORLD ENVIRONMENT DAY CELEBRATION

After the re-opening of the Churchill Park facility, the Lautoka City was selected to host the World



Environment Day in June 2017

The Chief Guest for the event was none other than the Minister for Local Government, Housing & Environment – Hon. Mr. Parveen Bala Kumar.



The full participation of municipal councils and other environmentalist stakeholder was noted especially when the Fiji Government prepared to co-host the COP23 meeting late in the year.



HIGHLIGHTS OF 2017

3) HOSTING OF THE FIJI CONSTITUTION DAY CELEBRATION PARADE - 2017

Lautoka was blessed to host the 2017 National Celebration for the Constitution Day with the parade held at the refurbished Churchill Park by RFMF, Fiji Police & Fiji Corrections Services on 7th September, 2017.

His Excellency, the President of Fiji – Major General (Retired) Joji Konrote reviewed the parade and hosted the



President's Cocktail at Hilton Denarau Hotel.



The council's participation to host such national event was welcomed by its citizens and the people of the western division.

4) NATIONAL CLIMATE CHANGE WEEK

The national celebration for Climate Change Week was held at the Coronation Park from the 22nd to 29th September, 2017 with a theme "Accelerating Climate Change Actions for a Resilience Fiji".



The Office of the Commissioner Western spearhead the said event with the support and assistance from NDMO and other relevant government agencies.



The event was inaugurated with tree planting along Marine Drive foreshore and then culminated with a general cleanup campaign and mangrove planting at Saweni beach outside Lautoka.

5) CELEBRATING THE RFMF BAND CENTENNIAL YEAR OF EXISTENCE

Lautoka was approached by the Republic of Fiji Military Force Band to hold their awareness for reaching the Centennial (100th) Year of its establishment since 1917.



The RFMF did their traditional sevusevu to the CEO of Lautoka City Council as part of their protocol prior to the roadshow and awareness drive for their centennial celebration.



HIGHLIGHTS OF 2017

The council also assisted the RFMF Military Band fundraising dinner held at Sofitel Resort in Denarau.



6) FBEA FRAMEWORK PARTICIPATION

Lautoka City Council participated in the Fiji Business Excellence Award Framework for the second time and was awarded with a Commitment to Business Excellence by His Excellency, the President of Fiji – Major General (Retired) Joji Konrote.



This time around the council staff put together their FBEA submission well-articulated and managed to understand the whole frame work after successful evaluation by the FBEA evaluators.



7) LAUNCHING OF NEW VACUUM TRUCK

Lautoka City Council was blessed with the new vacuum cleaning truck specially made from China to assist the municipal council in its street sweeping.



The two municipalities that were also assisted in the said grant are Nadi Town Council and Suva City Council.



The launching was done by the Minister for Local Government, Housing & Environment – Hon. Parveen Kumar at Churchill Park pavilion foyer on 27th December, 2017.



Annual Report - 2017

TOWN RATES COLLECTION REPORT

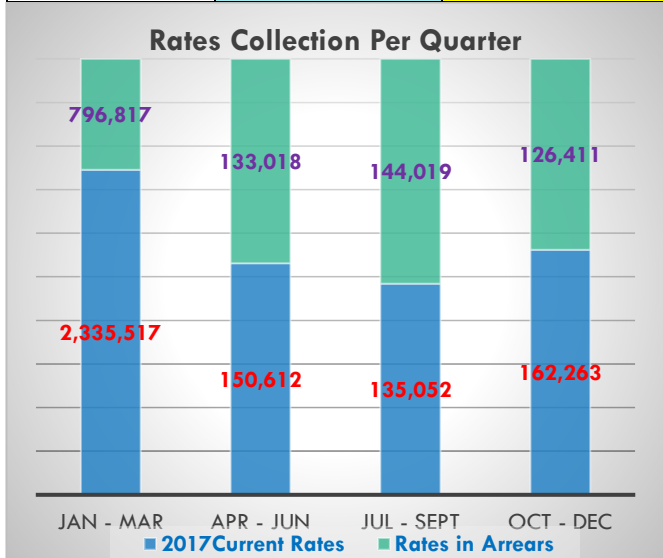
1) LAND VALUATION & RATE

The total unimproved capital valuation of land within the city for rating purposes was \$271,747,840 and the rate levy for 2017 was 1.5261cent based on UCV and rates income were as follows:-

RATES	Levy	U.C.V.	Rate Income
	C	\$	\$
General	0.8592	254,378,140	2,185,616
Loan	0.6669	267,544,840	1,784,257
Agriculture	0.185	4,203,000	7,776

1) RATES COLLECTION - 2017

	2017 Rate Levy	Rates in Arrears
Budget	\$3,977,649	\$3,102,089
Collection	\$2,783,444	\$1,200,265
Balance	\$1,194,205	\$1,901,824
% Collected	69.98%	38.69%



2) RATE ASSESSMENTS RATEPAYERS

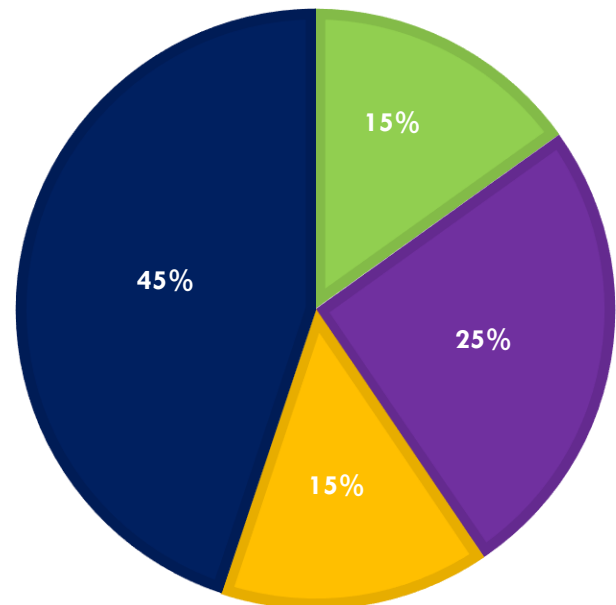
Total number of town ratepayers for the year ending 2017 is: **8,019 ratepayers**

3) CLASSIFICATION OF MAJOR DEFAULTER IN TOWN RATES

Estate of Deceased Persons	\$789,841
Expired Leases	\$168,062
Vacant Lots	\$282,192
Absent Landlords	\$162,642
Individuals	\$499,087
TOTAL	\$1,901,824

