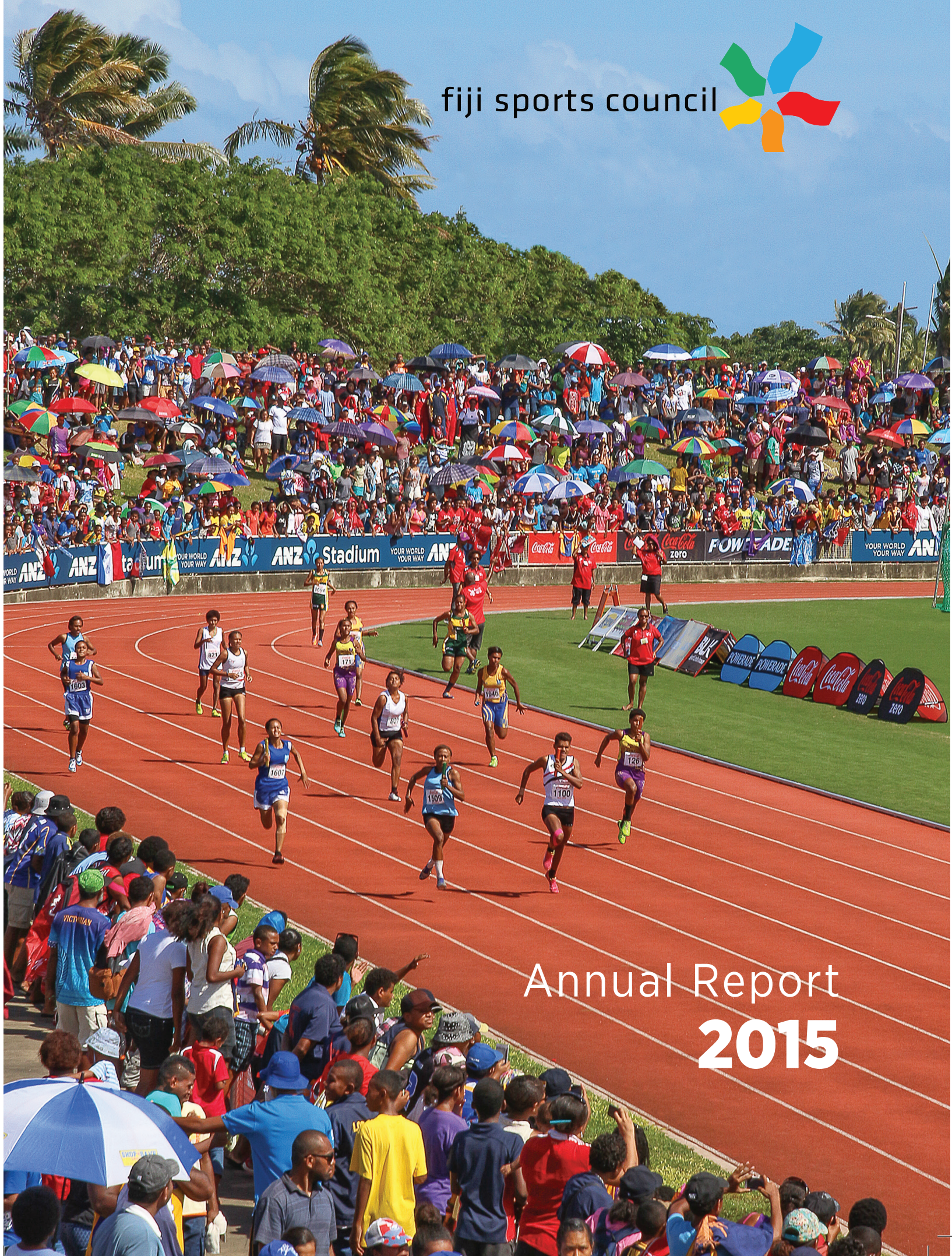


fiji sports council



Annual Report
2015

VISION

To be the leading provider of premier Sports and Events facilities.

MISSION

We will provide safe and reliable facilities through the development of an efficient workforce that delivers a high standard in customer service to achieve sporting excellence.

VALUES

Integrity
Service Excellence
Accountability
Transparency
Teamwork
Safety & Security

CONTENTS

| | |
|------------------------|--------------------------|
| Letter to the Minister | 1 |
| 2015 Highlights | 3 |
| Chairman's Report | 4 |
| 2015 Board Members | 6 |
| 2015 Senior Management | 7 |
| CEO's Report | 8 |
| Financial Performance | 11 |
| Corporate Governance | 12 |
| Financial Statements | 15 |
| Strategic Partners | back inside cover |



COVER

The Fiji Sports Council prides itself on maintaining and improving its sporting facilities. But in the end, it is the people who matter and the joy we help bring into their lives. We have chosen a cover that we believe expresses this.



Letter to the Minister

fiji sports council



Hon. Laisenia Tuitubou
Minister for Youth and Sports
Nasoqo House
3 Gordon Street
Suva

Dear Minister,

It is with pleasure that I present the Fiji Sport Council's (FSC) 2015 financial year Annual Report.

The Report is a summary of the Council's performance during the financial year, highlighting the main projects and events of the year and the audited financial statements for the same period.

I'd like to take this opportunity to thank the Government of Fiji for its continued support and look forward to another prosperous and successful collaboration in the coming year.

Yours sincerely,



Peter Mazey
Chairman



2015 Events Highlights

JANUARY

- Netball International Fiji vs Silver Ferns (Vodafone Arena)
- FFA Champion vs Champion – Suva vs Ba (ANZ Stadium)

FEBRUARY

- Fiji FA League – Suva vs Labasa (ANZ Stadium)
- Fiji FA League – Suva vs Rewa (ANZ Stadium)

MARCH

- Fiji FA League – Suva vs Nadroga
- Fiji Bitter Marist 7s
- Fiji FA League – Suva vs T/Naitasiri
- World Rugby Pacific Challenge Test(ANZ Stadium)
- Triple N Zone Athletics Meet(ANZ Stadium)
- Suva Zone I Athletics Meet (ANZ Stadium)
- Suva Zone II Athletics Meet(ANZ Stadium)
- Fiji Games (ANZ Stadium/Buckhurst/ Vodafone Arena)
- Fiji Basketball Easter Games (Vodafone Arena)

APRIL

- Athletics Easter Championship (ANZ Stadium)
- Coke Games National Athletics Meet (ANZ Stadium/Buckhurst/Bidesi)
- OFC Champions League Final (ANZ Stadium)

MAY

- Fiji Airways Wellington Phoenix Inspection (ANZ Stadium)
- Commonwealth Games Youth Trials – Athletics Fiji (ANZ Stadium)
- Fiji Fashion Week (Vodafone Arena)
- National Schools Champs (Damodar City Aquatic Centre)

JUNE

- Army Rugby (Sukuna Bowl) (ANZ Stadium)
- Fiji FA League – Suva vs T/Naitasiri (ANZ Stadium)
- Fiji Airways Wellington Phoenix vs Fiji Football International (ANZ Stadium)
- Fiji FA League – Suva vs Nadi; Rewa vs T/Naitasiri (ANZ Stadium)

JULY

- Fiji Showcase (Vodafone Arena)
- Fiji vs NZ Maori (ANZ Stadium)
- Test Rugby – Fiji vs Tonga (ANZ Stadium)

AUGUST

- RFMF Rugby (ANZ Stadium)
- FSSRU Deans Finals (ANZ Stadium)
- Schoolgirls Rugby 7s Tournament (ANZ Stadium)
- Fiji Secondary Schools Basketball Comp (Vodafone Arena)

SEPTEMBER

- Suva Rugby Club Season (ANZ Stadium)
- FNRL Season (ANZ Stadium/Buckhurst/Bidesi)
- National Youth Conference (Vodafone Arena)
- Sukuna Bowl (ANZ Stadium)
- Farebrother Sullivan Challenge (Lawaqa Park)
- FUSA Games (ANZ Stadium)

OCTOBER

- Suva Netball Business house (National Netball Centre)
- Suva Hockey League (National Hockey Centre)
- All Stars Academy (FMF Gym)
- National Women's Expo (Vodafone Arena)
- Fiji Day Celebrations (Buckhurst/Bidesi I / Bidesi II)
- Lami Zone Athletics
- Suva Combined; FASANOC SPEC Conference (6 Corp Boxes)
- Athletics Fiji Season Opener

NOVEMBER

- AOG Women's Conference (Vodafone Arena)
- All Stars Academy (Concourse)
- Special Olympics (ANZ Stadium)
- FMF Chow Games (Lawaqa Park)
- FMF Chow Games (ANZ Stadium)
- Fiji Secondary Schools Music Festival (Vodafone Arena)
- Great 8 7s tournament (Lawaqa Park)
- Oceania Junior Rugby Trophy (ANZ Stadium)
- Athletics Fiji Awards Night (FMF Gym)
- Procera Car Show (Vodafone Arena Car Park)

DECEMBER

- Oceania Junior Rugby Trophy (ANZ Stadium)
- Oceania Junior Rugby Trophy (ANZ Stadium)
- World League Series Hockey (National Hockey Centre)

Chairman's Report



The 2015 financial year proved to be a year of planning in preparation for major sporting events to come in 2016 as the Fiji Sports Council made great strides in improvements and upgrades within its facilities, and in bringing in new sporting events alike.

