

LAUTOKA SALUTES
ILIESA DELANA
FOR BRINGING GLORY
TO
FIJI



LAUTOKA CITY COUNCIL ANNUAL REPORT - 2012

PARLIAMENT OF FIJI
PARLIAMENTARY PAPER NO 202 OF 2020

ACRONYM

3R	- Reduce, Reuse & Recycle
ACHR	- Asian Coalition of Housing Rights
ADBS	- Acting Director Building Services
BSP	- Bank of the South Pacific
CBD	- Central Business District
CBH	- Central Board of Health
CEO	- Chief Executive Officer
Col.	- Colonel
Cmdr.	- Commander
DES	- Director Engineering Services
DFAS	- Director Finance & Administration Services
DHS	- Director Health Services
DivEOC	- Divisional Emergency Operation Center
FMF	- Flour Mills of Fiji
FNU	- Fiji National University
FSSRU	- Fiji Secondary School Rugby Union
HON	- Honorable
IRB	- International Rugby Board
JICA	- Japan International Cooperation Agency
LCC	- Lautoka City Council
MOU	- Memorandum of Understanding
NFA	- National Fire Authority
OHS	- Occupational Health & Safety
PCN	- People's Coalition Network
PNG	- Papua New Guinea
PPP	- Public Private Partnership
RFMF	- Republic of Fiji Military Forces
TC	- Tropical Cyclone
USP	- University of the South Pacific
UniFiji	- University of Fiji
VDS	- Vunato Dump Site
WBC	- Westpac Banking Corporation

COVER PAGE CAPTION:

The renowned Bollywood Actor and Comedian – Mr. Johnny Lever with council's Park & Garden workers in commissioning the council's billboard of celebrating the first Fijian Para-Olympian – Mr. Iliesa Delana

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CHIEF EXECUTIVE OFFICER FOREWORD



This report contains summary of activities undertaken by Lautoka City Council for the year 2012.

While it is an ongoing journey for Lautoka City Council; the challenges and expectation of being the CEO for the second city in Fiji which is also the Administrative Capital of the Western Division continues to inspire my ability to perform for the best.

The change in weather pattern was something beyond our control, as two (2) Tropical Depressions hit the western division in January and March before Tropical Cyclone Evan struck us in December.

Reflecting on the first full year of my appointment as CEO and the challenges brought by Mother Nature; I would like to acknowledge the Lord Almighty for the strength and conditioning given to all the staff and management of Lautoka City Council.

The power of unity and integrated approach was something that motivated us to move on and offered assistance to our neighboring municipalities during the aftermath of the two (2) floods and not to mention the support and assistance the council offered to Divisional Emergency Operation Center (DivEOC) under the Commissioner Western, Commander. Joeli Cawaki on post disaster period.

Lautoka City Council will now focus on developing its sporting infrastructures and concurrently established cultural attractions that will lure visitors into our city as part of its corporate strategic plan. There is huge potential for developing Churchill Park to international standard sporting facility whereas council have received a lot of interested investors locally and from abroad. Nevertheless, we still lack on accommodation spaces and council has negotiated with big business entities in Lautoka on a Public Private Partnership (PPP) to develop some of council's open spaces to build accommodation and in-house conferences center.

At this juncture, I would like to note my sincere appreciation to our Special Administrator, Mr. Parveen Bala for his notable leadership, the management for their remarkable assistance and the respective staff/workers of Lautoka City Council for their undying support in stirring our civic ship during a challengeable 2012.

I wish everyone a Merry Christmas and Prosperous 2013

A handwritten signature in black ink, appearing to read 'Jone Qio Nakauvadra'. The signature is stylized and fluid.

Jone Qio Nakauvadra

CHIEF EXECUTIVE OFFICER

LAUTOKA CITY CORPORATE OVERVIEW

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

GOALS

- (a.) To enhance the quality of life of residents by maximizing their sense of community ownership
- (b.) To protect and encourage a wider appreciation of the city's natural environment
- (c.) To support and promote the city's economy taking into account its social and environmental values
- (d.) To create a city where organic keeps changing; there is room for breathing, moving, memory of past, a pleasant place to live and have a mind for human being
- (e.) To have an affordable city

VALUES

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

(A) COUNCIL'S BACKGROUND INFORMATION

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 DETAILS

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 December 2012

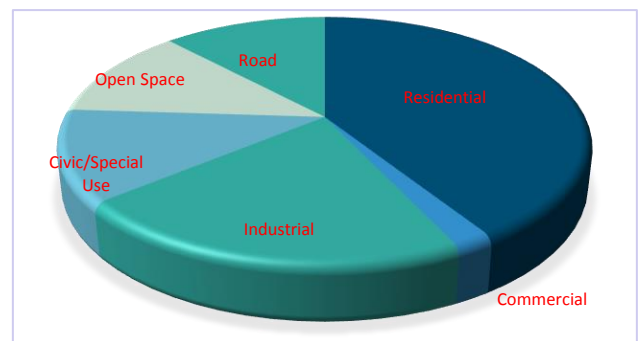
DEMOGRAPHIC DETAILS

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

GEOGRAPHICAL LOCATION

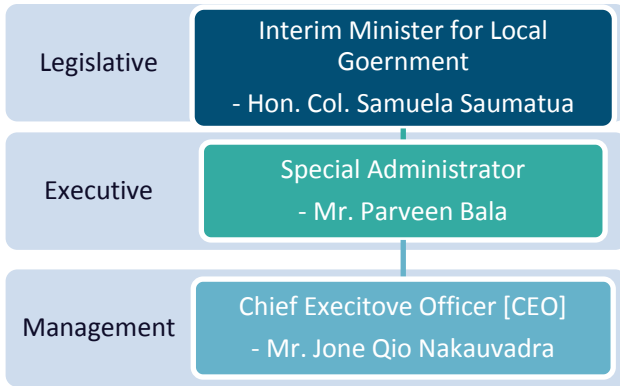
- 21km Northeast of Nadi International Airport
- Grid reference: 17° 37' 0" South, 177° 28' 0" East

ZONING ALLOCATION



(B) ORGANISATION STRUCTURE

(a.) Governance Setup

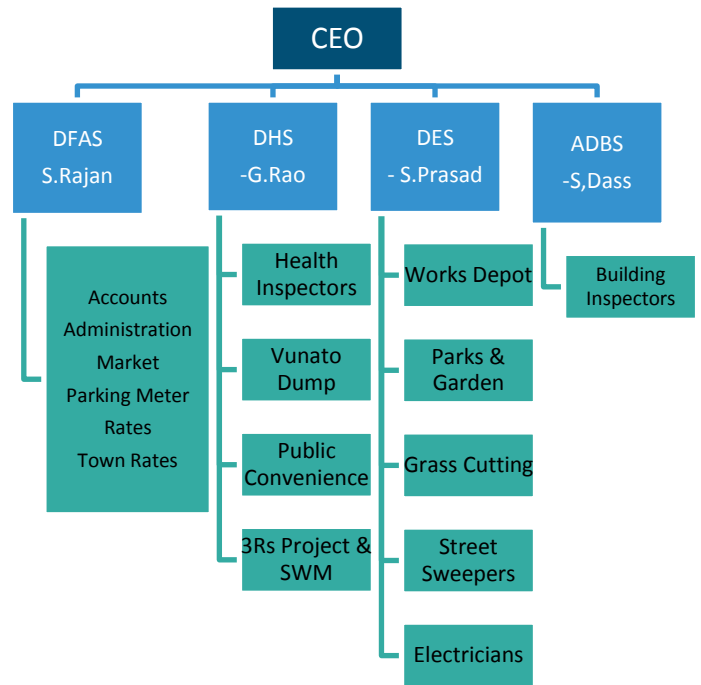


Interim Minister for Local Government - Hon. Colonel Samuela Saumatua officiating during the 2012 Agriculture Show at Churchill Park



Special Administrator - Mr. Parveen Bala presenting a token on behalf of Lautoka City Council to the renowned Bollywood Actor & Comedian - Mr. Johnny Lever

(b.) Management Hierarchy



Interim Minister for Youth & Sports - Hon. Cmdr. Viliame Naupoto presenting Government's contribution for the Natokowaqa Volleyball Court to Special Administrator - Mr. Parveen Bala and Chief Executive Officer - Mr. Jone Nakauvadra under MOU signed by the Ministry of Youth & Sports and Lautoka City Council.

(C) BRIEF HIGHLIGHTS OF 2012

**(a.) STATE OF DISASTER –
AFTERMATH OF TWO (2)
TROPICAL DEPRESSIONS**

The impact of the two (2) tropical depressions that hit the western division at the end of January and March, 2012 were heavily felt respectively by our neighboring municipalities and Lautoka was no exceptional.

Lower parts of Lautoka was flooded especially those residing besides the three main creeks namely Namoli, Musuniwai and lower Saru creek at Natabua flats and Navutu Industrial Area. Part of the Queens Road at Natabua/Navutu flats was



submerged due to the spillover of drains and channels causing the flooding of roads within part of CBD area.

During the two state of disasters, council offered assistance in-kind to Nadi and Ba Town Council for their quick restorations and also participated and assisted the Divisional Emergency Operation Center (DivEOC) Western under the leadership of the Commissioner Western – Cmdr. Joeli Cawaki.



In partnership with the business communities and interested individuals, the council raised

\$57,000.00 for the Prime Minister Flood Assistance Fund which was personal hand over to the Prime Minister during a civic reception at the council chamber

**(b.) VODAFONE FARMERS
CARNIVAL**

The Vodafone sponsored 2012 Farmers Carnival was held from the 1st to 7th of July, 2012 at Carnival ground. The carnival objective was to raise fund for the underprivileged children's education in Lautoka.

The council hosted the 16 contestants for a luncheon and tour within the city as part of its contributions to the organizing committee

**(c.) GENERAL MACHINERY SUGAR
FESTIVAL**

The Sugar Festival was sponsored by General Machinery Hire Limited with a theme 'together we can make a difference' was held at the Carnival ground from 21st to 28th July, 2012.

The carnival aimed at having 'fun in the sun' was a success as usual, brightening the sugar city even more, thou the public turnout was not that favorable

**(d.) CREST FIJI 2012 AGRICULTURE
SHOW**

For the first time ever, the national event of Agriculture Show was brought down to Lautoka so that farmers affected in the two floods benefited from the event. Council signed the MOU with Ministry of Agriculture to host the 2012 National Agriculture Show from 6th to 11th August, 2012.

The council contributed more than \$27,300.00 to the event via the usage of its Churchill Park & Carnival ground whereas the whole citizen of Lautoka directly and indirectly gained from this national event which was brought together by government agricultural experts to interact and share their knowledge.



(e.) COKE ZERO FIJI SECONDARY SCHOOL RUGBY DEANS FINAL

The Churchill Park once again hosted a full ground capacity of the 2012 Coke Zero FSSRU Deans Final on Saturday, 18th August, 2012 and whereby Queen Victoria School engraved its name on the Deans trophy once again.



