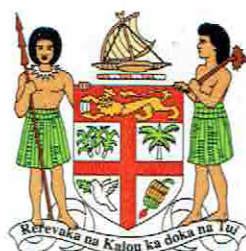


LEVUKA TOWN COUNCIL



ANNUAL REPORT

2014



Levuka Town Council

P.O. Box 70

Levuka, Fiji

E-mail: lrc@connect.com.fj



Phone: 3440014

Fax: 3440288

The Honorable Premila Kumar
Minister for Local Government, Housing & Community Development
Gladstone Road
SUVA

Dear Madam

I have much pleasure in submitting the Levuka Town Council Annual Report for 2014.

The report provides the activities of the Council throughout the year.

The Annual Report 2014 has been prepared in accordance with the provisions of Section 19(1) (a),(b) and (c) of the Local Government Act Cap. 125

Yours sincerely


Josese Rakuita
Chief Executive Officer
LEVUKA TOWN COUNCIL

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FOREWARD

Levuka is a site rich with cultural history. The evidence of the physical and cultural history of Levuka gives it a very unique and special place in Fiji and the Pacific. The history of Levuka tells the story of different people coming together of the colonial white settlers, Indian indentured labourers, Chinese, indigenous people and other immigrant races from the Pacific Islands all found their place in the 'melting pot' Levuka.

The inscription of the Levuka Historical Port Town as a World Heritage Site is a significant event in Fiji's history. World heritage status for the town is expected to generate more international and local interest in the town. Therefore, tourism in Levuka needs a firm foundation on which to build.

Levuka's economy is limited to the fishing industry. The dynamics are no doubt changing with the introduction of eco tourism in some of the villages on Ovalau. Generally employment is severely limited by the lack of industries in Levuka.

Levuka has several major challenges which restrict the proper development of its governance system: -

1. Its insular position restricts its access to markets, development opportunities and investment and is removed from the centre of power. Its space limitation is also well known with steepness in the terrain that limits any inward extension of the township.
2. The Local Government Review 2008 had recommended a formula for assisting Levuka Town Council which has so far not been implemented. The Councils effectiveness will continue to be limited. Having a plan and a vision does not necessarily translate into reality without the resources. This is much needed.
3. Employment opportunities are lacking in the town. With school leavers coming out of secondary schools in and around Levuka, new forms of sustainable livelihood must be sought. If not then there will be a continued migration of youths to the main centres in search of opportunities.
4. Community values are under threat dereliction from the process of urbanization. To preserve the authenticity of its cultural heritage Levuka must continually seek to reinvigorate its sense of community.

...1...

The 'outstanding universal value' of Levuka lies in its history, its clean and tidy structure and design, its attitude of sharing and caring and the 'feel good' factor that discerning people often find missing in many towns.

Levuka Town Council has the following assets;

- Roads and drains
- Buildings – town hall and market
- Land at Vagadaci
- Vacant land at Levuka village
- Taxi stands
- Nasau Park
- Bowling Green House

COUNCIL DIRECTORY

LOCATION: Council Office

Bowling Road, Levuka

POSTAL ADDRESS: P.O. Box 70,
Levuka

PHONE: 3440014

FAX: 3440288

E-MAIL: ltc@connect.com.fj

BANK: Westpac Banking Corporation

AUDITOR: Auditor General

VISION

To uphold the significance of Levuka's heritage to derive sustainable livelihood for all

MISSION

To promote Levuka's economic growth through improved partnerships and efficient service delivery

VALUES

HONESTY: To demonstrate trust and responsibility.