The Council used 2015 as a time of internal review to consider where to take the council in alignment with the Board's Strategic plan, including looking at succession plans for all positions in the council. A critical part of the review brought about some important restructuring and advanced administrative planning towards positions within senior management.

The position of a board-appointed internal auditor was a new addition for the Council and a true testament to its commitment to moving Fiji sports future forward through continuously improved services and transparency.

Plans for upgrading and expanding possibilities within the sports arena for Fiji opened new avenues and projects for improvements, such as the identification of under-utilised FSC land. Through this work, an on-going plan was executed to ensure that the land was made useful for the pursuit of sports in the country.

The upgrade of the Lawaqa Park in Sigatoka was one such successful project as part of the facility upgrade programme that was completed in 2015.

Having recognised the need to raise the standards of FSC facilities to international standards, the Council continues to systematically improve its facilities across the nation, not only in one-time efforts but in ongoing plans to maintain these standards.

International standards allowed Fiji to host more international events in 2015, such as with Oceania sporting events. This has also opened the door to other major events planned for 2016.

It is my great pleasure to congratulate and thank the FSC's CEO and her team for their consistent and successful efforts in creating and maintaining safe and reliable sporting facilities that are also now of internationally recognised standards.

To the FSC Board, I thank you for your steadfast guidance and team work that has led us to these successes.

And a very heartfelt thank you to the Fiji Government for its unwavering support in the continued effort to improve and maintain the standard of our nation's sports.

I look forward to another successful year in this pursuit.

A handwritten signature in blue ink, appearing to read 'Peter Mazey', with a stylized flourish at the end.

Peter Mazey
Chairman



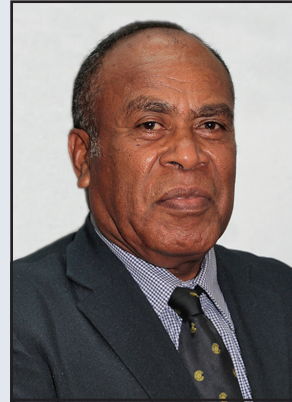
Members of the Board



Mr Peter Mazey
Chairman



Lt. Colonel Ifereimi Vasu
Deputy Chairman



Mr Joseva Sania
Board Member



Mr Daniel Lobendahn
Board Member



Mr Vijendra Sundar
Board Member



Mr Colin Philp
Board Member



Ms Marigold Moody
Board Member



Mrs Elesi Ketedromo
Board Member



Mr Malakai Veisamasama
Board Member



Mrs Losalini Waqausa
Board Secretary

Senior Management



Litiana Loabuka
CEO



John Pickering
Properties Manager



Eleina McDonald
Operations Manager



Vasmaca Drova
Finance Manager



Esala Nasarova
Audit Manager



Sukhia Go
Human Resources Manager



Makera Dawai
Executive Assistant



Ronald Prasad
Senior Accountant



Vijay Chetty
Maintenance Supervisor



Permal Swamy
Ground Superintendent



Della Shaw
Facilities Supervisor



Ranil Kumar
Facilities Supervisor



Etonia Nawasetawa
Facilities Supervisor



Eroni Tawayaga
Facilities Supervisor



Veronika Sovatabua
Facilities Supervisor



Bulou Rabuka
Facilities Supervisor

CEO's Report



2015 was a year of preparation for the Fiji Sports Council in anticipation of high-level events lined up for 2016, including several Oceania events and international rugby matches. These required upgrades and improvements at facilities in Suva and across the nation to host these elite events and meet international standards.

Unprecedented, the Fiji Government generously awarded the FSC its first operational grant of \$500,000, a great help in the pursuit of the council's efforts to raise the standards of its facilities. These funds were used for overhead costs, such as water, electricity, and insurance premiums, freeing up other funds for upgrades.

Major Events

Along with this work, the FSC hosted several major events over the course of the year, hosting both local and international events, such as the Pacific Games, kick-starting a fantastic 2015 with a visit from the Silver Ferns to play test matches at our Vodafone Arena in January 2015.

Our international network of sports relationships with Australia and New Zealand were as strong as ever and meets were held with established NRL clubs in 2015. The Wellington Phoenix soccer team played in Fiji in July in celebration of Fiji Airway's new Wellington/Nadi flight. We also saw the Mauri All Blacks play against the Flying Fijians in August.

The Annual Sports Awards for 2014 were successfully hosted in February at the Vodafone Arena with Guest Speaker – Ben Ryan and Chief Guest, Fiji's Prime Minister, Voreqe Bainimarama. With over 600 attendees, the event had 11 category awards presented with all 80 nominees receiving nominee trophies.

FSC greatly appreciated the Prime Minister taking the time to support this event, and his recognition of the value of sports in the country. We were deeply honoured that he was able to attend with his very busy calendar.

Capital Work

This year, the FSC was able to acquit every cent of the Government Grant to upgrading our facilities with redevelopment and new equipment.

One major accomplishment was the redevelopment of the Lawaqa Stadium, completed in 2015. This work included changing the roof of the stadium, netball and volleyball courts behind the grandstand, and improvements of the surrounding area and Nadroga.

Seven tennis courts were upgraded in Suva in 2015, including the Victoria Courts and the Suva Lawn Tennis Courts at Albert Park.

The FSC also upgraded three facilities and added value to the fourth with new equipment worth \$300,000 to our National Fitness Centre in anticipation of international events and their athletes.

Through several discussions with Fortress Information Systems, the promoter of Super Rugby, the FSC worked with FIS and the Government to bring Super Rugby to Fiji. Advance teams from the Chiefs and Crusaders were sent to check the facilities in 2015 to ensure that FSC was able to meet the needs of international teams, and it was no surprise to receive confirmation from respective team officials that FSC was more than up to standard. Oceania Football 2015 proved to be successful as participating teams openly recognised and appreciated the high standard of the facilities.

Facility Usage Our Priority

The Fiji Sports Council's main goal is to provide facilities that are operational and maintained. Rather than profit, our level of success is measured on how much usage the facilities get and that the charges for their usage are reasonable in that they at least meet our costs for maintaining them.

Usage by elite events was high in 2015 but the FSC made it a priority to ensure that all were able to use the facilities without affecting the recreational calendar. Through our efforts to build and maintain relationships, we saw very little conflict over schedules.

Sub-leasing - A New Concept

With the objective of regular usage in mind, the concept of sub-leasing certain facilities in the West was initiated and fulfilled two important requirements for the FSC's standards. Rather than hire a team of employees with all the added expenses that would entail, designated facilities were selected and talks commenced regarding the sub-leasing of these



Satellite Sites to local established sports organisations with the stipulation that they remain open to the public during reasonable hours for public usage. This allowed the FSC to keep overhead costs down with the Navua Thomson Park facility in 2015, with discussions continuing for Ra Grounds and Lautoka Tennis Courts. The FSC worked off the preamble that the local body would be able to ensure regular usage of the facilities through the relationships that these local organisations already have with the community, as well as maintain the facilities without the need for a dedicated FSC team.

Ensuring Standards

One great accomplishment in 2015 was the appointment of an independent internal auditor. Since 2011, the FSC has worked hard to put together processes that allowed for setting standards for the Council. These were signed off by the Board in 2011. However, we recognised the need for evaluating and measuring our efforts to maintain transparency and to create a base to work from.

This Board-appointed auditor position conducts audits across all our processes and reports directly to the Board, giving the FSC Management team the ability to see where we can improve and address matters that arise, in order to ensure the standards we have worked so hard to set.

In line with this, we also revamped our corporate statement, as a team, in December of 2015 for the Fiji Sports Council.

Upholding Values

Without self-evaluation, there can be no growth and the FSC recognises that there is always room for improvement. To be the leading provider in our field, we must continue to focus on the mission to provide safe and reliable facilities through the development of an efficient workforce in the pursuit of high standards and sporting excellence. Without this in mind, we would simply be spinning our wheels.

Therefore, we will continue to strive to meet our values of

integrity, service excellence, accountability, transparency, teamwork and safety and security as we move into 2016 with new and exciting challenges.

The level of energy and passion shown this year by the Senior Management team, and our permanent and flexi staff alike, has resulted in the many successes we have seen over the course of the year and I could not be prouder or more thankful for all who have contributed to this success in 2015.

It has been an invigorating year and I am incredibly grateful to the FSC Board of Directors for their tireless support and guidance as we forged forward into new territory and faced new challenges together. Thank you especially to the Board Chairman for his continued collaboration and solidarity in our goal to make the FSC the leader in premiere sports facilities that it has become.

I would also like to thank the Fiji Government for its steadfast support this past year in the preparation and lead up to the many exciting events to come in 2016. I look forward to facing 2016's challenges head on with each of you.

Litiana Loabuka
Chief Executive Officer



Financial Performance

The Fiji Sports Council had a very active 2015 with upgrades and improvements to several facilities in Suva and the west and with plans and preparation for upcoming events. After reviewing the FSC's financials for 2015, the following was noted.

Revenue

Although expenditure decreased in 2015, there was a notable decrease in Total Revenue by \$485,876, compared to 2014.

This was due to the \$319,545 received in 2014 as a grant from the Fiji National Sports Commission and from the Prime Minister's Office for the upgrade of the Vodafone Arena in preparation for the Oceania Basketball and Silver Ferns Netball International Matches, recorded as other income for 2014.

The balance is the net of difference between the decrease in hiring of facilities and concession income in 2015, compared to 2014, and the increase in Tattersall's and naming rights sponsorship in 2015 compared to 2014.

