

ANZ Stadium

fiji sports council



JAN-JULY 2016 ANNUAL REPORT

PARLIAMENT PAPER NO. 93 OF 2019

VISION

To be the best.

MISSION

We will create an environment of excellence.

VALUES

- Service Excellence
- Passion
- Ownership
- Respect
- Teamwork



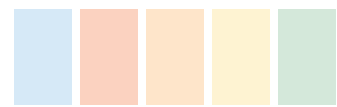
COVER

A major draw card for Fiji fans; international rugby at its best. The Chiefs played the Crusaders at the ANZ Stadium.

CONTENTS

Letter to the Minister	1
Jan-July 2016 Events Highlights	2
Chairman's Report	5
Board Members	6
Senior Management	7
CEO's Report	8
Financial Performance	11
Financial Statements	13
Directory	40
Our Strategic Partners	41





Letter to the Minister



fiji sports council

Letter to the Minister

Hon. Laisenia Tuitubou

Minister for Youth and Sports
Nasoqo House
3 Gordon Street
Suva

Dear Minister,

It is with great pleasure that I present the Fiji Sports Council's (FSC) Financial Report for January to July 2016.

This Report brings the Council into alignment with the Government initiative of changing the fiscal year to end on July 31st.

It is a summary of the Council's performance during those seven months, and highlights the main projects and events for that period.

I would like to thank Government for its continued support and look forward to soon presenting the Council's Report for the next fiscal year, August 2016 to July 2017.

Peter Mazey
Chairman

Jan-July 2016 Events Highlights

JANUARY

- Silver Ferns Netball Tour - 2 Tests (Vodafone Arena)
- Bayley's Coral Coast 7s (Lawaqa Park)
- Vulaca Volleyball Championship (FMF Gymnasium)
- Suva Cricket Club Games (Buckhurst & Bidesi Grounds)
- Fijiana Training (Buckhurst & Bidesi Grounds)

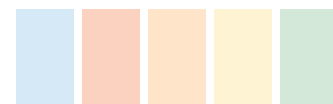
FEBRUARY

- Oceania Futsal Championship (Vodafone Arena)
- Fiji Football Champion vs Champion - Suva vs Nadi (ANZ Stadium)
- Athletics Grand Prix (ANZ Stadium)
- Secondary Schools Interhouse (ANZ Stadium)
- LDS World Celebration (Vodafone Arena)

MARCH

- World Rugby Pacific Challenge - R1 - Fiji vs Tonga (ANZ Stadium)
- World Rugby Pacific Challenge - R2 - Fiji vs Samoa (ANZ Stadium)
- Basketball Winston Appeal (Vodafone Arena)
- Easter Volleyball Championship (FMF Gymnasium)
- Athletics Fiji Grand Prix (ANZ Stadium)
- Suva Zone I Athletics Meet (ANZ Stadium)
- Suva Zone II Athletics Meet (ANZ Stadium)
- Tailevu Zone Athletics Meet (ANZ Stadium)
- University of the South Pacific Graduation (Vodafone Arena)





APRIL

- Triple N Zone Athletics Meet (ANZ Stadium)
- Suva Rugby Union Club Competitions (ANZ Stadium)
- Fiji Bitter Marist 7s (ANZ Stadium)
- Coca-Cola Games (ANZ Stadium)
- Fiji National University Graduation (Vodafone Arena)
- Fiji Sports Awards (Vodafone Arena)

MAY

- Oceania Volleyball Championship (Vodafone Arena)
- Oceania Weightlifting & Olympic Games Oceania Qualifiers (Vodafone Arena)
- Skipper Cup – Suva vs Northland (ANZ Stadium)
- Skipper Cup – Suva vs Tailevu (ANZ Stadium)
- Fiji Football Competition (ANZ Stadium)
- National Athletics Trials (ANZ Stadium)
- Fiji Fashion Week (Vodafone Arena)

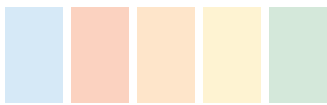
JUNE

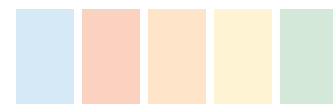
- Oceania Swimming Championship (Vodafone Arena)
- Oceania Tennis Championship (Victoria Tennis Courts)
- Pacific Nations Cup – Fiji vs Tonga (ANZ Stadium)
- Pacific Nations Cup – Fiji vs Samoa (ANZ Stadium)
- Rugby Test – Fiji vs Georgia (ANZ Stadium)
- Oceania Hockey 5-a-side Championship (National Hockey Centre)
- Fiji Football Competition (ANZ Stadium)
- University of the South Pacific Exams (Vodafone Arena)
- Fiji Showcase (Vodafone Arena)

JULY

- Fiji Showcase (Vodafone Arena)
- Super Rugby – Gallagher Chiefs vs BNZ Crusaders (ANZ Stadium) - Fiji's first clash
- Oceania Melanesian Athletics Championship (ANZ Stadium)
- Boxing Tri Nations Championship (FMF Gymnasium)
- Deans Rugby Semi-finals (ANZ Stadium)
- Skipper Cup – Suva vs Naitasiri (ANZ Stadium)
- Ace Student Christian Convention (Vodafone Arena)
- Skipper Cup Final (Lawaqa Park)







Chairman's Report



Although this report for the first seven months of 2016 has been prepared in order to bring the Council into alignment with the new August – July configuration for financial reporting, the Board of Directors is aware that the Fiji Sports Council's planning for the calendar year, and into the future, remained consistent and unwavering in its goal to be the leading provider of premier sports and events facilities.

However, even the best planning must make way for the forces of nature. The official opening in February of the newly refurbished Lawaqa Park was cancelled, as there were more acute concerns to be addressed, following the path of devastation left by the Category 5 Tropical Cyclone Winston that struck Fiji on the 20th and 21st of February.

In the aftermath of T.C. Winston, I am pleased to note that that the Sports Council staff not only worked to clean up the Council's facilities, but they also actively engaged with the wider community to assist in their endeavours to return to normal as soon as possible.

The Sports Council facilities did not escape unscathed, with serious damage to the roofs of the Vodafone Arena and the National Aquatic Centre and flooding at Lawaqa Park and the FMF Gymnasium in Suva. Fences at the National Aquatic Centre, the Netball Centre, the Hockey Centre and Lawaqa Park were damaged.

With the much appreciated financial assistance provided by Government, the Council was able to complete the prompt repair of facilities in preparation for all the planned events at the local, regional and international levels.

The foresight demonstrated by the Government's investment in the ANZ Stadium has been validated by the international rugby community, with fixtures held by the World Rugby Pacific Challenge, the Pacific Nations Cup and the first-ever Super Rugby match between the Gallagher Chiefs and the BNZ Crusaders.

The success of the latter event has resulted in Government entering into a contract with the Event Director to secure a super rugby match for the following three years, a milestone achievement indeed, made possible by the world-class standard of facilities the Council is able to offer.

The first half of 2016 was also notable for the preparation for the 2016 Olympic Games, due to begin in Rio de Janeiro, Brazil, on the 5th of August. I commend the the Fiji Sports Council staff for their contribution made through volunteerism in support of the 'Road to Rio' Committee, which raised funds on behalf of our star athletes.

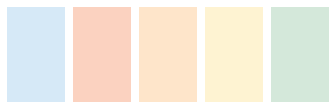
I have the greatest pleasure in congratulating the Fiji Sports Council's CEO and her team for their consistent hard work and dedication, which ensures that our sporting facilities continue to receive international recognition.

I wish to express my sincere appreciation to the FSC Board, for your hard work and guidance during this period. Although a shorter financial reporting period than usual, the cyclonic event in February certainly brought special challenges.

My sincere thanks also to the Fiji Government for its invaluable support, and especially for the assistance in restoring our facilities post T.C. Winston.

I look forward to a successful and fruitful new financial year.

