



LAUTOKA CITY COUNCIL

ANNUAL REPORT - 2013

PARLIAMENT OF FIJI

PARLIAMENTARY PAPER NO 203 OF 2020

ACRONYM

ADBS	- Acting Director Building Service
CBD	- Central Business District
CBH	- Central Board of Health
CEO	- Chief Executive Officer
CSP	- Clean School Programme
Col.	- Colonel
Cmdr.	- Commander
DES	- Director Engineering Services
DFAS	- Director Finance & Administration Services
DHS	- Director Health Services
EOC	- Emergency Operation Centers
GHP	- Good Hygiene Practices
HON	- Honorable
IRB	- International Rugby Board
LCC	- Lautoka City Council
MPT	- Multipurpose Truck
NZ	- New Zealand
NZ	- New Zealand Rugby Union
RFMF	- Republic of Fiji Military Forces
TC	- Tropical Cyclone
UCV	- Unimproved Capital Value

COVER PAGE CAPTION:

TOP: *Special Administrator, Mr. Parveen Bala received the **CLEAN & TIDY TOWN***

COMPETITION AWARD *for Large Municipality from the Minister for Local Government, Housing and Environment – Hon. Colonel Samuela Saumatua during the*

BOTTOM: *Welcoming Banner for Civic Reception accorded to the IRB World Cup Trophy known as Webb Ellis*

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CHIEF EXECUTIVE OFFICER MESSAGE



I am pleased to present the 2013 Annual Report for Lautoka City Council.

The year has been tagged as the **Year of Restoration** for the people of Lautoka after going through the series effect of Mother Nature from the commencement of 2012 and towards the end of the year.

The council anticipated to restore the livelihood of our citizen holistically by hosting various events that will bring smiles and happiness to them such as having the Uprising International Rugby Sevens tournament with free admission to Churchill Park; the civic receptions accorded to the IRB Word Cup known as the Webb Ellis trophy, including the street procession within the city and the hosting of Agriculture Show for the second time. These events boosted the morals of the people and gives great satisfaction to the organizers not forgetting the business communities.

In 2013, the council continued to advocate cleanliness and beautification to its citizens and visitors alike by investing

in some civic beautifications projects which has change the city's outlooks especially at the Queens wharf which is one of the Port of Entry for our nation and the busiest point at the Drasa Avenue roundabout and entrance to our western divisional hospital. We are optimistic that we will walk away with the Cleanliest Town in Fiji with the strength of my staff and workers.

With effect of Climate Change, Lautoka is not spared since we are classified as a coastal city and also prone to high risks of flooding from the creeks & major drains during heavy downfall. Nevertheless, the integrated approach driven by the government of the day has enabled us to secure the volunteers from government agencies and social groups to clear all debris from the waterways.

The council's anticipation that civic pride and ownership are imparted into the lives of our citizens when youth groups are heavily involved in the clean-up campaigns.

To conclude, I must applaud the concerted efforts and team work of the council management, staff and workers during this reporting period.

Sincerely,

Handwritten signature of Jone Qio Nakauvadra

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

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 2013

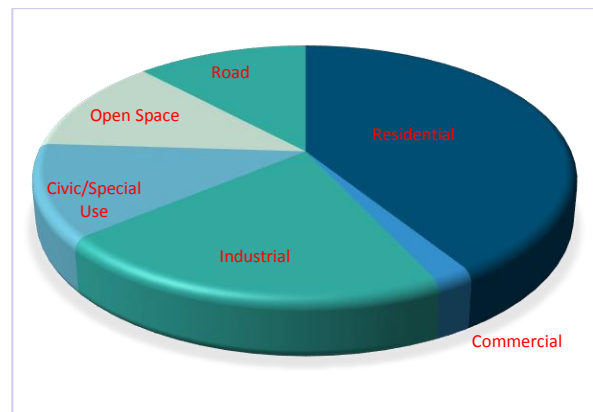
DEMOGRAPHIC DETAILS

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

GEOGRAPHICAL LOCATION

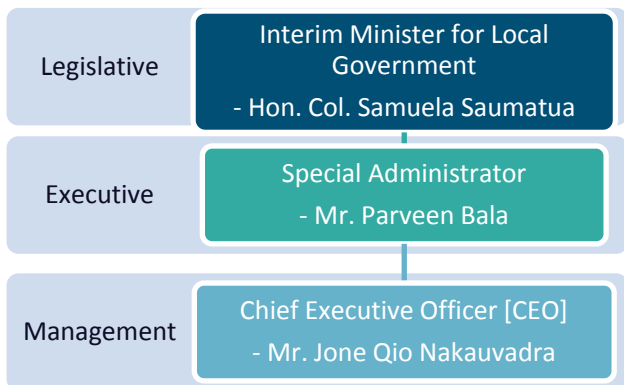
- 21km Northeast of Nadi International Airport
- Grid reference: 17° 37' 0" South, 177° 28' 0" East

ZONING ALLOCATION



ORGANISATION STRUCTURE

(a.) Governance Setup

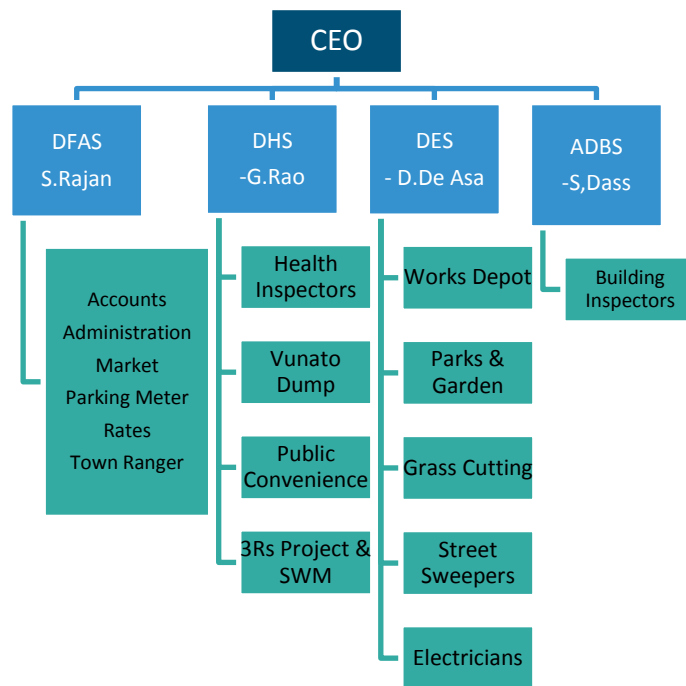


Special Administrator, Mr. Parveen Bala & Minister for Local Government, Housing & Environment – Hon. Colonel Samuela Saumatua during the Local Government Forum



Chief Executive Officer, Mr. Jone Nakauvadra attending one of the Local Government CEO meeting.

(b.) Management Hierarchy



Lautoka City Council staff participating at the 2013 Fiji Day Celebration march organised for Western Division at Churchill Park, Lautoka.

HIGHLIGHTS EVENTS - 2013

(a.) LOCAL GOVERNMENT FORUM & AWARDS NIGHT FOR CLEAN & TIDY TOWN COMPETITION

The scheduled 2012 Local Government Forum and Clean & Tidy Town Competition Awards Night was postponed from December, 2012 to January, 2013 because of Tropical Cyclone Evan which struck the western division one (1) week prior to 2012 Christmas holidays.

After a prompt restoration works by Lautoka City Council and other government agencies, Lautoka's Tanoa Waterfront Hotel hosted the three (3) days Local Government Forum and Awards Night for the Clean & Tidy Town Competition.



Local Government Forum 2013 Participants

LCC walked away with the First Award for the Large Municipality on Clean & Tidy Town Competition.



LCC staff attending the Awards Night with their prize

(b.) 2013 UPRISING SEVENS RUGBY TOURNAMENT

Lautoka had to work around the clock in attending to the aftermath of TC Evan especially on facilities at Churchill Park in order to host the International Rugby Sevens Tournament organized by Uprising Beach Resort from Pacific Harbour.