(f.) ARISE FIJI FOR JESUS – 2012

The International Evangelistic Convention known as *Arise Fiji for Jesus – 2012* was held on the 09th to 16th September, 2012 at the enclosed Churchill Park whilst an organized mini-carnival in partnership with the Lautoka Chamber of Commerce was held at the Carnival with intent to promote Fiji Made products. Christian groups from Australia, New Zealand, Solomon Island, PNG, Vanuatu and around Fiji were also present in the week-long festival of singing and praise.

Guest speakers for the event included the well-known celebrity Mr. Johnny Lever and former Australian (Wallabies) Rugby 1991 World Cup captain, Mr. Nick-Farr Jones and many successful Christian people.



(g.) DIGICEL ADI SALUSALU FESTIVAL

The Ba Provincial Council holds their week-long fundraising festival at the Carnival ground under the sponsorship of Digicel Fiji. The event was officially opened by the Prime Minister of Fiji – Commodore Voreqe Bainimarama on 28th October, 2012. The main purpose of the festival was to fundraise for the educations (scholarship) assistance of the children of Ba province.

(h.) 2012 WESTERN PRIMARY SCHOOL CHOW GAMES

The council, in collaboration with the Ministry of Education and FMF Foods Ltd hosted the western division inter-primary schools' competition after a lapse of 27 years.



The event was fruitful, whereas schools from Nadroga, including the interior of Navosa, Nadi, Lautoka, Ba and Ra Province converged at Churchill Park for their two days competition.

The event was attended by our Para Olympic golden boy, Mr. Ilesia Delana which also boosted the morale of the participating athletes.

(i.) BSP LIFE RATU SUKUNA BOWL RUGBY CHALLENGE

For the first time ever, the famous Ratu Sukuna Bowl Rugby Challenge between the Fiji Police Force and Republic of Fiji Military Force was brought down to Lautoka on the 7th December, 2012.

The annual event brought a lot of people from around Fiji and the challenge was won by the Fiji Police Force after a good rugby game against the Republic of Fiji Military Force at Churchill Park.

(D) FINANCIAL AND REVENUE MANAGEMENT

1. CHANGE OF COUNCIL BANKER

Lautoka City Council successfully negotiated a substantial reduction in interest rate with the Bank of the South Pacific (BSP) and had to discharge the services of Westpac Banking Corporation (WBC) after more than 40 years of services. The deal resulted in a massive saving of around \$200,000.00 of interest payments annually which enabled the council to facilitate various projects since Lautoka City Council was given a directive of ‘No Loan Policy’ by the government of the day.

2. RATEPAYER SOCIO-ECONOMIC SURVEY

The council carried out a socio-economic survey for its defaulting ratepayers in the month of May to June, 2012 and below are its findings:

- a) 3,116 town rates defaulters were visited in a month
- b) 3% of the above were found to be vacant lots
- c) 52% made arrangements with council
- d) 10% paid whereby the sum of \$37,507.03 was collected

3. NAMOLI VILLAGE LAND-HOLDING OUTSTANDING TOWN RATE

Namolli Landholding Co-operative’s town rates was written-off from the rates system after forty (40) years *in lieu* that the villagers shall pay the municipal services fees to the council. Consultation and negotiation still in progress.



A meeting between the council’s management and the representative of Namoli village led by Taukei Vidilo at the Council’s chamber

4. DEFAULTING RATEPAYERS

Lautoka City Council’s continues to instituted legal proceeding against ratepayers who failed to pay their town rates on time. Tabulated below the nos. of legal cases filed in both courts with the estimated value and nos. of cases that fully/partial payments with amount recovered.

	Small Claims Tribunal	Magistrate Courts	TOTAL
<i>No. of Cases Filed</i>	1,371	210	1,581
In \$\$\$ Value	\$2,529,612	\$215,144	\$2,744,756
<i>Full & Partly Recovered</i>	815	155	970
In \$\$\$ Value	\$495,437	\$109,725	\$605,162

5. BUSINESS LICENSE SURVEY

The council also carried out a business house-to-house survey from 14th August to 14th September, 2012 in order to ascertain the nos. of business operating within its boundary.

A total of 904 businesses were conducting business in Lautoka and whereby 702 businesses operated under proper business licensing whilst 202 were yet to pay their 2012 Business License.

It was gathered from the said door-to-door survey that most of defaulting **202 business holders** were yet to obtain their OHS & NFA clearance whilst some business could not be regulated due to its non-compliance to respective zoning within the municipality.

The council will revisit non-conforming businesses and will assist and guide them in accordance to the regulated law or otherwise prosecute them if they are reluctant to comply.

6. LAUTOKA MUNICIPAL MARKET

Lautoka has a biggest municipal market in the Western Division whereas it always housed vendors from the Yasawa Island groups to the interior of Nadroga/Navosa, Ba & Ra Province and including the Wainibuka area.

Tourist from visiting cruise liner at Lautoka wharf always loves to visit the market for handicraft souvenirs and have a taste of local fruits.



The council is planning to upgrade its Municipal Market Handicraft by building a modern market facility at its market triangle open space on the corner of Naviti and Vakabale Street,

opposite the Old Globe Theater.

The devastating effects of the two (2) floods in early 2012 and TC Evans on December, 2012 affected the operations of our municipal markets whereas majority of our rural farmers were badly affected.



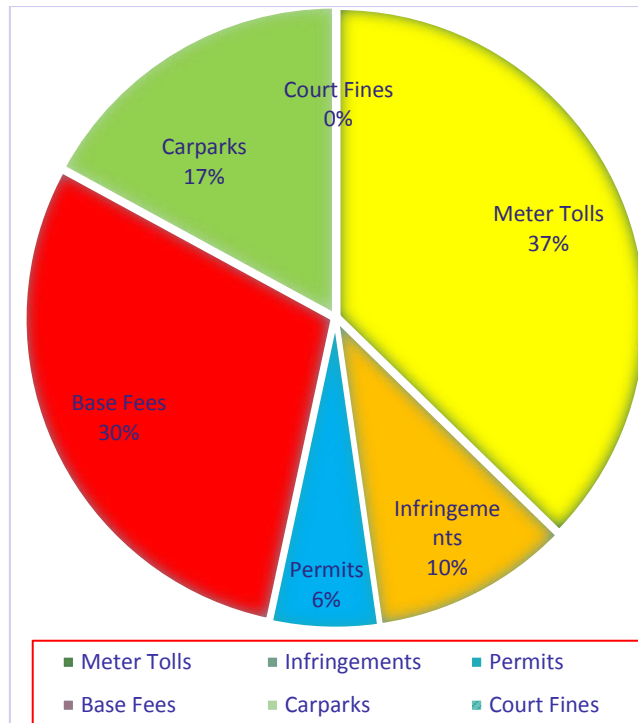
Devastated farmers after the Natural Disaster



Concept Plan for the Proposed Municipal Handicraft Market at the Market Triangle.

7. PARKING METER REVENUE

The revenue earned via the council's parking meter are as follows



8. PROPER MINIBUS STAND AT TUKANI CARPARK

The council noted the increasing no. of commuters using mini-buses as their mode of transportation, especially those who are working in Nadi or Ba residing in Lautoka and vice versa.

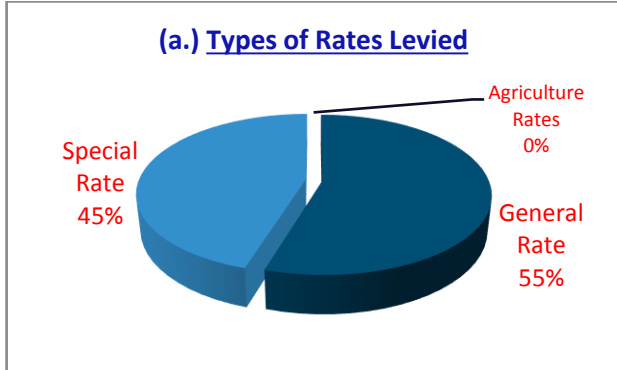
Therefore, Tukani Carpark was divided into two (2) to cater the demarcation of minibus stand with a waiting shed inclusive of public convenience with user pay concept and kiosk and at the same time maintained its municipal carpark.

The said work will be another revenue source for the council and at the concurrently convenient to commuter.



(E) TOWN RATES COLLECTIONS REPORT

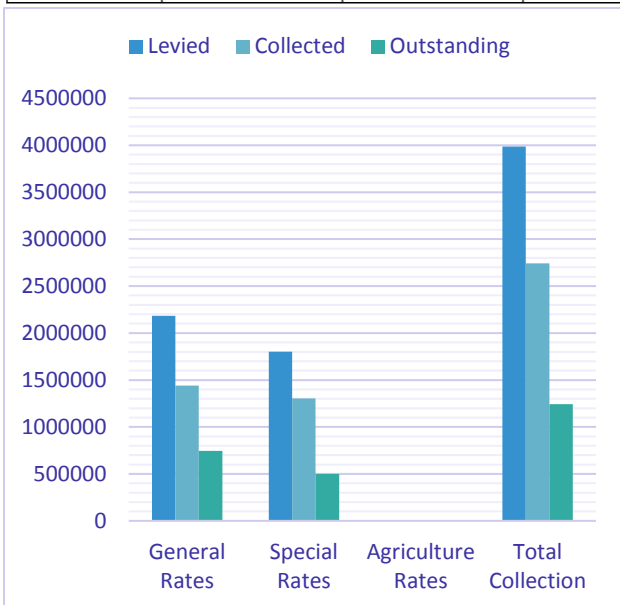
1. CLASSIFICATION OF TOWN RATES



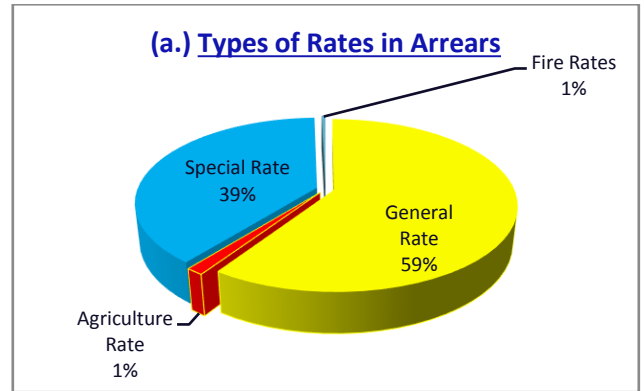
TYPE OF RATES	AMOUNT	%
GENERAL	\$2,183,452.89	54.65%
SPECIAL	\$1,802,999.05	45.13%
AGRICULTURE	\$8,709.80	0.22%
TOTAL	\$3,995,161.74	100%

2. ACTUAL TOWN RATES (2012) COLLECTION REPORT

Type of Rates	Total Levied	Actual Collected	% Collected
General	\$2,183,452.89	\$1,439,017.06	65.91%
Special	\$1,802,999.05	\$1,304,600.02	72.36%
Agriculture	\$8,709.80	\$0.00	0%
TOTAL	\$3,995,161.74	\$2,743,617.08	68.67%