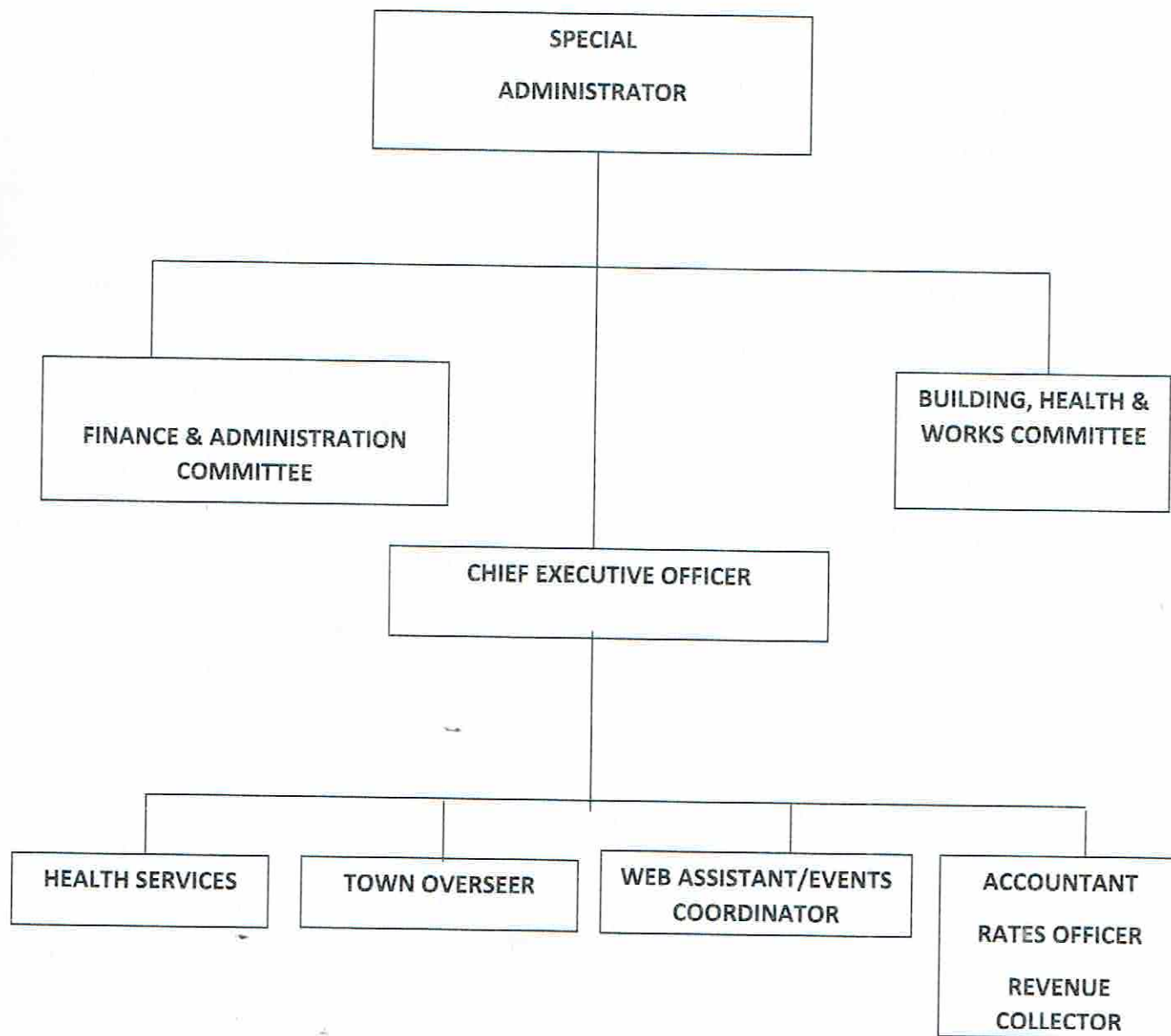
LEADERSHIP: To demonstrate knowledge and vision in the way one does things.

CUSTOMER CARE: To place the needs of the customer above all else.

TRANSPARENCY: To be seen to fair in one's dealings with people and not to be tainted with favoritism.

POLITENESS: To be respectful of all people and to demonstrate humility and good faith.