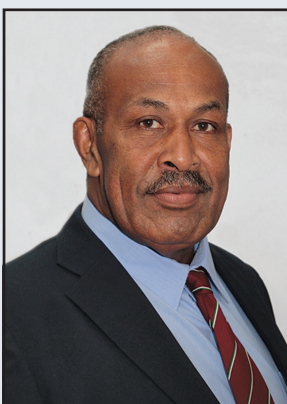
Peter Mazey
Chairman



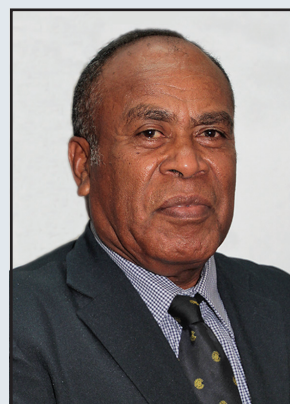
Members of the Board



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



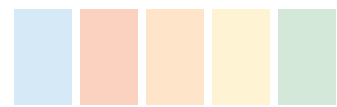
Mrs Losalini Waqausa
Board Secretary



Mr Parmesh Chand
Board Member



Mr Malakai Veisamasama
Board Member
(RIP)



Senior Management



Litiana Loabuka
CEO



John Pickering
Properties Manager



Eleina McDonald
Operations Manager



Ashni Sharma
Finance Manager



Alvinesh Chand
Audit Manager



Della Shaw
Facility Supervisor



Permal Swamy
Ground Superintendent



Ranil Kumar
Facility Supervisor



Vaseva Nasarao
Executive Assistant



Vijay Chetty
Maintenance Supervisor



Bulou Rabuka
Facility Supervisor



CEO's Report



The period covered by this Report, January to July of 2016, began with the Fiji Sports Council having a full calendar of sporting, cultural, spiritual and social events to be hosted at the Council's various venues.

Full Calendar

January saw the Council hosting the New Zealand Silver Ferns Netball Tour, with two test matches taking place at the Vodafone Arena; the Bayley's Coral Coast 7s held at the newly refurbished Lawaqa Park; Suva Cricket Club Games and Fijiana Training at the Buckhurst and Bidesi Grounds and the Vulaca Volleyball Championship at the FMF Gymnasium.

These events were followed by the Oceania Futsal Championship and the LDS World Celebration, which were held at the Vodafone Arena, while the ANZ Stadium featured the Fiji Football Champion vs Champion - Suva vs Nadi match, the Athletics Grand Prix and the Secondary Schools Interhouse competitions.

Cyclone Winston

And then, on the 20th and 21st of February, Category 5 Tropical Cyclone Winston left a swathe of devastation throughout Fiji.

The planned official opening of the upgraded Lawaqa Park was immediately cancelled. There were more pressing issues of cyclone relief and humanitarian aid to be addressed in the wake of T.C. Winston.

Property Damage

Lawaqa Park itself was flooded, with some damage to fencing. In Suva, the FMF Gymnasium was flooded, with damaged fences at the National Aquatic Centre, the Netball Centre and the National Hockey Centre.

The roofs of the Vodafone Arena and the National Aquatic Centre were also seriously damaged. The latter was of particular concern as the Oceania Swimming Championships were about to take place.

The Sports Council staff immediately worked to clean up the facilities in the aftermath and also assisted to help clean neighboring areas with its cleanup efforts and to help the community return to normal as soon as possible. This was initiated with the understanding that outside of Suva there were areas we could not reach that would take a very long time to recover.

Facilities still Available

Although the impact of the cyclone was devastating, the Council and its staff continued to play their part by ensuring that facilities continued to be available for the local and international sporting communities.

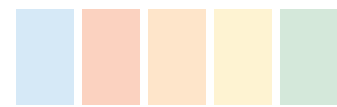
I wish to thank Government for the financial assistance that made it possible for the Council to complete the repair of facilities in a timely manner and be ready for the planned local, regional and international events.

These fixtures included the hosting of Oceania Championships, with Swimming, Hockey 5-a-Side, Melanesian Athletics, Volleyball, Tennis and the Oceania Weightlifting and Olympic Games Qualifiers, and the Boxing Tri Nations Championship.

International Fixtures

Our Fijian Government's investment in the upgrade of the ANZ Stadium continued to bear fruit, with the international rugby community making use of the facility for rounds one and two of the World Rugby Pacific Challenge; the Pacific Nations Cup matches between Fiji and Tonga and Fiji versus Samoa, and the Test Match between Fiji and Georgia.

We were also honoured to be able to host our first-ever historical Super Rugby match between the Gallagher Chiefs and the BNZ Crusaders, confirming the confidence expressed by the advance teams from the Chiefs and the Crusaders in 2015 in our ability to meet the needs of international teams. All stakeholders in this major event were satisfied with the event and, as a result, Government



entered into a contract with the Event Director to secure a Super Rugby match for the following three years.

Endorsement

These international sporting events showcase our venues to the world, with the international media reporting favourably upon Fiji's ability to successfully host world-class events at our world-class stadium and arenas.

This endorsement is important as the Fiji Sports Council continues to strive to successfully realise its vision to deliver the best Sports and Events facilities.

Hard Work and Dedication

As we deliver this Report for the period January to July 2016, I wish to thank my Executive Management team for their hard work and dedication in what has been a testing few months.

My sincere thanks to all Sports Council staff and our flexi-workers for their tireless efforts to resume and maintain normal operations as soon as possible, post-Winston.

As we worked to recover from the impact of the cyclone, the first half of the year was also full of excitement and anticipation as Fiji's star athletes prepared for the 2016 Olympic Games, due to begin in Rio de Janeiro, Brazil, on the 5th of August.

I am proud of the contribution made by the staff of the Fiji Sports Council, through volunteerism, in support of the 'Road to Rio' Committee, which fund-raised on behalf

of these young men and women, who were able to leave for pre-Games training and acclimatisation, knowing that there was financial backing for them and their families at home.

Appreciation

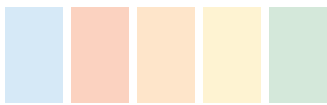
My sincere thanks to all of our key partners, for their continuing, valuable support, and to the national sporting organisations and their respective district associations for their continued confidence in our ability to deliver to their needs. Their continued use of the Sports Council's facilities is a further testament to our ability to provide well-appointed and well-managed facilities.

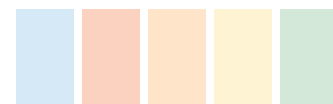
I wish to thank the Fiji Sports Council Board of Directors for their guidance and support during these seven months. The advice of the Directors and Chairman in particular has been invaluable.

My sincere appreciation to our Government for its support during the period covered by this Report, and I look forward to your continued support as we enter the new financial year.

Litiana Loabuka
Chief Executive Officer







Financial Performance

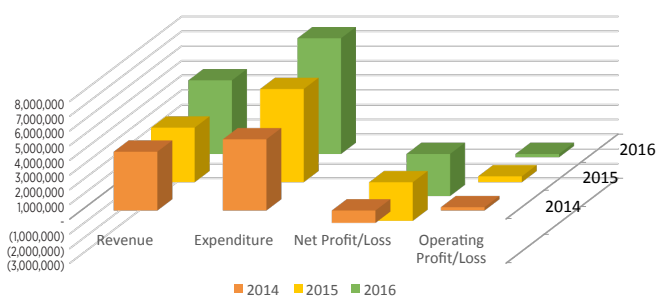
The 2016 Financial Year was challenging for the Council's financial sector. While the Lawaqa Stadium capital project in Sigatoka was completed earlier in 2016, Cyclone Winston challenged the Council's other income generating facilities. Through resilience, the Council accelerated the process of bringing these facilities back on track. These were then sustainable enough to host a record 10 back-to-back Oceania Championships, along with other major international events and local tournaments.

The Financial Year in Review

The total revenue reported for the first seven months ended in 2016 amounted to \$5,004,795, with a 35% incremental shift when compared to the same period for the prior year, 2015.

Total expenditure was recorded at \$7,864,388, which was 24% more than that recorded for the same period in 2015.