3. CLASSIFICATION OF RATE IN ARREARS

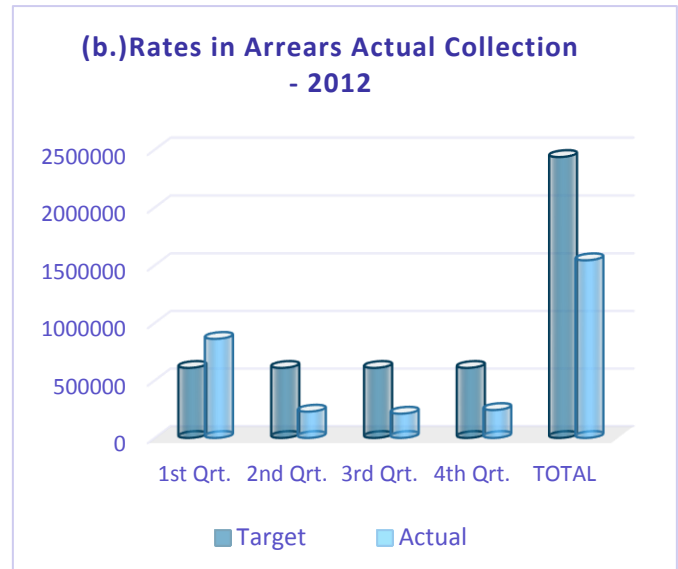


Type of Rates	Rate in Arrears	Amount Collected
General	\$2,383,424.00	\$884,612.78
Special	\$1,560,567.00	\$659,550.02
Agriculture	\$53,714.00	\$899.73
Fire	\$16,519.00	\$31.69
TOTAL	\$4,014,314.00	\$1,545,094.22

4. ACTUAL RATE IN ARREARS COLLECTION REPORT

Out of the 8,163 ratepayers only 3,567 owed town rates to the council as at 1st January, 2012, which is 44% of total ratepayers.

Rates Amnesty was implemented from 1st November until 31st December, 2012 as part of council effort to reduced Rate in Arrears.



(F) ECONOMIC DEVELOPMENT GROWTH

Lautoka is the industrial hub of Fiji as it hosts most of big industries such as sugar, timber & pine chips, brewing & distillery, fisheries and other manufacturing companies.

1. NEWLY ESTABLISHED BUSINESSES

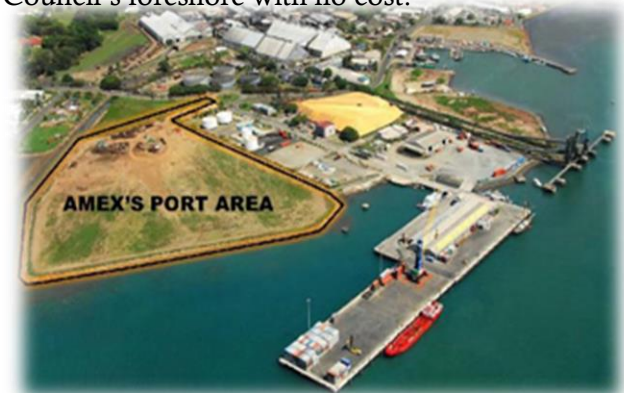
The recent opening and expansion of the Punjas Flour factory is a testimony of investor confidence about Lautoka.



Also, the establishment of the storage facility for Fiji Water at Naikabula and the newly constructed Challenge Plaza in the CBD area are indicators of economical growth at the Sugar City.

Further development is continuing at the wharf area for the Amex Resource Limited, an iron ore extraction company that will extract magnetite concentrate from Ba Delta. It has identified a port facility at Lautoka for their stockpiling area prior to final treatment and export and council's open space is being leased out by them for their accommodation and office center.

The construction of the port facility is currently in progress. Amex Resource Limited has agreed on Council's request to dump the dredging material on Council's foreshore with no cost.



2. HOSTING OF MAJOR EVENTS

The economy of the city has been boosted with the consecutive events that was held at Lautoka since July, 2012.

The events such as Farmers' Carnival, Sugar Festival and Battle of the Giants Tournament, USP Open Days and Deans Final were the common annual events held in Lautoka.

Whilst Crest Agriculture Show, IRB Women's Rugby Qualifier Tournament and Arise Fiji for Jesus were the events that were staged at Lautoka for the first time.



These events enhanced businesses for shopkeepers, traders, restaurant & hotels including small businesses such as food & juice sellers, public transport operators, farmers & vendors etc, etc.

3. DECENTRALISATION OF THREE (3) MAJOR UNIVERSITIES CAMPUS

The shifting of the Teachers Training Programs from Nasinu to Natabua by the Fiji National University was a blessing to the city. FNU Natabua Campus will be known as the School of Education & Humanitarian.

The University of the South Pacific also intends to build its own campus at its own vacant property adjacent to the Tavaiqia House behind the Commissioner Western Complex.

University of Fiji continues to expand its operation at its Saweni Campus on the outskirts of Lautoka.

The demand for housing and accommodations in Lautoka will definitely increase from now onwards.

(G) PUBLIC HEALTH AND SAFETY COMPLIANCE

1. MARKET/BUS TERMINAL & PUBLIC CONVENIENCES

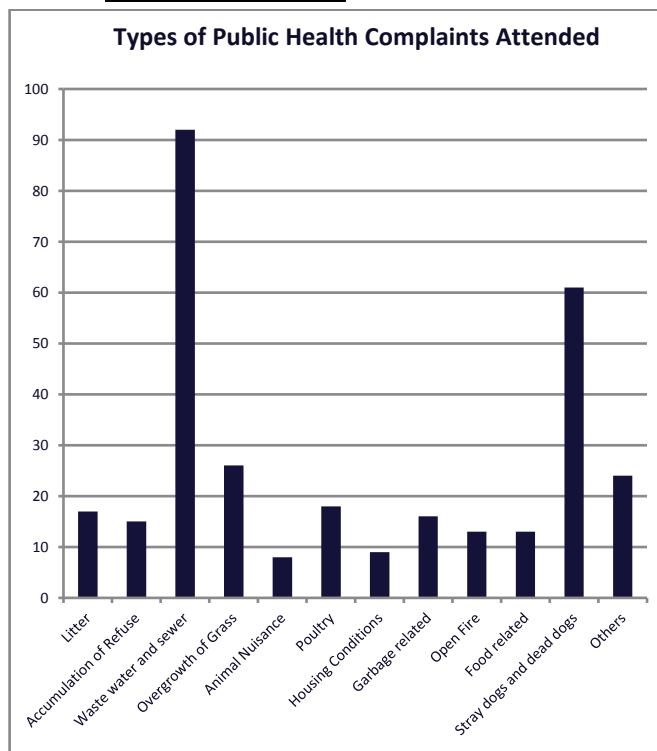
The Health Department supervises and monitors the Municipal Market Cleaning contracts and fourteen (14) Public Convenience Cleaning contracts on a daily basis

The council generated total revenue of **\$137,386.89** from the user pay concept from five (5) Public Convenience.



Volunteer groups assisted in the cleaning of Bus Terminal

2. PUBLIC HEALTH COMPLIANCE & ENFORCEMENT



Compliance Notices	Description of Actions Taken
Legal Proceedings instituted	2 Legal cases ✓ Contravention of Open Fire Bylaw ✓ Operate Food Business without Health License
Litter Warnings Issued	241
Litter Notices issued	12 (9 notices issued in respect of oil leakage from buses at Bus Station)
Number of Notices served	368

3. UPHOLDING FOOD SAFETY ACT 2003 & FOOD REGULATION ACT 2009

Routine food safety works including inspection of food premises, cooked food and water sampling. The investigating food complaints, conducting awareness and health licensing works were conducted during the year.

Total of 174 health licenses were processed on behalf of Central Board of Health. Total of \$54,800 in health license fees was collected and forwarded to CBH. Total of 81 abatement notices and 1 order of closure were also issued in pursuant to section 51 of the Food Safety Act 2003.

Working in partnership with CBH for surveillance of food establishments and organized food safety workshop on June 20, 2012 for 52 representatives from supermarkets, processors, distributors.

Organized basic good hygiene practice training for juice and food sellers at the market was held on the July 4, 2012 at the council's chamber.

**4. UNSOUND FOOD ITEMS
CONDEMNED & DESTROYED**

The council mandatory role is to condemn and disposed food articles that are being unfit for human consumption

Articles	Quantity
Chicken	5.6 tonnes
Beer/Liquor	56.8 tonnes
Lamb	3.2 tonnes
Dairy	0.49 tonnes
Confectionery	0.75 tonnes
Fruits and Vegetables	0.3 tonnes
Beef	0.074 tonnes
Pork	0.03 tonnes
Lentils, Dhal	16.34 tonnes
Rice	20.24 tonnes
Spices	13.75 tonnes

5. DOG TRAPPING EXERCISE

The dog trapping exercises are carried out in areas upon the request by ratepayers.

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

Total nos. of **289 dogs were trapped and the total cost incurred by council was \$9,907.82**

6. 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:

Anti-mosquito spraying was carried out in the city area from May 7, 2012 to May 23, 2012. For the spraying works, Ministry of Health had provided thirty [30] litres of chemicals and LECO motorized sprayer. The council's health inspectors conducted the mosquito spraying works.

All necessary support and logistics were provided by Engineering Department especially in release of vehicle EE982 for the spraying works. The whole city area was covered during the period. It took 13

days [depending on the weather] to complete the whole city.

The department will continue with routine vector surveillance and monitoring works and may take legal against those who fail to keep their premises free from mosquitoes.

The ratepayers have acknowledged and appreciated the spraying works carried out by the council.

Spraying in 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's breeding grounds.

Also, emphasis was placed on the clearing of vacant lots and compounds with overgrown grass.

7. 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 **1,338 loads of refuse** was collected by refuse contractor on a user pay concept and disposed at VDS.

The garbage from Nadi Town Council and other Industrial/Commercial premises in Lautoka/Nadi Rural including Island resorts and villages were also disposed in the dump. The private contractors also disposed industrial/commercial waste from Nadi at the rubbish dump.

Total number of loads of refuse disposed at the council's dump was **9,916 loads during the year amounting to 26,606 tonnes.**

The waste disposal site is at Vunato and 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.**

(H) COMMUNITY ENGAGEMENT ON ENVIRONMENTAL UPKEEP

1. IMPLEMENTATION OF 3R & SOLID WASTE MANAGEMENT

Lautoka City Council has so far sustained the 3Rs activities with the routine collection of recyclables, of which is done on a fortnightly basis

206 compost bins sold and setup as at November 30, 2012 to encourage home composting and minimizing solid waste disposal

Total market waste composted for the year would be **more than 200 tones** and the final compost product are packed and sold at rate of \$3.00/10 kg. **(144 bags sold from September - November, 2012)**



2. INVOLVEMENT OF BUSINESS, CORPORATE & GOVERNMENT AGENCIES ON 3R & SOLID WASTE MANAGEMENT

Awareness has been conducted to 30 staffs (including management staffs) of the Tanoa Waterfront Hotel on July 24th and 26th, 2012.