ORGANISATION STRUCTURE



COUNCIL STAFF

- Mr. Napolioni Masirewa - Special Administrator(Levuka/Nausori)
- Ms. Suliana Sandys - Chief Executive Officer
- Mr. Apenisa Tawake - Executive Officer
- Shiu Nadan - Health Inspector
- Mrs. Leba Aloï - Revenue Collector
- Mrs. Ema Vakacegu - Rates Officer/Assistant Treasurer
- Ms. Teresa Yee Show - Web Assistant/Events Coordinator

MEETINGS

- Ordinary: 6
- Building & Health: 3
- Special: 1
- Finance & Administration: 4

HIGHLIGHTS DURING THE YEAR

1. Visitation by Mrs. Seini Raiko, Interim SA – Rakiraki to discuss on Levuka/Rakiraki Tourism partnership.
2. Launching of the Nomination Dossier
3. Levuka Town was inscribed in the World Heritage Listing on 22/6/13.
4. Oral Health Week celebration at Nasau Park in conjunction with Clean Up in town area. The event was supported by Police officers, Ovalau Rugby Union players and inmates from Levuka Correction Service.
5. Hosted the arrival of 'Uto Ni Yalo' in Levuka.
6. Director Local Government and CEO Nadi visited Levuka to check on government grant update.
7. New appointments of an Accountant and Events Coordinator/Web Assistant for Council.
8. Courtesy visit from Minister for Labour, Industrial Relations & Employment.
9. Public Accounts Committee's interview for 2009 accounts.

ENVIRONMENTAL SCAN

The SWOT ANALYSIS

STRENGTH	WEAKNESS	OPPORTUNITIES	THREATS
<ul style="list-style-type: none">• Historical significant• Cohesive community• Historical infrastructure• Multiracial societies and values• Educated community	<ul style="list-style-type: none">• Isolation• Lack of space for development• Transportation• Limited economic activities• Old infrastructures• Migration• Unemployment	<ul style="list-style-type: none">• Tourism heritage• Cultural diversity• Diversification of Pafco products• Cohesive community spirit	<ul style="list-style-type: none">• Adverse weather pattern• Susceptibility to disasters eg. Fire• Environment degradation• Economic downturn

HEALTH SERVICES

1. Building Applications

Total Applications Received: 40

Total Applications approved: 24

Type of Development	Value
Residential	\$83,188.84
Commercial	\$283,119.10
Civic	\$84,542.40
Others	\$681,502.90
TOTAL	\$ 1,892,353.24

2. Land Developments: Nil

3. Nuisance Notices Served - No records with Council.

4. Complaints - No records to show complaints and its nature that was lodged with Council.

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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



Telephone: (679) 330 9032
E-mail: info@auditorgeneral.gov.fj
Website: www.oag.gov.fj



File: 769

20 June 2022

Mr. Josese Rakuita
Chief Executive Officer
Levuka Town Council
P O Box 70
LEVUKA

Dear Mr. Rakuita

**LEVUKA TOWN COUNCIL
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

The audited financial statements for Levuka Town Council for the year ended 31 December 2014 together with my audit report on them are enclosed.

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

Yours sincerely

Sairusi Dukuno
ACTING AUDITOR-GENERAL

Encl.

**LEVUKA TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

LEVUKA TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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**LEVUKA TOWN COUNCIL
MANAGEMENT REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

In accordance with a resolution of management, the Council herewith submits the statement of financial position as at 31 December 2014, the statement of profit and loss and other comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year ended on that date and report as follows:

1 Trading Results

The operating surplus for the year ended 31 December 2014 was \$83,363 (2013: \$100,274).

2 Current Assets

Management took reasonable steps before the financial statements were made out, to ascertain that the current assets of the Council were shown in the accounting records at a value equal to or below the value that would be expected to be realised in the ordinary course of business.