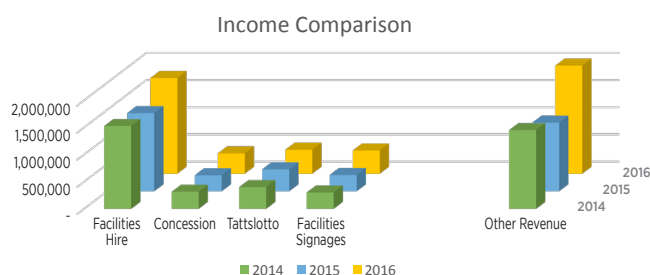
Net Performance Comparison



While the Council received financial assistance in the form of Grant from the Government of Fiji towards the completion of the 2015 Lawaqa Stadium upgrade and towards the maintenance of the existing major income-generating facilities, in preparation for the Oceania International Championships, the Council was viable enough to host the Oceania tournaments and other local competitions in its facilities. In addition, the Council delivered the successful, first-ever, international Super Rugby match between the Gallagher Chiefs and the BNZ Crusaders at the ANZ Stadium in Suva.

Revenue

The Council heightened its different income stream bars when compared to 2015 and prior years, for the seven months ended as depicted below.



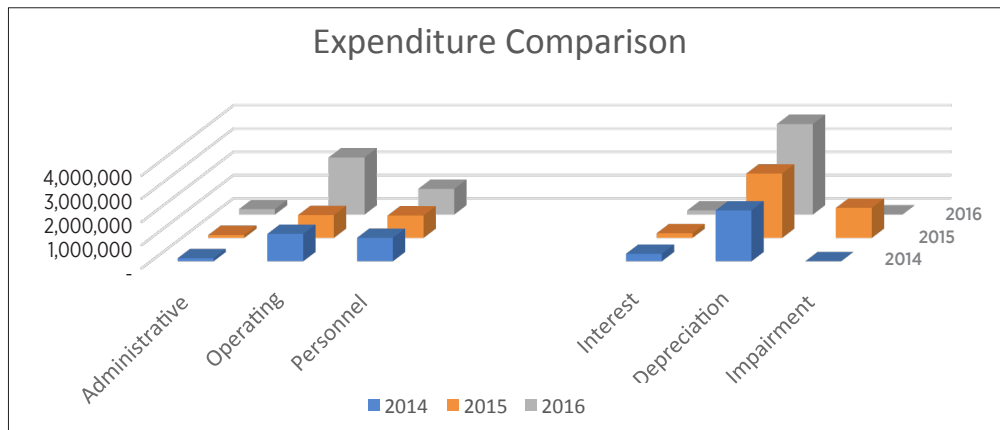
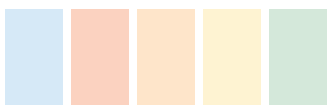
Other revenue includes the Government Grant, which is amortised at the appropriate rate on the assistance provided to the Council on its capital spend. It also includes the operational assistance from the Government to maintain its daily operational efficiency level.

Expenditure

There is a visible rise in the daily operating and personnel expenses of the Council for the seven months ended for 2016. This was mainly due to the Council's properties being damaged by Cyclone Winston, with unplanned maintenance, upgrades and improvements being needed to successfully host the international and local events.

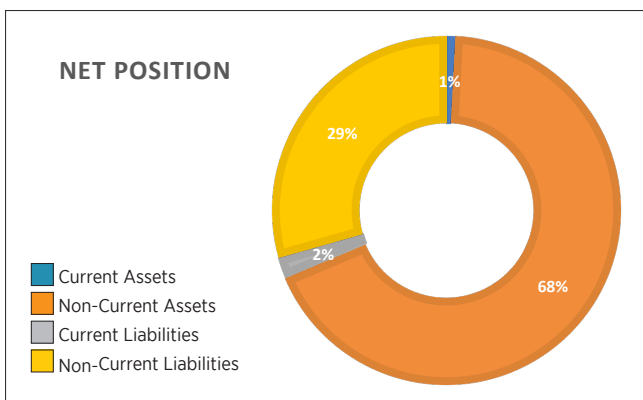
The biggest increase was recorded for depreciation, which resulted in an increase in total expenditure for the seven months ended for 2016. This was due to the revaluation exercise completed in the last month of 2015, whereby the Council's assets were depreciated on the revalued balances for the seven months ended July 2016.

Interest expense on the interest paid to ANZ on the \$20m loan from 2012 for the upgrade of the ANZ Stadium gradually decreased, with the last debt payment recorded in the second half of the year 2016.



Net Worth

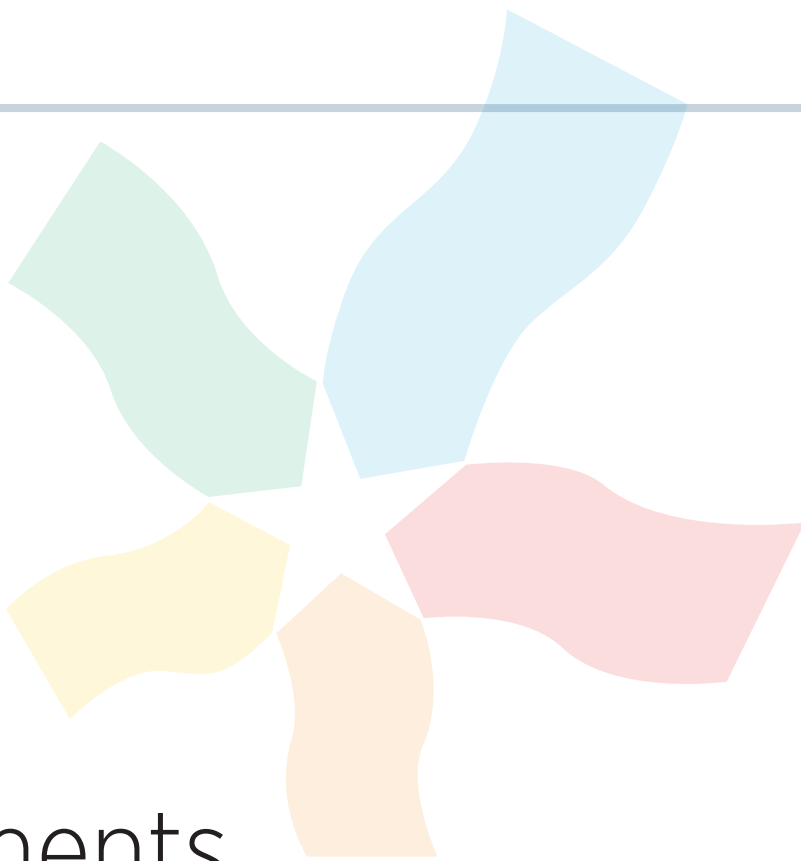
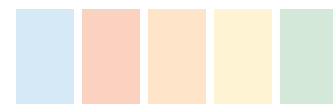
The Council was worth approximately \$82m for the seven months ended July 2016. The illustration below depicts the Council's fixed assets, including the property, plant and equipment, covering most of the area, with its total value of \$152m for the period ended July 2016. The second most highlighted area below is of the non-current liabilities, including the deferred income of \$60m from our Fiji Government and donated Chinese Government assets; along with \$4.4m in interest bearing liabilities on the loan from the Fiji National Provident Fund, paid by the Government of Fiji for the construction of the Lawaqa Stadium, Sigatoka, which is due for repayment to the Government by the Council in later years.



Year End Results and Going Forward

Despite being challenged by natural disasters and the rigidity of delivering the record international and local events scheduled for this period, the Council has shown a very positive and encouraging outcome for the seven months ended July 2016 in comparison to prior years. It has accelerated in its income generating capacity when compared to previous years. The Council intends to continue to grow with key improvements to its major existing facilities; specifically the FMF Gymnasium and the FSC office, to ensure efficiencies for our Fiji Sports Council team and our valued customers.



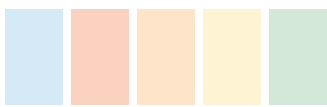


FIJI SPORTS COUNCIL

Financial Statements

FOR JANUARY - JULY , 2016

Letter from the Auditor General	14
Councilor's Report	15
Independent Auditor's Report	18
Statement of Comprehensive Income	20
Statement of Changes in Equity	21
Statement of Financial Position	22
Statement of Cash Flows	23
Notes to and Forming Part of the Financial Statements	24
Directory	40



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

7 June 2019

Mr. Peter Mazey
Chairman
Fiji Sports Council
PO Box 2348
Government Building
SUVA

Dear Mr. Mazey

AUDITED ACCOUNTS

FIJI SPORTS COUNCIL
FOR THE YEAR ENDED 31 JULY 2016

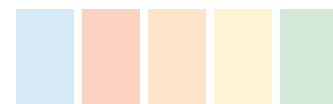
Audited financial statements for the Fiji Sports Council for the year ended 31 July 2016 together with my audit report on them are enclosed.