The hotel is participating in separate collection of recyclables from rooms, bar and kitchen. Also, practice composting of green waste (grass & flower pruning) and organic waste from kitchen

Lautoka Hospital is recycling cartons, plastic bottles and tin cans from kitchen.

3. LAUTOKA CLEAN SCHOOLS COMPETITION

The council has organized Lautoka Clean School's Competition for 2012 with the full support of the Ministry of Education.

26 schools within Lautoka municipality participated on this competition and the 1st monitoring was done in August whilst the 2nd monitoring and judging (1 week) was done in September, 2012.



The award night was officiated by Divisional Education Officer Western, Mr. Lorima Voravora on October 26, 2012.

JICA Alumni Association of Fiji handed over

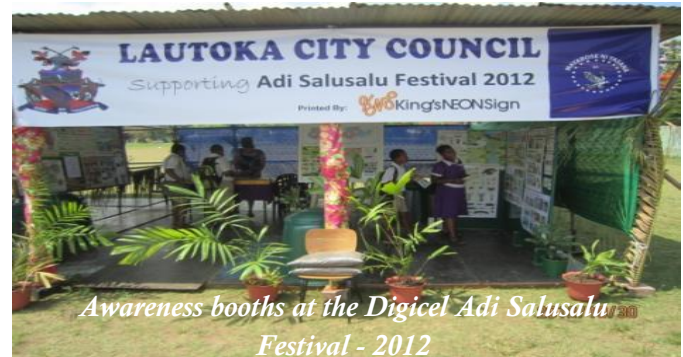
sponsorship of \$2,000 for the competition and J-PRISM sponsored \$350.00. Rural schools also participated at Awards function.

4. UPHOLDING ENVIRONMENTAL AWARENESS PROGRAMME

The council staff had facilitated some of the educational site-visits from schools and tertiary institutions at the Vunato Landfill.

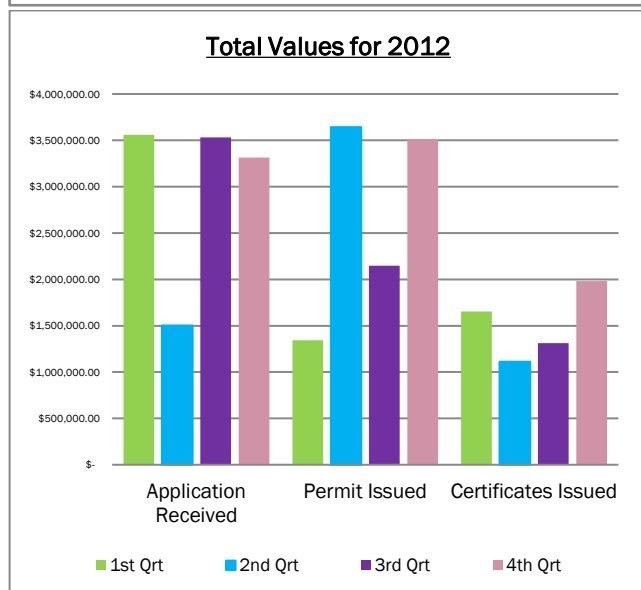
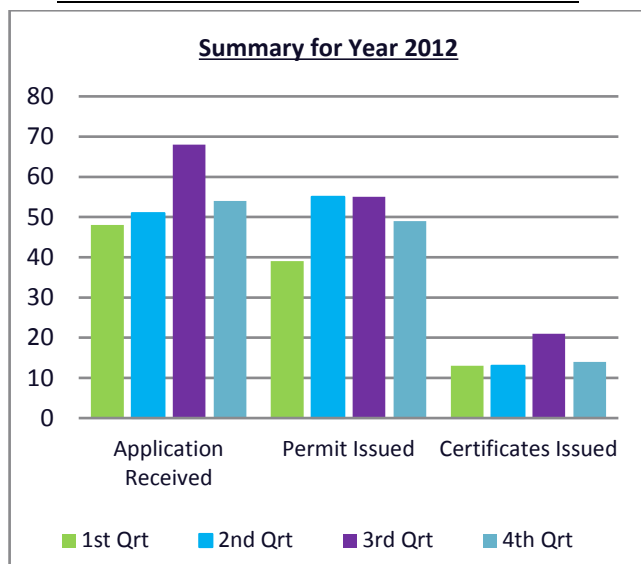


Also participated in the awareness programme for the 3R & Solid Waste Minimization at some of the events held in Lautoka including workshops and regional forums.



(I) BUILDING STANDARDS AND TOWN PLANNING PROPER

1. BUILDING APPLICATION, PERMITS & COMPLETION CERTIFICATE ISSUED



Part of Lautoka City from bird's eyeview

2. APPROVAL FOR CHANGING ZONES

The following applications for rezoning were received during the year 2012:-

Applicant	Subject Area	Nature of Amendment
1. Cadastral Solutions	Proposed rezoning of Lot 1, DP.25531 for Mr. Sant Kumar	Residential to Commercial
2. Peceli Methodist Church	Proposed rezoning of Lots 5-8, SO.1434, Sukanaivalu Road	Civic & Residential to Commercial
3. Patson & Associates	Proposed rezoning of Lots 97 & 98, ND.4843, Calcutta Street formerly known as Waiyavi Kali Temple	Residential B to Civic
4. Challenge Engineering Ltd	Proposed subdivision of Nabare (Pt. of) S/D Lot 2, Vomo Street, Lautoka	Residential B to Commercial
5. John Shannon & John Sidney Shannon	Proposed rezoning of Bal. Lot 3 DP. 5247, Tavewa Avenue	Residential A to Special Use (Hotel Development)

3. APPROVED SCHEME PLANS

APPLICANT	LOCATIONS
1. Housing Authority	Housing Authority subdivision, Tavakubu Stage 6, Balance of (Part of DP.4945) Lautoka
2. Lautoka City Council	Subdivision of Shirley Park
3. Dr. Mukesh Bhagat	Proposed scheme plan, Lot 5, ND.3194 (Section 18) Drasa Avenue, Lautoka

(J) COUNCIL'S INFRASTRUCTURE ENHANCEMENT

1. FACELIFT UPGRADE OF CHURCHILL PARK MULTIPURPOSE COURT

With the council's commitment to its 5 years strategic plan and the continuous improvement of its facilities, the council has upgraded the surface of its Multi-purpose court.

The facelift of the court will encourage more sporting events and also promotes better and quality sportsmanship for Lautoka.



2. CONSTRUCTION OF NEW FOOTPATH ON THE QUEEN'S WHARF ENTRY

The Lautoka Queen's wharf is known as one of Fiji's "port of entry" and usually visited by tourist cruise liners whereby most tourist opted to walk from the wharf to our city including those with automated wheel chairs.



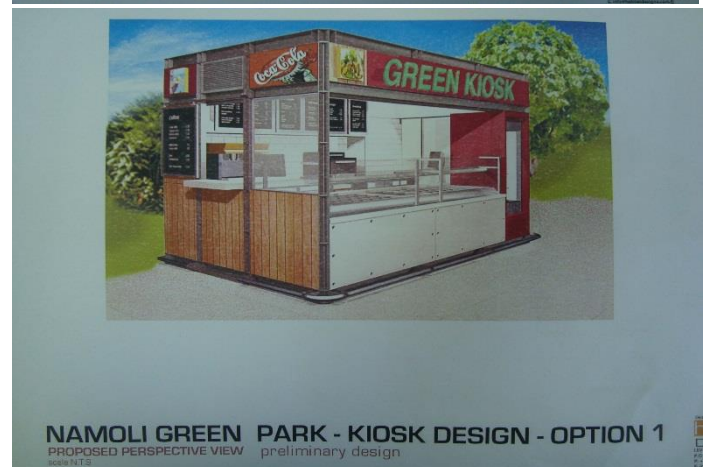
3. NAMOLI GREEN UPGRADING PROJECT

Namoli green is one of the historical landmarks in Lautoka. History stated that the subject area was an old playing field whereby the first football tournament held during its township era.

Thou, the development of the city has taken part of the Namoli green by the construction of the municipal market and a municipal carpark then later construction of bus terminal prior to the city mall whilst a portion was left behind which is still referred to as Namoli green until to date.

The council has reported in its last quarterly report that it will carry out upgrading works of the subject area in order to enhance its facelift and at the same time generate income for the council's coffer and preserve it environmental beauty.

Currently, the consultant is doing the final design stage for this project.



(K) CLIMATE CHANGE ADAPTATION MEASURES

1. MAJOR CREEKS REALIGNMENT WORKS PRIOR RAINY SEASONS

Realignment works at the Namoli creek from Vunato Informal Settlement down to the end of the Namoli Industrial Area had been completed. The said works was tested in the sudden flash flooding that hit Lautoka in the early hours of September 26, 2012.



However, the Saru creek from Natabua bridge at the Queens Road and down to its mouth busted its creek banks and damaged few properties. The council in collaboration with the Commissioner Western, residents of the lower Natabua area and the Navutu developers had started the realignment works from the Natabua bridge.



2. NATABUA SEASIDE ROAD UPGRADE

Under the City-Wide Informal Settlement Upgrading Project, the council in partnership with the Ministry of Local Government, Urban Development, Housing and Environment, Peoples Coalition Network (PCN) and Asian Coalition of Housing Rights (ACHR) with the local community have undertaken the upgrading works of the Natabua Sea Side Road from Taiperia Settlement. The said works was launched by our line Minister in November 30, 2012 for the safe/easy evacuation of Taiperi residents in case of natural disaster.



(L) CIVIC ENGAGEMENTS AND RESPONSINBILITIES

1. REVIVAL OF LAUTOKA SPORTS COUNCIL

After 14 years, the Lautoka Sports Council was revived again.

The main objective of this body is to coordinate, enhance and monitor the administrative and development of sports in Lautoka for the betterment of all.

The new look Sports Council has appointed its new office bearers with the Commissioner Western as its Patron and assisted by our Special Administrator. LCC will be fully supporting the Sports Council by providing the council chambers for their meetings and other ways and means of assistance to the respective sporting bodies.

2. FIJI DAY CELEBRATION – 41ST YEAR OF INDEPENDENCE

With no exceptional the council again participated on the Fiji Day Celebration held at Churchill Park on Tuesday, 9th October, 2012.

Participation includes the march procession, banner display, hosting of the event and provision of Botanical garden for the lunch venue free of charge.

3. EX-SERVICEMEN REMEMBRANCE DAY

This year Poppy/Remembrance Day for the Ex-Servicemen was held on Sunday, 11th November, 2012 at Churchill Park.

The Chief Guest of the day, was the Police Commissioner, Brigadier General, Iowane Naivalurua.