Revenue 2013 - 2015

| 2015 | 2014 | 2013 |
|-------------|-------------|--------------|
| \$6,363,295 | \$6,849,171 | \$12,462,390 |

Expenditure

Administrative costs, personnel expenses and operating expenses all decreased when compared to 2014, resulting from the Council's focused efforts towards cost efficiency.

Depreciation expenditure increased because of the

revaluation exercise, whereby the current year's depreciation is based on the revalued balances of the fixed assets, pushing total expenses upwards.

Expenditure 2013 - 2015

| 2015 | 2014 | 2013 |
|--------------|-------------|-------------|
| \$10,470,917 | \$7,742,633 | \$4,982,242 |

Interest expenses also decreased. Interest expense included the interest paid to ANZ on the \$20m loan from 2012 for the upgrade of the ANZ Stadium. Interest decreased by \$208,269 in 2015, compared to 2014, due to the debt with ANZ on the loan decreasing as payments were done by the Ministry of Economy. The interest was calculated on the reducing balance.

The recorded decrease in income was partly due to the move of the government grant from revenue, to be accounted instead under "Deferred Grant" (liability). This is, however, amortized on a yearly basis.

Year End Results & Going Forward

Although the Government Grant was accounted under "Deferred" this year, this will be projected back yearly to revenue on an amortized amount.

Despite incurring a loss, the Council was able to reduce its operating costs and/or expenses in 2015; a positive and encouraging outcome. It is the Council's intention to maintain this going forward with a focus on generating more operating revenue over 2016, through planned major events prepared for in 2015, to happening in the coming year.



Corporate Governance



Role of the Council

The Council Board is responsible for FSC's strategic direction, setting objectives for infrastructure upgrades, developing a fair framework for human resources, setting clear goals and mechanisms to monitor performance.

Amongst its responsibilities, the Board also reviews the annual business plan, corporate plan, operating and capital budgets and non-budgeted capital expenditure. The Board is the final authority on Capital Projects undertaken by the Council, taking an active lead in tenders, project meets and site visits.

Many of the plans implemented over the last couple of years have seen a remarkable turnaround in profits, cash flows and capital project deliveries.

Composition of the Board

As at 31st December 2015, the Board comprised:

| | |
|---------------------------|-------------------|
| Mr Peter Mazey | - Chairman |
| Lt. Colonel Ifereimi Vasu | - Deputy Chairman |
| Mr Daniel Lobendahn | - Board Member |
| Mr Vijendra Sundar | - Board Member |
| Mr Colin Philp | - Board Member |
| Ms Marigold Moody | - Board Member |
| Elesi Ketedromo | - Board Member |
| Joseva Sania | - Board Member |
| Malakai Veisamasama | - Board Member |
| Mrs Losalini Waqausa | - Board Secretary |

The Board members of the Council are appointed by the Minister of Youth and Sports. The Fiji Sports Council Act calls for the appointment of a Chairman, Vice Chairman and a

maximum of eight other members as the board of the Council.

The establishment of a Corporate Code of Conduct and Ethics was designed to promote honest and ethical conduct including ethical handling of conflicts of interest: full, fair, accurate, timely and understandable disclosure in the Company's periodic reports and compliance with applicable Government rules and regulations. The Board periodically reviews and assesses the adequacy of the Code of Ethics and implements any modification as necessary.

Duties of Board Members

The role of the Board members is defined in the Fiji Sports Council Act. Their key responsibilities and powers are provided under section 3, 4 and 6 of the Act.

The Board of Directors is also bound by the Ministerial appointment letters and the authority conferred on them by the Minister and the individual terms of their respective contract letters.

Statutory Duties of the Board

In addition to the above, the Board of Directors of FSC collectively and individually has agreed on the fulfilment of the following duties towards the Company.

- To exercise the care and diligence of a reasonable person.
- To exercise their power and discharge their duties in good faith and for a proper purpose.
- To refrain from improper use of their position for personal gain.
- To refrain from making use of inside information for personal gain.



Fiduciary Duties of Directors

The Directors of FSC also owe the following fiduciary duties to the council. These fiduciary duties form the code of Ethics of FSC. A fiduciary relationship imposes an obligation of utmost good faith on the members by putting the interests of FSC first, and the FSC Board has pledged to uphold this principle at all times. The fiduciary duties of the Directors have the following four dimensions.

- To act in good faith in the interests of FSC.
- To exercise powers for a proper purpose.
- To retain discretion.
- To avoid conflict of interest.

Board Meetings

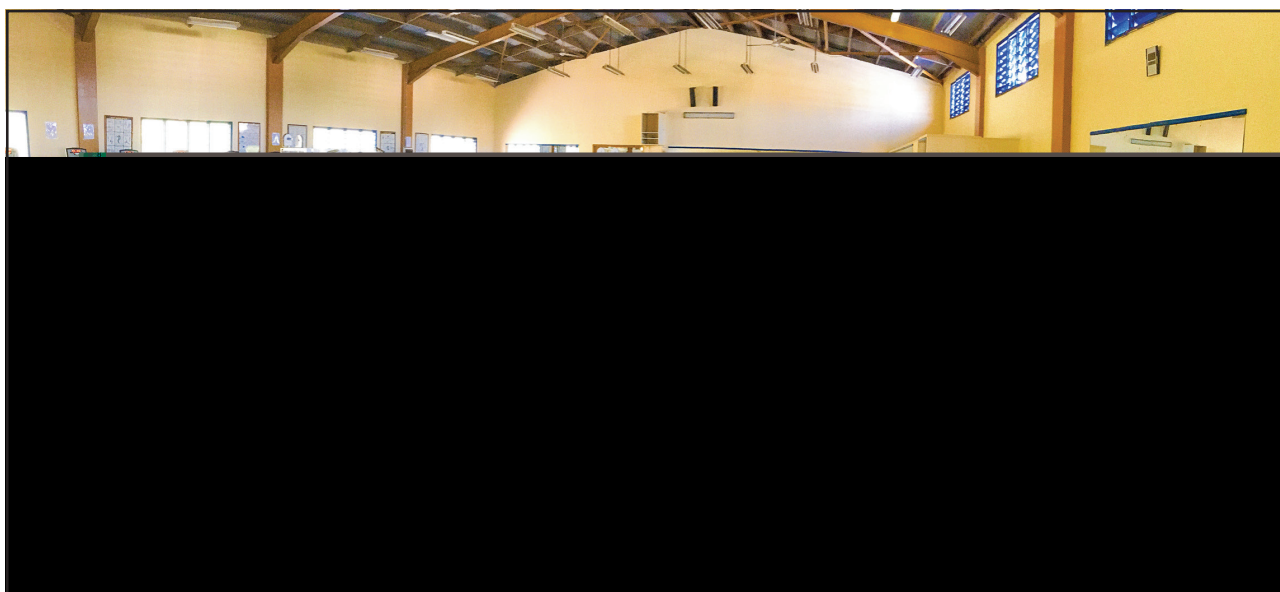
The Board held seven regular meetings during the financial year ending 31st December 2015 and fifteen executive committee meetings for HR, Finance, Capital Project,

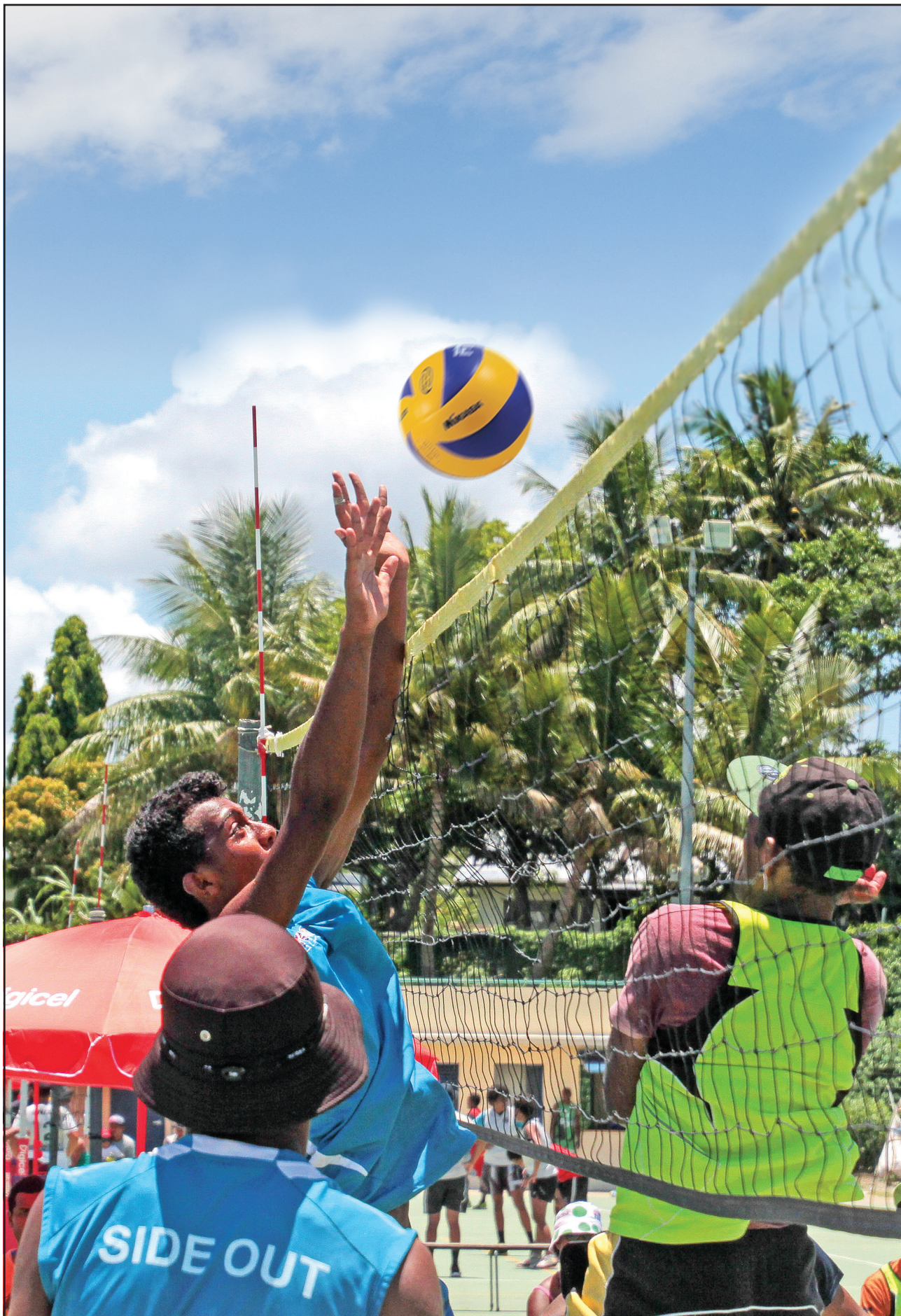
Strategic Planning and Tender Committees, respectively. The regular business of the Board during its meetings covers corporate governance, financial performance and risk management and strategic matters.