At the date of this report, management are not aware of any circumstances which would render the values attributable to the current assets in the financial statements misleading

3 Bad and doubtful debts

Management took reasonable steps before the financial statements were made out to ascertain that all known bad debts were written off and adequate provision was made for doubtful debts. At the date of this report, management are not aware of any circumstances which would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent.

4 Basis of accounting

The financial statements of the Council have been drawn up in accordance with the International Financial Reporting Standards for Small and Medium sized Entities (IFRS for SMEs) and the requirements of law. The financial statements of the Council have been prepared on an going concern basis. The ability of the Council to continue as a going concern is dependent on several factors including its ability to generate new business and positive cash flows. Management are confident of the ability of the Council to continue as a going concern, which contemplates continuity of operations and the realisation of assets and the payments of liabilities in the normal course of operations.

5 Events subsequent to balance date

(a) Amendments to the Local Government Act 1972

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

(b) COVID-19 Outbreak

Subsequent to year end, the World Health Organization (WHO) declared the Coronavirus (COVID 19) a "Public Health Emergency of International Concern". Whilst measures and policies have been taken by the National Government and nearby trading countries to prevent the spread of the virus, the impact of the virus on amounts and estimates reported or used in the preparation of 2014 financial statements is not expected to be material.

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

(c) Business Licenses

As announced in the 2020/2021 National budget, effective from 01 August 2020 Fiji's business license regime would be abolished and fees will no longer be collected by the Council.

(d) Base Fees and Market Fees

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

(e) Other than the above mentioned events;

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

LEVUKA TOWN COUNCIL
MANAGEMENT REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2014

5 Events subsequent to balance date (continued)

(e) Other than the above mentioned events (continued);

No contingent liability has arisen since the end of the financial year to the date of this report.

No contingent or other liability has become enforceable or is likely to become enforceable within a period of twelve months after the end of the financial year which, in the opinion of management will or may affect the ability of the council to meet its obligations when they fall due.

6 Related party transactions

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

7 Other circumstances

At the date of this report, management is not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amounts stated in the financial statements misleading.

8 Unusual transactions

The results of the Council's operations during the financial year have not in the opinion of management been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

For and on behalf of management this 13th day of June 2022.


Josese Rakujia
Chief Executive Officer

LEVUKA TOWN COUNCIL
STATEMENT BY CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED 31 DECEMBER 2014

In my opinion:

- (a) the accompanying statement of profit and loss and other comprehensive income is drawn up so as to give a true and fair view of the results of the Council for the year ended 31 December 2014;
- (b) the accompanying statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Council for the year ended 31 December 2014;
- (c) the accompanying statement of changes in accumulated funds is drawn up so as to give a true and fair view of the movement in accumulated funds of the Council for the year ended 31 December 2014;
- (d) the accompanying statement of cash flows is drawn up so as to give a true and fair view of the cash flows of the Council for the year ended 31 December 2014; and
- (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.

Signed on this 13th day of June 2022.



Josese Rakuita
Chief Executive Officer

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INDEPENDENT AUDITOR'S REPORT

Levuka Town Council

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Levuka Town Council ("the Council"), which comprise the Statement of Financial Position as at 31 December 2014, the Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Accumulated Funds, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Disclaimer of Opinion

1. The Council did not comply with the requirements of *IFRS for SME's Section 28 – Employee Benefits* by not recognizing employees annual leave due as at 31 December 2014. In addition, the Council did not account for trade payables and accruals in the financial statements for the year ended 31 December 2014 in accordance with the requirements of Section 2.36 of the IFRS for SMEs. Furthermore, the Council did not include in its financial statements various accounting policies in the Notes to the Financial Statements in accordance with the requirements of *IFRS for SME's Paragraph 8 – Notes to the Financial Statements* and related party transactions as required by *Paragraph 33 – Related Party Disclosures*. As a result, the financial statements of the Council are not completely and fairly presented in accordance with all the requirements of IFRS for SMEs.
2. The Council was unable to provide rates receivable listings, subsidiary records and reconciliations to support the rates receivable balance of \$95,319 recorded in the Statement of Financial Position as at 31 December 2014. Consequently, I was unable to ascertain the completeness and accuracy of the receivables balance of \$95,319 recorded in the financial statements.
3. The Council recorded loan balance of \$4,975 in the statement of financial position as at 31 December 2014. The Council was unable to provide the details of the loan and loan reconciliations, which was necessary to confirm the existence and completeness of the balance. As a result, I was not able to ascertain the accuracy of loan balance of \$4,975 recorded in the financial statements.
4. The Council was unable to provide relevant supporting documents to substantiate the amortization of deferred grant of \$164,357 as disclosed in Note 5 to the Financial Statements. In addition, the Council has not disclosed the nature and amounts of government grant recognized in the financial statements and unfulfilled conditions and