The event was a timely boost to the people in the Western division after encountering the natural disasters of 2012 namely the two big floods and TC Evan.



The Acting Prime Minister, Hon.

Mr. Aiyaz Sayed Khaiyum officiated the said locally organized international rugby sevens tournament. The presence of our Fiji 7s Team and free admission to the event was something the patrons enjoyed during the event.

It was also a blessing to have the NZ 7s invitation team and their coach the renowned Sir Gordon Tietjens was something the crowd looked forward to during the sevens tournament.



HIGHLIGHTS EVENTS - 2013

(c.) VODAFONE FARMERS CARNIVAL

The Vodafone sponsored 2013 Farmers Carnival was held from the 29th June to 6th July, 2013 at Carnival ground.

The events advocated the importance of education in rural areas and ways to overcome poverty through alternative farming.



(d.) SUGAR FESTIVAL 2013

The Sugar Festival Committee failed to secure a corporate sponsor for their 2013 event held at the Carnival ground from 21st to 28th September, 2013.

However, the week-long event was boosted with the presence of Acting Prime Minister, Hon. Aiyaz Sayed Khaiyum at the crowning night.

The Acting Prime Minister also distributed freely the 2013 Fiji Constitution to the people of Lautoka during the event.

(e.) CREST FIJI 2013 AGRICULTURE SHOW

The Crest sponsored Agriculture Show was again held at the Carnival ground and enclosed Churchill Park. The 2013 event was bigger than last year according to the event organizer, the Ministry of Agriculture.

The participation of local farmers and their recognitions was so rewarding especially the Women and Youths farmers who have shown great interest.



The council fully support the event with the provisions of grounds & facilities on FOC basis arrangement and participated during the march and



setting up of booth that promoted Solid Waste Management and Home Compositing concepts.

(f.) HOSTING CIVIC RECEPTION FOR THE IRB WORLD CUP – WEBB ELLIS TROPHY

Lautoka was chosen ahead of Suva by the International Rugby Board (IRB) as a host city in Fiji to receive the well-known Webb Ellis Trophy during its round the world tour.



The council acknowledged NZRU for bringing the World Cup to the citizens of Lautoka especially to the selected schools and Lautoka hospital



HIGHLIGHTS EVENTS - 2013

(g.) VISITING DIGNITARIES TO COUNCIL CIVIC CENTER

The council was fortunate to host the Chinese Ambassador to Fiji during the Chinese New Year celebrations at the council's civic center.



Also, the Interim Minister of Defence & Immigration – Hon. Jocketani Cokanasiga with the Commissioner of Police and Commander Land Force during his ministerial tour to the western division



(h.) WESTERN DIVISIONAL DISMAC

LCC is part of the Western Divisional EOC and always participated on the its forums/meetings not only on cyclone and floods but also Tsunami alert. The western division was heavily alerted on the intent tsunami that was predicted after the earthquake in the Solomons.



(i.) TOURISM PROMOTIONS – VISITING CRUISE LINERS

The cruise liner committee was revived to foster good relations and marketing of the sugar city as it was noted that Lautoka will be only receiving lesser no. of cruise liner compared to Suva and Denarau. In partnership with other stakeholders the council is ready to organize a mini-carnival to host big cruise liners and also overnight vessel



(j.) COUNCIL'S THANKSGIVING PARTY

The council management hosted a thanksgiving dinner to all established & unestablished staffs, casual workers, contractors, redundant workers and one of the longest serving employee.



The event was to celebrate the council's 2012 achievements and also to acknowledge the untiring support during and after TC Evan whereas most of the lives were directly/indirectly affected

FINANCIAL AND REVENUE MANAGEMENT

1. INCREASED REVENUE CAPACITY

Lautoka City Council is embarked on the development of vacant open space for its maximized economical returns.

Few open spaces have been identified and council is working with the developers under the Public Private Partnership arrangement subject to Ministry and Cabinet approval.

The arrangement shall be positively increased the revenue generating capacity of the council in order to carry out its Capital Projects since “No Loan Policy” by the Interim Government is being maintained by the current council management.



2. 100% WAIVER OF INTEREST ON FULL SETTLEMENT OF RATES

With the Minister’s approval 100% of Waiver of Interest was granted to the full settlement of town rates during the month of January to March 2013.

The is optimistic that said initiative will lure ratepayers to prioritise their rate payments at the first quarter of each year.

3. RECURRENT REVENUE & EXPENDITURE

The total recurrent revenue and expenditure of the council for the year ending December 31, 2013 were as follows:-

Fund	Revenue	Expenditure	Surplus
General	6,926,953	6,484,954	441,999
Loan	1,755,022	870,070	884,952
Parking Meter	272,349	240,742	31,607
Total	8,954,324	7,595,766	1,358,558

4. CAPITAL WORKS BUDGET

The council carried out capital works to the value of **\$861,665** and the details are as follows:

<i>i.</i> Office Equipment, Furniture and Fittings	38,628
<i>ii.</i> Plant and Equipment	51,970
<i>iii.</i> Roads	164,995
<i>iv.</i> Land and Building	458,675
<i>v.</i> Motor Vehicles	85,278
<i>vi.</i> Drain	62,119
TOTAL CAPITAL WORKS	861,665

5. BUSINESS LICENSES ISSUED

Types of Business	No. of Licenses
Hotels/ Guest Houses	12
Restaurant and Refreshment Bars	3
Refreshment Bars/Takeaways	61
Restaurant with Liquor Licence	12
Restaurant without Liquor Licence	6
Refreshment Bars	39
Bake House	20
Butcher Shop	13
Aerated Water, Ice Cream Factories	2
Confectionery/Sweet Meat Factories	2
Theatres	4
Hairdresser/Barbershop/Chiropodists	26
Billiard Tables/Amusement Centre	5
Laundries	2
Dance Halls/Night Clubs	3
Hawkers	31
Fish Retail	5
Food Processing/Packer	4
Supermarket with Liquor Licence	27
Club, Private with Liquor Licence	3
Practitioner – Dental	6
Practitioner – Medical	15
Total	305

TOWN RATES COLLECTION REPORT

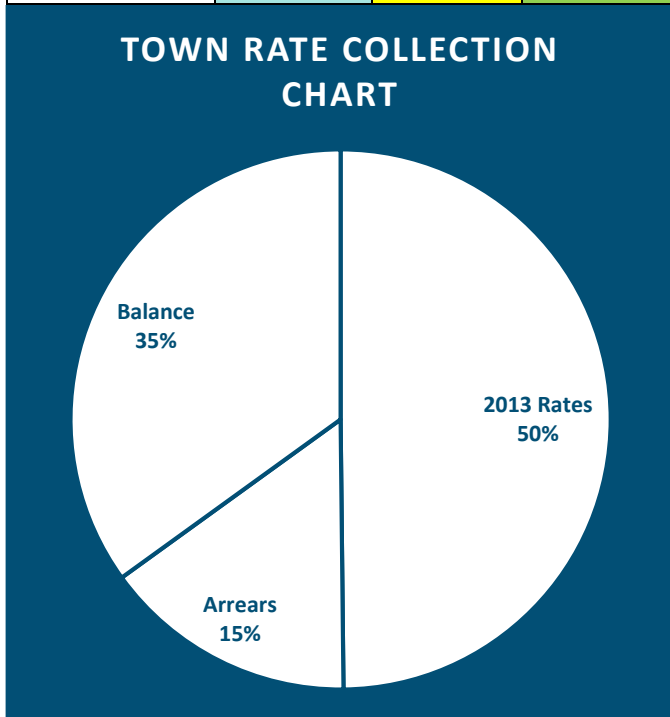
1. LAND VALUATION & RATE

The total unimproved capital valuation of land within the city for rating purposes was \$661,216,451 and the rate levy for 2013 was 1.5261cent in the \$ based on UCV and rates income were as follows:-