% OF DEFAULTERS

- Expired Lease
- Vacant Lots
- Absent Landlords
- Individuals



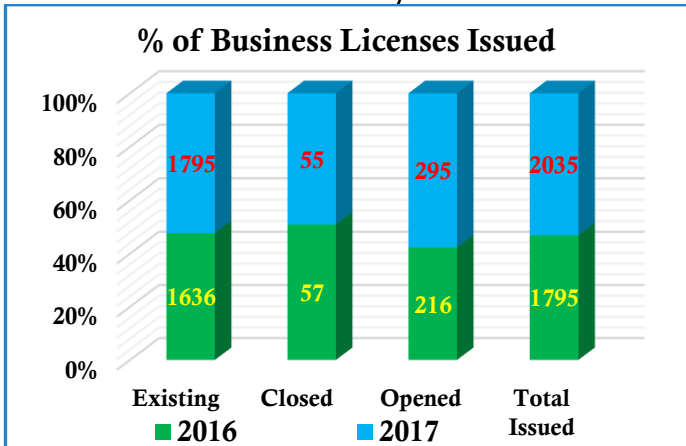
Annual Report - 2017

OTHER MUNICIPAL COUNCIL'S REVENUE

1) BUSINESS LICENSES UPDATES

FOR THE YEAR 2017	Nos. of Businesses
Licenses to be Issued	1,795
Business Licenses Closed	55
New Business Licenses Open	295
Actual Business Licenses Issued	2035

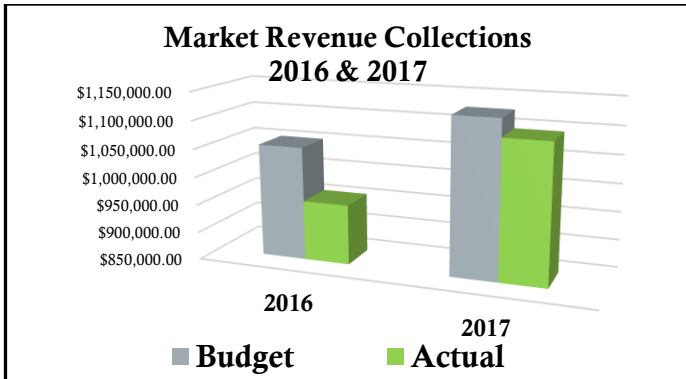
The graphs below illustrated the Business Licenses Issued and Fees collected for year 2016 & 2017



The council's collected 84% of its budgeted business licenses for the year 2016 and continues to follow up on defaulters which mostly are the new SME recipients

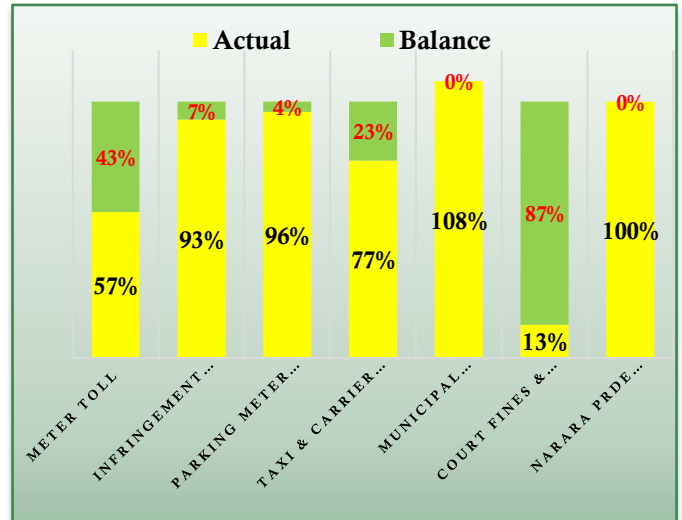
2) MUNICIPAL MARKET REVENUE

The revenue generated from our municipal market are as follows



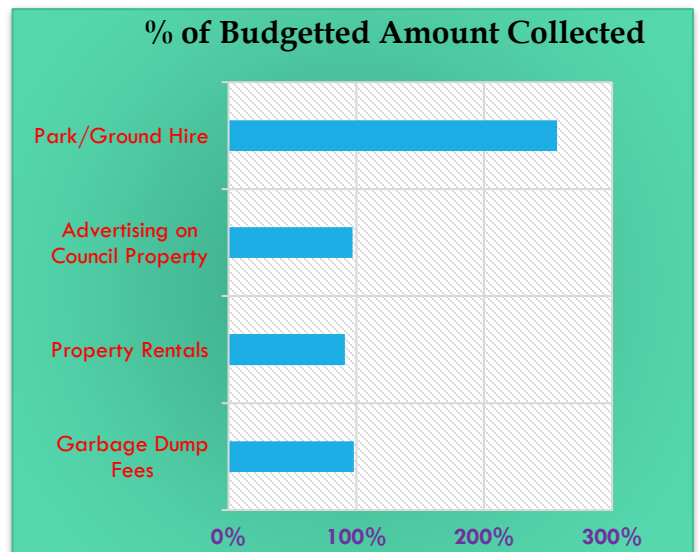
The recovery efforts after STC Winston in 2016 was felt by the increased market produces in 2017 as per illustrated on the aforementioned bar graph.

3) PARKING METER FUND COLLECTION



The opening of the Tappoo City Lautoka and the two new carparks on both sides of the complex has tremendous impact in the carparking revenue and also an additional revenue streams for the council.

4) PARK/GROUND HIRE, PROPERTY RENTAL & GARBAGE DUMP FEES



The construction of new synthetic athletic track at Churchill Park has enabled schools in the Western Division to host their school athletic meet at the facility resulted in the surpassed of the \$100,000 revenue tagged for in the 2017 Financial Budget.