Basis for Disclaimer of Opinion (con't)

other contingencies attached to the government grant that have not been recognized in income. Furthermore, the accounting policy on deferred income as disclosed on Note 2.5 to the Financial Statements are not in accordance with section 24 of the IFRS for SMEs. Consequently, I was unable to ascertain the accuracy of the deferred income balance of \$501,529 recorded in the financial statements as at 31 December 2014.

5. Note 3 to the financial statements notes other income of \$156,824. Included in this balance is an adjustment of \$130,842. The Council was unable to provide relevant details and satisfactory explanations to substantiate the adjustment. As a result, I was not able to ascertain the accuracy of other income of \$156,824 recorded in the financial statements as at 31 December 2014.
6. The Council was unable to provide rates listings and reconciliations to substantiate rates income of \$123,091 as reported in Note 3 to the financial statements. In addition, the Council was unable to provide market fees and park fees collection register to substantiate market fees of \$3,482 and park fees of \$1,472 respectively included in the fees and licenses income of \$74,226 as reported in Note 3 to the financial statements. Consequently, I was unable to ascertain the accuracy of the total revenue of \$558,118 recorded in the financial statements as at 31 December 2014.
7. The Council did not account for discount allowed on rates for the financial year ended 31 December 2014. Furthermore, relevant details and records for discount allowed was not provided by the Council. As result, I was unable to determine whether any adjustments might have been necessary in respect of the discount allowed on rates and any corresponding adjustments to the elements making up the Statement of Profit or Loss and Other Comprehensive Income.
8. Internal control functions of the Council were generally found to be weak. This is in respect of the non - preparation of monthly bank reconciliations and no separation of duties in receipting and banking. Furthermore, updating of accounting records were not practised, poor management of personnel files, reconciliations not prepared and incorrect classification of transactions in the books of accounts. In addition, there were poor revenue management, payment and procurement processes were not properly followed and journal voucher system was not maintained. For Property, Plant and Equipment, there were incorrect classification in the different classes of assets, annual board of survey was not conducted and assets were not tagged.

Emphasis of Matter

I draw attention to Note 10(b) to the financial statements which notes the novel coronavirus (COVID-19) global pandemic subsequent to 31 December 2014 and how this has been considered by the Council in the preparation of the financial statements. As set out in Note 10, no adjustments have been made to the financial statements as at 31 December 2014. However, the Council notes that the impact of COVID-19 global pandemic will have a significant impact on all the major revenue streams of the Council in the financial year 2020 and beyond.

My opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises the information included in the Special Administrators' report, but does not include the financial statements and my auditors' report thereon.