RATES	Levy	U.C.V.	Rate Income
	C	\$	\$
General	0.8592	250,904,446	2,155,771
Loan	0.6669	263,161,194	1,755,022
Agriculture	0.185	147,150,811	272,229
			4,183,022

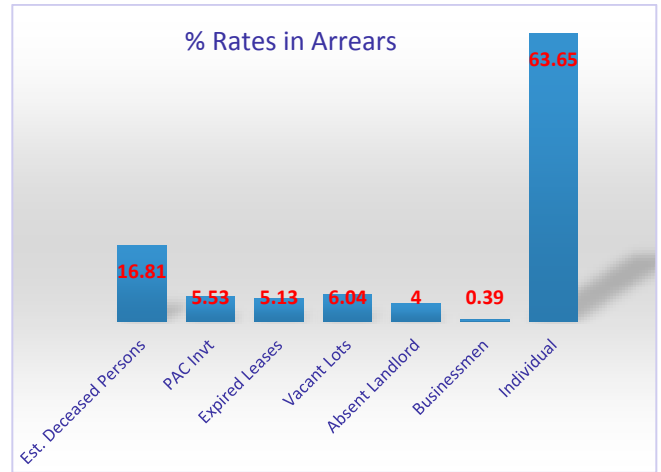
1. ACTUAL TOWN RATES (2013) COLLECTION REPORT

Collection Status	2013 Rate Levy	Arrears	Total Due
Collected to 31.12.2013	2,690,311	942,617	3,632,928
Balance	1,233,732	3,562,117	4,795,849
% Collected	68.56	20.93	43.10



2. TOWN RATES IN ARREARS

The above arrears of \$3,562,117 were due from as follows:-



3. RATE ASSESSMENTS RATEPAYERS

Total number of town ratepayers for the year ending 2013 is: **8,041** compared to 8163 in 2012. The reduction in nos. of ratepayers was due to the deletion of 122 unalienated lots belonging to Namoli Village.

The council will continue to service the village municipal services such as household garbage removal whilst the streetlight and road works will be dealt by Fiji Road Authority.

4. LOAN RATE

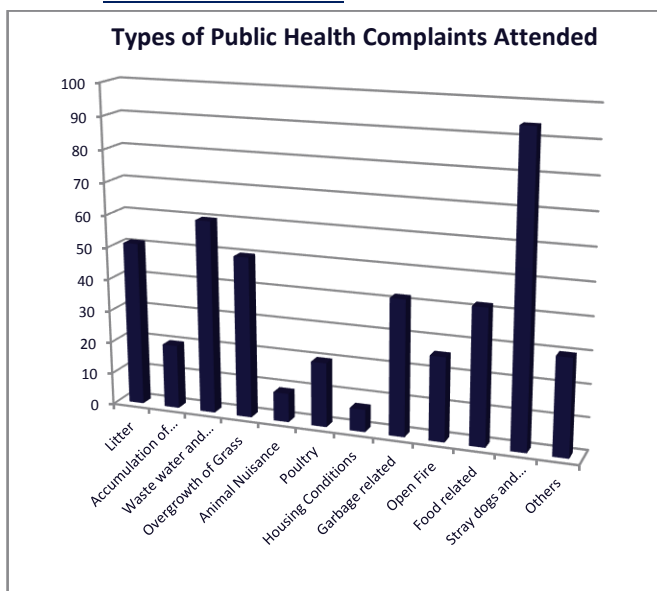
		\$
Income	- Loan Rate	1,755,022
Expenditure	- Interest	443,236
	- Principal repayment	426,834
		870,070
Net surplus for the year		884,952

5. CURRENT LOAN

The council's loan liability on December 31, 2013 amounted to \$7,730,414.

PUBLIC HEALTH AND SAFETY COMPLIANCE

1. PUBLIC HEALTH COMPLIANCE & ENFORCEMENT



Compliance Notices	Description of Actions Taken
Legal Proceedings instituted	1 Legal case ✓ Operate Food Business without Health License
Litter Warnings Issued	757
Litter Notices issued	64 Penalty Notice to attend court (22 offenders paid on spot fines)

2. SUPERVISION OF CONTRACTUAL WORKS

The Health Department supervises and monitors Council’s contractors such as:

- (a.) Garbage collection and disposal by S. Adams Transport Limited
- (b.) Market cleaning by Narayan Reddy’s Contractors
- (c.) Garden refuse collection by
- (d.) 14 x Public convenience cleaning Contractors.

The council generated total revenue of \$137,386.00 from the user pay concept from the four (4) public convenience on the CBD area at \$0.20 per head.

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 212 health licenses were processed on behalf of Central Board of Health. Total of \$94,000 in health license fees was collected and forwarded to CBH. Total of 81 abatement notices and 2 order of closure were also issued in pursuant to section 51 of the Food Safety Act 2003.

Council also successfully organized two training during the month of May 2013 for owners of food establishments on Food Establishment (Grading) Regulations 2012.

4. IMPLEMENTATION OF THE FOOD ESTABLISHMENT (Grading) REGULATION 2012

The council had successfully organized and facilitated two trainings during the month of May, 2013 for owners of Food establishments (Restaurants, Refreshment Bars and Takeaways) on the Food Establishment (Grading) Regulation 2012 which has come into force from April 1, 2013.

A total of seventy-seven (77) representatives of Restaurants, Hotels, Refreshments Bars and Takeaways attended the training.

All the participants were given a copy of the Food Official Grading Checklist and the presentation relating to the legal aspects to ensure that all the aspects and requirements as per the checklist were complied with.

They were also given a grace period of two months to adhere to the provisions of the Food Establishment (Grading) Regulation 2012 before the actual Grading exercise commenced since July 9, 2013.

Since July 9, 2013, total of forty-two (42) food establishments have been graded B, C, D depending on the level of compliance with Grade “A” being the best followed by B, C and Grade “D” implied least level of conformity to Good Hygiene Practices (GHP).

PUBLIC HEALTH AND SAFETY COMPLIANCE

The council enforced the provisions of the Food Establishment (Grading) Regulation 2012 for the past few weeks have experienced that the new system of grading has dramatically improved the hygiene standards of eateries within the city. It has noted that the food business owners are very cooperative and complying with requirements of the legislation. This has been evident from the positive changes and new initiatives within various food outlets. Such commitment will augur well for government, food businesses and most importantly the consumers in enhancing food safety, quality and at the same time promoting public health.

Based on the Grade Card awarded to eateries, the consumers could also make an informed decision as they can now assess the status of the food establishments from which they are buying any food for consumption

5. UNSOUND FOOD ITEMS CONDEMNED & DESTROYED

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

Item	Quantity
Beer	6.9 tons
Chicken	0.027 tons
Chocolate	0.012 tons
Fruit Juice	0.5 tons
Garlic	9.59 tons
Lamb	0.008 tons
Milk	1.6 tons
Onions	1.16 tons
Peanuts	0.006 tons
Pork	0.05 tons
Potatoes	152 tons
Sausage	0.01 tons
Tomato Puree	0.02 tons
Tomato Sauce	1.8 tons
Yogurt	0.23 tons

6. DOG TRAPPING EXERCISE

The dog trapping exercises were 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 **412 dogs were trapped and the total**

cost incurred by council was \$3884.00

7. MOSQUITO CONTROL WORKS:

Mosquito spraying was carried out in the city area from April 23, 2013 to May 2, 2013.

For the spraying works, Ministry of Health had provided thirty [30] litres of chemicals and LECO motorized sprayer.

The council continued with routine vector surveillance and monitoring works and may take legal against those who failed to keep their premises free from mosquitoes.

