

NATIONAL FIRE AUTHORITY

Annual Report 2008 and 2009

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NFA TODAY

ESTABLISHMENT AND RELEVANT MINISTER

The National Fire Authority (NFA) was established by Government to take effect from 1st February 1995 when it assumed responsibility to provide a national fire service. NFA took over the fire services, which was then operated by the Board of Fire Commissioners of Suva and the Municipal Councils.

NFA is a statutory authority which reports to the Minister responsible for Urban Development.

NFA has since evolved over the years from its informal beginnings to a nation wide emergency service organization, providing a diverse range of risk reduction and fire suppression services to minimize the impact of fires and other life threatening emergencies in the community. NFA is wholly committed to prevention, preparedness, response and recovery phases of emergency situations.

NFA is funded through contributions from insurance companies, the State, water levies and other sources.

OBJECTIVES, FUNCTIONS, POWERS AND DUTIES

Under the National Fire Service Act, 1994 (“the NFS Act”), NFA is the responsible agency for:

- The corporate governance of NFA including the establishment of Board sub-committees.
- Appointment of the CEO.
- General overseeing of the administration and operations of the Authority.
- Establishing strategies and objectives.
- Approvals.
- Monitoring the performance of Management.
- Ensuring effective and efficient communications with all stakeholders.
- Ensuring an effective Human Resources program for the Authority and overseeing the development strategies for senior and high performance officers.

SCOPE OF NFA SERVICE

NFA’s operating environment is the metropolitan cities of Suva and Lautoka, urban towns and their

sub-urban surrounds including some provincial towns.

NFA is responsible for the provision of fire protection services to every community in the Fiji Islands (including Rotuma). Depending on funding availability, an expectant gradual increase in fire fighting resources and capability will enhance NFA’s ability to provide fire rescue and emergency services to every community in Fiji.

- NFA is mandated to protect life and property in the Fiji community.
- NFA volunteers contributed annually to the Fijian economy.
- There is a growing partnership between NFA and the National Disaster Management Office (NDMO) in the operation of Fiji’s major emergency coordination centre.

NATURE AND RANGE OF SERVICES PROVIDED

As a Statutory Authority, NFA is a community focused emergency management organization, providing a diverse range of services to contribute to the safety and well being of the people of Fiji.

NFA’s operations rely on the skills of an integrated force of career and volunteer personnel. NFA members are dispersed throughout Fiji, united through a commitment to enabling **a community well prepared and supported to achieve minimal impact from fire and other emergencies.** NFA is building strategic relationships with the local communities and provides fire and related emergency coordination including:

- Community awareness, education and fire safety and prevention programs.
- Structural fire suppression.
- Transport related fire suppression.
- Road accident Rescue.
- Technical rescue such as high angle trench and mine operations.
- Hazardous materials transportation and storage incidents.
- Industrial accident response.
- Other emergency activities including flood evacuation assistance.
- Technical services including Building Code-related inspections and post incident investigations.
- Fire safety input planning for major community risks.
- Bush, cane and rubbish fire suppression.

A QUICK LOOK AT NFA

Brigades	2008	2009
Permanent Fire brigades	27	27
Volunteer Fire brigades	21	21
Regional head quarters	3	3
National Head Quarters	1	1
NFA People		
Career firefighters	260	252
Auxiliary firefighters	12	1
Volunteers	37	39
Administration and Technical support Staff	17	19
Total NFA People	326	311
Incident Management		
Total number of incidents	1236	1856
Total number of brigade turnouts.	1236	1856
Buildings and Land		
Fire Stations Central/Eastern Division	6	6
Fire Stations Western Division	7	7
Fire Stations Northern Division	4	3
Head Quarters	1	1
Mechanical Workshop	1	1
Communications Workshop	1	1
Residences	3	3
Vehicle Fleet		
Tanker	6	8
Pumper	5	5
Fire Tender	20	20
Ladder Truck	1	1
Rescue Vehicles	4	4
Slip-On Vehicles	2	3
Hazardous Materials Unit	1	1
Executive vehicles	3	3
Communications Infrastructure		
Base Radios	16	16
Mobile Radios (Vehicle mounted)	43	43
Smokehouse Units	2	3
Sponsored by Goodman Fielder	1	1
Sponsored by Vodafone ATH Fiji Foundation	1	1
Sponsored by Leadership Fiji	-	1

CHAIRMAN'S STATEMENT

Colonel Samuela Saumatua
Minister for Local Government, Urban Development
Housing and Environment
Fiji FA House
Suva

Dear Minister

On behalf of the Board, I am pleased to submit the annual report on the activities of the National Fire Authority (NFA) and its administration for the years ended 31 December 2008 and 2009, in accordance with the requirements of the National Fire Services Act, 1994.