A retired soldier at the Ex-Servicemen parade

4. NEW YEAR EVE STREET PARTY CELEBRATION – Gangnam Style

Despite the devastating effect of Tropical Cyclone Evan, we managed to organize a street party. The event, titled Punjas Ganganam Style Street Jam was sponsored by Punjas Ltd, Air Pacific, Wespac, APCO Paints along with the Lautoka City Council. Mr Charles Whakeham of GO Advertising was the organiser of the event.

The Divisional Commander Western, Cmdr Joeli Cawaki officially opened the street jam which saw a lot of give away prizes including airline tickets to Auckland, Port Villa, Apia and other local destinations through the courtesy of Air Pacific along with hampers and giveaways from various sponsors.

Entertainment was provided by Fam Ban, Bad Boyz Dance Crew, Simla Lost Boys and wrapped up the ever popular Divine which had the thousands in attendance from all works of life enjoying every moment of it until the end of the program.



(M) 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	25	3	28
City Engineer	7	82	89
Building	4	-	4
Public Health	8	9	17
Parking Meter/Car Park	16	-	16
Total	60	94	154

[2011: 57 70 127]

2. STAFF RETIREMENT

Un-established: -

- (i) Mr. Satendra Kumar as Works Foreman with 30 years of service

3. STAFF RESIGNATION

Staff: -

- (i). Mr. Rimal Karan as Acting Engineering Service with 12 years of service
(ii). Mr. Amal Prasad as Works Manager with 12 years of service
(iii). Mr. Jeremaia Marawa as Health Inspector with 8 years of service

4. OBITUARY

Staff: -

- (i). Mr. Andrea Kumar as Dump Attendant with 1 year of service

5. STAFF LOCAL TRAININGS

Officer	Programme	Date
SHI Shalend P Singh	SPREP/JPRISM Regional Clean Pacific workshop, Skylodge Hotel, Nadi.	February 13, 2012
HI Wally Atalifo	Western Division Teachers Workshop on the Clean Schools Program -2012 at Hexagon International Hotel, Nadi	February 23, 2012
SHI Shalend P. Singh & HI Wally Atalifo	Food Establishment Grading Workshop	June 5-8, 2012
HI Wally Atalifo	ADB Regional Solid Waste in Management Workshop	November 7 – 9, 2012

6. STAFF OVERSEAS TRAININGS

Officer	Programme	Date
Shalend Prem Singh	Expert Meeting on Solid Waste Management in Asia and Pacific Islands (SWAPI), Tottori City	February 20 – 22, 2012
Rouhit Karan Singh	Eco-Island Symposium held in Naha Okinawa Prefecture, Japan as a side event for “the Sixth Pacific Islands Leaders Meeting [PALM6].	May 23, 2012
Gyneshwar Rao	J-PRISM Steering Committee meeting on Solid Waste Management in Pacific Countries- New Caledonia	September 4 – 9, 2012
Sheik M.S.Ali	Promotion of Shibushi Model from the Republic of the Fiji Islands to Pacific Island countries	August 19, 2012 – September 5, 2012.

(N) SPECIAL EDITION – POST TROPICAL CYCLONE EVANS

The devastation impact of Tropical Cyclone Evan was heavily felt by the citizen of Lautoka. Fortunately, TC Evan struck Lautoka at broad daylight whereas no live was lost, even though rooftops, trees, electricity post, etc, were severely damaged.

The council recorded an estimated cost of \$700,000 worth of damages to its properties and Infrastructures.

The good integrated relationship between the council and other stakeholders were overwhelmed during the restoration and rehabilitation process.

Not to mention, the untiring and enormous effort of council staff and its contractual workers who had worked round the clock in clearing the streets and residential areas within the municipality.



REPUBLIC OF FIJI

OFFICE OF THE AUDITOR GENERAL



8th Floor, Ratu Sukuna House,
MacArthur Street,
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Excellence in Public Sector Auditing

File: 1300

9 May 2014

The Special Administrator
Lautoka City Council
P O Box 124
LAUTOKA

Dear Sir

**AUDITED ACCOUNT OF THE LAUTOKA CITY COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2012**

Two copies of the audited financial statements of the Lautoka City Council for the year ended 31 December 2012 together with an audit report on them are enclosed.

A copy of the audit report is being sent to the Minister for Local Government, Urban Development, Housing and Environment in accordance with section 53 of the Local Government Act.

Particulars of errors and omissions arising from the audit have been forwarded to the Chief Executive Officer for necessary action.

Yours sincerely

Tevita Bolanavanua
AUDITOR GENERAL

cc: Minister for Local Government, Urban Development, Housing & Environment
Chief Executive Officer for Lautoka City Council

REPUBLIC OF FIJI

OFFICE OF THE AUDITOR GENERAL



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LAUTOKA CITY COUNCIL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

INDEPENDENT AUDIT REPORT

I have audited the accompanying financial statements of Lautoka City Council, which comprise the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information as set out on pages 10 to 26.

Directors and Management's Responsibility for the Financial Statements

The Special Administrator and Management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of Section 57 (2) of the Local Government Act. These responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material mis-statements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I have conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Qualified Opinion

1. The Council made several adjustments to the income and expense accounts amounting to \$1,481,148 and \$714,976 respectively through general journal entries. The Council failed to provide supporting documents for these journals for verification. Consequently, I was unable to satisfy myself if these adjustments were correctly taken up in the general ledger and whether income and expenditure is correctly stated in the financial statements.

2. Un-reconciled variance of \$643,428 exists between the rate debtors' listing and general ledger. Consequently, I am unable to satisfy myself if receivable of \$4,550,547 is fairly stated in the financial statements.
3. Included in property, plant and equipment (Note 10) are roads, drains and footpaths with written down value of \$45,898,723 as at 31 December 2012. All Municipal roads have been transferred to the Fiji Roads Authority (FRA) in accordance with the FRA Amendment Decree 2012. Consequently, property, plant and equipment is overstated in the financial statements.
4. Un-reconciled variance of \$727,745 exists between the PAYE annual summary and the general ledger for salaries and wages. Consequently, I am unable to satisfy myself if salaries and wages of \$1,385,533 is correctly stated in the financial statements.

Qualified Audit Opinion

In my opinion, except for the effects of the matters discussed in the basis of qualification paragraphs, the financial statements present fairly, in all material respects, the financial position of Lautoka City Council as at 31 December, 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the Local Government Act.

Tevita Bolanavanua

Tevita Bolanavanua
AUDITOR GENERAL

Suva, Fiji

9 May 2014



LAUTOKA CITY COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

LAUTOKA CITY COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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LAUTOKA CITY COUNCIL
COUNCIL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012

COUNCIL REPORT

The Council herewith submit the Statement of Financial position at 31 December 2012, the related Statement of Comprehensive Income, Statement of Movements in Funds and Statement of Cash Flows of the Council for the year then ended on that date and report as follows:

Administrator

Administrator for Lautoka City Council during the financial year of this report was Mr. Praveen Bala.

Management Staff

Chief Executive Officer Jone Q. Nhakauvadra

Principal Activities

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.

Results

The operating surplus for the Council for year ended 31 December was:-

	<u>2012</u>	<u>2011</u>
Operating surplus	960,946	1,062,988

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.

Non-Current Assets

Prior to the completion of the financial statements of the Council, the Council took reasonable steps to ascertain whether any non current assets were unlikely to be realised in the ordinary course of business compared to 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 values of such assets to an amount that they might be expected to realise.

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

Basis of Accounting

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

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.

Events Subsequent to Balance Date

With effect from 01 January, 2013, significant portion of the assets (roads) with the written down value as at 31/12/2012 of \$19,473,570 would be transferred to Fiji Road Authority.

LAUTOKA CITY COUNCIL
COUNCIL REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2012

Other Circumstances

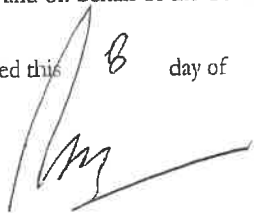
As at the date of this report:

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

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

For and on behalf of the Council and in accordance with a resolution of the Councilors.

Dated this 8 day of May 2014.



.....
Special Administrator



.....
Chief Executive Officer

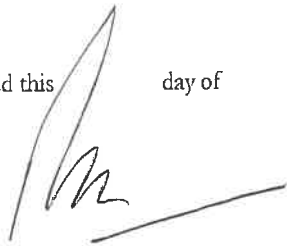
LAUTOKA CITY COUNCIL
STATEMENT BY COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2012

The Council, state that:

- (a) the accompanying statement of comprehensive income of the Council is drawn up so as to give a true and fair view of the results of the Council for the year ended 31 December 2012;
- (b) the accompanying statement of movement in funds is drawn up so as to give a true and fair view of the movement in the Council's funds for the year ended 31 December 2012;
- (c) the accompanying statement of financial position of the Council is drawn up so as to give a true and fair view of the state of affairs of the Council as at 31 December 2012;
- (d) the accompanying statement of cash flows is drawn up so as to give a true and fair view of the state of the cash flows of the Council for the year ended 31 December 2012;
- (e) at the date of this statement there are reasonable grounds to believe the Council will be able to pay its debts as and when they fall due; and
- (f) all related party transactions have been adequately recorded in the books of the council.

For and on behalf of the Council.

Dated this day of 2014.



.....
Special Administrator



.....
Chief Executive Officer

LAUTOKA CITY COUNCIL
 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	\$	\$
Income		
Rates:		
General	2,142,462	1,882,290
Loan	1,750,535	1,537,150
Parking meter	263,941	297,932
	<u>4,156,938</u>	<u>3,717,372</u>
Other income		
Amortisation of capital grant	51,230	61,815
Business license fees	453,829	417,553
Fees, charges and rent	3,268,297	3,188,064
Interest	146,398	167,616
Others	889,777	934,789
	<u>8,966,469</u>	<u>8,487,209</u>
Expenses		
Administrative and operating costs	1,089,420	933,996
Auditor's remuneration	8,696	8,696
Depreciation and amortization	732,263	721,625
Interest	578,518	656,543
Principal repayment	760,898	811,529
Legal and professional fee	80,377	133,418
Parks, gardens and public amenities	647,137	586,584
Rate payer services	1,409,575	1,241,381
Salary and wages	1,385,533	1,262,103
Street light and street maintenance costs	1,263,106	1,068,346
	<u>7,955,523</u>	<u>7,424,221</u>
Operating surplus for the year	<u>1,010,946</u>	<u>1,062,988</u>
Other comprehensive income	-	-
Total comprehensive income	<u><u>1,010,946</u></u>	<u><u>1,062,988</u></u>

LAUTOKA CITY COUNCIL
 STATEMENT OF MOVEMENT IN FUNDS
 FOR THE YEAR ENDED 31 DECEMBER 2012

COUNCIL MUNICIPAL FUNDS

	General Rate Fund	Loan Rate Fund	Total Council Municipal Funds
	\$	\$	\$
As at 1 January 2011	963,742	153,311	1,117,053
Surplus for the year	945,292	73,929	1,019,221
At 31 December 2011	1,909,034	227,240	2,136,274
Surplus for the year	577,820	414,984	992,804
At 31 December 2012	2,486,854	642,224	3,129,078