Annual Report - 2017

PUBLIC HEALTH & SAFETY COMPLIANCE

1) LICENCES & REGISTRATION OF PREMISES

Tabulated below the health business licenses issued by council for the year 2017

Types of Business	No. of Licenses
Hotels/ Guest Houses	12
Restaurant and Refreshment Bars	2
Refreshment Bars/Takeaways	85
Restaurant with Liquor Licence	13
Restaurant without Liquor Licence	11
Refreshment Bars	41
Bake House with Retail Sale	26
Butcher Shop	18
Aerated Water & Ice Cream	2
Confectionery/Sweet Meat	4
Theatres	6
Hairdresser/Barbershop	49
Billiard Tables/Amusement Centre	5
Laundries	2
Dance Halls/Night Clubs	10
Hawkers	32
Fish Retail	4
Food Processing/Packer	15
Supermarket with Liquor Licence	34
Club, Private with Liquor Licence	5
Total	376

1) WRITTEN NOTICES ISSUED

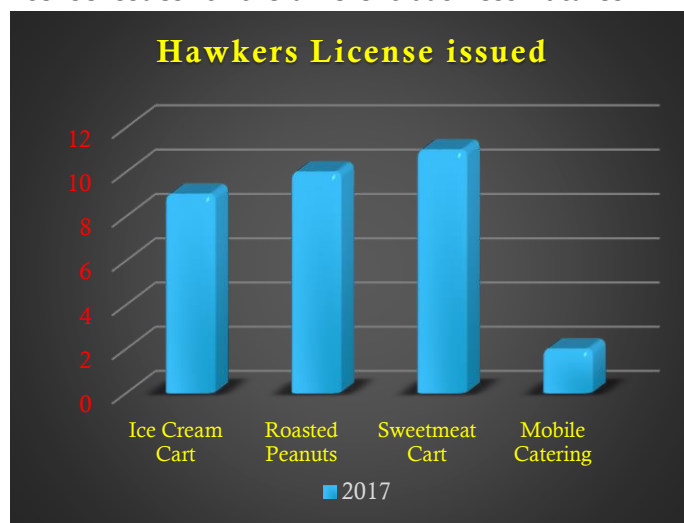
Nos. of intimation notices issued	711
Nos. of statutory notices issued	29
Nos. of poultry and animal notices issued	28
Nos. of notices in letter forms issued	390
Nos. of Litter Notices Issued	214
Nos. of Summons Served	70
Total Notice Issued	1442

2) HOUSEHOLD DRAINAGE INSPECTION

Total number of inspections	125
Number completed satisfactorily	90
Number connected to sewer	125
Total	340

3) HAWKERS LICENSE ISSUED

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



4) UNSOUND FOOD ITEMS CONDEMNED AND DESTROYED

The council health inspectors condemned and disposed food products deemed unfit for consumption as per the provisions of Food Safety Act 2003 from number of food establishments.

During inspections, food establishment owners were warned and advised on need to comply with provisions of the Food Safety Act 2003/Food Safety Regulations 2009.

Food items confiscated were condemned and disposed at the council's dump at Vunato under strict supervision of Health Inspectors

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



Annual Report - 2017

PUBLIC HEALTH & SAFETY COMPLIANCE

5) STRAY DOG TRAPPING

The dog trapping exercises were only carried by Lautoka City Council on areas upon the request of ratepayers even though the legality under the Dog Act 1968 rested with the Ministry of Agriculture.

Tabulated below the nos. of stray dogs trapped and costs incurred in the said exercises for the last three (3) years.

Years	Nos. Dog Trapped	Costs Incurred
2015	89	\$1,820.00
2016	112	\$1,282.00
2017	49	\$980.00

The costs incurred determined by the type of baits used to trap these stray dogs.



6) WASTE DISPOSAL AND MUNICIPAL GARBAGE DUMP

The garbage collection and removal services were carried out by council 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 **1,250 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 **18,478** during the year amounting to **31,139.66 tonnes**.
- A total amount of **361.2 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 and the dump has been regularly sprayed against flies by council employees

7) 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. Larval survey is carried out in 100 premises per month. 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.

Council also investigated positive dengue cases and carried out awareness works. Perifocal spraying was done around 300mtr of positive dengue cases.

Council also carried out 2 rounds of city-wide free clean-up campaigns during the year as preventative measure of source reduction of mosquito breeding grounds.



Annual Report - 2017

PUBLIC HEALTH & SAFETY COMPLIANCE

8) FOOD SAFETY ACT 2003:

Council carried out food safety works including awareness, inspections, monitoring, surveillance works, food condemnation works, health licensing, sampling, attended to food complaints, issued abatement notices and enforced other provisions of Food Safety Act 2003/Food Safety Regulation 2009.

Total of 73 eateries were graded under the provisions of Food Establishment (Grading) Regulations 2012.

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.

Council also processed Health Licenses on behalf of Central Board of Health. All health license fees collected was forwarded to CBH.

Total of **80 Abatement Notices** were also issued in pursuant to section 51 of the Food Safety Act 2003.

9) 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	218
Number of offenders paid on spot fines	96
Number warned	12,893
Number of Legal Actions	65



10) TOBACCO CONTROL WORKS

The Tobacco Control Act 2010 and Tobacco Control Regulation 2012 was enforced by the council's authorized Tobacco Control Officers. Verbal warnings were given and on-the-spot-fines were also imposed as provided in the Decree.

Nos. of fixed penalty notices and notice to attend court served	30
Nos. of offenders paid on spot fines	4
Nos. warned	97
Nos. of Legal Actions	7

11) WATER SAMPLING

Health department conducted routine water sampling within 3 sampling points and the results are as follows:

Sample No.	Sampling Points	Source	Results / 100ml		
			Coliforms	E.Coli	S.Typhi
LCC 4/17	LCC Office Tap	WAF Supply	<3	Nil	-
LCC 5/17	Lautoka Central Primary School	WAF Supply	<3	Nil	-
LCC 6/17	Krishna Temple, Vomo St	Bore Hole Supply	240	<3	-

Fiji National Drinking Water Standards stipulate that Escherichia Coli and Fecal Coliforms must not be detectable in any 100ml sample of water.

Therefore, sample LCC 6/17 do not comply with the Fiji National Drinking Water Standard. The department will carry out repeat sampling from above site as well as create awareness for the concerned resident.

Annual Report - 2017

ENVIRONMENTAL UPKEEP

1) CLEAN SCHOOL PROGRAM

Clean Schools Program Awards Function was held on November 15, 2017 after the Final Judging. It was quite competitive and it was not an easy decision for the judges to decide the winners as the results were very close.

The Chief Guest for the occasion was Mr. Josefa Gavid, the Divisional Education Officer, Western and the function was attended by Stakeholders, Teachers, Head Teachers and Principals from various participating schools from the Urban and Rural areas. A total of 33 Schools took part in 2017 compared to 31 in 2016.