The delay in submission of these annual reports for 2008 and 2009 has been due to the introduction of the new International Financial Reporting Standards which was adopted for the financial year ended 31 December 2009. The adoption of these new reporting standards contributed to the recent completion of the financial audits of the Authority for these periods. Every effort is now being focused on the early completion of the financial audits for the ensuing years in order to re-align the Authority's annual reporting in accordance with the requirements of the National Fire Service Act, 1994.

Nonetheless, the Authority's statutory mandate is to protect life and property and as such the reduction of fire incidences and consequences continues to be of paramount importance to the Authority. This may involve the need to review our intervention strategies across risk reduction, readiness and response to deliver on that mandate.

One of the major achievements during this reporting period has been the approved amendments to the National Fire Service Act, 1994 by Cabinet by way of the National Fire Service (Amendment) Decree, 2009, which has strengthened NFA's role particularly in the enforcement of fire safety compliance as well as established NFA's key role during natural disaster management operations with other emergency agencies.

We would, therefore, like to acknowledge the contributions made by the previous Boards towards NFA's strategic development and recognize the concerted efforts and contributions made by the Management and Staff in ensuring that the objectives and expectations of the National Fire Authority by Government and the people of Fiji, were met.

Since coming into Office in December 2011 with the incumbent CEO, Mr John O'Connor it has been our collective desire with the Board to promptly address the delay in submission in NFA's Annual Report beginning from 2008. The intent is to complete the 2010 and 2011 annual reports in the first quarter of 2013.

Please be advised that the 2008 Financial Report was endorsed by the Board at that time, however, the 2009 Financial Report was reviewed by the current Board of Directors.

Honorable Minister, we also record our gratitude for your continued support and that of your Ministry and the Government towards assisting NFA in enhancing the delivery of our services to the people of Fiji. We trust that the ensuing reports will provide you with an adequate update of the activities carried out by the Authority in 2008 and 2009.

Vinaka



Francis Bulewa Kean
BOARD CHAIRMAN
National Fire Authority

23 November 2012

CORPORATE GOVERNANCE

The Authority has formalized Board and Sub-Committee arrangements in a Governance Framework in accordance with the National Fire Service Act, 1994, that will realize the development of strategies required for the Authority to achieve its agreed objectives and monitor progress and performance.

NFA Board

The National Fire Authority of Fiji Board is constituted under the National Fire Service Act, 1994 and is accountable to the Minister responsible for Urban Development. The Act provides for a Board of seven (7) members of the Authority comprising of the Chairman, Deputy Chairman and 5 other members who are appointed by the Minister for a term of three (3) years.

The Chairman and Board Members are paid fees and allowances out of its fund as the Minister may determine.

Members of the NFA Board are required to observe NFA's Code of Conduct and other requirements specified by NFA's Governance Framework. They are also required to disclose any conflict or pecuniary interests.

Authority Members

1. Mr John Low	Chairman – Appointed 17 May 2007
2. Mr Peter McPherson	Deputy Chairman – Appointed 31 December 2007
3. Mrs Litia Mawi	Member – Permanent Secretary for Local Government, Urban Development & Housing
4. Mr Jone Mika	Member – Re-appointed 17 May 2007
5. Mr Azmat Khan	Member – Re-appointed 17 May 2007
6. Mr Satish Badal	Member – Re-appointed 17 May 2007
7. Mrs Senileba Levaci	Member – Appointed 17 May 2007 and resigned 29 April 2008
8. Mr Jagat Singh	Member – Appointed 14 August 2008

Role of the NFA Board

Responsibility for the Authority's overall performance rests with the Board, who ensures appropriate risk management strategies are in place and that NFA complies with relevant legislation, Government's requirements, and its own corporate objectives in the annual Business Plan and the Strategic Roadmap for Fire Safety and Mitigation.

The primary role for the NFA Board is to:

- Develop and implement strategic plans to meet NFA's legislated responsibility;
- Formulate policy;
- Ensure systems and processes for proper accountability and managing risk are in place;
- Monitor the performance of NFA; and
- Ensure its compliance obligations are met.

Board Sub-Committees

To assist the Board in effectively dealing with complex or specialized issues and fulfilling its decision making role, the Board reviewed the membership, roles and functions of its standing Sub-Committees. The four Sub-Committees are Finance, Human Resource, Legal and Works and they make recommendations for action to the full Board, which retains collective responsibility for decision making.

Works Sub-Committee

The role of the Works Sub-Committee is to monitor, review and report to the Board the adequacy of the capital projects being undertaken by the Authority.