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

Yours sincerely

Ajay Nand
AUDITOR-GENERAL

cc: Ms. Litiana Loabuka - Chief Executive Officer



FIJI SPORTS COUNCIL

Council's Report

For the Seven Months Ended 31 July 2016

In accordance with a resolution of Board, the members herewith submit the statement of financial position of Fiji Sports Council as at 31 July 2016, the related statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and report as follow:

BOARD MEMBERS

The Board Members in office at the date of this report are :

- (1) Peter Mazey
- (2) Elesi Ketedromo
- (3) Daniel Lobendahn
- (4) Colin Philp
- (5) Lt. Col Ifereimi Vasu
- (6) Vijendra Kumar Sundar
- (7) Marigold Moody
- (8) Parmesh Chand
- (9) Joseva Sania
- (10) Malakai Veisamasama (Passed away: 02/06/2016)

PRINCIPAL ACTIVITIES

To promote and foster the development of amateur sports and recreation in Fiji including supporting and managing sporting facilities in Fiji.

RESULTS

The loss for the Council for the seven months was \$2,859,597 after providing for the income tax expenses of \$nil (2015: Profit of \$83,706,778 after providing the income tax expenses of \$nil).

BAD AND DOUBTFUL DEBTS

Prior to the completion of the Council's accounts, the Members took reasonable steps to ascertain that action has been taken in relation to writing off bad debts and the making of provision for doubtful debts. In the opinion of the Board, adequate provision has been made for doubtful debts.

CURRENT ASSETS

Prior to the completion of the Financial Statements of the Council the Board took reasonable steps to ascertain whether any current assets were likely to realise in the ordinary course of the business, their values as shown in the accounting records of the council.

Where necessary these assets have been written down or adequate provision has been made to bring the values of such assets to an amount they are expected to realise.

As at the date of this report the members are not aware of any circumstances which would render the values attributed to the current assets in the Council's Financial Statements misleading.

UNUSUAL TRANSACTION

In the opinion of the Board, the results of the Council during the financial year were not substantially affected by any item, transaction or event of an abnormal character nor has there arisen between the end of the financial year and the date of this report any item, transaction or an event of an abnormal character likely in the opinion of the Board to affect substantially the results of the operations of the Council in the current financial year.

SIGNIFICANT EVENTS DURING THE YEAR

There were no significant changes in the operations of the Council during the financial period.

Council's Report

For the Seven Months Ended 31 July 2016

SUBSEQUENT EVENTS

No matters or circumstance have arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Council, the results of those operations or the state of affairs of the Council in financial year subsequent to the financial year.

RELATED PARTY TRANSACTION

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

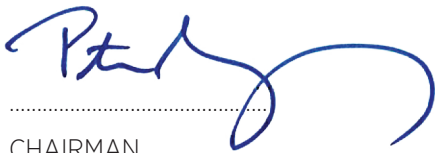
OTHER CIRCUMSTANCES

As at the date of this report:

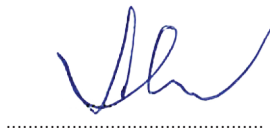
- (i) No charge on the assets of the Council has been given since the end of the financial year to secure the liabilities of any other person;
- (ii) No contingent liabilities has arisen for which the Council could become liable; and
- (iii) No contingent liabilities or other liabilities of any Council has become, or is likely to become, enforceable within the year after the end of the financial year which, in the opinion of the Board, will or may substantially affect the ability of the Council to meet its obligation as and when they fall due.

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

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

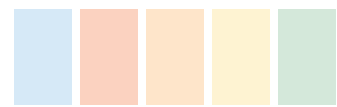


CHAIRMAN



MEMBER

Dated at Suva, this 21st day of May 2019



FIJI SPORTS COUNCIL

Council's Report

For the Seven Months Ended 31 July 2016

In accordance with a resolution and in the opinion of the members of FIJI SPORTS COUNCIL we state that:-

- (a) the Council's Statement of Comprehensive Income is drawn up so as to give a true and fair view of the results of the Council for the seven months ended 31 July 2016;
- (b) the Council's Statement of Changes in Equity for the seven months ended 31 July 2016 is drawn up so as to give a true and fair view of the movement in accumulated funds;
- (c) the Council's Statement of Financial Position is drawn up so as to give a true and fair view of the state of affairs of the Council as at 31 July 2016;
- (d) the Council's 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 seven months ended 31 July 2016; and
- (e) at the date of this statement there are reasonable grounds to believe that the Council will be to pay its debt as and when they fall due.

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

CHAIRMAN

MEMBER

Dated at Suva, this 21st day of May 2019

Independent Audit Report

For the Seven Months Ended 31 July 2016

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

FIJI SPORTS COUNCIL

I have audited the accompanying financial statements of Fiji Sports Council ("the Council"), which comprise the statement of financial position for the six months ended 31 July 2016, statement of comprehensive income, statement of changes in equity and statement cash flow statement for the six months then ended, and a summary of significant accounting policies and other explanatory information as set out on notes 1 to 26.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fiji Sports Council as at 31 July 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis of Opinion

I have conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Council in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Matter

Internal controls and reconciliation procedures need to be strengthened in relating to concession revenue such as reconciliation of cash received with inventory sold, reconciliation of closing inventory item with inventory sold and the reconciliation between cash register records and balance of inventory need to be performed to promote accountability and prevent from possible leakages.

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

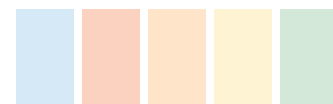
The management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, Fiji Sports Council Act Cap 271A, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The Council members are responsible of overseeing the entity's financial reporting process.

Auditor's Responsibility 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA) will always detect a material misstatement when it exists.



FIJI SPORTS COUNCIL

Independent Audit Report

For the Seven Months Ended 31 July 2016

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

I have obtained all the information and explanation which, to my best of my knowledge and belief, were necessary for the purpose of my audit.

In my opinion;

- a) proper books of account have been kept by the Fiji Sports Council, sufficient to enable financial statement to be prepared, so far as it appears from my examination of those books,
- b) to the best of my information and according to the explanations given to me, give the information required by the Fiji Sports Council Act Cap 271A, in the manner so required.

Ajay Nand
AUDITOR-GENERAL



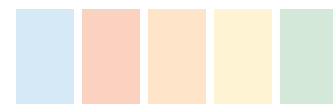
Suva, Fiji
7 June 2019

Statement of Comprehensive Income

For the Seven Months Ended 31 July 2016

	Notes	31 July 2016 (7 months) \$	31 December 2015 (Re-stated) \$
Operating revenue	5(a)	3,012,226	4,195,296
Operating expenses	6	2,459,371	1,682,218
Operating results		552,855	2,513,078
Other operating revenue	5(b)	1,992,566	2,167,999
		2,545,421	4,681,077
Administrative Expenses		229,921	218,826
Depreciation		3,897,962	4,747,808
Personnel expenses	7	1,103,388	1,655,003
Impairment loss		-	2,217,077
Results from operating activities		(2,685,850)	(4,157,637)
Interest expense		173,747	342,795
Net financing cost		(173,747)	(342,795)
Loss from operations		(2,859,597)	(4,500,432)
Other comprehensive income			
Impairment gain		-	88,207,210
Total comprehensive (loss)/income		(2,859,597)	83,706,778

The Statement of Comprehensive Income is to be read in conjunction with the Accounting Policies and Notes to the Financial Statements set out from pages 24 to 38.



FIJI SPORTS COUNCIL

Statement of Changes in Equity

For the Seven Months Ended 31 July 2016

	Revaluation Reserves \$	Accumulated Losses \$	Total \$
Balance as at 01 January 2015	108,000	1,569,321	1,677,321
Impairment Gain - Property revaluation surplus	88,207,210	-	88,207,210
Net loss for the year ended 31 December 2015 - restated	-	(4,500,432)	(4,500,432)
Balance as at 31 December 2015-restated	88,315,210	(2,931,111)	85,384,099
Net loss for the seven months ended 31 July 2016	-	(2,859,597)	(2,859,597)
Balance as at 31 July 2016	88,315,210	(5,790,708)	82,524,502

The Statement of Changes in Equity is to be read in conjunction with the Accounting Policies and Notes to Financial Statements set out on pages 24 to 38.