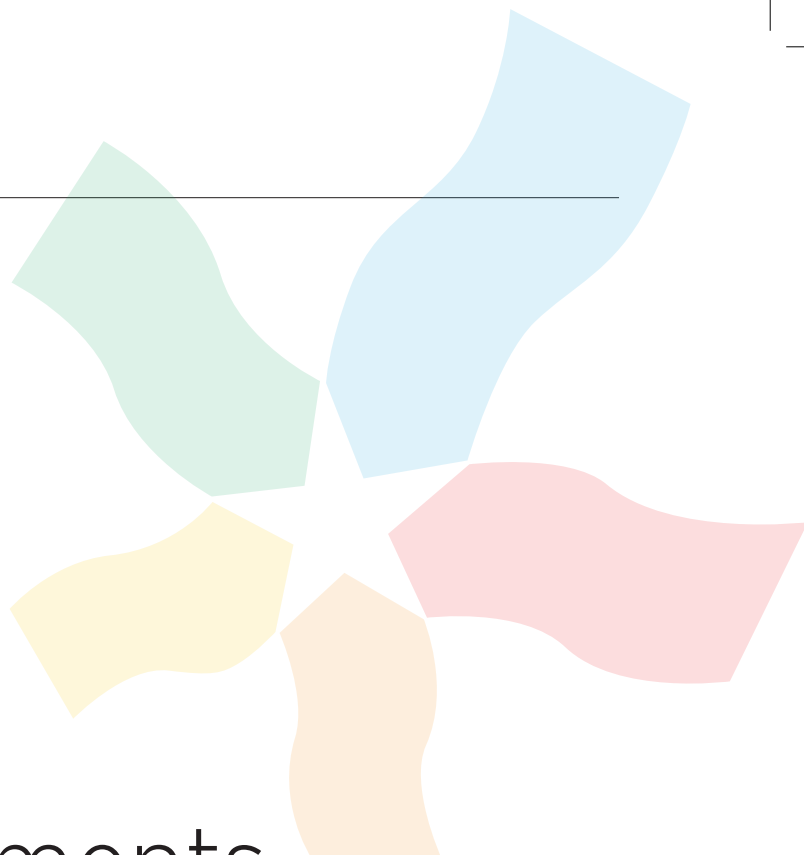
Directors Remuneration

As per section 6n of the Fiji Sports Council Act, the Minister of Youth & Sports retains the ultimate authority to determine the remuneration and benefits given to the Board members of the Council.

A total fee of \$60,630 was paid to the Board members for their services during the year in accordance with the remuneration and benefits determined by the Minister of Youth and Sports. A further sum of \$10,441 was paid for other expenses that were incurred during the course of their duties.







FIJI SPORTS COUNCIL

Financial Statements

FOR THE YEAR ENDED 31 DECEMBER, 2015

| | |
|---|--------------------------|
| Letter from the Auditor General | 16 |
| Councilor's Report | 17 |
| Independent Auditor's Report | 19 |
| Statement of Comprehensive Income | 21 |
| Statement of Changes in Equity | 22 |
| Statement of Financial Position | 23 |
| Statement of Cash Flows | 24 |
| Notes to and Forming Part of the Financial Statements | 25 |
| Strategic Partners | back inside cover |

Independent Audit Report

FOR THE YEAR ENDED 31 DECEMBER, 2015

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



6-8th Floor, Ratu Sukuna House
2-10 McArthur St
P.O.Box 2214, Government Buildings
Suva, Fiji

Telephone: (679) 330 9032
Fax: (679) 330 3312
Email: info@auditorgeneral.gov.fj
Website: <http://www.org.gov.fj>



File: 1261

21st December 2016
Mr. Peter Mazey
Chairman
Fiji Sports Council
PO Box 2348
Government Buildings
SUVA

Dear Mr. Mazey

AUDITED FINANCIAL STATEMENTS

FIJI SPORTS COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2015

Audited financial statements of Fiji Sports Council for the year ended 31 December 2015 together with my audit report on them are enclosed.

Particulars of the errors and omissions arising from the audit have been discussed and sent to the Management for necessary actions.

Yours sincerely

Atunaisa Nadakuitavuki
for **Auditor General**

Encl.

Cc: CEO - Fiji Sports Council

Councilor's Report

FOR THE YEAR ENDED 31 DECEMBER, 2015

In accordance with a resolution of the board, the members of Fiji Sports Council submit the statement of financial position of Fiji Sports Council ("the Council") as at 31 December 2015 and the related statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and report as follows:

Board members

The members of the Council at the date of this report are:

| Board Member | Appointed | Resigned |
|-----------------------|------------|----------|
| Peter Mazey | 15/04/2010 | |
| Elesi Ketedromo | 15/04/2010 | |
| Daniel Lobendah | 24/05/2010 | |
| Collin Philip | 15/04/2010 | |
| Lt. Col Ifereimi Vasu | 15/04/2010 | |
| Vijendra Kumar Sundar | 15/04/2010 | |
| Malakai Veisamasama | 15/04/2010 | |
| Marigold Moody | 07/08/2015 | |

State of affairs

In the opinion of the members:

- there were no significant changes in the state of affairs of the Council that occurred during the financial year under review not otherwise disclosed in this report or financial statements; and
- the accompanying statement of financial position and statement of changes in equity give a true and fair view of the state of affairs of the Council as at 31 December 2015 and the accompanying statement of comprehensive income and statement of cash flows gives a true and fair view of the result and cash flows of the Council for the year then ended.

Principal activities

The principal activities of the Council is to promote and foster the development of amateur sports and recreation in Fiji including supporting and managing sporting facilities in Fiji.

Councilor's Report *(Cont'd)* FOR THE YEAR ENDED 31 DECEMBER, 2015

Operating results

The net loss of the Council for the financial year was \$4,450,417 (2014: loss \$1,443,008 (re-stated))

Significant event

During the year, a number of Council's assets were subjected to revaluation by an independent valuer. The total net valuation figure was \$145,912,000. An impairment gain of \$88,207,210 and an impairment loss of \$2,217,077 was realised from the revaluation exercise. The gain has been reflected in Statement of equity while the loss has been charged to the Statement of comprehensive income.

Events subsequent to balance date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of members of the Council, to affect significantly the operations of the entity, the results of those operations, or the state of the affairs of the entity, in future financial years.

For and on behalf of the Board and in accordance with a resolution of the members.

Date this 16 day of December 2016



Chairman



Council Member

Independent Audit Report

FOR THE YEAR ENDED 31 DECEMBER, 2015

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



6-8th Floor, Ratu Sukuna House
2-10 McArthur St
P.O.Box 2214, Government Buildings
Suva, Fiji

Telephone: (679) 330 9032
Fax: (679) 330 3312
Email: info@auditorgeneral.gov.fj
Website: <http://www.org.gov.fj>



INDEPENDENT AUDITOR'S REPORT

To the Board of Fiji Sports Council

I have audited the accompanying financial statements of Fiji Sports Council, which comprise the statement of financial position as at 31 December 2015, the statement of comprehensive income, statement of changes in equity 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.

Director's and Management's Responsibility for the Financial Statements

The directors and management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, 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 my 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, I consider internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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.

Independent Audit Report *(Cont'd)* FOR THE YEAR ENDED 31 DECEMBER, 2015

Audit Opinion

In my opinion:

- a) proper books of account have been kept by the Fiji Sports Council, so far as it appears from my examination of those book, and
- b) the accompanying financial statements which have been prepared in accordance with International Financial Reporting Standards:
 - i) are in agreement with the books account; and
 - ii) to the best of my information and according to the explanations given to me:
 - give a true and fair view of the state of affairs of the Fiji Sports Council as at 31 December 2015 and of the results, movement in reserves and cash flows of the Council for the year ended on that date; and
 - give the information required by the Fiji Sports Council Act Cap 271, and other statutory requirements in the manner so required.