The winners are as follows: -

(a) URBAN SCHOOLS COMPETITION

Overall Winner	Sathya Sai School
Overall Runner-Up	Lovu Sangam School
Environmental Awareness	
Winner	Lovu Sangam School
Runner-Up	Saru MGM School
Composting	
Winner	Sathya Sai School
Runner-Up	Shri Ram Govind School
Recycling	
Winner	Drasa Primary School
Runner-Up	Wairabetia Muslim Primary School
Judges Award	
Special Award	Raviravi Sangam School
Overall Winner	Sathya Sai School

(b.) RURAL SCHOOLS COMPETITION

Overall Winner	Arya Samaj Primary School
Overall Runner-Up	Tilak High School
Environmental Awareness	
Winner	Arya Samaj Primary School
Runner-Up	Tilak High School
Composting	
Winner	Arya Samaj Primary
Runner-Up	Tilak High School
Recycling	
Winner	Tilak High School
Runner-Up	Gandhi Bhawan Primary School
Judges Award	
Special Award	Ahmadhiya Muslim Primary School
Overall Winner	Arya Samaj Primary School

2) MARKET COMPOSTING:

136.54 tons of market organics was composted and 15.25 tons of compost was sold amounting to \$4,575.00 for the year 2017

3) CLEAN UP CAMPAIGN

"Free Environment Clean-up Campaign" was programmed from March 6, 2017 to March 17, 2017 and 4th -15th September 2017.

It was noted that total of more than 15,000 circulars were distributed on door-to-door for awareness and inform the residents to take advantage of the two free campaign.

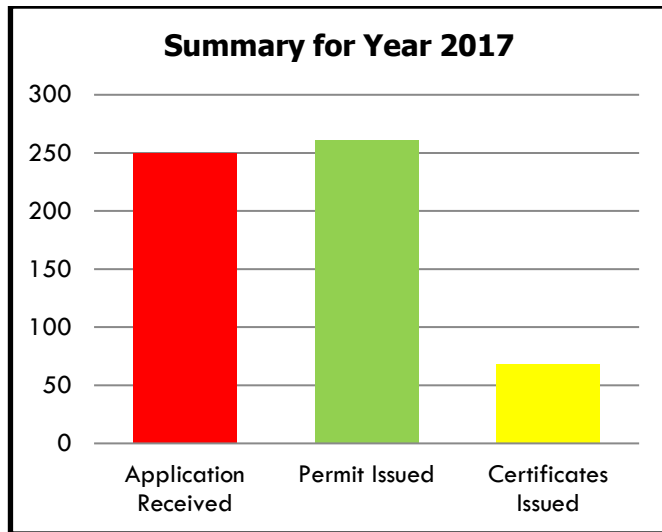
Total of **2055 loads of refuse** was collected which amounted to **2163 tons**.

Annual Report - 2017

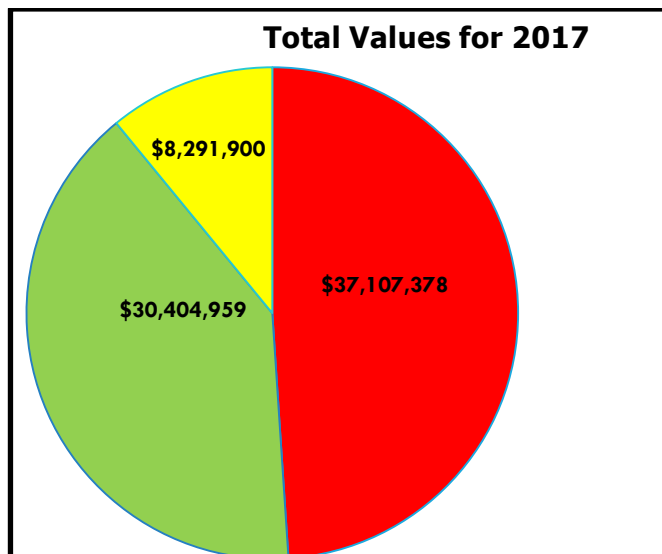
BUILDING & ENGINEERING REPORT

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 – 250
- ⇒ Building Permit Issued – 201
- ⇒ Completion Certificate Issued – 68



- ⇒ Outline Building Application Processed – 80
- ⇒ Total Building Inspections – 1,349
- ⇒ Building Fees Collected - \$92,870.80

2) SUBDIVISION AND REZONING

Tabulated below the nos. of application received, processed and approved or declined by our Engineering department for the year 2017

(a) REZONING	
Nos. Received	4
Nos. Approved	3
(b) SUBDIVISION SCHEME	
Nos. Received	2
Nos. Approved	2
(c.) ENGINEERING DRAWINGS	
Nos. Received	0
Nos. Approved	3
(d.) SURVEY PLAN	
Nos. Approved	2

3) COMPLAINTS RECEIVED & ACTION TAKEN IN 2017

- ✓ 205 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.
- ✓ 132 Complaints for streetlights issues were received at the council's office and all referred to Fiji Road Authority for its contractor attentions.



NEW LAUTOKA AQUATIC CENTER

1) GROUND WORKS FOR THE NEW LAUTOKA AQUATIC CENTER

After the Prime Minister's announcement at the Official Commissioning of the Churchill Park synthetic athletic track, Lautoka City Council's management and staff together with the guidance of the Ministry of Local Government, Housing & Environment identified the suitable location of the new Olympic standard Swimming Pool at the council's Botanical Garden.



The council also sought the blessings of the Turaga Tui Vitogo prior to any earthworks and also with the assistance of the relevant government departments based at Lautoka to successfully carry out the necessary paper works for the said project.



The ground-breaking ceremony for the said project was done on 4th May, 2017 which was officiated by the Minister for Local Government, Housing & Environment – Hon. Parveen Kumar Bala.

The event was blessed with the presence of the Commissioner Western, Tui Vitogo and primary school children of Lautoka.



The proposed Aquatic Center will be consisted of 50meter x 10lane Olympic standard pool, 25meter x 8lane warm-up pool on the raised platform and kids/learners pool with necessary amenities such as changing rooms with showers, canteen/kiosk on lower portion of the facility.

The facility will have floodlights, digital timer and carparking space.

The estimated project cost for the first phase is around \$13Million Dollar which is per concept plan.

The second phase will include a more than 1,000 seating capacity pavilions and other necessary structures.