Statement of Financial Position

As at 31 July 2016

	Notes	31 July 2016 (7 months) \$	31 December 2015 (Re-stated) \$
CURRENT ASSETS			
Cash and Cash Equivalents	8(i)	714,537	776,514
Other Receivables	9(i)	487,329	1,171,780
Trade Receivables	10	598,641	71,496
Inventory	11	59,279	10,970
Total Current Assets		1,859,786	2,030,760
NON - CURRENT ASSETS			
Other Receivables	9(ii)	242,274	-
Property, Plant & Equipment	13	149,836,294	152,004,613
Total Non - Current Assets		150,078,568	152,004,613
TOTAL ASSETS		151,938,354	154,035,373
CURRENT LIABILITIES			
Bank Overdraft	8(ii)	191,091	174,295
Trade & Other Payables	12	2,025,184	917,274
Interest Bearing Borrowings	15(i)	2,125,452	4,250,452
Total Current Liabilities		4,341,727	5,342,021
NON CURRENT LIABILITIES			
Interest Bearing Borrowings	15(ii)	4,450,611	4,452,470
Deferred Income	16	60,621,514	58,856,783
Total Non - Current Liabilities		65,072,125	63,309,253
TOTAL LIABILITIES		69,413,852	68,651,274
NET ASSETS		82,524,502	85,384,099
EQUITY			
Reserves		88,315,210	88,315,210
Accumulated Losses		(5,790,708)	(2,931,111)
TOTAL EQUITY		82,524,502	85,384,099

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

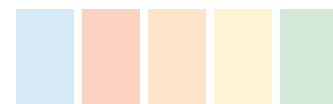


CHAIRMAN



MEMBER

The Statement of Financial Position is to be read in conjunction with the Accounting Policies and Notes to the Financial Statements set out on pages 24 to 38.



FIJI SPORTS COUNCIL

Statement of Cash Flows

For the Seven Months Ended 31 July 2016

	Notes	31 July 2016 (7 months) \$	31 December 2015 (Re-stated) \$
Cash Flows from Operating Activities			
Receipts from Government and customers		3,486,653	4,133,519
Payments to Suppliers & Employees		(2,733,078)	(3,674,097)
Interest Paid		(173,747)	(342,795)
Net Cash Provided by Operating Activities	14(ii)	579,828	116,627
Cash Flows from Investing Activities			
Acquisition of Property, Plant & Equipment		(1,743,083)	(2,036,655)
Disposal of Investment		-	273,878
Disposal of Property, Plant & Equipment		13,440	-
Net Cash (Used) in Investing Activities		(1,729,643)	(1,762,777)
Cash flows from Financing Activities			
Proceeds from government - grant		3,197,902	6,858,696
Repayment to Interest bearing liabilities		(2,126,859)	(4,250,000)
Net Cash Provided by Financing Activities		1,071,043	2,608,696
Net (Decrease)\ Increase in Cash Held		(78,773)	1,012,561
Cash at Bank Balance at the Beginning of the Year		602,219	(410,342)
Cash & Cash Equivalent at the end of the year	14(i)	523,446	602,219

The Statement of Cash Flow is to be read in conjunction with the Accounting Policies and Notes to the Financial Statements set out on pages 24 to 38.

Notes to the Financial Statements

For the Seven Months Ended 31 July 2016

1 GENERAL INFORMATION

To promote and foster the development of amateur sports and recreation in Fiji including supporting and managing sporting facilities in Fiji.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF PREPARATION

The financial statements of Fiji Sports Council have been prepared in accordance with the International Financial Reporting Standards (IFRS). They have been prepared under the historical cost convention, as modified by the revaluation of investments property and derivative financial instruments at fair value.

In the application of IFRS, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by management in the application of IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The principal accounting policies adopted in the preparation of these financials statements are set out below. These policies have been consistently applied to all the periods presents, unless otherwise stated.

New and amended standards adopted by the council

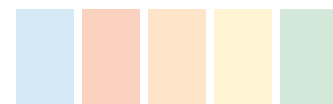
There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2016 that would be expected to have a material impact on the entity.

New Standards and amendments issued but not yet effective

The following new standards and amendments to existing standards have been published and are mandatory for accounting periods beginning on or after 1 January 2016 or later periods, and the Council has not early adopted them.

IFRS 9 - ‘Financial instruments’ (effective beginning on or after 1 January 2018)

This standard on classification and measurement of financial assets and financial liabilities will replace IAS 39, ‘Financial instruments: Recognition and measurement’. IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39 requirements. These include amortised-cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.



Notes to the Financial Statements *(Cont'd)*

For the Seven Months Ended 31 July 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

b) Foreign Currency Translation

- (i) Functional and presentation currency

The financial statements are presented in Fiji Dollars (\$FJ), which is the entity's functional currency.

- (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other (losses)/gains - net'.

c) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

d) Trade Receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Council will not be able to collect all amount due according to the original terms of the receivables.

e) Inventories

Inventories are stated at a lower of cost and net realizable value.

The cost of inventory has been determined on a weighted average cost basis. This includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. No provision has been made for slow moving or obsolete inventories on the basis that the amount is considered to be immaterial.

At each reporting date however, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less cost to complete and sell. The impairment loss is recognised immediately in profit or loss.

f) Property, Plant and Equipment

Property, plant and equipment is 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 the Management.

The entity adds to the carrying amount of an item of property, plant and equipment 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. All other repairs and maintenance are charged to profit and loss during the year in which they are incurred.

Depreciation

Depreciation on the other 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 on the basis of maximum rates allowed by Fiji Revenue and Customs Authority.

	Rates
Sports equipment	1 - 2 Years
Motor vehicles	1 - 5 Years
Plant & Equipment	1 - 5 Years
Office Equipment	1 - 5 Years
Concession Equipment	1 - 3 Years
Furniture & Fittings	1 - 10 Years
Leasehold Land	82 - 99 Years
Leasehold Building	1 - 20 Years

Notes to the Financial Statements *(Cont'd)*

For the Seven Months Ended 31 July 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

f) Property, Plant and Equipment *continued*

Amortization

The upgrade of \$21,181,322 of the Stadium in 2012 is amortized at a rate of 11.214% per annum. The amortized amount is transferred to the deferred income account every year.

The upgrade of \$2,575,936 of the Lawaqa Park is also amortized at a rate of 11.214% per annum. The amortized amount for this upgrade, in addition to the Stadium upgrade is also transferred to the deferred income account this year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Capital work in progress is not depreciated.

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 only when it increases the future economic benefits embodied in the items of property, plant and equipment.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within gains/(losses) on sale of fixed assets in the Statement of Comprehensive Income.

g) Trade Payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

h) Provisions

Provisions are recognised when the Council has a present legal or constructive obligation as a result of past events. It is probable that a transfer of economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the amount expected to be required to settle the obligation.

i) Employee Benefit

Superannuation plans

All employees who are Fiji Citizens belong to the Fiji National Provident Fund, an independent statutory administered funds.

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

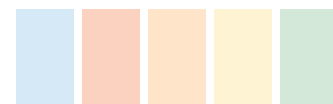
Wages, salaries and annual leave

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 employees 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.

Employee benefits long-service leave

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



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

j) Borrowings

Borrowings are recognised initially at the transaction price. Borrowings are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

k) Leases

Assets acquired under finance leases are included as property, plant and equipment in the Statement of Financial Position. Finance leases effectively transfer from the lesser to the lessee substantially all the risks and benefits incidental to ownership of the leased property. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges are included in other long-term payables. The interest portion of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

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 the donations of the property, plant and equipment are taken to property, plant and equipment and deferred income at cost.

The deferred income is recognized as 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 recognition

Services rendered

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

The entity recognizes 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 for each of the entity's activities.

Sale of goods

Sale of goods are recognised when the Council sells a product to the customer as control passes to the customer on the day the transaction takes place. Retail sales are usually cash.