LAUTOKA CITY COUNCIL
 STATEMENT OF MOVEMENT IN FUNDS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2012

COUNCIL TRUST FUNDS


	Parking Meter Fund	Car Park Fund	Total Trust Funds
	\$	\$	\$
As at 1 January 2011	408,506	212,832	621,338
Surplus for the year	43,767	16,000	59,767
At 31 December 2011	452,273	228,832	681,105
Surplus for the year	18,142	76,000	94,142
At 31 December 2012	470,415	304,832	775,247

LAUTOKA CITY COUNCIL
 STATEMENT OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2012

	Notes	2012 \$	2011 \$
ASSETS			
Current assets			
Cash at bank and on hand	2	1,193,671	786,133
Held-to-maturity investments	3	1,346,120	1,496,385
Inventories	4	22,567	40,588
Receivables	5	4,550,547	4,233,385
Other receivables	6	68,940	7,265
Total current assets		7,181,845	6,563,756
Non-current assets			
Property, plant and equipment	10	49,039,098	49,018,004
Investment properties	11	6,843,291	6,925,378
Total non-current assets		55,882,389	55,943,382
TOTAL ASSETS		63,064,234	62,507,138
FUNDS AND LIABILITIES			
Council Municipal Funds			
Accumulated surplus	Page 6	3,129,078	2,136,274
Reserves	12	48,927,579	48,927,579
Council Trust Funds			
Parking meter fund	Page 7	470,415	452,273
Car park fund	Page 7	304,832	228,832
Total funds		52,831,904	51,744,958
Current liabilities			
Creditors and accruals	7	795,074	798,390
Provisions	8	103,021	103,870
Interest bearing borrowings	9	383,630	746,564
Total current liabilities		1,281,725	1,648,824
Non-current liabilities			
Provisions	8	95,245	82,682
Interest bearing borrowings	9	8,358,344	8,482,428
Capital grant in aid	13	497,016	548,246
Total non-current liabilities		8,950,605	9,113,356
TOTAL EQUITY AND LIABILITIES		63,064,234	62,507,138

The accompanying notes form an integral part of the Statement of Financial Position.

For and on behalf of the Council.



 Special Administrator

.....
 Chief Executive Officer

LAUTOKA CITY COUNCIL
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012	2011
		Inflows/ (Outflows) \$	Inflows/ (Outflows) \$
COUNCIL MUNICIPAL FUNDS			
Cash flows from operating activities			
Receipts from ratepayers and customers		8,166,615	5,877,872
Payments to trade creditors, other creditors and employees		(6,392,049)	(3,462,752)
Interest paid		(574,653)	(651,692)
Interest received		146,398	167,616
Net cash flows from operating activities		1,346,311	1,931,045
Cash flows from investing activities			
Net (payment of)/sale of property, plant and equipment		(693,801)	(800,040)
Net cash flows used in investing activities		(693,801)	(800,040)
Cash flows from financing activities			
Net (repayment of)/proceed from borrowings		(484,235)	180,379
Contribution from other funds		76,000	16,000
Net cash flows used in financing activities		(408,235)	196,379
Net increase in cash flow from Council funds		244,275	1,327,384
PARKING METER FUND			
Cash flows from operating activities			
Receipts from customers (meter tolls & other revenues)		263,941	297,932
Payments to suppliers and employees		(244,295)	(227,699)
Interest and other costs of finance paid		(3,865)	(4,851)
Net increase in cash flows from operating activities		15,781	65,382
Cash flows from financing activities			
(Repayment) of term loan		(2,783)	(5,579)
Net cash flows used in financing activities		(2,783)	(5,579)
Net increase in cash flow from Parking meter funds		12,998	59,803
Total net increase in cash and cash equivalents		257,273	1,387,187
Cash and cash equivalents at 1 January		2,282,518	895,331
Cash and cash equivalents as at 31 December	17	2,539,791	2,282,518

The accompanying notes form an integral part of the Statement of Cash Flows.

LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

1. Corporate Information

The financial statements of Lautoka City Council ("the Council") for the year ended 31 December 2012 were authorised for by the Special Administrator on _____. The Council was incorporated in Fiji under the Local Government Act, 1972.

The principal activities of the Council are described in Note 18.

1.2 Basis of preparation of the Financial Statements

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"), the Local Government Act and generally accepted accounting principles.

1.3 The Lautoka City Council Reporting Entity

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

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.

1.4 Significant accounting judgements, estimates and assumptions

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

Judgements

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

Estimations and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of Financial position date, that have a significant risk of causing a material adjustments to the carrying amount of assets and liabilities within the next financial year are discussed below:

Impairment of non financial assets

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

Impairment losses on rates and fees receivable

The council reviewed its rates and fee receivables at each reporting date to assess whether an allowance for impairment should be recorded in the statement of comprehensive income. In particular, judgment by council is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2012

1.5 Summary of significant accounting policies

a) Cash and cash equivalents

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

b) 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 realisable value. Cost is assigned on a first-in-first-out basis.

c) Investments and other financial assets

Initial recognition of financial instruments

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

Receivables

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

Held to maturity financial investments

Held-to-maturity financial investments are those which carry fixed or determinable payments and have fixed maturities and which the company has the intention and the ability to hold to maturity. After initial measurement, held-to-maturity financial investments are subsequently measured at amortised cost using the effective interest rate method, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Amortisation is included as 'Interest income' in the statement of comprehensive income. The losses arising from impairment of such investment are recognised in the statement of comprehensive income line 'Impairment losses on financial investments'.

d) Impairment of financial assets

The council assesses at each Statement of Financial Position date whether a financial asset or group of financial assets is impaired.

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

LAUTOKA CITY COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2012

1.6 Summary of significant accounting policies - continued

e) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such costs includes 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 recognized 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.

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

Leasehold land	over life of lease
Buildings	1.25% - 2.50%
Furniture and fittings	5% - 20%
Plant and equipment	5% - 20%
Office equipment	10% - 20%
Motor Vehicles	10% - 20%
Road, footpath and drains	1%

An item of property, plant and equipment 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 development costs, 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 company are assessed to be finite.

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 expense 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) Impairment of non-financials assets

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

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

LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2012

1.6 Summary of significant accounting policies - continued

h) **Investment Property**

Investment property is stated at cost less accumulated depreciation and accumulated impairment losses. Such costs 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 recognized 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	1.25% - 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.

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:

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.

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) **Financial liabilities**

Interest bearing loans and borrowings

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 or loss when the liabilities are derecognised as well as through the amortisation process.

k) **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.

LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2012

1.6 Summary of significant accounting policies - continued

l) Provisions continued

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.

Employee entitlements

Employee entitlements relating to wages, salaries, annual leave, sick 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.

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.

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 expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

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

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) 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.

LAUTOKA CITY COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2012

1.6 Summary of significant accounting policies - continued

o) Revenue recognition

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

p) Income tax

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

q) Comparative figures

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

	2012	2011
	\$	\$
2. CASH AT BANKS AND ON HAND		
Cash at bank - General fund	-	324,051
Cash at bank - Parking meter funds	387,091	461,082
Savings account - BSP	805,580	-
Cash on hand	1,000	1,000
Total cash at banks and on hand	<u>1,193,671</u>	<u>786,133</u>

As the Council performs a custodian role, Cash at bank - Parking Meter Funds are only to be used for development of car parks, parking meter areas and capital projects.

3. HELD-TO-MATURITY INVESTMENTS

Westpac Banking Corporation	1,112,000	1,211,000
Bank of South Pacific	234,120	285,385
	<u>1,346,120</u>	<u>1,496,385</u>

Interest earned at 2.75% from the above term deposits are credited to General Fund

4. INVENTORIES

Materials	22,567	40,488
Fuel and oil	-	100
	<u>22,567</u>	<u>40,588</u>

5. RECEIVABLES

Rates receivables	5,113,540	4,860,809
Less: provision for doubtful debts	(1,000,000)	(1,000,000)
	<u>4,113,540</u>	<u>3,860,809</u>
Other debtors	437,007	372,576
Total receivables	<u>4,550,547</u>	<u>4,233,385</u>

Trade and other receivables are interest bearing and are generally on 30-90 day terms. As at 31 December 2012, trade receivables at nominal value of \$1,000,000(2011: \$1,000,000) were impaired and fully provided for.

LAUTOKA CITY COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	\$	\$
5. RECEIVABLES (CONTINUED)		
Movement in the provision for doubtful debts of receivables were as follows:		
<u>Rates receivables</u>		
At 1 January	1,000,000	1,000,000
Movement, net	-	-
31 December	<u>1,000,000</u>	<u>1,000,000</u>
6. OTHER RECEIVABLES		
Prepayments and deposits	<u>68,940</u>	<u>7,265</u>
7. CREDITORS AND ACCRUALS		
Sundry creditors and accruals - General Fund	409,838	389,488
Sundry creditors and accruals - Parking Meter Fund	4,179	18,047
Other creditors	137,061	143,104
Security deposits	184,797	190,788
Refundable building deposits	59,199	56,963
	<u>795,074</u>	<u>798,390</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; and		
8. PROVISIONS	2012	2011
	\$	\$
<u>Long service leave</u>		
At 1 January	82,682	82,682
Arising during the year	23,391	-
Utilised	(10,828)	-
At 31 December	<u>95,245</u>	<u>82,682</u>
<u>Annual leave</u>		
At 1 January	103,870	79,181
Arising during the year	69,972	67,934
Utilised	(70,821)	(43,245)
At 31 December	<u>103,021</u>	<u>103,870</u>
Total provisions	<u>198,266</u>	<u>186,552</u>
Disclosed as:		
Current	103,021	103,870
Non-current	95,245	82,682
Total provisions	<u>198,266</u>	<u>186,552</u>

LAUTOKA CITY COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2012

9. INTERST BEARING LOANS AND BORROWINGS

	2012	2011
	\$	\$
Current		
Bank of South Pacific - General	426,411	-
Bank of South Pacific - Parking meter	3,656	-
Westpac Banking Corporation	-	4,843
Colonial Fiji Life Limited	-	741,721
Total current	(a) 430,067	746,564

Non-current

Bank of South Pacific - General	8,242,017	-
Bank of South Pacific - Parking meter	69,890	-
Colonial Fiji Life Limited	-	8,410,942
Westpac Banking Corporation	-	71,486
Total non-current	(a) 8,311,907	8,482,428

Loans and borrowings- principal and interest outstanding

Opening balance at 1 January	9,228,992	10,054,192
Add additional loan during the period	9,008,500	-
Add: Interest accrual- current year	574,652	656,542
Less: Interest accrual- previous year	(574,652)	(656,542)
Less: Repayment	(9,495,518)	(825,200)
Closing balance at 31 December	8,741,974	9,228,992

Principal and interest commitments at balance date:

Principal due in one year	499,957	818,050
Principal due in over 1 year but less than 2 years	446,000	805,211
Principal due in over 2 year but less than 5 years	1,464,743	2,911,603
Principal due in greater than 5 years	6,331,274	4,694,128
Closing balance at 31 December	8,741,974	9,228,992

Particulars relating to interest bearing loans and borrowings

- a) The bank overdraft and loans from Bank of South Pacific and Westpac Banking Corporation are secured by pari passu debenture deeds of \$10,611,358 over all of the Council's assets and undertakings without any preference or priority of existing debentures one over another.