Annual Report - 2017

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	24	10	34
City Engineer	6	79	85
Building	4	1	5
Public Health	12	23	35
Parking Meter/Car Park	11	4	15
Total	57	117	174

2) STAFF RETIREMENT

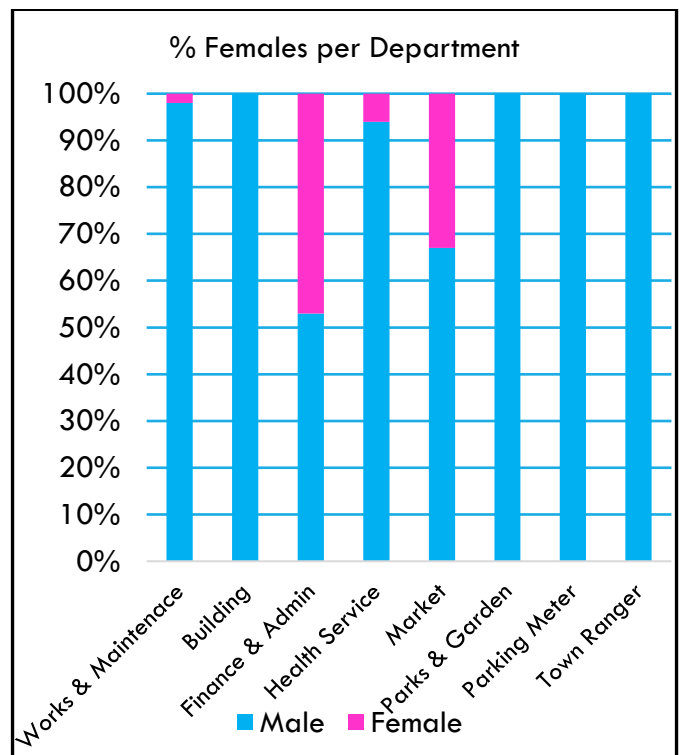
Name	Position Held Prior to Retirement	Year of Services
Aruna Goundar	Secretary to CEO	Sept 1991 to June 2017
Mirza Begg	Maintenance Supervisor	Aug 2003 to Sept 2017

3) STAFF LOCAL TRAININGS

Officer	Programme	Date/Venue
Rouhit K Singh	World Health Organization OHS Workshop	May 2 - 5, 2017 Suva
Shalend P Singh	Training for investigating officers	June 12 th - 16 th , 2017 Suva
(i.) Ajay Kumar (ii.) James Govind Swamy (iii.) Tevita Komaisavai (iv.) Joshua Wally Eliesa (v.) Shalend Singh	Tobacco Control Training	14 th - 15 th November, 2017, Waterfront Hotel

4) STAFF OVERSEAS TRAININGS

Officer	Programme	Date/Venue
Daniel Harish Chand	Disaster Prevention of Buildings (against Earthquake, Tsunami, Typhoon, Fire, etc)	22 nd June to 4 th August, 2017 @ Tokyo, Japan
Shri Charan	Global Geo Park Planning and Development	21 st to 25 th August @ Lankawi Malaysia
Shalend Singh	Disaster Waste Management and International Expert Workshop on Mainstreaming Resilience and Disaster Risk Reduction in Education,	Nov 30 - December 2, 2017, Bangkok, Thailand



Annual Report - 2017

PHOTO GALLERY - 2017



ACRONYM

- ADBS - Acting Director Building Service
- ADES - Acting Director Health Service
- AO - Administration Officer
- APO - Acting Prosecution Officer
- CBH - Central Board of Health
- CEO - Chief Executive Officer
- COP23 - 23rd Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC).
- DFAS - Director Finance & Administration Service
- DHS - Director Health Service
- FBEA - Fiji Business Excellence Award
- IAAF – International Association of Athletic Federations
- Horti - Horticulturist
- MAFHR- Manager Administration Finance & Human Resource
- MHS - Manager Health Service
- MM - Market Master
- NDMO – National Disaster Management Office
- OHS - Occupational Health & Safety
- PMS - Parking Meter Supervisor
- RFMF – Republic of Fiji Military Force
- STC - Severe Tropical Cyclone
- TR - Town Ranger
- UCV - Unimproved Capital Value
- WM - Works Manager

Annual Report - 2017



LAUTOKA CITY COUNCIL
CIVIC CENTRE, 169 VITOGO PARADE, LAUTOKA
P.O.BOX 124, LAUTOKA

Office: +679 666 0433. Mobile: +679 990 8559
Fax: +679 666 3288 Email: lcc@connect.com.fj
Website: www.mylautokacity.org

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



Level 1, Modyl Plaza
Karsanji Street, Vatuwaqa
P. O. Box 2214, Government Buildings
Suva, Fiji



Telephone: (679) 8921519
E-mail: info@auditorgeneral.gov.fj
Website: <http://www.oag.gov.fj>



File: 1300/1

18 December 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 2017

The audited financial statements for Lautoka City Council for the year ended 31 December 2017 together with my audit report on them are enclosed.

Particulars of the errors and omissions 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.

LAUTOKA CITY COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2017

LAUTOKA CITY COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

CONTENTS

Council Report.....	3 - 4
Statement by Council.....	5
Independent auditor's report	6 - 9
Statement of comprehensive income.....	10
Statement of changes in accumulated funds and reserves.....	11
Statement of financial position.....	12
Statement of cash flows.....	13
Notes to and forming part of the financial statements.....	14 - 24

**LAUTOKA CITY COUNCIL
COUNCIL'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The Council herewith submits the Statement of Financial Position at 31 December 2017, 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 were no Special Administrators during the year 2017 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 2017 amounted to \$5,689,090 (2016: \$3,208,624).

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.

8. Subsequent Events

a) Amendments to The Local Government Act 1972

An 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 2017 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 that has 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.

9. Other Circumstances

As at the date of this report:

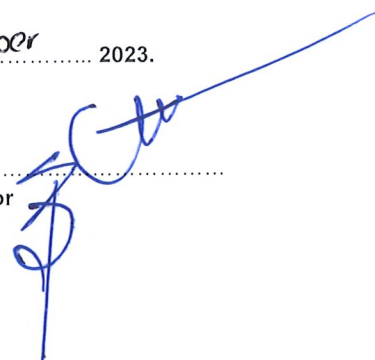
- (i) no charge on the assets of the Council has been given since the end of the financial year to secure the liabilities of any other person;
- (ii) no contingent liabilities or other liabilities of the Council has become or is likely to become enforceable within the year of twelve months after the 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 administrators 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

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

Dated this 14th day of December 2023.


.....
Chief Executive Officer


.....
Administrator

LAUTOKA CITY COUNCIL
STATEMENT BY COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2017

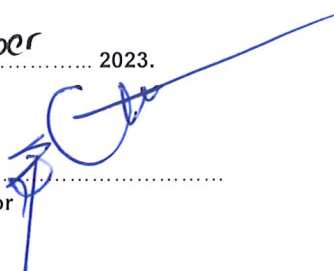
The Council, states that:

- (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 2017;
- (ii) the accompanying statement of changes in accumulated funds of the Council for the year ended 31 December 2017 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 2017;
- (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 2017;
- (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 December 2023.