Interest income

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

Grant income

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

n) Net Finance charges

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

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

Notes to the Financial Statements *(Cont'd)*

For the Seven Months Ended 31 July 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

o) 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.

p) Value Added Tax (VAT)

Revenue, expenses and assets are recognised net of the amount of respective vat except:-

- where the value added tax incurred on the purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables that are stated with the amount of value added tax included and payables that are stated with the amount of value added tax included.
- The net amount of value added tax recoverable or payable to the tax authority is included as part of the receivables or payables in the Statement of Financial Position.

q) Comparatives

The comparative are the audited figures for the year ended 31 December 2015 and have been regrouped where considered necessary.

r) Change in balance date

The Council changed it's balance date to align it's reporting with that of the Government of Fiji. The balance date of the Government budget and financial reporting is July from 2016 onwards.

3 FINANCIAL RISK MANAGEMENT

Overview

The council's activities expose it to a variety of financial risks; market risk (including currency risk and price risk), credit risk and liquidity risk. The council's controls over these risks focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Council's financial performance.

Risk management is carried out by executive management. Executive management identifies, evaluates and monitors financial risks in close co-operation with the operating units. The Board provides policies for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

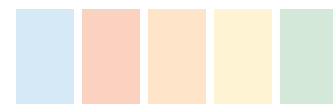
The Board has the overall responsibility for the establishment and oversight of the Council's risk management framework. The Council's risk management policies are established to identify and analyse the risks faced by the Council, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Council's activities.

The Council does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

a) Market Risk

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

Unfavourable changes to duty and tax regulations may expose the Council to a decline in revenue. To minimise this risk, the Council implemented appropriate strategies to ensure that products and prices remain attractive. The Council operates in Fiji and changes to government and the policies they implement affect the economic situation and ultimately the revenue of the Council. To address this, the Council reviews its pricing and product range regularly and responds appropriately to these changes.



Notes to the Financial Statements *(Cont'd)*

For the Seven Months Ended 31 July 2016

3 FINANCIAL RISK MANAGEMENT *continued*

- **Foreign Exchange Risk**

The Council undertakes transactions denominated in foreign currencies. Consequently, exposures to exchange rate fluctuation. Exchange rate exposures are managed within approved policy parameters. Major foreign exchange transactions relates to importation of goods of which settlement is based on spot rates. Foreign currency risk arises from recognised assets and liabilities that are denominated in a currency that is not the Council's functional currency. As a measure, the Council negotiates competitive rates with its bankers to minimise losses and maximise gains when foreign exchange receipts and payments become due.

- **Price Risk**

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

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 and investment securities.

- **Trade and Other Receivables**

The Council's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Council's customer base, including the default risk of the industry in which customers operate, as these factors may have an influence on credit risk, particularly in the currently deteriorating economic circumstances.

c) Liquidity Risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another cash financial asset. The Council's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Council's reputation.

d) Operational Risk

Operational risk is the risk of loss arising from systems failure, human error, and fraud to external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial crisis. The Council cannot expect to eliminate all operational risk, but through a control framework and by monitoring and responding to potential risks, the Council is able to manage risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment procedures.

The following table details the Council's maturity profile of financial instruments as at 31 July 2016:

	Fixed Maturity Dates					Total \$
	Less than 1 year \$	1-2 years \$	2-3 years \$	3-4 years \$	4-5 years \$	
Financial Assets:						
Cash on hand and at bank	523,446	-	-	-	-	523,446
Trade and other receivables	598,641	-	-	-	-	598,641
	1,122,087	-	-	-	-	1,122,087

Notes to the Financial Statements (Cont'd)

For the Seven Months Ended 31 July 2016

4 CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Judgments in Applying the Entity's Accounting Policies

a) Impairment of Accounts Receivable

Impairment of accounts receivables balance is assessed at an individual as well as on a collective level certain debtors in the + 90 days category (excluding those covered by a specific impairment provision) are estimated to have been impaired and are accordingly provided for.

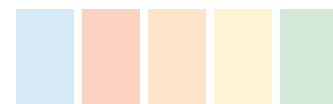
b) Impairment of Property, Plant and Equipment and Investment Property

The Council assesses whether there are any indicators of impairment of all property, plant and equipment and investment property at each reporting date. Property, plant and equipment and investment property are tested for impairment and when there are indicators that the carrying amount may not be recoverable, a reasonable provision for impairment is created. For the seven months ended 31 July 2016 no provision for impairment has been made as the Council reasonably believes that no indicators for impairment exist.

c) Provision for Stock Obsolescence

Provision for stock obsolescence is assessed and raised on a specific basis based on a review of inventories. Inventories considered obsolete or non-saleable are written off in the period in which they are identified.

	31 July 2016 (7 months) \$	31 December 2015 (Re-stated) \$
5. REVENUE		
(a) Operating revenue		
Hiring of facilities	1,765,256	2,474,491
Concession Income	375,540	506,323
Tattersall's revenue	441,853	696,192
Facilities - naming rights sponsorship	323,168	518,290
Facilities - billboards/perimeter	106,409	-
	3,012,226	4,195,296
(b) Other operating revenue		
Amortization of government grant (7 months)	1,433,171	2,167,999
Operating Grant	335,780	-
Government grant utilized	223,615	-
	1,992,566	2,167,999
Total income	5,004,792	6,363,295



FIJI SPORTS COUNCIL

Notes to the Financial Statements (Cont'd)

For the Seven Months Ended 31 July 2016

	31 July 2016 (7 months) \$	31 December 2015 (Re-stated) \$
6. OPERATING EXPENSES		
Audit fees	5,429	19,685
Advertising	34,215	2,179
Bank charges	3,195	29,033
City rates	14,997	70,406
Consultancy fees	11,351	11,091
Council members fees and allowances	25,216	60,630
Council meeting expenses	2,869	4,289
Disposal of asset	13,441	-
Reversal of Receivables - MOE and other *	607,940	-
Facilities operating expenses	737,707	1,163,158
Internet charges	10,822	9,046
Motor vehicle expenses	38,888	34,954
Printing and Stationery	46,962	31,680
Repair and maintenance	349,385	110,293
Rental contract and hiring	171,083	41,504
Other operating expenses	385,871	94,270
	2,459,371	1,682,218

* The receivable on Vat from Ministry of Economy, amounting to \$554,347.83 was reversed upon receiving a written formal advise dated 09th of August, 2018 from the Ministry of Economy on non-reimbursement of the paid VAT. The Vat receivable was booked as payable in 2015 as it remained unpaid till 31st of December, 2015. The Council had paid for and on behalf of the Government of Fiji, the VAT on the Capital Grant of 2015 on the ANZ Stadium upgrade (2012) Loan on the 16th of November, 2016 from its operational income upon the Board authorization. The Government of Fiji had paid the VAT to Fiji Revenue & Customs Services till 2014 and the Council had extended its operational income in order to be in compliant to the Statutory Authority to clear the overdue VAT by the Government of Fiji to Fiji Revenue & Customs Services. The Council has since then followed and requested re-imbusement from the Ministry of Economy, whereby the Council had expected full re-imbusement based on all the communications at that time and being re-assured on the re-imbusement. The other reversal amounting to \$53,592.41 relates to deposits receivable from the suppliers which was booked from prior years and were not collectible till 2016 were reversed upon the Boards approval. Both reversals were approved by the Fiji Sport Council's Board in a Board meeting dated 25th of September, 2018.