Atunaisa Nadakuitavuki
for **Auditor General**

21 December, 2016
Suva, Fiji



Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER, 2015

| | Notes | 2015 \$ | 2014 (Re-stated) \$ |
|---|-------|--------------------|---------------------------|
| Revenue | | | |
| Operating revenue | 5(a) | 4,195,296 | 4,361,627 |
| Other operating revenue | 5(b) | 2,167,999 | 2,487,544 |
| | | 6,363,295 | 6,849,171 |
| Expenses | | | |
| Administrative expenses | | (218,826) | (229,657) |
| Depreciation | 14 | (4,747,808) | (3,760,074) |
| Personnel expenses | 6 | (1,655,003) | (1,729,808) |
| Operating expenses | 7 | (1,632,203) | (2,023,094) |
| Impairment Loss | | (2,217,077) | - |
| | | (4,107,622) | (893,462) |
| Results from operating activities | | | |
| Interest income | | - | 1,518 |
| Interest expenses | 8 | (342,795) | (551,064) |
| | | (342,795) | (549,546) |
| Net financing cost | | | |
| | | (4,450,417) | (1,443,008) |
| (Loss)/Profit from operation | | | |
| Other comprehensive income- Impairment gain | | 88,207,210 | - |
| | | 83,756,793 | (1,443,008) |
| Total comprehensive income | | | |

The statement of comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements as set out on pages 25 to 39.

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER, 2015

| | Revaluation Reserves \$ | Accumulated Funds (Re-stated) \$ | Total \$ |
|--|-------------------------------|--|-------------------|
| Balance as at 31 December 2013 | 108,000 | 9,595,662 | 9,703,662 |
| Adjustment for prior period error | | (6,583,333) | (6,583,333) |
| Restated balance as at 31 December 2013 | 108,000 | 3,012,329 | 3,120,329 |
| Net Profit/(Loss) for the year 2014-restated | - | (1,443,008) | (1,443,008) |
| Balance as at 31 December 2014 | 108,000 | 1,569,321 | 1,677,321 |
| Impairment Gain - Property Revaluation Surplus | 88,207,210 | - | 88,207,210 |
| Net profit/(loss) for the year 2015 | | (4,450,417) | (4,450,417) |
| Balance as at 31st December 2015 | 88,315,210 | (2,881,096) | 85,434,114 |

The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements as set out on pages 25 to 39.

Statement of Financial Position

AS AT 31 DECEMBER, 2015

| | Notes | 2015 \$ | 2014 (Re-stated) \$ |
|--------------------------------------|-------|--------------------|---------------------------|
| Current assets | | | |
| Cash and cash equivalent | 9 | 776,514 | 95,098 |
| Other receivables | 10 | 972,526 | 491,739 |
| Trade receivables | 11 | 270,750 | 135,412 |
| Investments | 12 | - | 61,831 |
| Inventories | 13 | 10,970 | 23,117 |
| Total current assets | | 2,030,760 | 807,197 |
| Non-current assets | | | |
| Investments | 12 | - | 212,047 |
| Property, plant and equipment | 14 | 152,004,613 | 68,725,633 |
| Total non-current assets | | 152,004,613 | 68,937,680 |
| Total assets | | 154,035,373 | 69,744,877 |
| Liabilities | | | |
| Current liabilities | | | |
| Bank overdraft | 9 | 174,295 | 505,440 |
| Trade and other payables | 15 | 845,694 | 422,328 |
| Employee entitlements | 16 | 21,565 | 20,780 |
| Borrowings | 17 | 4,250,452 | 4,250,000 |
| Total current liabilities | | 5,292,006 | 5,198,548 |
| Non-current liabilities | | | |
| Borrowings | 17 | 4,452,470 | 8,702,922 |
| Deferred income | 18 | 58,856,783 | 54,166,086 |
| Total non-current liabilities | | 63,309,253 | 62,869,008 |
| Total liabilities | | 68,601,259 | 68,067,556 |
| Net assets | | 85,434,114 | 1,677,321 |
| Equity | | | |
| Reserves | | 88,315,210 | 108,000 |
| Accumulated funds | | (2,881,096) | 1,569,321 |
| | | 85,434,114 | 1,677,321 |

Signed for and on behalf of the Council.



Chairman



Council Member

The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements as set out on pages 25 to 39.

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER, 2015

| | Notes | 2015 \$ | 2014 (Re-stated) \$ |
|---|-------|-------------|---------------------------|
| Cash flows from operating activities | | | |
| Cash receipts from customers | | 4,133,519 | 6,097,940 |
| Cash paid to suppliers and employees | | (3,624,082) | (5,140,563) |
| Interest paid | | (342,795) | (551,064) |
| Cash from operating activities | | 166,642 | 406,313 |
| Cash flows from investing activities | | | |
| Acquisition of property, plant & equipment | | (2,036,655) | (734,659) |
| Proceeds from Investments | | 273,878 | 1,518 |
| Cash from (used in) investing activities | | (1,762,777) | (733,141) |
| Cash flows from financing activities | | | |
| Repayment of loan | | (4,250,000) | (4,250,000) |
| Receipt of government grant | | 6,858,696 | 4,250,000 |
| Cash used in financing activities | | 2,608,696 | - |
| Net increase in cash | | 1,012,561 | (326,828) |
| Cash and cash equivalents at beginning of year | | (410,342) | (83,514) |
| Cash and cash equivalents at end of year | 9 | 602,219 | (410,342) |

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements as set out on pages 25 to 39.

Notes to and Forming Part of the Financial Statements FOR THE YEAR ENDED 31 DECEMBER, 2015

1 Statement of accounting policies

Fiji Sports Council (the "Council") is a body corporate incorporated under Fiji Sports Council Act Cap. 271A and domiciled in Fiji. The address of the Council's registered office is 220 Laucala Bay Road, Suva, Fiji Islands. The Council is primarily involved in the promotion and fostering the development of amateur sports and recreation in Fiji, including supporting and managing sporting facilities in Fiji.

2 Basis of preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

(b) Basis of measurement

The financial statement have been prepared on the historical cost basis and do not take into account changing money values or except, where stated, current valuations of non-current assets.

(c) Functional and presentation currency

These financial statement are presented in Fiji currency, which is the Council's functional currency. All financial information presented in Fiji currency has been rounded to the nearest dollar.

(d) Use of estimates and judgments

The preparation of the financial statements in conformity with IFRSs management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

- Note 15 - Property, plant and equipment depreciation and impairment.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Council.

Notes to and Forming Part of the Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER, 2015

3 Significant accounting policies (Cont'd)

(a) Foreign currency

Foreign currency transactions are translated to Fiji currency at rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies are converted to Fiji currency at the rates of exchange ruling at balance date. All exchange gains or losses whether realized or unrealized are included in the profit or loss.

(b) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand and cash at bank.

(c) Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. Term deposits are classified under this category and are recorded at cost.

(d) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost less depreciation and impairment losses.

Property that is being constructed or developed for future use is classified as work in progress under property, plant and equipment and stated at cost.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Depreciation

Depreciation is charged to the profit and loss on a straight-line basis. Leasehold land is amortized over the period of lease. The depreciation rates are as follows:

| | |
|------------------------|--------------|
| Sports Equipment | 20% - 33.33% |
| Motor Vehicle | 12.5% - 20% |
| Plant & Equipment | 20% - 33.33% |
| Office Equipment | 20% - 33.33% |
| Concession Equipment | 10% - 20% |
| Furniture & Fittings | 2.5% - 20% |
| Leasehold Improvements | 5% - 12.5% |
| Leasehold Building | 1.66% - 2.5% |

The 2012 stadium upgrade amounting to \$21,161,322 is amortized at the rate of 11.214% per annum. The amortized amount is transferred to deferred income.

Notes to and Forming Part of the Financial Statements *(Cont'd)* FOR THE YEAR ENDED 31 DECEMBER, 2015

3 Significant accounting policies (Cont'd)

(d) Property, plant and equipment (Cont'd)

(iii) Subsequent expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major improvements, renovations and overhaul expenditure, is capitalized. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognized in the profit or loss as an expenses as incurred.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset as is recognized in the profit or loss.

(e) Trade and other receivables

Trade and other receivables are stated at cost less impairment losses.

Sales are made on the basis of normal credit terms, and the receivable do not bear interest.

(f) Impairment

The carrying amount of assets (except inventory) is reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated at balance date. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. All impairment losses are recognized in the profit or loss. The recoverable amount of trade receivables is the estimated future cash flows expected from the asset.

An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount and is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(g) Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

The cost of inventories is based on the first-in-first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

(h) Creditors and other payables

Trade and other payables are stated at cost.

(i) Employee benefits

(i) Defined superannuation plans

Obligations for contributions to defined superannuation plans are recognized as an expenses in the profit or loss as incurred.

Notes to and Forming Part of the Financial Statements *(Cont'd)* FOR THE YEAR ENDED 31 DECEMBER, 2015

3 Significant accounting policies (Cont'd)

(i) Employee benefits (cont'd)

(ii) *Wages, salaries and annual leave*

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the balance date represent present obligations in respect of employee's service up to the balance date. They are calculated at undiscounted amounts based on remuneration rates that the Council expects to pay as at balance date including related on- costs, such as payroll tax. Increases or decreases in this obligation are recognized in the profit or loss.