8. 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 **14,502 loads during the year amounting to 24,964 tonnes.**

A total amount of **251.23 tonnes of recyclable** was removed by waste pickers from Vunato Landfill



ENVIRONMENTAL UPKEEP PROGRAMMES

1. LAUTOKA CLEAN SCHOOLS COMPETITION

After successful completion of the 2011 and 2012 Clean Schools Program (CSP) embarked to continue with the program in much bigger and better way as part of our community engagement on environmental upkeep.

With the full support and commitment of the council, CSP expand to both rural schools.

This year's program targeted 22 Urban Schools and 12 Rural Schools respectively. After the monitoring and final judging of the program that was carried for a period of 5 days, the council held its "Awarding Ceremony" on Monday- November 25, 2013.

Judges were invited from organizations such as Ministry of Education, Department of Environment, Ba Town Council and LCC.

The program was officiated by the Commissioner Western, Commander Joeli Cawaki as Chief Guest who highlighted and congratulated LCC, Ministry of Education and Department of Environment for jointly facilitating and implementing this noble initiative.

The program hailed success for continuous three years and the council realized that for the effective waste management system, there is a need to raise awareness amongst the public.

It was realized that school played a vital role since children are excellent agents of change, learn good practices at school and then pass on these ideas from schools to homes and finally to wider communities.

The activities had been judged in form of a "competition" and had criteria on aspects such as "Environmental Awareness Raising", "School Composting" and "Rubbish Separation & Recycling".

Lautoka City Council in partnership with other stakeholders will continue with Clean Schools Competition in 2014 and urge all schools to embrace the concept by playing a vital role in steering the future leaders to adopt environmentally friendly practices for the sustainable future.

The Awards were given to the following category winners

Category	Rural School	Urban School
Winner Environment Awareness	Lovu Sangam School	Lautoka Andhra Sangam
Runner-Up Environment Awareness	Gurukul Primary School	Gandhi Bhawan Primary School
Winner School Compositing	Lovu Sangam	Lautoka Primary School
Runner-Up School Compositing	Wairabetia Muslim Primary School	Lautoka Methodist School
Winner Separation & Recycling	Lovu Sangam School	Lautoka Primary School
Runner-Up Separation & Recycling	Satu MGM Primary School	Lautoka Central Primary School
Overall Winner	Lovu Sangam School	Lautoka Andhra Sangam School
Special Award	Lololo Primary School	Jasper Williams Primary School

2. MARKET COMPOSITING

A total amount of **16 composter bins** was sold and **\$1192.00 (397 bags)** worth of compost was sold for the year 2013

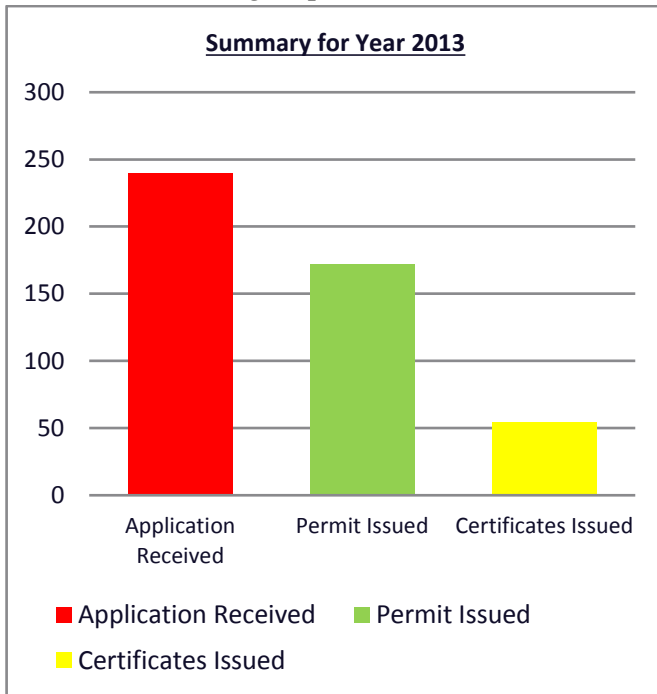


BUILDING AND ENGINEERING REPORT

1. BUILDING APPLICATION, PERMITS & COMPLETION CERTIFICATE ISSUED

The building department consisted of a Manager Building Services with one Senior Building Inspector and two (2) Building Inspectors

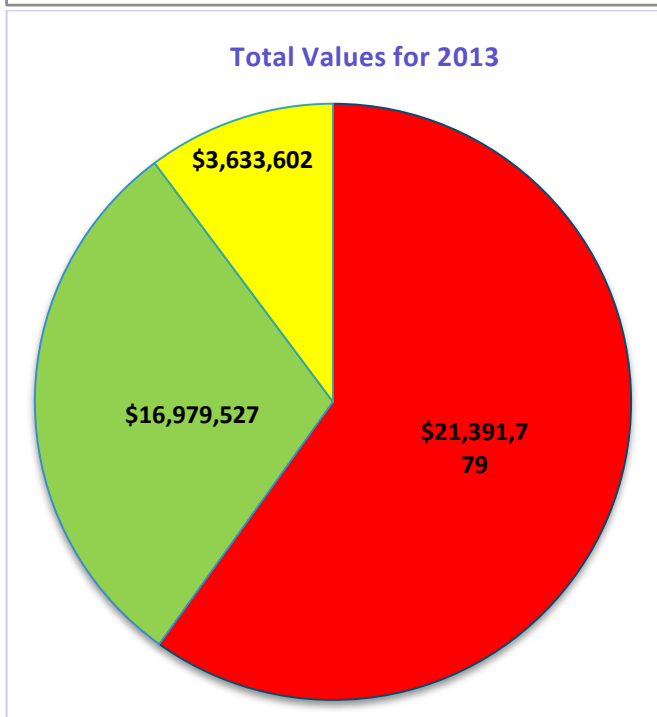
- Building Application Received – 240
- Building Permit Issued - 172
- Completion Certificated Issued- 54
- Outline Building Application Received- 42
- Total Building Inspections -1,305
- Building Fees Collected -\$61,824.30



2. SUBDIVISION AND REZONING

Lautoka City Council was blessed in 2013 with recruitment of Mr. Danilo De Asa, a Civil Engineering lecturer from Fiji National University as the new City Engineer replacing Mr. Saylesh Prasad. Tabulated below the nos. of application received, processed and approved or declined by our Engineering department for the year 2013

REZONING	Received	6
	Approved	3
	Refused	1
SCHEME PLAN	Received	3
	Approved	1
SUBDIVISION SCHEME RENEWAL		nil
ENGINEERING DRAWINGS	Received	nil
	Approved	nil
SURVEY PLAN APPROVED		2



3. DRAINAGE COMPLAINTS – Blockage & Maintenance Work

For the year 2013, the council attended **235 complaints** which was attended by the Works Manager and the Maintenance Supervisor.

INFRASTRUCTURE ENHANCEMENT & BEAUTIFICATION

1. BEAUTIFICATION WORKS AT DRASA AVENUE & THOMPSON CRESCENT ROUNDABOUT

After the cementing works at the Tavewa Avenue, Drasa Avenue & Thompson Crescent, the council embarked on the beautification works around the vicinity with the construction of a Man-Made Vegetation Waterfall at the southern end of the roundabout adjacent to the Botanical garden.



The \$35,000.00 project was funded by council with experts and knowledge within its engineering and works/maintenance team.



The green vegetation fountain is now part of the council's civic attraction and beautification sites during the day and also at night falls



2. BEAUTIFICATION OF THE WHARF ROUNDABOUT & CONSTRUCTION OF MURALS HISTORICAL DISPLAY

The increasing nos. of visiting cruise liners to Lautoka wharf has been noted by Lautoka City Council and the need to upgrade its infrastructures on the entry to the Lautoka wharf. After improving the wharf round about and footpaths adjacent to the wharf entry the council is now beautifying it with colorful vegetations.



The anchor was donated by FSC Shipping as its contribution to the city beautification.

On the northern end of the roundabout, the council constructed proper footpaths for its citizens with concrete flower beds as barrier to heavy vehicles maneuvering the port entry.