7. PERSONNEL EXPENSES

Salaries and wages	948,988	1,436,424
Annual leave	31,436	21,565
Superannuation - Fiji National Provident Fund	91,409	140,974
FNU Levy	9,804	14,476
Staff welfare and other expenses	21,751	41,564
	1,103,388	1,655,003

8. CASH AND CASH EQUIVALENTS

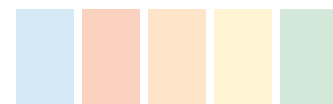
(i) Cash at bank

Petty cash	1,700	2,250
Cash Float	28,000	-
Cash at bank	341,689	157,349
Capital Project account	343,148	616,915
	714,537	776,514

Notes to the Financial Statements *(Cont'd)*

For the Seven Months Ended 31 July 2016

	31 July 2016 (7 months) \$	31 December 2015 (Re-stated) \$
8. CASH AND CASH EQUIVALENTS <i>continued</i>		
(ii) Bank Overdraft		
Bank Overdraft	191,091	174,295
<p>The Overdraft facility with ANZ Banking Group Limited is for working capital requirements of the Council.</p> <p>The current approved limit is \$300,000. The securities for the above facility is disclosed in note 15 of this financial statements.</p> <p>The interest rate is 5% per annum.</p>		
9. OTHER RECEIVABLES		
(i) Current		
Interest receivable	-	3,506
Other debtors - Tattslotto/Staff	59,517	45,000
Prepayments	7,258	-
Receivable deposits	92,593	391,256
* Receivable from Ministry of Economy	204,702	554,348
VAT Receivable	123,259	199,254
	487,329	1,193,364
Less allowance for doubtful debts	-	(21,584)
	487,329	1,171,780
(ii) Non-current		
Receivable deposits	242,274	-
<p>* The Council paid, for and on behalf of the Government, Vat on capital grant for 2015. The Council was expecting re-imburement from the Ministry of Economy and awaited official confirmation on the re-imburement. The re-imburement was officially declined by Ministry of Economy in a letter dated 09/08/2018, whereby the Board of the Fiji Sports Council approved for the reversal of the re-imburement booked in the Board meeting dated 25/09/18. The Ministry of Economy is also liable to pay Vat on capital grant for 2016 to the Fiji Revenue & Customs Services.</p>		
10. TRADE RECEIVABLE		
Trade Receivable	598,641	71,496
	598,641	71,496
11. INVENTORIES		
Inventory	59,279	10,970



FIJI SPORTS COUNCIL

Notes to the Financial Statements *(Cont'd)*

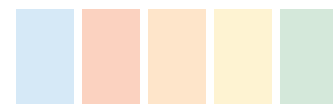
For the Seven Months Ended 31 July 2016

	31 July 2016 (7 months) \$	31 December 2015 (Re-stated) \$
12. TRADE & OTHER PAYABLES		
Accruals	52,810	50,015
Employee entitlements	227,351	42,249
Income Received in advance	136,582	37,380
Other creditors ***	962,585	592,795
Provision for Audit	8,750	-
Trade Payables	637,106	194,835
	<u>2,025,184</u>	<u>917,274</u>

*** Includes \$554,348 payable for VAT on Government Grant of \$4.25m for 2015. This was paid off by the Council subsequently in 2016. \$204,701 is payable for VAT on Government Grant of \$4.25m for seven months (Jan - July 2016).

13. (i) PROPERTY, PLANT & EQUIPMENT

Leasehold land	57,669,339	57,669,332
Provision for Depreciation	(2,340,610)	(1,795,444)
	<u>55,328,729</u>	<u>55,873,888</u>
Buildings and improvement	118,403,172	81,312,682
Provision for Depreciation	(24,419,221)	(15,496,472)
	<u>93,983,951</u>	<u>65,816,210</u>
Sports Equipment	327,705	1,214,687
Provision for Depreciation	(103,195)	(951,639)
	<u>224,510</u>	<u>263,048</u>
Motor vehicle	459,627	459,627
Provision for Depreciation	(429,347)	(455,005)
	<u>30,280</u>	<u>4,622</u>
Plant and equipment	85,700	257,809
Provision for Depreciation	(22,750)	(251,820)
	<u>62,950</u>	<u>5,989</u>
Stadium Upgrade	-	33,836,947
Provision for Depreciation	-	(4,002,725)
	<u>-</u>	<u>29,834,222</u>
Concession/Office equipment	321,403	823,624
Provision for Depreciation	(200,729)	(695,046)
	<u>120,674</u>	<u>128,578</u>
Furniture & Fittings	420,659	383,254
Provision for Depreciation	(335,458)	(305,198)
	<u>85,201</u>	<u>78,056</u>
Net Written Down Value	<u>149,836,294</u>	<u>152,004,613</u>

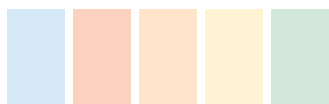


FIJI SPORTS COUNCIL

Notes to the Financial Statements (Cont'd)

For the Seven Months Ended 31 July 2016

13. (ii) PROPERTY, PLANT & EQUIPMENT	Leasehold	Building &	Sports	Motor Vehicle	Plant &	Concession	Office	Furniture &	Total
	Land	Improvements	Equipment	Equipment	Equipment	Equipment	Equipment	Fittings	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost									
Balance as at 1 January 2016	57,669,339	116,804,952	327,705	459,627	23,916	16,137	273,030	383,256	175,957,962
Acquisitions		1,598,220			61,784		32,236	37,403	1,729,643
Impairment Loss									
Disposal									
Balance as at 31 July 2016	57,669,339	118,403,172	327,705	459,627	85,700	16,137	305,266	420,659	177,687,605
Depreciation									
Balance as at 1 January 2016	1,954,166	21,023,502	65,421	420,452	14,152	11,788	157,448	306,419	23,953,349
Depreciation charge for the year	386,444	3,395,718	37,774	8,895	8,598	1,348	30,145	29,039	3,897,962
Prior Year Adjustment									-
Balance as at 31 July 2016	2,340,610	24,419,221	103,195	429,347	22,750	13,136	187,593	335,458	27,851,311
Carrying amount									
Balance as at 1 January 2016	55,715,173	95,781,450	262,284	39,175	9,764	4,349	115,582	76,837	152,004,613
Balance as at 31 July 2016	55,328,729	93,983,951	224,510	30,280	62,950	3,001	117,673	85,201	149,836,294



Notes to the Financial Statements *(Cont'd)*

For the Seven Months Ended 31 July 2016

14. NOTES TO THE STATEMENT OF CASH FLOW

(i) Reconciliation of Cash

Cash and cash equivalents include the following for the purposes of Statement of Cash Flow

	31 July 2016 (7 months) \$	31 December 2015 (Re-stated) \$
Cash at Bank	714,537	776,514
Bank overdraft	(191,091)	(174,295)
	<u>523,446</u>	<u>602,219</u>

(ii) Reconciliation of Net Cash Provided by Operating Activities to Operating Loss After Income Tax

Net (Loss)/Profit After Income Tax	(2,859,597)	83,706,778
Add/(Less) Non Cash Items:		
Depreciation	3,897,962	4,747,808
Amortization of government grant	(1,433,171)	(2,167,999)
Revaluation Surplus	-	(85,990,133)
	<u>(394,806)</u>	<u>296,454</u>
Changes in assets and liabilities during the financial year:-		
(Increase) in Trade & Other Receivable	(84,967)	(616,125)
(Increase)/Decrease in Inventories	(48,308)	12,147
Increase in Trade & Other Payables	1,107,909	424,151
	<u>579,828</u>	<u>116,626</u>

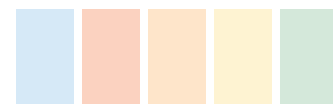
15. INTEREST BEARING BORROWINGS

(i) Australia and New Zealand Banking Group Limited

This Loan was for ANZ Stadium upgrade. Interest was charged at a rate of 5% p.a. in those years.

The securities to be lapsed are a corporate guarantee and indemnity dated 21st February 2013 limited to the amount of \$20m given by the Government of the Republic of Fiji on account of Fiji Sports Council to secure fully drawn advance.

Included in Current Liabilities	<u>2,125,452</u>	<u>4,250,452</u>
---------------------------------	------------------	------------------



FIJI SPORTS COUNCIL

Notes to the Financial Statements *(Cont'd)*

For the Seven Months Ended 31 July 2016

15. INTEREST BEARING BORROWINGS *continued*

(ii) Government of Fiji

The loan from FNPF to the Fiji Sports Council was for the construction of the Lawaqa Park in 1995. The loan was paid by the Government of Fiji for and on behalf of Fiji Sports Council to FNPF in full in 2013.

This loan agreement between Government of Fiji and Fiji Sports Council is arising from cabinet decision dated 30th August 2005 which outlined the following:

- (i) the agreement be drawn up between the Government of Fiji and the Fiji Sports Council (FSC) to recover the loan paid by it to Fiji National Provident Fund;
- (ii) that the FSC commence payment of the principal amount after 84 months from the date of the agreement; and
- (iii) that the FSC will pay interest at 3% per annum on a semi annual basis.

The loan repayment commences in 2022.