.....
Chief Executive Officer


.....
Administrator

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits

Level 1, Modyl Plaza
Karsanji St. Vatuwaqa
P. O. Box 2214, Government Buildings
Suva, Fiji



Telephone: (679) 8921519
E-mail: info@auditorgeneral.gov.fj
Website: www.oag.gov.fj



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 2017, 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 \$725,340. In addition, an unreconciled variance of \$642,703 exists between the rates receivable listing provided by the Council and the rates receivable balance of \$5,014,265 included in the total receivables balance of \$5,739,606. Consequently, I was unable to ascertain the accuracy of total receivables balance of \$5,739,606 disclosed in Note 12(a) to the Financial Statements.
2. The Council recorded receivables amounting to \$5,739,606 (Note 12(a)). I note that 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 basis of 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 2017 and any corresponding adjustments to the elements making up the statement of income and expenditure.
3. An unreconciled variance of \$68,307 exists between the held to maturity investment confirmed by the Home Finance Company and the balance reported in Note 10 to the financial statements. In addition, there were insufficient documents provided to confirm the existence of the held to maturity investment with Bred Bank totaling \$2,500,000. As a result, I am unable to ascertain whether the held to maturity investment balance of \$4,646,652 is fairly stated in the financial statements.
4. The Council was unable to provide detailed listings and relevant supporting documents to support other receivables balance of \$323,471 as reported in the Statement of Financial Position. Consequently, I was unable to ascertain the accuracy of the other receivables balance of \$323,471 as reported in the Statement of Financial Position as at 31 December 2017.

5. The Council recorded total Property, Plant and Equipment (PPE) amounting to \$9,090,615 in the Statement of Financial Position as at 31 December 2017. The detail descriptions of the assets with cost totaling \$6,208,997 and written down value of \$2,772,684 was not provided in the fixed assets schedule to enable me to perform appropriate audit procedures to ascertain existence of this balance. In addition, the Council did not provide detail listing of work in progress of \$1,193,139 out of the total amount of \$5,999,796 as reported in Note 17 to the financial statements. Payment vouchers and supporting documents amounting to \$144,823 for total additions to PPE were not provided. As a result, I was unable to ascertain whether Property, Plant and Equipment balance of \$9,090,615 is fairly stated in the financial statements.
6. The Council recorded written down value of investment properties of \$5,834,879 in the Statement of Financial Position as at 31 December 2017. 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 \$5,834,879 is fairly stated in the financial statements.
7. The Council was unable to provide inventory listings, annual stock-take records and reconciliations to substantiate the project supplies balance of \$304,750 recorded in the Statement of Financial Position as at 31 December 2017. 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 \$304,750 is fairly stated in the financial statements.
8. The Council was unable to provide the Value Added Tax (VAT) reconciliations to support the VAT receivable balance of \$365,002 reported in the Statement of Financial Position. As a result, I am unable to ascertain whether the VAT receivable balance of \$365,002 is fairly stated in the financial statements.
9. The Council was unable to provide the detailed listings and detailed reconciliations to substantiate the capital grant in aid balance of \$1,876,777 (Note 16) recorded in the Statement of Financial Position as at 31 December 2017. As a result, I was unable to ascertain whether the capital grant in aid balance of \$1,876,777 is fairly stated in the financial statements.
10. Included in the creditors and accruals balance of \$481,696 (Note 13) is sundry creditors and accruals balance of \$192,432, security deposits balance of \$227,230 and refundable building deposits balance of \$62,034. The Council was unable to provide subsidiary ledgers and detail listings to substantiate these balances. As a result, I was unable to ascertain whether the total creditors and accruals balance of \$481,696 is fairly stated in the financial statements.
11. The Council was unable to provide details and relevant supporting documents to support the amortization of capital grant income of \$2,000,000 (Note 4) included in the other income balance of \$8,488,647 in the Statement of Comprehensive Income. In addition, an unreconciled variance of \$303,341 exists between the business license fees listing provided by the Council and the business license fees income of \$448,697 (Note 4) included in the other income balance. Furthermore, an unreconciled variance of \$1,168,342 exists between the rates revenue listing provided by the Council and the rates revenue of \$5,182,018 reported in the Statement of Comprehensive Income. Also, the internal controls function of revenue management was found to be weak as the revenue was recorded on cash basis and the source documents such as the market register book for daily collection, public convenience ticket butts and daily summary records were not maintained and provided for my review. Due to the nature of transactions of the market, car park, gate takings and public convenience fees, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts of the Council. As a result, I was unable to ascertain whether the total revenue of \$13,670,665 is fairly stated in the financial statements.

12. The Council was unable to provide the salaries and wages reconciliations to substantiate the total salaries and wages amount of \$3,082,411 as disclosed in Note 5 to the Financial Statements. In addition, an unreconciled variance of \$436,198 exists between the year-to-date report provided by the Council and the total salaries and wages amount recorded in Note 5 to the Financial Statements. As a result, I am unable to ascertain whether the salaries and wages balance of \$3,082,411 is fairly stated in the financial statements.
13. The Council was unable to provide payment vouchers, supplier invoices and or receipts to support transactions totaling \$842,218 which are for non-payroll expenditure from the total expenditure of \$4,938,566 disclosed in the Statement of Comprehensive Income. As a result, I was unable to verify the occurrence and accuracy of the transactions and also 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 2017.
14. 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.
15. The Council did not completely disclose the details of related parties transactions in the Notes to the Financial Statements. As a result, the financial statements of the Council are not completely and fairly presented in accordance with all the requirements of IFRS.
16. 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 2017 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 2017. 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 Annual 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 have performed, 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
18 December 2023

LAUTOKA CITY COUNCIL
 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 \$	2016 \$
General Fund			
<i>Revenue</i>			
Rates	3	5,182,018	3,678,335
Other Income	4	8,488,647	6,082,713
		<u>13,670,665</u>	<u>9,761,048</u>
<i>Expenditure</i>			
Personnel costs	5	3,489,730	2,730,063
Administrative and operating costs	6	2,113,162	1,336,794
Rate payer services	7	703,632	846,571
Depreciation and amortisation expenses		586,562	544,032
Parks, gardens and public amenities	8	977,296	1,005,438
Legal and professional fees		57,975	113,416
Interest		307,756	334,235
Streetlight and street maintenance costs		192,184	136,924
Auditors remuneration		-	-
		<u>8,428,297</u>	<u>7,047,473</u>
General Fund Surplus		<u>5,242,368</u>	<u>2,713,575</u>
Parking Meter Fund			
Revenue		387,158	438,003
Expenses		22,257	37,470
Parking Meter Fund Surplus		<u>364,901</u>	<u>400,533</u>
Car Park Fund			
Revenue		102,334	94,516
Expenses		20,513	-
Car Park Fund Surplus		<u>81,821</u>	<u>94,516</u>
Other comprehensive income		-	-
Total Comprehensive Income		<u>5,689,090</u>	<u>3,208,624</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 2017