(iii) *Employee benefits long-service leave*

The liability for employee benefit obligations related to long service leave are recognised in the profit & loss when they are incurred.

(j) Borrowings

Borrowings are recognized initially at cost, net of transaction costs incurred.

(k) Leases

Assets acquired under financial leases are included as property, plant and equipment in the balance sheet. Finance leases effectively transfer from the lesser to the lessee substantially all the risks and benefits incidental to ownership of the leased assets. Where assets are acquired by means of finance leases, the present value of the minimum lease repayments is recognized as an asset at the beginning of the lease term and amortized on a straight line basis over the expected useful life of the leased asset. A corresponding liability is also established and each lease payment is allocated between the liability and interest expense.

Other leases under which all the risks and benefits of ownership are effectively retained by the lesser are classified as operating leases. Operating lease payments are charged to expense in the periods in which they are incurred.

(l) Deferred income

Donor grants are not recognized as income until there is reasonable assurance that the Council will comply with the conditions attached to them and the grant will be recovered.

Non monetary grants relating to donation of property, plant and equipment are taken to property, plant and equipment and deferred income at cost.

The deferred income is recognized in income or expenditure over the periods necessary to match the depreciation of the related donated assets. The benefit brought to account is in the same proportion that depreciation bears to the cost of the asset acquired with the grant. Donated assets are initially recorded at cost or at valuation.

(m) Revenue

(i) *Services rendered and goods sold*

Revenue from hire of facilities, advertising signs and concession is recognized in the profit or loss on an accrual basis.

Revenue from the rendering of service and sale of goods is recognized in the profit or loss when the significant risks and rewards of ownership have been transferred to the guest or customer. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due or the associated costs.

Notes to and Forming Part of the Financial Statements *(Cont'd)* FOR THE YEAR ENDED 31 DECEMBER, 2015

3 Significant accounting policies (Cont'd)

(m) Revenue (Cont'd)

(ii) Interest income

Interest income is recognized in the profit or loss on an accrual basis.

(iii) Grant Income

Grant receivable from government as compensation for costs already incurred or for immediate financial support, with no future related costs, is recognised as income in the period in which it is receivable.

(n) Expenses

(i) *Personnel*

Personnel costs comprising of wages and salaries paid to staff as well as the Council's contribution of superannuation and other contribution as required by law are recognized in the profit or loss.

(ii) *Operating lease commitments*

The Council has determined based on an evaluation of the terms and conditions of the arrangement, that is, it does not retain all the significant tasks and rewards of ownership of the property and so accounts for the contracts as operating leases.

(iii) *Finance Cost*

Finance costs comprise interest expense on borrowings and leases and is recognized as it accrues in profit or loss.

(o) Finance income

Finance income comprises interest income on funds invested in financial assets. Interest income is recognized as it accrues in profit and loss.

(p) Income tax

The Council is exempt from income tax in accordance with section 16(24) of the Income Tax Act. Revenue received from Pacific Instant Lottery is subject to gambling turnover tax under the provisions of the Gambling Turnover Tax Decree 1991.

4 Financial risk management

Financial risk factors

The Council's activities expose it to a variety of financial risk: market risk (including fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Council's overall risk management programme focuses on the maintenance of the sports facilities and seeks to minimize potential adverse effects on the Council's financial performance.

Notes to and Forming Part of the Financial Statements *(Cont'd)* FOR THE YEAR ENDED 31 DECEMBER, 2015

4 Financial risk management (Cont'd)

Management and finance executives identify and evaluate financial risks. The Board provides direction for overall risk management covering specific areas, such as mitigating credit risks and investment of excess liquidity.

(a) Market risk

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

(i) Political climate

The Council operates in Fiji and changes to governments and the policies they implement affect economic situation and ultimately the revenues of the Council. To address this, the Council reviews its pricing and inspects its facilities regularly and responds to change in policies appropriately.

(ii) Price risk

The Council does not have investments in equity securities and hence is not exposed to equity securities price risk. The Council is not exposed to commodity price risk.

(iii) Fair value and cash flow interest rate risk

The Council has interest-bearing assets in the form of short-term cash deposits. These are at fixed interest rates and hence there are no interest rate risk during the period of investment. For re-investment of cash deposits, the Council negotiates an appropriate interest rate with the banks and invests with the bank which offers the highest interest return.

The Council also has interest free borrowings. Hence there are no interest rate risks during the term of the borrowing.

Given the fixed nature of interest rates described above, the Council has a high level of certainty over the impact on cash flows arising from interest income and expenses. Accordingly the Council does not require simulations to be performed over impact on net profits arising from changes in interest rates.

(b) Credit risk

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

The Council has policies in place to ensure that services are provided to customers with an appropriate credit history. The Council has policies that limit the amount of credit exposure to any one customer or Group of customers. Credit levels accorded to customers are regularly reviewed to reduce the exposure to risk of bad debts.

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.

Notes to and Forming Part of the Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER, 2015

4 Financial risk management (Cont'd)

(b) Credit risk (Cont'd)

Financial risk factors (Cont'd)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

| | 2015 | 2014 (Re-stated) |
|-----------------------------|------------------|---------------------|
| | \$ | \$ |
| Cash at bank | 774,264 | 156,929 |
| Trade and other receivables | 1,243,276 | 627,151 |
| | <u>2,017,540</u> | <u>784,080</u> |

Trade receivables

The table below summarizes the ageing of trade receivables as at 31 December based on contractual undiscounted payments:

| | 0 - 30 days (\$) | 30 - 60 days (\$) | 60 - 90 days (\$) | 90 days - 1 year (\$) | > 1 year (\$) |
|-------------------|---------------------|----------------------|----------------------|--------------------------|------------------|
| 31 December 2015 | | | | | |
| Trade receivables | 29,949 | 12,233 | 14,596 | 9,518 | 5,200 |
| 31 December 2014 | | | | | |
| Trade receivables | 10,063 | 1,576 | 2,373 | 15,229 | 6,816 |

(c) 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's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Council's reputation. Prudent liquidity risk management implies maintaining sufficient cash, marketable securities, and the availability of funding through an adequate amount of committed credit facilities.

| | 2015 | 2014 (Re-stated) |
|--|------------------|---------------------|
| | \$ | \$ |
| 5 Revenue | | |
| (a) Operating revenue | | |
| Hiring of facilities | 2,474,491 | 2,618,098 |
| Concession income | 506,323 | 539,439 |
| Tattersall's revenue | 696,192 | 688,019 |
| Facilities - Naming rights sponsorship | 518,290 | 516,071 |
| | <u>4,195,296</u> | <u>4,361,627</u> |

Notes to and Forming Part of the Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER, 2015

| | 2015 \$ | 2014 (Re-stated) \$ |
|---|------------------|---------------------------|
| (b) Other operating revenue | | |
| Amortization of government grant | 2,167,999 | 2,167,999 |
| Other income | - | 319,545 |
| | 2,167,999 | 2,487,544 |
| <p>The \$1,167,999 is the normal armotisation from government donated asset.</p> <p>The Council received \$4.25m in 2015 from the Ministry of Finance for the repayment of the Council's loan from ANZ as agreed to in the Grant Agreement signed in 2013 and \$3m for the upgrade of Lawaqa Park, returfing of Victoria Courts and new equipments for the National Fitness Centre.</p> | | |
| 6 Personnel expenses | | |
| Salaries and wages | 1,436,424 | 1,534,435 |
| Annual leave | 21,565 | 20,780 |
| Fiji National Provident Fund | 140,974 | 118,690 |
| TPAF | 14,476 | 15,575 |
| Staff welfare | 41,564 | 40,328 |
| | 1,655,003 | 1,729,808 |
| 7 Operating expenses | | |
| Audit fees | 19,685 | 12,000 |
| Advertising | 2,179 | 20,871 |
| Bank charges | 29,033 | 43,836 |
| City rates | 70,406 | 19,612 |
| Consultancy fee | 11,091 | 783 |
| Council members fees and allowances | 60,630 | 50,645 |
| Council meeting expenses | 4,289 | 10,441 |
| Facilities operating expenses | 1,113,143 | 1,311,647 |
| Internet fees | 9,046 | 8,224 |
| Motor vehicle expenses | 34,954 | 77,004 |
| Printing and stationery | 31,680 | 49,263 |
| Repairs and maintenance | 110,293 | 347,412 |
| Rental contract | 41,504 | 50,787 |
| Other operating expenses | 94,270 | 20,569 |
| | 1,632,203 | 2,023,094 |

City Rate arrears from 2011 to 2014 have now been reflected into 2015 accounts. Payments have been on hold as there were no clear details provided by Ministry of Lands to SCC on the Councils amalgamated lease.

Consultancy fee relates to all payments made to our FAR consultant Bruce Sutton on;- i) different useful lives on various category, (ii) impairment adjustment to previous recorded amounts in respect of the ANZ stadium to be written off due to its subsequent replacement cost, (iii) capitalization policy of \$1k where all plant and equipment with a value less then this must be written off in the year as depreciation, (iv) revaluation on FSC PPE.

\$40k of other operating expense was payable to TFL for IT support service from March 2013 to March 2016.