Other information (con't)

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work, I conclude that there is a material misstatement of this other information, I am required to report that fact. Accordingly, I am unable to conclude whether or not the other information is materially misstated with respect to matters described in the Basis of Disclaimer of Opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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



Sairusi Dukuno
ACTING AUDITOR-GENERAL



Suva, Fiji
20 June, 2022

LEVUKA TOWN COUNCIL
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
Revenue	3	558,118	474,644
Wages and salaries		(168,667)	(210,313)
Depreciation		(70,118)	(24,647)
Other operating expenses		<u>(235,631)</u>	<u>(139,032)</u>
Surplus from operations		83,702	100,652
Finance costs		<u>(339)</u>	<u>(378)</u>
Surplus for the year		<u>83,363</u>	<u>100,274</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>83,363</u>	<u>100,274</u>

The statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

LEVUKA TOWN COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT YEAR ENDED 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
Current Assets			
Cash at bank	4	127,361	93,069
Receivables	6	95,319	88,325
		<u>222,680</u>	<u>181,394</u>
Non-Current Assets			
Property, plant and equipment	7	4,402,448	4,026,454
		<u>4,402,448</u>	<u>4,026,454</u>
TOTAL ASSETS		<u>4,625,128</u>	<u>4,207,848</u>
Current Liabilities			
Deferred income	5	501,529	167,612
		<u>501,529</u>	<u>167,612</u>
Non-Current Liabilities			
Loan		4,975	4,947
		<u>4,975</u>	<u>4,947</u>
TOTAL LIABILITIES		<u>506,504</u>	<u>172,559</u>
NET ASSETS		<u>4,118,624</u>	<u>4,035,289</u>
Accumulated funds		<u>4,118,624</u>	<u>4,035,261</u>

The statement of financial position is to be read in conjunction with the accompanying notes.

In our opinion the financial statements have been properly drawn up so as to show a true and fair view of the Levuka Town Council's operations for the year ended 31 December 2014 and the state of affairs as at that date.



Josese Rakuita
Chief Executive Officer
Date: 13/6/2015

LEVUKA TOWN COUNCIL
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Accumulated Funds	\$
Balance as at 31 December 2012	3,934,987	
Surplus for the year	<u>100,274</u>	
Balance as at 31 December 2013	4,035,261	
Surplus for the year	<u>83,363</u>	
Balance as at 31 December 2014	<u>4,118,624</u>	

LEVUKA TOWN COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
Cash flows from operating activities		
Receipts from customers	355,607	282,574
Payments to suppliers and employees	(404,637)	(349,723)
Net cash flows/ (used) in operating activities	(49,030)	(67,149)
Cash flows from investing activities		
Payments for plant and equipment	(446,112)	(43,480)
Net cash used in investing activities	(446,112)	(43,480)
Cash flows from financing activities		
Repayment of loan	-	(500)
Receipt of Government grant	529,434	52,500
Net cash provided by financing activities	529,434	52,000
Net (decrease) / increase in cash and cash equivalents	34,292	(58,629)
Cash and cash equivalents at the beginning of the financial year	93,069	151,698
Cash and cash equivalents at the end of the financial year	127,361	93,069

LEVUKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1: GENERAL INFORMATION

These financial statements were authorised for issue by management on 28 September, 2018.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of accounting

The financial statements of Levuka Town Council have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs). They have been prepared under the historical cost convention, unless otherwise stated.

The financial statements of Levuka Town Council comprises the Council's General and Government Grant fund accounts.

2.2 Fixed assets

Fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The council adds to the carrying amount of an item the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the council. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to statement of profit or loss and other comprehensive income during the period in which they are incurred. Depreciation on assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Building	4.0%
Equipment	13.0%
Motor Vehicle	25.0%

2.3 Receivables

Receivables comprises rates in arrears for the year.

2.4 Payables

Payables are obligations to pay for goods or services that have been acquitted in the ordinary course of operations from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

2.5 Deferred Income

Grant received relating to the Levuka Town Council's programmes is deferred and amortized over the periods to which the income relates or the periods during which the Levuka Town Council receives contracted benefits.

Assets acquired through capital grants are capitalised to property, plant and equipment and the corresponding credit is taken as deferred income. Property, plant and equipment are depreciated over their estimated useful lives. The benefit arising from the capital grants being the recoupment through depreciation is credited to income over the period of the useful lives of those assets.

2.6 Revenue Recognition

The council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, and specific criteria have been met.

LEVUKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Cont'd)

2.7 Comparative figures

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

2.8 Rounding

Amounts have been rounded to the nearest dollar except where otherwise stated.

NOTE 3: REVENUE	2014 \$	2013 \$
The breakdown of revenue is as follows:		
Fees and licenses	74,226	71,385
Rates	123,091	121,567
Rent	8,459	20,569
Other income (other income as reported in Note 11, hire charges, and refund)	156,824	148,815
Grant income	195,518	112,308
	<u>558,118</u>	<u>474,644</u>

NOTE 4: CASH AT BANK

Operational account	25,399	35,194
Government grant account	72,924	57,875
Citywide project account	29,038	-
	<u>127,361</u>	<u>93,069</u>

The total cash at bank balance of \$101,962 is not available for use except for the purpose of the heritage works (\$72,924 and informal settlement works (\$29,038).

NOTE 5: DEFERRED INCOME

Opening balance	167,612	227,420
Government grants received during the year	242,649	52,500
Less: Amortisation for the year	(164,357)	(112,308)
	<u>245,904</u>	<u>167,612</u>
Deferred income related to donated assets	286,785	-
Less: accumulated amortization	(31,160)	-
	<u>255,625</u>	<u>-</u>
Total deferred income	<u>501,529</u>	<u>167,612</u>

NOTE 6: RECEIVABLES

Rates receivable	95,319	88,325
	<u>95,319</u>	<u>88,325</u>

LEVUKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	Land	Building	Motor Vehicle	Equipment	Total
	\$	\$	\$	\$	\$
Year ended 31 December 2013					
Opening net book amount	3,505,000	477,641	1,250	23,730	4,007,621
Additions	-	40,381	-	3,099	43,480
Depreciation charge	-	(20,759)	(500)	(3,388)	(24,647)
Closing net book amount	3,505,000	497,263	750	23,441	4,026,454
As at 31 December 2013					
Cost	3,505,000	554,158	2,000	28,411	4,089,569
Accumulated depreciation	-	(56,895)	(1,250)	(4,970)	(63,115)
	3,505,000	497,263	750	23,441	4,026,454
Year ended 31 December 2014					
Opening net book amount	3,505,000	497,263	750	23,441	4,026,454
Additions	-	56,703	117,624	211,785	446,112
Depreciation charge	-	(22,078)	(18,016)	(30,024)	(70,118)
Closing net book amount	3,505,000	531,888	100,358	205,202	4,402,448
As at 31 December 2014					
Cost	3,505,000	610,861	179,624	240,196	4,535,681
Accumulated depreciation	-	(78,973)	(19,266)	(34,994)	(133,233)
	3,505,000	531,888	160,358	205,202	4,402,448

NOTE 8: COMMITMENTS AND CONTINGENT LIABILITIES

- (a) Capital Commitments as at 31 December 2014 amounted to \$28,971 relating to the pending municipal council projects. There were no other commitments as at balance date (2013:\$48,203).
- (b) There were no contingent liabilities as at 31 December 2014 (2013:\$Nil)

NOTE 9: RELATED PARTY TRANSACTIONS

Key management personnel

Key management includes the Chief Executive Officer. The compensation paid or payable to key management for employee services is shown below:

	2014	2013
	\$	\$
Salary, allowances, and benefits	31,732	30,513

NOTE 10: EVENTS SUBSEQUENT TO BALANCE DATE

(a) Amendments to the Local Government Act 1972

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

(b) COVID-19 Outbreak

Subsequent to year end, the World Health Organization (WHO) declared the Coronavirus (COVID 19) a "Public Health Emergency of International Concern". Whilst measures and policies have been taken by the National Government and nearby trading countries to prevent the spread of the virus, the impact of the virus on amounts and estimates reported or used in the preparation of 2014 financial statements is not expected to be material.