	Reserve	Parking Meter	Car Park	General Fund	Total Accumulated Funds
	\$	\$	\$	\$	\$
Balance at 1 January 2016	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	455,490	1,347,634	467,596	14,993,292	17,264,012
Surplus for the year	-	364,901	81,821	5,242,368	5,689,090
Balance as at 31 December 2017	<u>455,490</u>	<u>1,712,535</u>	<u>549,417</u>	<u>20,235,660</u>	<u>22,953,102</u>

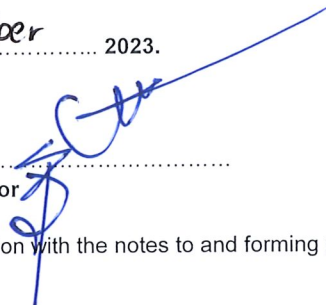
LAUTOKA CITY COUNCIL
 STATEMENT OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2017

	Notes	2017 \$	2016 \$
Current Assets			
Cash on hand and at bank	9(b)	6,755,651	6,519,966
Held to maturity investment	10	4,646,652	1,428,478
Project supplies	11	304,750	189,794
Receivables	12(a)	4,739,606	4,716,490
Other receivables	12(b)	323,471	258,837
Vat receivable		365,002	24,877
Total current assets		<u>17,135,132</u>	<u>13,138,442</u>
Non-Current Assets			
Property, plant and equipment	17	9,090,615	7,556,213
Investment properties	18	5,834,879	6,049,932
Total non current assets		<u>14,925,494</u>	<u>13,606,145</u>
TOTAL ASSETS		<u>32,060,626</u>	<u>26,744,587</u>
Current Liabilities			
Creditors and accruals	13	481,696	457,689
Provisions	14	143,300	127,433
Interest bearing borrowings	15	793,010	793,010
Total current liabilities		<u>1,418,006</u>	<u>1,378,132</u>
Non-Current Liabilities			
Provisions	14	210,292	190,799
Interest bearing borrowings	15	5,602,449	6,087,842
Capital grant in aid	16	1,876,777	1,823,802
Total non-current liabilities		<u>7,689,518</u>	<u>8,102,443</u>
TOTAL LIABILITIES		<u>9,107,524</u>	<u>9,480,575</u>
NET ASSETS		<u>22,953,102</u>	<u>17,264,012</u>
Accumulated funds			
Accumulated funds		20,235,660	14,993,292
Reserves	19	455,490	455,490
Council Trust Fund			
Parking meter funds		1,712,535	1,347,634
Car park funds		549,417	467,596
TOTAL MUNICIPAL FUNDS		<u>22,953,102</u>	<u>17,264,012</u>

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

Dated this 14th day of December 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 2017

	Notes	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from customers		13,957,451	10,017,386
Payments to suppliers and employees		<u>(7,464,408)</u>	<u>(6,480,682)</u>
Net cash from operations		6,493,043	3,536,704
Finance costs		(307,756)	(334,235)
Vat		(340,125)	(95,186)
Net cash provided by operating activities	9(a)	<u>5,845,162</u>	<u>3,107,283</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(1,905,911)	(2,214,956)
Acquisition of term deposits (net)		<u>(3,218,173)</u>	<u>(12,800)</u>
Net cash used in investing activities		<u>(5,124,084)</u>	<u>(2,227,756)</u>
Cash flows from financing activities			
Repayment of term loan		<u>(485,393)</u>	<u>(461,265)</u>
Net cash provided by/(used in) financing activities		<u>(485,393)</u>	<u>(461,265)</u>
Net increase in cash held		235,685	418,262
Cash and cash equivalents at the beginning of the year		<u>6,519,966</u>	<u>6,101,704</u>
Cash and cash equivalents at the end of the year	9(b)	<u><u>6,755,651</u></u>	<u><u>6,519,966</u></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 2017

1.0 GENERAL INFORMATION

The financial statements of Lautoka City Council ("the Council") for the year ended 31 December 2017 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:

Leasehold land	Over the term of the lease
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%
----------	-------

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.

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 reserves, 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.

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 Council 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 2017

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.

	2017	2016
	\$	\$
3. RATES		
General rates	3,659,702	2,104,684
Rates - applied to borrowings	1,522,316	1,573,651
	<u>5,182,018</u>	<u>3,678,335</u>
<i>Rates revenue received by the Council are applied towards general fund expenditures and reducing the Councils borrowings by 53% and 47% respectively.</i>		
4. OTHER INCOME		
Fees, charges and rent	3,365,274	2,914,345
Other	2,567,358	1,429,686
Business license fees	448,697	478,748
Amortisation of capital grant	2,000,000	1,206,857
Interest	107,318	53,077
	<u>8,488,647</u>	<u>6,082,713</u>
5. PERSONNEL COSTS		
Salaries and wages	3,082,411	2,370,852
FNPF	297,024	234,061
Staff training and welfare	7,443	11,324
Security costs	102,852	113,826
	<u>3,489,730</u>	<u>2,730,063</u>

LAUTOKA CITY COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
6. ADMINISTRATIVE AND OPERATING COSTS		
Council expenses	243,652	369,118
General expenses	79,665	229,740
Office expenses	29,879	46,438
Licencing fees	125,155	80,529
Insurance	47,840	74,037
Printing, postage and stationery	49,441	33,284
Rent	1,566	-
Administrative and operating costs	421,558	20,118
Advertising	47,864	17,285
Motor vehicle-repairs and maintenance	266,267	103,974
Lease payments	588	2,842
Uniforms	38,477	27,228
Fiji National University	27,418	23,400
Motor vehicle fuel	84,907	55,232
Telephone	32,673	32,101
Other expenses	636	9,175
Materials for celebrations/ events	91,061	32,837
Depot - rent	2,740	2,827
Fringe benefit tax	4,308	3,919
Subscription	9,221	882
Computer expenses	25,000	-
Ticket seller allowance	14,663	-
Bank charges	2,756	3,539
Motor vehicle - wheel tax (LTA)	10,630	8,403
Provisional tax/ Withholding tax	455,197	159,886
	<u>2,113,162</u>	<u>1,336,794</u>
7. RATE PAYER SERVICES		
Garbage removal services	156,234	329,148
Rate payer services	4,985	-
Town planning fees	30,283	5,600
Drain maintenance	512,130	511,823
	<u>703,632</u>	<u>846,571</u>
8. PARKS, GARDENS AND PUBLIC AMENITIES		
Public convenience	104,265	254,044
City expenses	2,906	87,513
Market	138,743	120,641
Repairs and Maintenance	127,282	224,604
Electricity	141,039	50,696
Water rates	130,691	64,885
Parks, garden and public amenities	120,633	115,690
Cleaning expenses	105,407	2,280
Tissue and detergents	59,073	72,462
Hire of plant	47,257	12,623
	<u>977,296</u>	<u>1,005,438</u>