LAUTOKA CITY COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2012

10. PROPERTY, PLANT AND EQUIPMENT	2012 \$	2011 \$
<u>Land and buildings</u>		
Deemed cost:		
At 1 January	3,014,240	2,742,910
Additions	270,323	271,330
Disposals	(20,050)	-
Re-classification	(7,548)	271,330
At 31 December	<u>3,256,965</u>	<u>3,014,240</u>
Depreciation and impairment		
At 1 January	946,615	908,080
Depreciation charge for the year	42,744	38,535
At 31 December	<u>989,359</u>	<u>946,615</u>
Net book value	2,267,606	2,067,625
<u>Plant and equipment</u>		
Deemed cost:		
At 1 January	995,906	990,817
Additions	10,522	5,089
At 31 December	<u>1,006,428</u>	<u>995,906</u>
Depreciation and impairment		
At 1 January	806,155	779,197
Depreciation charge for the year	23,687	26,958
At 31 December	<u>829,842</u>	<u>806,155</u>
Net book value	176,586	189,751
<u>Furniture and fittings</u>		
Deemed cost:		
At 1 January	221,102	213,172
Additions	226	7,930
Re-classifications	(19,322)	-
At 31 December	<u>202,006</u>	<u>221,102</u>
Depreciation and impairment		
At 1 January	148,697	142,775
Depreciation charge for the year	5,296	5,922
At 31 December	<u>153,993</u>	<u>148,697</u>
Net book value	48,013	72,405

LAUTOKA CITY COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2012

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)	2012 \$	2011 \$
<u>Office equipment</u>		
Deemed cost:		
At 1 January	191,644	188,415
Additions	93,148	3,229
At 31 December	<u>284,792</u>	<u>191,644</u>
Depreciation and impairment		
At 1 January	160,784	152,438
Depreciation charge for the year	10,642	8,346
At 31 December	<u>171,426</u>	<u>160,784</u>
Net book value	113,366	30,860
<u>Motor vehicles</u>		
Deemed cost:		
At 1 January	919,285	788,436
Additions	120,869	140,000
Disposals	(5,922)	(9,151)
At 31 December	<u>1,034,232</u>	<u>919,285</u>
Depreciation and impairment		
At 1 January	472,920	390,923
Depreciation charge for the year	93,755	81,997
At 31 December	<u>566,675</u>	<u>472,920</u>
Net book value	467,557	446,365
<u>Roads, drains and footpaths</u>		
Deemed cost:		
At 1 January	50,399,009	50,031,903
Additions	224,522	367,106
Disposals	-	-
At 31 December	<u>50,623,531</u>	<u>50,399,009</u>
Depreciation and impairment		
At 1 January	4,263,071	3,799,805
Depreciation charge for the year	461,737	463,266
At 31 December	<u>4,724,808</u>	<u>4,263,071</u>
Net book value	45,898,723	46,135,938
<u>Parking meters, streetlights and equipment</u>		
Deemed cost:		
At 1 January	490,401	490,401
Additions	-	-
At 31 December	<u>490,401</u>	<u>490,401</u>

LAUTOKA CITY COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2012

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)	2012 \$	2011 \$
Depreciation and impairment		
At 1 January	415,341	406,572
Depreciation charge for the year	7,813	8,769
At 31 December	<u>423,154</u>	<u>415,341</u>
Net book value	67,247	75,060
Total property, plant and equipment	<u>49,039,098</u>	<u>49,018,004</u>
11. INVESTMENT PROPERTIES		
Deemed cost:		
At 1 January	8,125,270	8,110,763
Additions	4,502	14,507
At 31 December	<u>8,129,772</u>	<u>8,125,270</u>
Depreciation and impairment		
At 1 January	1,199,892	1,112,060
Depreciation charge for the year	86,589	87,832
At 31 December	<u>1,286,481</u>	<u>1,199,892</u>
Net book value	<u>6,843,291</u>	<u>6,925,378</u>
12. RESERVES		
<u>Asset revaluation reserve</u>		
Revaluation increment on roads	19,672,089	19,672,089
Revaluation increment on footpaths	12,800,000	12,800,000
Revaluation increment on drains	16,000,000	16,000,000
	<u>48,472,089</u>	<u>48,472,089</u>
<u>Other reserves</u>		
In-house cyclone reserves	418,490	418,490
Workmens compensation reserve	9,000	9,000
Cyclone reserves	28,000	28,000
	<u>455,490</u>	<u>455,490</u>
Total reserves	<u>48,927,579</u>	<u>48,927,579</u>
13. CAPITAL GRANT IN AID		
At 1 January	548,246	610,061
Released to the statement of comprehensive income	(51,230)	(61,815)
Closing balance at 31 December	<u>497,016</u>	<u>548,246</u>

LAUTOKA CITY COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2012

14. RELATED PARTY TRANSACTIONS

(a) Administrator

Mr. Praveen Bala

(b) Transactions with related parties are as follows:

Transactions with related parties during the year ended 31 December 2012 with approximate transaction value are summarised as follows:

	2012	2011
	\$	\$
Administrator - Honorarium	<u>31,000</u>	<u>31,000</u>

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

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Council's principal financial liabilities consists of loans and borrowings, trade and payables. The main purpose of these financial liabilities is to finance the Council's operations and to provide guarantees to support its operations. The Council's financial assets of other receivables arise directly from its operations.

The main risk arising from the Council's financial statements are interest rate risk, credit risk, and liquidity risk. The Council reviews and agrees policies for managing each of these risks which are summarised below.

a) Interest rate risk

The Council's exposure to the risk of changes in market interest rates relates primarily to the company's interest bearing borrowings. The level of debt is disclosed in Note 9. The interest rate on these borrowing are at 5.0% per annum.

	Carrying amount	
	2012	2011
	\$	\$
<u>Fixed rate instruments</u>		
Financial assets (Held-to-maturity investments)	<u>1,346,120</u>	<u>1,496,385</u>
<u>Variable rate instructions</u>		
Financial liabilities (Interest bearing borrowing)	<u>8,741,974</u>	<u>9,228,992</u>

b) Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rate on that portion of loan and borrowings affected. With all other variables held constant, the Council's profit before tax is affected through the impact on floating rate borrowings as follows:

	Increase / decrease in interest rate	Effect on profit before tax
2012	+1%	(83,304)
	-1%	84,075
2011	+1%	(87,098)
	-1%	87,904

LAUTOKA CITY COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2012

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

b) Credit risk

Credit risk is the risk of financial loss to the Council if a ratepayer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Council's receivables from ratepayers and other debtors.

The Council has no significant concentrations of credit risk. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

The Council establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

	Carrying amount	
	2012	2011
	\$	\$
Cash and cash equivalents	1,193,671	786,133
Held-to-maturity investments	1,346,120	1,496,385
Trade and other receivables	4,619,487	4,240,650
	<u>7,159,278</u>	<u>6,523,168</u>

Liquidity risk

Liquidity risk is the risk that the Council will not be able to meet its financial obligations as they fall due. The Council monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. accounts receivables, other financial assets) and projected cash flows from operations.

The table below summarises the maturity profile of the Council's financial liabilities at 31 December 2012 based on contractual undiscounted payments.

As at 31 December 2012	1 Year	1 to 5 years	> 5 years	Total
	\$	\$	\$	\$
Interest bearing loans and borrowings	499,957	446,000	7,796,017	8,741,974
Creditors and accruals	795,074	-	-	795,074
	<u>1,295,031</u>	<u>446,000</u>	<u>7,796,017</u>	<u>9,537,048</u>
As at 31 December 2011	1 Year	1 to 5 years	> 5 years	Total
	\$	\$	\$	\$
Interest bearing loans and borrowings	818,050	805,211	7,605,731	9,228,992
Creditors and accruals	798,390	-	-	798,390
	<u>1,616,440</u>	<u>805,211</u>	<u>7,605,731</u>	<u>10,027,382</u>

Capital Management

The primary objective of the Council's capital management is to ensure that it maintains a strong credit rating and a healthy capital ratio in order to support its business.

The Council manages its funds and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the fund, the company may adjust its operational activities for the year.

LAUTOKA CITY COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2012

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

The Council monitors funds using a gearing ratio, which is net debt divided by total funds plus net debt. The Council includes within net debt, trade and other payables less cash and cash equivalents. Funds includes Council Municipal Funds and Council Trust Funds.

	2012	2011
	\$	\$
Interest bearing loans and borrowings	8,741,974	9,228,992
Creditors and accruals	795,074	798,390
Less cash and short term deposits	<u>(2,539,791)</u>	<u>(2,282,518)</u>
Net debt	6,997,257	7,744,864
Funds	52,831,904	51,744,958
Funds and net debts	<u>59,829,161</u>	<u>59,489,822</u>
Gearing ratio	<u>12%</u>	<u>13%</u>

16. FINANCIAL INSTRUMENTS

Set out below is a comparison by category of carrying amounts and fair values of all of the Council's financial instrument that are carried on the financial statements.

	Carrying amount		Fair value	
	2012	2011	2012	2011
	\$	\$	\$	\$
Financial assets				
Cash at banks and on hand	1,193,671	786,133	1,193,671	786,133
Held-to-maturity investments	1,346,120	1,496,385	1,346,120	1,496,385
Receivables	4,550,547	4,233,385	4,550,547	4,233,385
Other receivables	68,940	7,265	68,940	7,265
	<u>7,159,278</u>	<u>6,523,168</u>	<u>7,159,278</u>	<u>6,523,168</u>
Financial liabilities				
Interest bearing loans and borrowings	8,741,974	9,228,992	8,741,974	9,228,992
Creditors and accruals	795,074	798,390	795,074	798,390
	<u>9,537,048</u>	<u>10,027,382</u>	<u>9,537,048</u>	<u>10,027,382</u>

The fair value of derivatives and borrowings has been calculated by discounting the expected future cash flows at prevailing interest rates. The fair value of financial assets have been calculated using market interest rates.

17. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balance with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	2012	2011
	\$	\$
Cash on hand and at bank - General fund	-	325,051
Cash at bank and on hand	388,091	461,082
Savings account - BSP	805,580	-
Held-to-maturity investments	<u>1,346,120</u>	<u>1,496,385</u>
	<u>2,539,791</u>	<u>2,282,518</u>

LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2012

18. PRINCIPAL ACTIVITIES

The Council was established under the Local Government Act, Cap. 125 to provide for the health, welfare and convenience of the inhabitants of the Lautoka City Municipality and to preserve the amenities or credit thereof.