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

LEVUKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 10: EVENTS SUBSEQUENT TO BALANCE DATE (continued)

(c) Business Licenses

As announced in the 2020/2021 National budget, effective from 01 August 2020 Fiji's business license regime would be abolished and fees will no longer be collected by the Council.

(d) Base Fees and Market Fees

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

(e) Other than the above mentioned events;

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

No contingent liability has arisen since the end of the financial year to the date of this report.

No contingent or other liability has become enforceable or is likely to become enforceable within a period of twelve months after the end of the financial year which, in the opinion of the management, will or may affect the ability of the council to meet its obligations as and when they fall due.

NOTE 11: OTHER INCOME	2014 \$	2013 \$
Fax, photocopy	138	232
Gatetakings	1,308	449
Interest	383	236
Miscellaneous	16,347	2,965
Public Convenience	1,624	1,019
Unidentified adjustment	130,842	129,969
Rezoning	-	164
Ovalau Rugby Union	-	1,363
	<u>150,642</u>	<u>136,397</u>

LEVUKA TOWN COUNCIL
DETAILED STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 \$	2013 \$
Revenue			
Business and trading license		28,257	26,737
Fees		45,969	44,648
Hire charges		6,143	3,405
Rates		123,091	121,567
Refund		39	9,013
Grant Income		195,518	112,308
Rent		8,459	20,569
Other income	11	150,642	136,397
Total revenue		<u>558,118</u>	<u>474,644</u>
Expenditure			
Advertisement		522	-
Administration		2,194	-
Audit and legal fees		13,150	12,790
Depreciation		70,118	24,647
Donation		1,823	620
Finance costs		339	378
FNPF contributions		6,508	5,760
FNU levy		2,141	966
FRCS penalty		48,233	-
Garbage		18,990	35,718
Property maintenance		106,590	20,156
Roads and drains maintenance		1,840	5,184
Street light maintenance		-	19,640
Street maintenance		-	12,811
Tourism marketing		1,130	-
Utilities		6,348	1,897
Wages and salaries		160,018	203,587
Website		-	2,250
Workshop		-	1,152
Other expenses		34,811	26,814
Total expenditure		<u>474,755</u>	<u>374,370</u>
Surplus for the year		<u>83,363</u>	<u>100,274</u>

The detailed statement of income and expenditure is to be read in conjunction with the accompanying notes.

LEVUKA TOWN COUNCIL
STATEMENT OF RECEIPTS AND PAYMENTS - GOVERNMENT GRANT ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
Receipts		
Government grant	242,649	52,500
Total receipts	242,649	52,500
Payments		
Administration	2,194	-
Advisor salary	14,870	15,181
Awareness workshop	-	1,152
Baba drains and footpath	-	1,525
Batiniwai creek retaining wall	2,159	-
CEO top up salary	14,732	13,513
Engineer	-	31,363
Events management	1,816	-
Executive officer top up	-	530
Health inspection	16,874	7,124
Heritage plaque	10,000	-
Manhole covers	-	5,196
Marine drive drain upgrade	1,882	-
Market fencing	218	-
Market renovation	-	16,741
Mission hill drain	2,802	1,098
Nasova house repair	-	2,955
Garbage truck	102,624	-
Nigau hill drain upgrade	7,798	-
Heritage lights	-	1,641
Public convenience	14,275	15,568
Office equipment	-	1,457
Ovalau club	1,823	620
Pavilion upgrade	32,428	8,072
Project officer salary	338	-
Property maintenance	68,769	-
Reimbursement	654	-
Repairs and maintenance	-	1,427
Signage	6,242	-
Solid waste management	-	203
Street beautification	129	3,691
Street improvement	-	3,924
Tourism marketing	1,130	-
Turrent clock	-	1,176
Vulcane lane footpath upgrade	-	597
Web assistant and events coordinator	-	13,167
Website	-	2,250
Total payments	303,757	150,171
Deficit for the year	(61,108)	(97,671)
Balance at the beginning of the year	53,438	151,109
Net (loss)/surplus	(7,670)	53,438