LAUTOKA CITY COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
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	5,689,090	3,208,624
<u>Add/(Less) Non cash items/ items classified as investing:</u>		
Depreciation	586,562	544,031
 <u>Change in Operating Assets and Liabilities:</u>		
Increase in trade and other receivables	(87,750)	(150,306)
Increase in inventories	(114,956)	(125,875)
Decrease in accounts payable	24,007	(301,269)
Increase in provisions	35,358	27,264
Increase in VAT payable	(340,125)	(95,186)
Increase in capital grant	52,976	-
Cash flow provided by operating activities	<u>5,845,162</u>	<u>3,107,283</u>
 b) Cash and cash equivalents consist of: -		
<u>Cash on hand and at bank</u>		
General account	898,795	736,640
Parking meter funds*	534,146	534,146
Savings account	4,190,842	4,171,580
Capital Project Account *	1,130,868	1,076,600
Cash on hand	1,000	1,000
	<u>6,755,651</u>	<u>6,519,966</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		
Bank of the South Pacific (BSP)	1,048,358	848,358
Home Finance Company (HFC)	598,294	580,120
Bred Bank	3,000,000	-
	<u>4,646,652</u>	<u>1,428,478</u>
 Interest earned at between 3% - 4% from the above term deposits are credited to the General Fund.		
11. PROJECT SUPPLIES		
Materials	<u>304,750</u>	<u>189,794</u>
	<u>304,750</u>	<u>189,794</u>
12. RECEIVABLES		
a) Receivables	5,739,606	5,716,490
Less: provision for doubtful accounts	(1,000,000)	(1,000,000)
	<u>4,739,606</u>	<u>4,716,490</u>
b) Other receivables	<u>323,471</u>	<u>258,837</u>
Total receivables	<u>5,063,077</u>	<u>4,975,327</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>

LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 \$	2016 \$
13. CREDITORS AND ACCRUALS		
Sundry creditors and accruals	192,432	168,425
Other creditors	-	-
Security deposits	227,230	227,230
Refundable building deposits	62,034	62,034
Audit fees accrued	-	-
	<u>481,696</u>	<u>457,689</u>
<i>Terms and conditions of the above financial liabilities:</i>		
<i>Trade payables are non-interest bearing and are normally settled on 60 day term;</i>		
<i>Other payables are non-interest bearing and have an average term of six months.</i>		
14. PROVISIONS		
<u>Long Service Leave</u>		
At 1 January	190,799	160,370
Net arising during the year	37,038	35,811
Net leave utilised	(17,545)	(5,382)
At 31 December	<u>210,292</u>	<u>190,799</u>
<u>Annual Leave</u>		
At 1 January	127,433	130,598
Net arising during the year	76,000	66,921
Net leave utilised	(60,133)	(70,086)
At 31 December	<u>143,300</u>	<u>127,433</u>
Total provisions	<u>353,592</u>	<u>318,232</u>
<u>Disclosed as:</u>		
Current	143,300	127,433
Non-current	210,292	190,799
Total Provisions	<u>353,592</u>	<u>318,232</u>
15. INTEREST BEARING BORROWINGS		
<u>Current</u>		
Bank of the South Pacific - General	793,010	793,010
Total current	<u>793,010</u>	<u>793,010</u>
<u>Non-current</u>		
Bank of the South Pacific - General	5,602,449	6,087,842
Total non-current	<u>5,602,449</u>	<u>6,087,842</u>
<i>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.</i>		
16. CAPITAL GRANT		
At 1 January	1,823,802	809,562
Addition	2,052,975	2,914,240
Released to the statement of comprehensive income	(2,000,000)	(1,900,000)
Closing balance as 31 December	<u>1,876,777</u>	<u>1,823,802</u>

LAUTOKA CITY COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2017

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 2016	3,634,037	469,254	235,941	359,947	1,573,609	566,544	4,296,732	11,136,064
Additions	-	74,779	7,749	14,905	105,143	271	1,703,064	1,905,911
Disposals	-	-	-	-	-	-	-	-
As at 31 December 2017	<u>3,634,037</u>	<u>544,033</u>	<u>243,690</u>	<u>374,852</u>	<u>1,678,752</u>	<u>566,815</u>	<u>5,999,796</u>	<u>13,041,975</u>
<u>Accumulated Depreciation</u>								
As at 31 December 2016	1,347,623	365,406	211,585	331,145	1,324,092	-	-	3,579,851
Depreciation	90,851	31,359	7,651	11,220	230,428	-	-	371,509
Disposals	-	-	-	-	-	-	-	-
As at 31 December 2017	<u>1,438,474</u>	<u>396,765</u>	<u>219,236</u>	<u>342,365</u>	<u>1,554,520</u>	<u>-</u>	<u>-</u>	<u>3,951,360</u>
<u>Net Carrying amounts</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>
As at 31 December 2017	<u>2,195,563</u>	<u>147,268</u>	<u>24,454</u>	<u>32,487</u>	<u>124,232</u>	<u>566,815</u>	<u>5,999,796</u>	<u>9,090,615</u>

18. INVESTMENT PROPERTIES	Investment Properties \$	Total \$
<u>Gross carrying amounts</u>		
As at 31 December 2016	8,602,098	8,602,098
As at 31 December 2017	<u>8,602,098</u>	<u>8,602,098</u>
<u>Accumulated Depreciation</u>		
As at 31 December 2016	2,552,167	2,552,167
Depreciation	215,052	215,052
As at 31 December 2017	<u>2,767,219</u>	<u>2,767,219</u>
Net book value	<u>5,834,879</u>	<u>5,834,879</u>
	2017 \$	2016 \$
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) Identity of related party

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

LAUTOKA CITY COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2017

20. RELATED PARTIES (continued)	2017	2016
	\$	\$
(b) Transactions with related parties are as follows:		
Transactions with related parties with approximate transaction value are summarised as follows:		
Administrator - Honorarium	<u> -</u>	<u> -</u>

Transactions with related parties were made on normal commercial terms and conditions.

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 2017 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.

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.

22. APPROVAL OF FINANCIAL STATEMENTS

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