The council has constructed murals besides the footpaths to display historical information of Lautoka from pre-colonial to post-colonial era as part of its civic attractions and beautifications of the Lautoka wharf entry.

CLIMATE CHANGE ADAPTATION WORKS

1. DESILTING OF THE LOWER NAMOLI CREEK AND OPENING OF THE CREEK MOUTH

The positive result of the 2010 creek realignment works was materialized during 2012 flooding caused by two (2) low depression on early 2012. The lower Namoli Industrial Area was not really affected but the council has noted the slow flow of Namoli creeks due to debris and silted creek beds.



The council engineering team identified the need to desilted the lower Namoli creek and open up the channel to the creek mouth at the lower end of the Namoli Industrial subdivision.



Lautoka City Council has been optimistic that if any Tropical Depression approaches the western division that will cause flooding to low-lying areas, the Namoli Industrial area will be safe.

2. ENGAGEMENT OF VOLUNTEERS TO CLEAN AND CLEAR MAJOR CREEKS & WATERWAYS WITHIN THE CITY

It was overwhelming for the council to accept volunteers from youth groups, corporate bodies, and RFMF personnel who have shown interest in the cleanliness of the city, especially the waterways so that it does not clogged with debris during any heavy rainfall.



The efforts shown by these volunteers had positive impacts to our environment and not to mention those citizens residing along those major drains and creeks.



CIVIC RESPONSIBILITY AND ENGAGEMENTS

1. CONSTRUCTION OF COMMUNITY HEALTH CENTER AT COUNCIL'S OPEN SPORTING GROUND

The council has kindly donated a piece of its land at Kamikamica Park to the Ministry of Health for the construction of a community health centre that served the people around the greater Tavakubu, Kashmir, Rifle Range and Field 40 areas.



The health centre was opened by the Interim Minister for Health, Dr. Neil Sharma as the project was fully funded by the government of Fiji.

2. FIJI DAY CELEBRATION – 42ND YEAR OF INDEPENDENCE

Fiji Day Celebration was held on Wednesday 9th October, 2019 at Churchill Park, Lautoka. The Interim Minister for Youth & Sports – Hon. Cmdr. Viliame Naupoto was our Chief Guest.



Participation includes the march procession, banner display, hosting of the event and the council together with Commissioner Western office hosted the official luncheon at the Botanical Garden.

3. EX-SERVICEMEN REMEMBRANCE DAY

The 2011 Remembrance Day for all Ex-Servicemen was held on Monday, 11th November, 2013 at Fiji Ex-Servicemen League Complex at Tavewa Avenue Lautoka City Council Special Administrator - Mr. Parveen Bala was Chief Guest for the event and offer to work in partnership with the Fiji Ex-Servicemen League in erecting a Remembrance Statue at the eastern end of the Thompson Crescent/Drasa Avenue roundabout as part of Civic attractions.

4. CHRISTMAS ON THE PARK & NEW YEAR EVE STREET PARTY

Lautoka was lighted up one (1) week towards Christmas Day with replicated Christmas tree and Christmas decorations at the Carnival ground. The council put up ferries' lights along Vitogo Parade and Drasa Avenue roundabouts as part of the festive seasons' greetings and best wishes to it citizens and those commuting through Lautoka.



HUMAN RESOURCE BRIEF

1. ESTABLISHMENTS

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

Department	Staff	Un-established	Total
Administration	21	3	24
Engineering	7	52	59
Building	4	-	4
Public Health	8	3	11
Parking Meter & Carparks	13	-	13
Total	53	58	111

[2012: 60 94 154]

2. STAFF RETIREMENT

Staff: -

- (i.) Emmanuel Manu, the Assistant Market Master from June, 2012 to July, 2013.
- (ii.) Laisiasa Lewavinaka, Carpark Attendant from February 2011 to August, 2013

3. STAFF RESIGNATION

Staff: -

Saylesh Prasad, Director Engineering Service from October 2012 to April, 2013

4. OBITUARY

Unestablished: -

- (i.) Sanjay Prakash, Park Sardar from November 2005 to April, 2013

5. STAFF LOCAL TRAININGS

Officer	Programme	Date/Venue
HI Wally Atalifo	1. Workshop on Ecological Rodent Management	May 28, 2013 University of the South Pacific
	2. Hazard Analysis Critical Control Point Training for Environmental Health Officers	May 23 & 24, 2013 Suva
	3. Food Safety Awareness Workshop, Ministry of Agriculture	October 29-30, 2013
Esika Qorovarua	Global Facility for Disaster Reduction & Recovery (GFDRR) Post Disaster Need Assessment (PDNA) Workshop	April 18-19, 2013 @ Tanoa Waterfront

6. STAFF OVERSEAS TRAININGS

Officer	Programme	Date /Venue
Rouhit Karan Singh	Regional Workshop on Occupational Safety and Health in Waste Management	July 8 th - 12 th @ Apia , Samoa
Anjay Kumar	Counterpart Training on Promotion of Shibushi Model Waste Minimization without [Incineration] from Fiji to Pacific Island Countries	July 15 - July 30, 2013

PHOTO GALLERY - 2013



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File: 1300

3 December 2015

Chief Executive Officer
Lautoka City Council
P O Box 124
LAUTOKA

Dear Sir

**AUDITED ACCOUNT OF THE LAUTOKA CITY COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2013**

Two copies of the audited financial statements of the Lautoka City Council for the year ended 31 December 2013 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 Council for necessary action.

Yours sincerely

Atunaisa Nadakuitavuki
for **AUDITOR GENERAL**

cc: Minister for Local Government, Urban Development, Housing & Environment

**LAUTOKA CITY COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**LAUTOKA CITY COUNCIL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

COUNCIL REPORT

The Council herewith submit the Statement of Financial position at 31 December 2013, 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. Nakauvadra

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>2013</u>	<u>2012</u>
Operating surplus	\$2,534,415	\$1,010,946

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.

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 Councillors.

Dated this

day of

2014.



.....
Chief Executive Officer



.....
for **Director Finance**

**LAUTOKA CITY COUNCIL
STATEMENT BY COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2013**

The Council, states 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 2013;
- (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 2013;
- (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 2013;
- (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 2013;
- (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.


.....
Chief Executive Officer


.....
for Director Finance

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LAUTOKA CITY COUNCIL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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 2013, 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 notes 1 to 22.

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 cash at bank accounts amounting to debit of \$3,554,180 and credit of \$3,290,711 through general journal entries and balance day adjustments. The Council did not provide supporting documents to substantiate the adjustments. Consequently, I was unable to satisfy

myself if the adjustments were correctly taken up in the general ledger and whether cash at bank is correctly stated in the financial statements.

2. Un-reconciled variance of \$750,987 exists between the rate debtors' listing and general ledger. Consequently, I am unable to satisfy myself if receivable of \$5,992,354 is fairly stated in the financial statements.
3. Included in the other creditors amount of \$1,205,166 (note 7) is VAT payable totaling \$248,161. An un-reconciled variance of \$204,864 exists between this amount and that derived following an independent reconciliation of the Statement of VAT Account. Consequently, I am unable to ascertain the accuracy of VAT payable as at 31 December 2013.
4. Un-reconciled variance of \$464,800 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 \$1,385,139 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 2013, 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.