19. COMPARATIVES

Where necessary, comparative figures have been re-grouped to conform to changes in presentation in the current year.

20. COUNCIL DETAILS

Council incorporation

The Council was incorporated in Fiji under the Local Government Act, 1972.

Registered office and Principal place of business

Civic Centre
169 Vitogo Parade,
Lautoka,
Fiji.

No. of Employees

The total number of staff as at 31 December 2012 was 154 (2011: 127)

21. CAPITAL COMMITMENTS

The council has committed money (2011 \$1,117,742) for various cyclone damaged infrastructures and properties works.

22. CONTINGENT LIABILITY

Contingent liabilities at balance date, not otherwise provided for in these financial statements, include various legal claims involving the council, including the following law suits;

- (i) The Council is a defendant in a legal action by Jale Osisaya Baba, Alipate Baravilala and Aloesi Johns. This is an action by the Trustees of Lautoka Sports and Social Club against the Council to recover the balance of the proceeds from the sale of their property by the council pursuant to Action No. 159 of 2001. The matter has been adjourned and court to issue Notice of Adjourned Hearing to fix mention date.
- (ii) The Council is a second defendant in a legal case by Shiri Raj Singh, it relates to water overflow problem on the plaintiff's property.
- (iii) The Council is a defendant in a legal case by Mitieti Seru. In this matter a person was electrocuted by touching an exposed streetlight and a claim has been made against the Council.
- (iv) The Council is a defendant in a case by Surendra Prasad, who is claiming \$175,000 plus interest at a rate of 10%. Now, the plaintiff has withdrawn the case and the Council is claiming for legal costs.
- (v) The Council is defendant in a case by Value City who is claiming \$75,322 plus interest at a rate of 13.5%. The plaintiff withdrew its action and the matter was adjourned to determine costs.
- (vi) The Council is also a second defendant in a legal action by Abraham Narsey Properties Limited, who is claiming \$1,485,000 in costs for demolition and reconstruction of a building or loss of rental.

23. SUBSEQUENT EVENTS

With effect from 01 January, 2013, significant portion of the assets (roads) with the written down value as at 31/12/2012 of \$19,473,570 would be transferred to Fiji Road Authority.

LAUTOKA CITY COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2012

24. RESTATEMENT OF EQUITY FROM FIJI ACCOUNTING STANDARDS TO IFRS

(a) General Fund

	Note	FAS	Adjustments	IFRS
CURRENT ASSETS				
Cash on hand	(i)	325,051	461,082	786,133
Term deposits		1,496,385	-	1,496,385
Receivables		4,233,385	-	4,233,385
Inventories		40,588	-	40,588
Other		7,265	-	7,265
TOTAL CURRENT ASSETS		6,102,674	461,082	6,563,756
NON-CURRENT ASSET				
Property, plant and equipment	(ii)	55,838,285	(6,820,281)	49,018,004
Investment properties	(ii)	-	6,925,378	6,925,378
TOTAL NON-CURRENT ASSET		55,838,285	105,097	55,943,382
TOTAL ASSETS		61,940,959	566,179	62,507,138
CURRENT LIABILITIES				
Creditors and borrowings	(i)	780,343	18,047	798,390
Provisions	(iv)	622,512	(518,642)	103,870
Term loans	(i)	741,721	4,843	746,564
Deferred income	(iii)	548,246	(548,246)	-
TOTAL CURRENT LIABILITIES		2,692,822	(1,043,998)	1,648,824
NON CURRENT LIABILITIES				
Provisions	(iv)	-	82,682	82,682
Term Loans	(i)	8,410,942	71,486	8,482,428
Capital grant in aid	(iii)	-	548,246	548,246
TOTAL NON CURRENT LIABILITIES		8,410,942	702,414	9,113,356
TOTAL LIABILITIES		11,103,764	(341,584)	10,762,180
NET ASSETS		50,837,195	907,763	51,744,958
MUNICIPAL FUNDS				
Accumulated general fund	(i)	1,909,034	227,240	2,136,274
Loan rate	(i)	227,240	(227,240)	-
Parking meter fund	(i)	-	452,273	452,273
Car park fund		228,832	-	228,832
Reserve	(iv)	48,472,089	455,490	48,927,579
TOTAL MUNICIPAL FUNDS		50,837,195	907,763	51,744,958

LAUTOKA CITY COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2012

24. RESTATEMENT OF EQUITY FROM FIJI ACCOUNTING STANDARDS TO IFRS

(b) PARKING METER FUND	Note	FAS	Adjustments	IFRS
CURRENT ASSETS				
Cash	(i)	461,082	(461,082)	-
TOTAL CURRENT ASSETS		461,082	(461,082)	-
NON-CURRENT ASSETS				
Property, plant and equipment	(i)	105,097	(105,097)	-
TOTAL NON-CURRENT ASSETS		105,097	(105,097)	-
TOTAL ASSETS		566,179	(566,179)	-
CURRENT LIABILITIES				
Creditors and borrowings	(i)	18,047	(18,047)	-
Provisions	(i)	19,530	(19,530)	-
Term loans	(i)	4,843	(4,843)	-
TOTAL CURRENT LIABILITIES		42,420	(42,420)	-
NON CURRENT LIABILITIES				
Term loans	(i)	71,486	(71,486)	-
TOTAL NON CURRENT LIABILITIES		71,486	(71,486)	-
TOTAL LIABILITIES		113,906	(113,906)	-
NET ASSETS		452,273	(452,273)	-
ACCUMULATED FUNDS	(i)	452,273	(452,273)	-

Note:

- (i) Under IFRS, the Council is required to present one Statement of Financial Position amalgamating the 3 funds. Hence all assets and liabilities from the Parking Meter Fund has been transferred to General Fund.
- (ii) The council is required to account for buildings which are held to earn rental income in accordance with IAS 40 Investment Properties
- (iii) The Council is required to account for deferred income in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. Hence the council has reclassified deferred income as a non-current liability as the corresponding asset is a non-current asset.
- (iv) In-house cyclone reserve, workmens compensation reserve and other cyclone reserves do not pass the present obligation test under IAS 37 for recognition of Provisions. Hence a reserve is created to transfer these provisions to equity.

LAUTOKA CITY COUNCIL
DISCLAIMER ON ADDITIONAL FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2012

Disclaimer on Additional Financial Information

The following additional financial information, being the attached Detailed statement of comprehensive income has been compiled by the management of Lautoka City Council and does not form part of the statutory financial statements.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than Lautoka City Council may suffer arising from any negligence on our part. No person should rely on the additional financial information without having an audit or review conducted.

LAUTOKA CITY COUNCIL
 DETAILED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2012

GENERAL RATE FUNDS - OPERATING STATEMENT	2012 \$	2011 \$
Revenue		
Recurrent		
General rates	2,142,462	1,882,290
Interest on investment and overdue rates	146,398	167,616
Fees, charges and rents	3,268,297	3,188,064
Other Income		
Amortisation of capital grant	51,230	61,815
Business and trading licenses	453,829	417,553
Miscellaneous	889,777	934,789
Total revenue	6,951,993	6,652,127
LESS: Expenditure		
Advertising	20,636	16,392
Audit fee	8,696	8,696
Accounting fee	7,350	-
Bus station, civic building, depot and staff quarters	294,645	254,912
Councilors expenses	57,405	26,528
Depreciation	724,129	712,532
Destruction of stray dogs	8,147	20,685
Drains maintenance	701,748	455,212
Garbage removal services	473,797	530,792
Hurricane expenses	63,518	-
Insurance	42,099	37,653
Leave allowance and passage grants	4,169	955
Legal expenses	70,307	45,578
Market	225,883	234,692
Materials for celebrations and costs	26,786	27,648
Miscellaneous	44,952	58,323
Mosquito control	10,015	4,728
Municipal car park	71,737	62,322
Parks, gardens and multi-purpose courts	413,468	363,823
Plant, equipment, machinery and tools hire	263,734	234,224
Postage and telephone	38,132	38,552
Printing, stationery and office expenses	108,992	107,305
Public convenience	161,932	160,439
Redundancy pay	8,454	-
Salaries, wages and related payments	1,228,428	1,121,972
Street and gutter cleaning	209,404	203,044
Street names and traffic signs	37,326	37,266
Street, footpath and verges	586,684	418,198

LAUTOKA CITY COUNCIL
 DETAILED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2012

GENERAL RATE FUNDS - OPERATING STATEMENT	2012 \$	2011 \$
Streetlights	429,692	409,838
Subscriptions	1,394	2,155
Town cleaning campaign	11,660	5,474
Traffic lights	17,904	19,057
Valuation fees and expenses	950	87,840
Total expenditure	<u>6,374,173</u>	<u>5,706,835</u>
Operating surplus for the year	<u>577,820</u>	<u>945,292</u>

The Detailed Statement of Comprehensive Income is to be read in conjunction with the disclaimer set out on page 29.

LAUTOKA CITY COUNCIL
 DETAILED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2012

LOAN RATE FUND - OPERATING STATEMENT	2012 \$	2011 \$
Revenue		
Loan Rates	1,750,535	1,537,150
Total revenue	<u>1,750,535</u>	<u>1,537,150</u>
LESS: Expenditure		
Interest	574,653	651,692
Principal repayment	760,898	811,529
Total expenditure	<u>1,335,551</u>	<u>1,463,221</u>
Operating surplus for the year	<u>414,984</u>	<u>73,929</u>

The Detailed Statement of Comprehensive Income is to be read in conjunction with the disclaimer set out on page 29.

LAUTOKA CITY COUNCIL
 DETAILED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2012

PARKING METER FUND - OPERATING STATEMENT	2012 \$	2011 \$
Revenue		
Parking meter		
- collections	184,439	203,732
- fines and court fees	51,613	64,947
- parking meter fees	27,889	29,253
Total revenue	<u>263,941</u>	<u>297,932</u>
 LESS: Expenditure		
Administrative charges to general fund	30,000	30,000
Commission to car park	700	700
Depreciation	8,134	9,093
Insurance	-	-
Interest on loan	3,865	4,851
Legal expenses	1,770	-
Marking on parking bays	2,448	1,409
Meter maintenance	40,890	53,881
Miscellaneous	3,564	3,679
Rent	5,700	5,700
Postage	35	3
Printing and stationery	4,211	5,673
Salaries and wages	144,482	139,176
Total expenditure	<u>245,799</u>	<u>254,165</u>
 Net surplus for the year	 <u>18,142</u>	 <u>43,767</u>

The Detailed Statement of Comprehensive Income is to be read in conjunction with the disclaimer set out on page 29.

LAUTOKA CITY COUNCIL
 DETAILED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2012

CAR PARK FUND - OPERATING STATEMENT	2012 \$	2011 \$
Opening balance	228,832	212,832
Add: Contribution for car parks	76,000	16,000
Closing balance at 31 December	<u>304,832</u>	<u>228,832</u>

The Detailed Statement of Comprehensive Income is to be read in conjunction with the disclaimer set out on page 29.