Notes to and Forming Part of the Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER, 2015

| | 2015 | 2014 |
|---|----------------|-------------------|
| | \$ | (Re-stated) \$ |
| 8 Net financing cost | | |
| The interest incurred from ANZ Bank Loan for the stadium upgrade has been expensed this year compared to 2013 that has been capitalised. | | |
| 9 Cash and cash equivalents | | |
| Cash on hand | 2,250 | 2,850 |
| Cash at Bank | 157,349 | 92,248 |
| Bank overdraft | (174,295) | (384,539) |
| Project Account | 616,915 | (120,901) |
| | 602,219 | (410,342) |
| 10 Other receivables | | |
| Interest receivable | 3,506 | 3,506 |
| Other deposits | 391,256 | 396,721 |
| Receivable from Ministry of Economy | 554,348 | - |
| Other debtors - Tattslotto/staff | 45,000 | 113,096 |
| | 994,110 | 513,323 |
| Less: allowance for doubtful debts | (21,584) | (21,584) |
| | 972,526 | 491,739 |
| Vat on grant for the years 2012, 2013, 2014 and 2015 have been paid by Government to Fiji Revenue and Customs Authority. For 2015, VAT on grant was not cleared on balance date. However, subsequently before the date of signing of the financial statements, the Council cleared the VAT. The Council has indicated that the Ministry of Economy will reimburse the same amount paid out as VAT on grant. | | |
| 11 Trade receivables | | |
| Trade receivables | 71,496 | 36,057 |
| Vat Receivable | 199,254 | 99,355 |
| | 270,750 | 135,412 |
| 12 Financial investment held-to-maturity | | |
| Investments as at balance date comprised of short & long term money placements ranging from one month to two years with interest rates between 0.10% - 3%. | | |
| Current | - | 61,831 |
| Non Current | - | 212,047 |
| | - | 273,878 |
| All term deposit held with ANZ banking group have been withdrawn in December this year. | | |
| Inventory | | |
| 13 Concession stock | 10,970 | 23,117 |

Notes to and Forming Part of the Financial Statements (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER, 2015

14 (a) Property, plant and equipment

| | Leasehold Land | Building & Improvements | Sports Equipment | Motor Vehicle | Plant & Equipment | Stadium Upgrade | Concession/Office Equipment | Furniture & Fittings | Work In Progress | Total |
|----------------------------------|----------------|-------------------------|------------------|---------------|-------------------|-----------------|-----------------------------|----------------------|------------------|---------------|
| Cost | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance as at 1 January 2014 | \$18,645,859 | \$45,152,362 | \$928,888 | \$459,627 | \$230,217 | \$20,717,496 | \$740,378 | \$294,928 | - | \$87,169,755 |
| Acquisitions | - | \$63,800 | \$138,886 | - | \$34,152 | \$470,579 | \$44,680 | \$24,461 | - | \$776,558 |
| Disposal | \$85,293 | (\$58,192) | - | - | (\$9,510) | (\$26,753) | (\$5,975) | - | - | (\$15,137) |
| Balance as at 31 December 2014 | \$18,731,152 | \$45,157,970 | \$1,067,774 | \$459,627 | \$254,859 | \$21,161,322 | \$779,083 | \$319,389 | - | \$87,931,176 |
| Balance as at 1 January 2015 | \$18,731,152 | \$45,157,970 | \$1,067,774 | \$459,627 | \$254,859 | \$21,161,322 | \$779,083 | \$319,389 | - | \$87,931,176 |
| Acquisitions | \$38,938,180 | \$34,731,261 | \$146,913 | - | \$2,950 | \$14,756,584 | \$44,541 | \$63,865 | \$1,559,569 | \$90,243,863 |
| Disposal/Impairment Loss | - | (\$136,118) | - | - | - | (\$2,080,959) | - | - | - | (\$2,217,077) |
| Adjustment | - | (\$34,000) | - | - | - | - | - | - | \$34,000 | (\$34,000) |
| Balance as at 31 December 2015 | \$57,669,332 | \$79,753,113 | \$1,214,687 | \$459,627 | \$257,809 | \$33,836,947 | \$823,624 | \$383,254 | \$1,559,569 | \$175,957,962 |
| Depreciation | | | | | | | | | | |
| Balance as at 1 January 2014 | \$1,420,005 | \$11,667,075 | \$878,782 | \$411,006 | \$223,207 | - | \$555,934 | \$262,697 | - | \$15,418,706 |
| Depreciation charge for the year | \$187,855 | \$1,012,251 | \$37,482 | \$28,750 | \$26,401 | \$2,373,189 | \$71,985 | \$22,161 | - | \$3,760,074 |
| Disposals | - | \$26,762 | - | - | - | - | - | - | - | \$26,762 |
| Balance as at 31 December 2014 | \$1,607,860 | \$12,706,088 | \$916,264 | \$439,756 | \$249,608 | \$2,373,189 | \$627,919 | \$284,858 | - | \$19,205,542 |
| Balance as at 1 January 2015 | \$1,607,860 | \$12,706,088 | \$916,264 | \$439,756 | \$249,608 | \$2,373,189 | \$627,919 | \$284,858 | - | \$19,205,542 |
| Depreciation charge for the year | \$187,584 | \$2,790,384 | \$35,375 | \$15,249 | \$2,212 | \$1,629,536 | \$67,127 | \$20,340 | - | \$4,747,807 |
| Prior Year Adjustment | - | - | - | - | - | - | - | - | - | \$0 |
| Balance as at 31 December 2015 | \$1,795,444 | \$15,496,472 | \$951,639 | \$455,005 | \$251,820 | \$4,002,725 | \$695,046 | \$305,198 | - | \$23,953,349 |
| Carrying amount | | | | | | | | | | |
| At 1 January 2014 | \$17,225,854 | \$33,485,287 | \$50,106 | \$48,621 | \$7,010 | \$20,717,496 | \$184,444 | \$32,230 | - | \$71,751,048 |
| At 31 December 2014 | \$17,123,292 | \$32,451,882 | \$151,510 | \$19,871 | \$5,251 | \$18,788,133 | \$151,164 | \$34,531 | - | \$68,725,634 |
| At 1 January 2015 | \$17,123,292 | \$32,451,882 | \$151,510 | \$19,871 | \$5,251 | \$18,788,133 | \$151,164 | \$34,531 | - | \$68,725,634 |
| At 31 December 2015 | \$55,873,888 | \$64,256,641 | \$263,048 | \$4,622 | \$5,989 | \$29,834,222 | \$128,578 | \$78,056 | \$1,559,569 | \$152,004,613 |

The upgraded value of the ANZ Stadium have been depreciated this year with a value of \$2.3m. The Council engaged Professional Valuation Company to revalue the Council's property during the year and the total valuation figure came to a total of \$145k. The Council have noted from the detailed report provided that there was an impairment loss of \$2.2m and an impairment gain of \$88m. The \$2.2m impairment loss have been reflected in the profit & loss statement and the impairment gain have been reflected in equity. The increase in depreciation have resulted from the adjusted useful lives of various categories and the two months depreciation of the valuation figure.

Notes to and Forming Part of the Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER, 2015

| | 2015 \$ | 2014 (Re-stated) \$ |
|------------------------------------|------------------|---------------------------|
| 15 Trade and other payables | | |
| Trade creditors | 194,835 | 299,953 |
| Other creditors and accruals | 650,859 | 122,375 |
| | 845,694 | 422,328 |
| 16 Employee entitlements | | |
| As at 1st January | 20,780 | 29,422 |
| Arising during the year | - | 66,913 |
| Utilised | - | (75,555) |
| Annual leave | 21,565 | 20,780 |
| - | - | - |
| 17 Borrowings | | |
| Current | 4,250,452 | 4,250,000 |
| Loan from ANZ | 4,250,452 | 4,250,000 |
| Non current | | |
| Payable to Government | 4,452,470 | 4,452,470 |
| Loan from ANZ | - | 4,250,452 |
| | 4,452,470 | 8,702,922 |

The secured loan is with the Fiji National Provident Fund. In accordance with a Cabinet decision dated 30 August 2005, the Government of Fiji is responsible for funding the repayment of the FNPF loan from 2006. In June 2014, government paid FNPF loan in full. A formal agreement has been finalised between the Council and the government for repayment of FNPF loan. This loan was paid by government on behalf of the Council. Interest payment of \$11,127 per month have effected from 21st September 2015 while principal repayment of the loan will commence in 2022.

18 Deferred Income

The facilities that were built for the 2003 South Pacific Games, which were funded and donated to the Council by the Government of the People's Republic of China forms part of the Deferred Income. This includes the cost of upgrade to ANZ stadium funded through ANZ loan in 2013. This loan repayment is funded through Government capital grant over a period of 4 years from 2013 to 2016.

Notes to and Forming Part of the Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER, 2015

| | 2015 \$ | 2014 (Re-stated) \$ |
|--|-------------------|---------------------------|
| 18 Deferred Income Cont'd | | |
| Opening Balance | 54,166,086 | 45,500,538 |
| Adjustment for prior period error in 2013 | - | 6,583,333 |
| Opening balance | 54,166,086 | 52,083,871 |
| Government grant | 6,858,696 | 4,250,000 |
| Depreciation transferred to Income Statement | (2,167,999) | (2,167,999) |
| Impairment Gain | - | 214 |
| Closing Balance | 58,856,783 | 54,166,086 |

19 Contingent liabilities and commitments

(a) Contingent Liabilities

The following are the contingent liabilities of the Council:

B W Holding

B W Holding Limited has sued Fiji Sports Council for breach of contract. Fiji Sports Council hired B W Holdings Ltd in January 2002 to carry out certain works at the National Stadium Car park and surroundings. The company is claiming that a sum of \$224,347.99 remains outstanding for the works carried out.