Atunaisa Nadakuitavuki
for AUDITOR GENERAL

Suva, Fiji
3 December 2015



**LAUTOKA CITY COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013**

Income	2013	2012
	\$	\$
Rates		
General	2,155,771	2,142,462
Loan	1,755,022	1,750,535
Parking Meter	272,229	263,941
	<u>4,183,022</u>	<u>4,156,938</u>
Other Income		
Amortisation of capital grant	93,727	51,230
Business license fees	428,672	453,829
Fees, charges and rent	3,374,690	3,268,297
Premium on sub-lease of land	408,000	-
Interest	214,694	146,398
Others	1,395,597	889,777
	<u>10,098,402</u>	<u>8,966,469</u>
Expenses		
Administrative and operating costs	1,969,248	1,089,420
Auditor's remuneration	8,696	8,696
Depreciation and amortization	624,809	732,263
Interest	393,525	578,518
Principal repayment	426,834	760,898
Legal and professional fee	38,206	80,377
Parks, gardens and public amenities	612,998	647,137
Rate payer services	1,317,317	1,409,575
Salary and wages	1,385,139	1,385,533
Street light and street maintenance costs	787,215	1,263,106
	<u>7,563,987</u>	<u>7,955,523</u>
Operating surplus for the year	<u>2,534,415</u>	<u>1,010,946</u>
Other comprehensive income	-	-
Total comprehensive income	<u>2,534,415</u>	<u>1,010,946</u>

The accompanying notes form an integral part of the Statement of Comprehensive Income.

**LAUTOKA CITY COUNCIL
STATEMENT OF MOVEMENT IN FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2013**

COUNCIL MUNICIPAL FUNDS

	General Rate Fund	Loan Rate Fund	Total Council Municipal Funds
	\$	\$	\$
As at 1 January 2012	1,909,034	227,240	2,136,274
Surplus for the year	<u>577,820</u>	<u>414,984</u>	<u>992,804</u>
At 31 December 2012	2,486,854	642,224	3,129,078
Surplus transferred from revaluation reserve	2,573,367	-	2,573,367
Surplus for the year	<u>1,566,330</u>	<u>938,050</u>	<u>2,504,380</u>
At 31 December 2013	<u>6,626,551</u>	<u>1,580,274</u>	<u>8,206,825</u>

COUNCIL TRUST FUNDS

	Parking Meter Fund	Car Park Fund	Total Trust Funds
	\$	\$	\$
As at 1 January 2012	452,273	228,832	681,105
Surplus for the year	<u>18,142</u>	<u>76,000</u>	<u>94,142</u>
At 31 December 2012	470,415	304,832	775,247
Surplus for the year	<u>30,035</u>	<u>22,261</u>	<u>52,296</u>
At 31 December 2013	<u>500,450</u>	<u>327,093</u>	<u>827,543</u>

**LAUTOKA CITY COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

	Notes	2013 \$	2012 \$
Current assets			
Cash at bank and on hand	2	3,599,765	1,193,671
Held-to-maturity investments	3	1,481,120	1,346,120
Inventories	4	20,140	22,567
Receivables	5	5,992,354	4,550,547
Other receivables	6	44,858	68,940
Total current assets		11,138,237	7,181,845
Non-current assets			
Property, plant and equipment	10	3,187,697	49,039,098
Investment properties	11	6,662,157	6,843,291
Total non-current assets		9,849,854	55,882,389
TOTAL ASSETS		20,988,091	63,064,234
FUNDS AND LIABILITIES			
Council Municipal Funds			
Accumulated surplus	Page 5	8,206,825	3,129,078
Reserves	12	455,490	48,927,579
Council Trust Funds			
Parking meter fund	Page 5	500,450	470,415
Car park fund	Page 5	327,093	304,832
Total funds		9,489,858	52,831,904
Current liabilities			
Creditors and accruals	7	2,586,577	795,074
Provisions	8	154,676	103,021
Interest bearing borrowings	9	527,506	383,630
Total current liabilities		3,268,759	1,281,725
Non-current liabilities			
Provisions	8	95,771	95,245
Interest bearing borrowings	9	7,730,414	8,358,344
Capital grant in aid	13	403,289	497,016
Total non-current liabilities		8,229,474	8,950,605
TOTAL EQUITY AND LIABILITIES		20,988,091	63,064,234

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

For and on behalf of the Council.

.....
Chief Executive Officer


.....
for Director Finance

**LAUTOKA CITY COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013**

Note	2013 Inflows/ (Outflow) \$	2012 Inflows/ (Outflow) \$
COUNCIL MUNICIPAL FUNDS		
Cash flows from operating activities		
Receipts from ratepayers and customers	7,647,648	8,166,615
Payments to trade creditors, other creditors and employees	(4,074,643)	(6,392,049)
Interest paid	(393,525)	(574,653)
Interest received	218,081	146,398
Net cash flows from operating activities	3,397,561	1,346,311
Cash flows from investing activities		
Net (acquisition of)/proceed from property, plant and equipment	(465,232)	(693,801)
Net cash flows used in investing activities	(465,232)	(693,801)
Cash flows from financing activities		
Net (repayment of)/proceed from borrowings	(480,395)	(484,235)
Contribution from other funds	22,261	76,000
Net cash flows used in financing activities	(458,134)	(408,235)
Net increase in cash flow from Council funds	2,474,195	244,275
PARKING METER FUND		
Cash flows from operating activities		
Receipts from customers (meter tolls & other revenues)	272,010	263,941
Payments to suppliers and employees	(198,065)	(244,295)
Interest and other costs of finance paid	(3,387)	(3,865)
Net decrease in cash flows from operating activities	70,558	15,781
Cash flows from financing activities		
(Repayment) of term loan	(3,659)	(2,783)
Net increase in cash flows from operating activities	(3,659)	(2,783)
Net decrease in cash flow from Parking meter funds	66,899	12,998
Total net decrease in cash and cash equivalents	2,541,094	257,273
Cash and cash equivalents at 1 January	2,539,791	2,282,518
Cash and cash equivalents as at 31 December	5,080,885	2,539,791

**LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

1. Corporate Information

The financial statements of Lautoka City Council ("the Council") for the year ended 31 December 2013 were authorised for by the Chief Executive Officer 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 judgments, estimates and assumptions

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

Judgments

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

LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

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.

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 derecognized or impaired, as well as through the amortisation process. Bad debts are written-off as incurred. Rates received in advance of the rating period are recognised as a liability.

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.

LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

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 de-recognised when they are assessed as uncollectible.

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	2.50%
Furniture and fittings	20%
Plant and equipment	20%
Office equipment	20%
Motor Vehicles	20%
Road, footpath and drains	1%

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

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.

LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

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 de-recognition 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 de-recognised.

g) Impairment of non-financial assets

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

h) Investment Property

Investment property is stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the investment property when that cost is incurred, if the recognition criteria is met. Likewise, when a major inspection is performed, its cost is 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.

**LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013**

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

Building 2.50%

Premiums on leasehold land are capitalised and amortised over the term of the lease.

An item of investment property is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is recognised.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

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.

LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

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.

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.

LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

Council as a lessee

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

Finance charges are reflected in the statement of comprehensive income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Council will obtain ownership by the end of the lease term.

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

n) Grants

Grants related to depreciable fixed assets are treated as deferred income which is recognised in the profit and loss statement on a systematic and rational basis over the useful life of the asset in the proportions in which depreciation on those assets is charged

o) 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.

p) Revenue recognition

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

q) Income tax

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

r) Comparative figures

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

**LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013**

2. CASH AT BANKS AND ON HAND

	2013	2012
	\$	\$
Cash at bank - General fund	(49,344)	-
Cash at bank - Parking meter funds	534,146	387,091
Savings account BSP	3,113,963	805,580
Cash on hand	<u>1,000</u>	<u>1,000</u>
Total cash at banks and on hand	<u>3,599,765</u>	<u>1,193,671</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 AT MATURITY INVESTMENTS

Westpac Banking Corporation	1,187,000	1,112,000
Bank of South Pacific	<u>294,120</u>	<u>234,120</u>
	<u>1,481,120</u>	<u>1,346,120</u>

Interest earned at 2.5% from the above term deposits are credited to General Fund

4. INVENTORIES

Materials	15,116	22,567
Fuel and oil	<u>5,024</u>	<u>-</u>
	<u>20,140</u>	<u>22,567</u>

**LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013**

5. RECEIVABLES

	2013	2012
	\$	\$
Rates receivables	5,575,704	5,113,540
Less: provision for doubtful debts	<u>(1,000,000)</u>	<u>(1,000,000)</u>
	4,575,704	4,113,540
Other debtors	<u>1,416,650</u>	<u>437,007</u>
Total receivables	<u>5,992,354</u>	<u>4,550,547</u>

Movement in the provision for doubtful debts of receivables were as follows:

Rates receivables

At 1 January	1,000,000	1,000,000
Movement, net	<u>-</u>	<u>-</u>
31 December	<u>1,000,000</u>	<u>1,000,000</u>

6. OTHER RECEIVABLES

Prepayments	<u>44,858</u>	<u>68,940</u>
-------------	---------------	---------------

7. CREDITORS AND ACCRUALS

Sundry creditors and accruals - General Fund	1,120,106	409,838
Sundry creditors and accruals - Parking Meter Fund	-	4,179
Other creditors	1,205,166	137,061
Security deposits	200,802	184,797
Refundable building deposits	<u>60,503</u>	<u>59,199</u>
	<u>2,586,577</u>	<u>795,074</u>

LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

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

	2013	2012
	\$	\$
<u>Long service leave</u>		
At 1 January	95,245	82,682
Net arising during the year	<u>526</u>	<u>12,563</u>
At 31 December	<u>95,771</u>	<u>95,245</u>
<u>Annual leave</u>		
At 1 January	103,021	103,870
Net arising during the year	123,566	69,972
Net Utilised	<u>(71,911)</u>	<u>(70,821)</u>
At 31 December	<u>154,676</u>	<u>103,021</u>
 Total provisions	 <u>250,447</u>	 <u>198,266</u>
Disclosed as:		
Current	154,676	103,021
Non-current	<u>95,771</u>	<u>95,245</u>
Total provisions	<u>250,447</u>	<u>198,266</u>

9. INTEREST BEARING LOANS AND BORROWINGS

Current

Bank overdraft		
Bank of South Pacific - General	523,944	426,411
Bank of South Pacific - Parking meter	<u>3,562</u>	<u>3,656</u>
Total current	(a) <u>527,506</u>	<u>430,067</u>

**LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	\$	\$
Non-current		
Bank of South Pacific - General	7,664,089	8,242,017
Bank of South Pacific - Parking meter	<u>66,325</u>	<u>69,890</u>
Total non-current	<u>7,730,414</u>	<u>8,311,907</u>
<u>Loans and borrowings- principal and interest outstanding</u>		
Opening balance at 1 January	8,741,974	9,228,992
Add additional loan during the period		9,008,500
Add: Interest accrual- current year	393,525	574,652
Less: Interest accrual- previous year	-	(574,652)
Less: Repayment	<u>(877,579)</u>	<u>(9,495,518)</u>
Closing balance at 31 December	<u>8,257,920</u>	<u>8,741,974</u>
<u>Principal and interest commitments at balance date:</u>		
Principal due in one year	527,506	499,957
Principal due in over 1 year but less than 2 years	579,992	446,000
Principal due in over 2 year but less than 5 years	1,808,641	1,464,743
Principal due in greater than 5 years	<u>5,341,781</u>	<u>6,331,274</u>
Closing balance at 31 December	<u>8,257,920</u>	<u>8,741,974</u>

Particulars relating to interest bearing loans and borrowings

- a) The loan 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 2013

10. PROPERTY, PLANT & EQUIPMENT

	2013	2012
	\$	\$
<u>Land and buildings</u>		
Deemed cost:		
At 1 January	3,256,965	3,014,240
Additions	357,102	270,323
Disposals	-	(20,050)
Re-classification		(7,548)
At 31 December	<u>3,614,067</u>	<u>3,256,965</u>
Depreciation and impairment		
At 1 January	989,359	946,615
Depreciation charge for the year	88,657	42,744
At 31 December	<u>1,078,016</u>	<u>989,359</u>
Net book value	2,536,051	2,267,606
<u>Plant and equipment</u>		
Deemed cost:		
At 1 January	1,006,428	995,906
Additions	67,800	10,522
Disposals	(758,874)	
Re-classification	(235)	
At 31 December	<u>315,119</u>	<u>1,006,428</u>
Depreciation and impairment		
At 1 January	829,842	806,155
Depreciation charge for the year	48,899	23,687
Disposals	(670,711)	
At 31 December	<u>208,030</u>	<u>829,842</u>
Net book value	107,089	176,586

LAUTOKA CITY COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2013

10. PROPERTY, PLANT & EQUIPMENT (CONT'D)

Furniture and fittings

	2013	2012
	\$	\$
Deemed cost:		
At 1 January	202,006	221,102
Additions	1,391	226
Re-classification		(19,322)
At 31 December	203,397	202,006
Depreciation and impairment		
At 1 January	153,993	148,697
Depreciation charge for the year	31,991	5,296
At 31 December	185,984	153,993
Net book value	17,413	67,335

Office equipment

Deemed cost:		
At 1 January	284,792	191,644
Additions	22,755	93,148
At 31 December	307,547	284,792
Depreciation and impairment		
At 1 January	171,426	160,784
Depreciation charge for the year	55,627	10,642
At 31 December	227,053	171,426
Net book value	80,494	113,366

LAUTOKA CITY COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2013

10. PROPERTY, PLANT & EQUIPMENT (CONT'D)

	2013	2012
<u>Motor vehicles</u>	\$	\$
Deemed cost:		
At 1 January	1,034,232	919,285
Additions	121,839	120,869
Disposals	(78,115)	(5,922)
At 31 December	1,077,956	1,034,232
Depreciation and impairment		
At 1 January	566,675	472,920
Depreciation charge for the year	184,084	93,755
Disposals	(66,053)	
At 31 December	684,706	566,675
Net book value	393,250	504,017
<u>Roads, drains and footpaths</u>		
Deemed cost:		
At 1 January	50,623,532	50,399,009
Additions		224,522
Disposals	(50,623,532)	-
At 31 December	-	50,623,531
Depreciation and impairment		
At 1 January	4,724,808	4,263,071
Disposals	(4,724,808)	
Depreciation charge for the year		461,737
At 31 December	-	4,724,808
Net book value	-	45,898,723

**LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013**

10. PROPERTY, PLANT & EQUIPMENT (CONT'D)

	2013 \$	2012 \$
<u>Parking meters, streetlights and equipment</u>		
Deemed cost:		
At 1 January	490,401	490,401
Disposals	(20,782)	-
At 31 December	<u>469,619</u>	<u>490,401</u>
Depreciation and impairment		
At 1 January	423,154	415,341
Depreciation charge for the year	11,740	7,813
Disposals	(18,675)	
At 31 December	<u>416,219</u>	<u>423,154</u>
Net book value	53,400	67,247
Total property, plant and equipment	3,187,697	49,039,098

On November 29, 2013 the Council entered into an agreement with Tappoo Limited to Sub-lease 3,900sqm of land adjoining Churchill Park. The terms of the Sub-lease are for a period of 42 years expiring on the expiration of the head lease.

The unencumbered unimproved capital value (UCV) of the property as at the date of inspection was assessed at \$2,720,000.00 (VEP). The Council received lease premium of \$408,000(VEP) from Tappoo Limited during the financial year 2013, calculated at 15% of \$2,720,000 (VEP) of UCV and will receive annual lease rental of \$163,200 (VEP) calculated as 6% of \$2,720,000 (VEP) of UCV and assessed every ten years.