	31 July 2016 (7 months) \$	31 December 2015 (Re-stated) \$
Included in Non-current Liabilities	4,450,611	4,452,470
16. DEFERRED INCOME		
Opening balance	58,856,783	54,166,086
Government grant received during the year	3,197,902	6,858,696
	62,054,685	61,024,782
Amortisation transferred to income statement	(1,433,171)	(2,167,999)
	<u>60,621,514</u>	<u>58,856,783</u>

The deferred income includes facilities that were funded by the Government of China for the 2003 South Pacific Games. The deferred income also includes the loan taken from ANZ which was paid off by the Government of Fiji for the upgrade of the ANZ Stadium in 2013 and the grant given by the Government of Fiji for the upgrade of Lawaqa Park in 2015.

17. PRINCIPAL ACTIVITIES

To promote and foster the development of amateur sports and recreation in Fiji including supporting and managing sporting facilities in Fiji.

18. ENTITY DETAILS

(i) Registered Office

FMF Gymnasium
220 Laucala Bay Road
Suva

(ii) Principal Place of Business

FMF Gymnasium
220 Laucala Bay Road
Suva

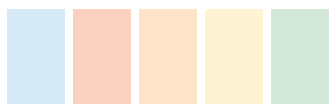
19. SEGMENT REPORTING

(i) Industry Segment

The Council operates predominantly in the sports and events industry.

(ii) Geographic Segment

The Council operates in Fiji and therefore has only one geographical area for reporting purposes.



Notes to the Financial Statements *(Cont'd)*

For the Seven Months Ended 31 July 2016

20. CAPITAL EXPENDITURE COMMITMENTS

As at 31 July 2016, the Council had entered into capital commitments as per assets schedule. The Council signed a new loan agreement of \$2.832m with ANZ Banking Group dated January 2017.

This Loan is to assist the Council with major upgrade works at the FMF gymnasium and newly attached head office structure. Interest is charged at a rate of 4% p.a. and monthly principal and interest repayments are \$52,140.

21. CONTINGENT LIABILITIES & COMMITMENTS

(a) Contingent Liabilities

BW Holdings

The Company has sued Fiji Sports Council (FSC) for breach of contract.

The Plaintiff (BW Holdings) has not pursued this action to trial or arbitration. No steps has been undertaken for a period in excess of 6 years. The lawyers of Fiji Sports Council are now making an application to strike out this matter.

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

Segran Nair

Segran Nair is claiming general damages for breach on contract with judgement in the sum of \$229,135 with interest at the rate of 8% on the judgement sum.

This matter will now be called in September 2017 for mention to fix a new hearing date.

Kings Neon Sign Limited

The case was instituted by Kings Neon Sign Limited against Fiji Sports Council. This matter is set for hearing late in September 2017.

This matter will now be called in September 2017 for mention to fix a new hearing date.

(b) Operating Lease Commitments

FSC has lease agreements with the following:

- (i) Native Land Trust Board to lease lots 1 & 2 of Lawqa & Rakirakilevu contained in lease 23401 in Sigatoka. The lease is for term of 87 years, signed on 1 January 1998 and ending in 2085. The lease payment is \$1,000 per annum.
- (ii) 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 term of 99 years, signed on 1 December 1978 and ending in 2077. The lease payment is \$100 per annum.
- (iii) Government of Fiji to lease lot 1 on SO. 2659 known as Victoria Park contained in lease 12274 Suva. The lease is for term of 99 years, signed on 1 January 1979 and ending on 1 January 2078. The lease payment is \$10 per annum.
- (iv) Government of Fiji to lease lot 1 plan S4488 Muanivatu known as National Aquatic & Netball Centre, contained in lease 13625. The lease is for term of 99 years, signed on 1 November 2001 and ending on 1 November 2100. The lease payment is \$100 per annum.
- (v) Government of Fiji to lease lot 1 on SO 1143 at Veivadravadra, Sigatoka contained in lease 136333. The lease is for term of 99 years, signed on 1 April 1984 and ending on 1 April 2083. The lease payment is \$100 per annum.
- (vi) Government of Fiji to lease lot 69 & 70 at Navua known as Thomson Park, contained in lease 481769. The lease is for term of 99 years, signed on 1 April 1999 and ending on 1 January 2098. The lease payment is \$500 per annum.
- (vii) Native Land Trust Board to lease Lawqa Park at Sigatoka, contained in lease 23401. The lease is for term of 99 years, signed on 1 January 1986 and ending on 1 January 2085. The lease payment is \$7,000 per annum.
- (viii) A crown lease agreement to lease lot 1 SO3262 Penang Reclamation contained in lease 13343 in Rakiraki, Ba. The lease is for term of 99 years, signed on 1 January 1995 and ending on 1 July, 2094. The lease payment is \$100 per annum.

Notes to the Financial Statements *(Cont'd)*

For the Seven Months Ended 31 July 2016

22. RELATED PARTIES

All transactions that occurred between the Council and Companies or Organizations in which a Council may have an interest, either as a member or employee, were at 'arms length' and in normal course of Council.

Transactions with related parties

- (i) The Government of Fiji 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 ANZ Stadium.
- (ii) In 2016, the Council received a grant of \$1,296,516 for capital works.

23. KEY MANAGEMENT PERSONNEL

The following are the key management personnel having authority and responsibility for planning, directing and controlling the activities of the Council, directly or indirectly as at the date of this report:

Litiana Loabuka - Chief Executive Officer
 Vasemaca Drova - Finance Manager (Last date of employment: 31/05/16)
 Ashni Sharma - Finance Manager (Start date of employment: 06/06/2016)
 Sukhia Go - Human Resources Manager (Last date of employment: 02/05/2016)
 Sandhya Gounder - Human Resources Manager (Employment duration: 23/05/2016 - 24/11/2017)
 Eleina McDonald - Operations Manager
 John Pickering - Properties Manager
 Esala Talatala - Internal Audit Manager (Last date of employment: 02/05/2016)
 Alvinesh Chand - Internal Audit Manager (Start date of employment: 21/06/2016)

24. 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.

	31 July 2016 (7 months) \$	31 December 2015 (Re-stated) \$
Loss for the year (2015: previously stated \$4,450,417)	(2,859,597)	(4,500,432)
Accumulated funds at the beginning of the year	(2,931,111)	1,569,321
as previously stated	(2,881,096)	1,519,306
effect of the correction of a prior period error	(50,015)	50,015
Accumulated funds at the end of the year	(5,790,708)	(2,931,111)

In 2016, the Council corrected error in recognition of accrued expenses relating to Water Bills of 2015 that had resulted in the overstatement of operating expenses in 2016.

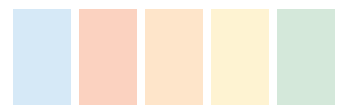
The correction of the error is accounted retrospectively, and the comparative information for 2015 has been restated. The effect of the change is a \$50,015 reduction in profit for the year ended 31 December 2015. The opening accumulated funds for 2016 have been reduced by \$50,015, which is the amount of the error relating to a period before 2016.

25. SIGNIFICANT EVENTS

There were no significant changes in the operations of the Council during the financial year.

26. SUBSEQUENT EVENTS

VAT Receivable from the Ministry of Economy amounting to \$554,347.83 has been officially declined. This was paid subsequent to the financial period by the Council. No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect operations of the Council, the results of those operations, or state of affairs of the Council in future financial years.



fiji sports council



NATURE OF BUSINESS	:	To promote and foster the development of amateur sports and recreation in Fiji including supporting and managing sporting facilities in Fiji.
REGISTERED OFFICE	:	FMF Gymnasium 220 Laucala Bay Road Suva Fiji
BOARD MEMBERS	:	Peter Mazey Elesi Ketedromo Daniel Lobendahn Colin Philp Lt. Col Ifereimi Vasu Vijendra Kumar Sundar Marigold Moody Parmesh Chand Joseva Sania Malakai Veisamasama (Passed away: 02/06/2016)
BOARD SECRETARY	:	Losalini Waqausa
BANKERS	:	ANZ Banking Group Limited ANZ House Suva Bank South Pacific Suva
OFFICES	:	Laucala Bay Road Suva Lawaqa Park Sigatoka

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

fiji sports council



**JAN-JULY
2016
ANNUAL REPORT**