B W Holding Ltd is also claiming interest at 18% from 1st April 2004 to the date of payment plus damages and costs.

The Council is awaiting a hearing date to be set by the Suva High Court.

Sports

Fiji Sports Council has appealed Justice Mutunayagam's Judgment delivered on 9th November 2011. Justice Mutunayagam delivered his judgment and refused to set aside the judgment that Sports Technology International Pty Ltd obtained against B W Holdings Ltd and Fiji Sports Council in NSW. It also awarded costs of \$3,000 to be paid to STIPL.

The Court of Appeal has yet to set the matter for hearing.

(b) Operating lease commitments

Details of the Council's operating lease commitment are as follows:

- (i) On January 1998, the Fiji Sports Council entered into a lease agreement with the Native Land Trust Board to lease lots 1 & 2 of Lawaqa & Rakirakilevu contained in lease 23401 in Sigatoka. The lease is for term of 87 years ending on 1 January 2085. Under the agreement, rent is payable at the rate of \$1,000 per annum.

Notes to and Forming Part of the Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER, 2015

19 Contingent liabilities and commitments (cont'd)

(b) Operating lease commitments (cont'd)

- (ii) On 1 December 1978, the Fiji Sports Council entered into a lease agreement with the Government of Fiji to lease lot 1 on Plan S. 1501 known as National Sport Complex contained in lease in Suva. The lease is for a term of 99 years ending on 1 December 2077. Under the agreement, rent is payable at the rate of \$100 per annum.
- (iii) On 1 January 1979, the Fiji Sports Council entered into a lease agreement with the Government of Fiji to lease lot 1 on SO. 2659 known as Victoria Park contained in lease 12274 Suva. The lease is for a term of 99 years ending on 1 January 2078. Under the agreement, rent is payable at the rate of \$10 per annum.
- (iv) On 1 November 2001, the Fiji Sports Council entered into a lease agreement with the Government of Fiji to lease lot 1 plan S4488 Muanivatu known as National Aquatic & Netball Centre, contained in lease 13625. This lease is for a term of 99 years ending on 1 November 2100. Under the agreement, rent is payable at the rate of \$100 per annum.
- (v) On 1 April 1984, the Fiji Sports Council entered into a lease with the Government of Fiji to lease lot 1 on SO 1143 at Veivadravadra, Sigatoka contained in lease 136333. The lease is for a term of 99 years ending on 1 April 2083. Under the agreement, rent is payable at the rate of \$100 per annum.
- (vi) On 1 April 1999, the Fiji Sports Council entered into a lease agreement with the Government of Fiji to lease lot 69 & 70 at Navua known as Thomson Park, contained in lease 481769. The lease is for a term of 99 years ending on 1 January 2098. Under the agreement, rent is payable at the rate of \$500 per annum.
- (vii) On 1 January 1986, the Fiji Sports Council entered into a lease agreement with the Native Land Trust Board to lease Lawaqa Park at Sigatoka, contained in lease 23401. The lease is for a term of 99 years ending on 1 January 2085. Under the agreement, rent is payable at the rate of \$7,000 per annum.
- (viii) On 1 July 1995, the Fiji Sports Council entered into a crown lease agreement to lease lot 1 SO3262 Penang Reclamation contained in lease 13343 in Rakiraki, Ba. The lease is for a term of 99 years ending on 1 July, 2094. Under the agreement, rent is payable at the rate of \$100 per annum.

Operating lease commitments

Future operating lease rentals of the Council's premises not provided for in the financial statements and payable:

| | 2015 | 2014 |
|--|---------|-------------------|
| | \$ | (Re-stated) \$ |
| No later than one year | 8,910 | 8,910 |
| Later than one year but no later than five years | 35,640 | 35,640 |
| Later than five years | 578,320 | 587,230 |
| | 622,870 | 631,780 |

Notes to and Forming Part of the Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER, 2015

20 Related parties

All transaction that occurred between the Council and companies or organisations in which a Councillor may have an interest, either as a member or employee, were at 'arms length' and in normal course of business.

Transaction with Related Parties

- (i) Government allocated a \$20m grant to the Council in 2012 to Upgrade the ANZ Stadium. The grant is payable from Government at \$3m for the first year (2013) and \$4.25m for the consecutive years until 2016 for the repayment of the Council's loan from ANZ for upgrading and development works at the National Stadium.
- (ii) In the year, the council received another \$3m for the upgrade of Lawaqa Park.

(iii) *Key Management Personnel*

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

During the year the following persons were the executives identified as key management personnel, with the greatest authority and responsibility for the planning, directing and controlling the activities of the Council.

Litiana Loabuka - Chief Executive Officer
 Vasemaca Drova - Manager Finance
 Eleina McDonald - Manager Marketing/Acting Ops Manager
 Sukhia Go - Manager Human Resources
 John Pickering - Property Manager/Acting Ops Manager

The aggregate compensation of the key management personnel comprises only short-term benefits and is set out below:

| | 2015 \$ | 2014 (Re-stated) \$ |
|---|------------|---------------------------|
| Short - term benefits | 9,000 | 6,000 |
| Council member fees and allowances | 60,630 | 50,645 |
| Ministry of Youths and Sports - is the line Ministry of the Council | | |

21 Prior period errors and restatement of balances

Extract from statement of comprehensive income , statement of changes in equity and statement of financial position for the year ended 31 December, 2015.

| | 2015 \$ | 2014 (Re-stated) \$ |
|---|--------------|---------------------------|
| Profit/(loss) for the year (2014 : previously stated \$1,806,992) | (2,233,340) | (1,443,008) |
| Accumulated funds at the beginning of the year | 1,569,321 | 3,012,329 |
| <i>as previously stated</i> | 12,810,933 | 9,595,662 |
| <i>effect of the correction of a prior period error</i> | (11,241,612) | (6,583,333) |
| Accumulated funds at the end of the year | (664,019) | 1,569,321 |

Notes to and Forming Part of the Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER, 2015

| | 2015 \$ | 2014 (Re-stated) \$ |
|---|------------|---------------------------|
| 21 Prior period errors and restatement of balances (Con't) | | |
| Deferred Income (2014: previously stated \$44,332,753) | 58,856,783 | 54,166,086 |

In 2015, the Council corrected error in recognition of government capital grant that had resulted in the overstatement of revenue over the past (two years). The correction of the error is accounted retrospectively, and the comparative information for 2014 has been restated. The effect of the change is a \$3,250,000 reduction in profit for the year ended 31 December 2014. The opening accumulated funds for 2014 have been reduced by \$6,583,33, which is the amount of the error relating to periods before 2014. Furthermore, the deferred income have been increased by \$9,833,333.

22 Principal activities

The principal activity of the Council is to foster support and undertake the provision of facilities for sport and recreation. Promote the utilization of sporting and recreational facilities in Fiji and also, to investigate developments in sport and recreation and disseminate knowledge and information about such developments.

23 Registered office

The Council's registered office is located at 220 Laucala Bay Road Suva, Fiji.



Our Strategic Partners

The Fiji Sports Council wishes to thank its Corporate Sponsors, leaders in their respective fields, for their continued support.

These strategic partnerships not only promote our sponsors' brands, their vision and image, but also, by taking naming rights at five of our national sporting arenas, demonstrate their faith in our ability to be the leading provider of premier Sports and Events facilities.



With naming rights to the National Stadium, ANZ Fiji continues its proud commitment to promoting community values.

Thanks to ANZ's contribution, the National Stadium pitch has been upgraded to an international standard and seating capacity can cater for 15,000 spectators.

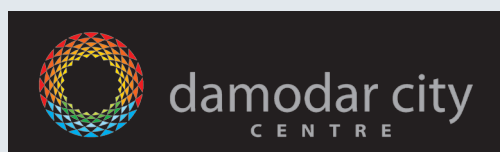
For more information on our sponsor, visit:
<http://www.anz.com>



Vodafone

The commitment by Vodafone Fiji to sports in Fiji is endorsed by securing naming rights to the renamed Vodafone Arena, which can seat up to 5000 spectators, and is in keeping with our sponsor's global vision, "To care for the world around you."

For more information on our sponsor, Vodafone –Power to you, visit: www.vodafone.com.fj



As sports is a form of entertainment, taking up naming rights at the National Aquatic Centre is a natural fit for the Damodar Brothers, with their many years of experience entertainment industry. The Damodar City Aquatic Centre can accommodate up to 500 spectators in the covered seating area.

For more information on our sponsor visit: www.facebook.com/pages/Damodar/City/centre/204794746212341



The FMF Group of companies has lent its trusted name in taking up naming rights to the National Gymnasium, which seats close to 1,600 spectators.

The diverse range of activities – sporting and otherwise – taking place here includes netball, basketball, soccer, weightlifting, concerts and wedding and birthday celebrations.

For more information on our sponsor, visit: www.fmf.com.fj



LIFE INSURANCE CORPORATION OF INDIA

By taking up naming rights to the Multi-Purpose Courts at Laucala Bay, LICI has demonstrated its trust in the Fiji Sports Council.

The LICI Multi-Purpose Courts host various sporting events such as netball, basketball, five-a-side-soccer and futsal, with large numbers of teams using the facility on a regular basis, encouraged by even larger numbers of supporters.

For further information on our sponsor visit:
<http://www.licifiji.com>



fiji sports council



Annual Report
2015