LAUTOKA CITY COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2013

11. INVESTMENT PROPERTIES

	2013	2012
	\$	\$
Deemed cost:		
At 1 January	8,129,772	8,125,270
Additions	22,677	4,502
At 31 December	8,152,449	8,129,772
Depreciation and impairment		
At 1 January	1,286,481	1,199,892
Depreciation charge for the year	203,811	86,589
At 31 December	1,490,292	1,286,481
Net book value	6,662,157	6,843,291

12. RESERVES

<u>Asset revaluation reserve</u>		
Revaluation increment on roads		19,672,089
Revaluation increment on footpaths		12,800,000
Revaluation increment on drains		16,000,000
		<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	455,490	48,927,579

13. CAPITAL GRANT

At 1 January	497,016	548,246
Released to the statement of comprehensive income	(93,727)	(51,230)
Closing balance at 31 December	403,289	497,016

**LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013**

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 2013 with approximate transaction value are summarised as follows:

	2013	2012
	\$	\$
Administrator - Honorarium	32,200	31,000

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 4.5% per annum.

	Carrying amount	
	2013	2012
	\$	\$
<u>Fixed rate instruments</u>		
Financial assets (Held-to-maturity investments)	1,481,120	1,346,120
<u>Variable rate instructions</u>		
Financial liabilities (Interest bearing borrowing)	8,257,920	8,741,974

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:

**LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013**

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

	Increase / decrease in interest rate	Effects on profit before tax
2013	+1%	
	-1%	
2012	+1%	(83,304
	-1%	84,074

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	
	2013	2012
	\$	\$
Cash and cash equivalents	3,599,765	1,193,671
Held-to-maturity investments	1,481,120	1,346,120
Trade and other receivables	<u>6,037,212</u>	<u>4,619,487</u>
	<u>11,118,097</u>	<u>7,159,278</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

**LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013**

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

The table below summarises the maturity profile of the Council's financial liabilities at 31 December 2013 based on contractual undiscounted payments.

As at 31 December 2013	1 Year	1 to 5 years	> 5 years	Total
	\$	\$	\$	\$
Interest bearing loans and borrowings	527,506	2,388,633	5,341,781	8,257,920
Creditors and accruals	2,586,577			2,586,577
	<u>3,114,083</u>	<u>2,388,633</u>	<u>5,341,781</u>	<u>10,844,497</u>
As at 31 December 2012				
Interest bearing loans and borrowings	499,957	1,910,743	6,331,274	8,741,974
Creditors and accruals	795,074	-	-	795,074
	<u>1,295,031</u>	<u>1,910,743</u>	<u>6,331,274</u>	<u>9,537,048</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 Council may adjust its operational activities for the year.

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.

	2013	2012
	\$	\$
Interest bearing loans and borrowings	8,257,920	8,741,974
Creditors and accruals	2,586,577	795,074
Less cash and short term deposits	<u>(5,080,885)</u>	<u>(2,539,791)</u>
Net debt	5,763,612	6,997,257
Funds	9,511,642	52,831,904
Funds and net debts	<u>15,275,254</u>	<u>59,829,161</u>
Gearing ratio	38%	12%

**LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013**

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	
	2013	2012	2013	2012
	\$	\$	\$	\$
Financial Assets				
Cash at bank and on hand	3,599,765	1,193,671	3,599,765	1,193,671
Held-to-maturity investments	1,481,120	1,346,120	1,481,120	1,346,120
Receivables	5,992,354	4,550,547	5,992,354	4,550,547
Other receivables	44,858	68,940	44,858	68,940
	<u>11,118,097</u>	<u>7,159,278</u>	<u>11,118,097</u>	<u>7,159,278</u>
Financial Liabilities				
Interest bearing borrowings	8,257,920	8,741,974	8,257,920	8,741,974
Creditors and accruals	2,586,577	795,074	2,586,577	795,074
	<u>10,844,497</u>	<u>9,537,048</u>	<u>10,844,497</u>	<u>9,537,048</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 has 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:

	2013	2012
	\$	\$
Cash on hand and at bank	485,802	388,091
Held-to-maturity investments	1,481,120	1,346,120
Savings Account BSP	<u>3,113,962</u>	<u>805,580</u>
	<u>5,080,884</u>	<u>2,539,791</u>

**LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013**

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 City Council Fiji

No. of Employees

The total number of staff as at 31 December 2013 was 124 (2012: 154)

21. CAPITAL COMMITMENTS

The council has committed money (2013; \$1,482,689) for various capital and project development 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.

**LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013**

22. CONTINGENT LIABILITY (CONT'D)

- (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 Mitieli 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 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 case disposed and the matter is awaiting master of high court to determine costs against Value City.
- (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.

**LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013**

DETAILED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013

GENERAL RATE FUNDS - OPERATING STATEMENT	2013	2012
	\$	\$
Revenue		
Recurrent		
General rates	2,155,771	2,142,462
Interest on investment and overdue rates	214,694	146,398
Fees, charges and rents	3,374,690	3,268,297
Other Income		
Amortisation of capital grant	93,727	51,230
Business and trading licenses	428,672	453,829
Premium on sub-lease of land	408,000	-
Miscellaneous	1,395,597	889,777
Total revenue	8,071,151	6,951,993
LESS: Expenditure		
Advertising	25,668	20,636
Audit fee	8,696	8,696
Accounting fee	-	7,350
Bus station, civic building, depot and staff quarters	309,990	304,645
Councilors expenses	41,691	57,405
Depreciation	623,813	724,129
Destruction of stray dogs	3,883	8,147
Drains maintenance	582,116	701,748
FRA Levy	722,800	
Garbage removal services	454,804	473,797
Hurricane expenses	125,602	63,518
Insurance	36,261	80,099
Leave allowance and passage grants	2,656	4,169
Legal expenses	33,050	70,307
Market	276,514	225,883
Materials for celebrations and costs	28,876	26,786
Miscellaneous	136,127	44,952
Mosquito control	3,574	10,015
Municipal car park	81,381	71,737
Parks, gardens and multi-purpose courts	330,497	413,468

**LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013**

DETAILED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013 (CONT'D)

Expense (Cont'd.)	2013 \$	2012 \$
Plant, equipment, machinery and tools hire	267,424	263,734
Postage and telephone	37,769	38,132
Printing, stationery and office expenses	106,375	108,992
Public convenience	201,120	161,932
Redundancy pay	-	8,454
Salaries, wages and related payments	1,246,038	1,228,428
Street and gutter cleaning	311,905	209,404
Street names and traffic signs	8,367	37,326
Street, footpath and verges	117,799	586,684
Streetlights	349,144	429,692
Subscriptions	4,983	1,394
Town cleaning campaign	8,154	11,660
Traffic lights	12,588	17,904
Valuation fees and expenses	5,156	950
Total expenditure	<u>6,504,821</u>	<u>6,424,185</u>
Operating surplus for the year	<u>1,566,330</u>	<u>527,808</u>

**LAUTOKA CITY COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2013**

LOAN RATE FUND - OPERATING STATEMENT	2013	2012
	\$	\$
Revenue		
Loan Rates	<u>1,755,022</u>	<u>1,750,535</u>
Total revenue	<u>1,755,022</u>	<u>1,750,535</u>
LESS: Expenditure		
Interest	390,138	574,653
Principal repayment	<u>426,834</u>	<u>760,898</u>
Total expenditure	<u>816,972</u>	<u>1,335,551</u>
Operating surplus for the year	<u>938,050</u>	<u>414,984</u>

**LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013**

PARKING METER FUND - OPERATING STATEMENT	2013	2012
	\$	\$
Revenue		
Parking meter		
- collections	199,564	184,439
- fines and court fees	44,146	51,613
- parking meter fees	28,519	27,889
Total revenue	<u>272,229</u>	<u>263,941</u>
LESS: Expenditure		
Administrative charges to general fund	30,000	30,000
Commission to car park	700	700
Depreciation	996	8,134
Interest on loan	3,387	3,865
Legal expenses		1,770
Marking on parking bays		2,448
Meter maintenance	58,020	40,890
Miscellaneous	2,485	3,564
Rent	5,700	5,700
Postage		35
Printing and stationery	4,461	4,211
Salaries and wages	136,445	144,482
Total expenditure	<u>242,194</u>	<u>245,799</u>
Net surplus for the year	<u>30,035</u>	<u>18,142</u>