Members:

- Mr Azmat Khan (Chairman)
- Mr John Low
- PS Local Govt, Urban Dev & Public Utilities or his rep

Finance Sub-Committee

The role of the Finance Sub-Committee is to monitor and report to the Board on corporate governance, compliance and risk management processes, including external audit functions of NFA.

Members:

- Mr Satish Badal (Chairman)
- Mr John Low
- Mr Peter McPherson
- PS Local Govt, Urban Dev & Public Utilities or his rep

Human Resource Sub-Committee

The role of the Human Resource Committee is to take specific responsibility for recommending to the Board NFA's policy and practice for Executive Officer appointments and remuneration review processes. It is also responsible for reviewing and recommending to the Board remuneration and terms and conditions concerning all non-executive employees.

Members:

- Mr Jone Mika (Chairman)
- Mr John Low
- Mr Azmat Khan
- PS Local Govt, Urban Dev & Public Utilities or his rep

Legal Sub-Committee

The role of the Legal Sub-Committee is to assist the Board and Management in dealing with law-related issues including litigation efforts, settlement negotiations, investigations and preparation for future litigations that may be brought by or against the Authority. The Committee also evaluates the application of governance principles adopted by the Board and evaluates, assesses and recommends to the Board appropriate action with respect to related party transactions.

Members:

- Mr Jagat Singh (Chairman)
- Mr John Low
- Mr Jone Mika
- Mr Azmat Khan
- PS Local Govt, Urban Dev & Public Utilities or his rep.

Executive Management Team

The Board delegates the responsibility of the management of the Authority to the Chief Executive Officer and his Executive Management Team (EMT) to ensure an efficient and capable fire service. The EMT comprises:

- Chief Executive Officer – Mr Joseva Gavid
- Director Operations and Chief Fire Officer – Mr Mark Reid
- Director Corporate Services and Board Secretary – Mr Jone Koro

EXECUTIVE MANAGEMENT REPORT

OVERVIEW

NFA faced a lot of challenges in 2008 with the introduction of annual Business Plans as a vehicle to put in motion the progressive achievements of the objectives outlined in the *Strategic Roadmap for fire safety and mitigation in Fiji*. The key strategic elements of NFA's new Roadmap identified six priorities:

- Strengthening of NFA's capacity and service delivery
- Community education, marketing and engagement
- Fire service performance monitoring and reporting
- Partnerships and strong stakeholder relationships
- Appropriate legislative and policy framework
- Appropriate and sustainable NFA funding arrangements

The key driver for the 2008 Business Plan was to immediately address the roadblocks that were hindering NFA's service delivery. These particularly relate to ensuring the availability of water, strengthening structural fire safety, reviewing legislation to strengthen NFA's role, enhancing community fire safety education and NFA's funding and partnership arrangements with its stakeholders. Addressing these issues will realize a reduction in incidences and negative consequences of fire for Fiji's Communities and contribute to Government's goal of "building safer communities" by "working in partnership with communities".

The 2009 Business Plan continued pursuing the objectives of the Strategic Roadmap in addressing the shortfalls and roadblocks that continued to hinder NFA's effective and efficient service delivery. This involved the improvement in resources and strengthening operational service delivery, and the enhancement of NFA's image through the promotion of NFA's new corporate brand and image to reflect a new and efficient fire service.

Service Performance and Productivity

Our people attended a number of significant fire incidents and reported their findings in support of our continued drive to reduce the number of fires and minimize the impact of fire on our communities. These incidents are highlighted in the Operations section of this report.

The improved performance of our people depended largely on the need for regular training to upskill the fire fighters to undertake their fire emergency and rescue roles, procurement of firefighting and rescue equipment, personal protective clothing and equipment, and fire appliances to replace the fast ageing vehicle fleet.

The replacement of dilapidated fire stations was also a priority for the NFA during the period, following the completion of the new Sigatoka fire station and the securing of land for Nadi, Savusavu, Rakiraki, Tavua and Navua to facilitate the construction of new fire stations in those areas. Groundbreaking ceremonies for the commencement of construction of the Nadi and Savusavu fire stations were held in May and August 2008, respectively.

The establishment of bilateral co-operations with Government departments, international Fire emergency agencies, purchase of fire appliances and protective equipment and clothing has realized great improvements in the conduct of our service delivery. Positive media coverage has been a good indicator of NFA's progress and the support of the mass media towards NFA's renewed direction.

Incidences and Consequences of Fire

The total number of incidents recorded for 2008 was 1,236 whilst a total of 1,856 was recorded for 2009. The 50% increase in the incidents over this period is attributed to a marked increase in grass, rubbish and cane fires. A major contributing factor has been the prolonged dry weather conditions particularly in the Western and Northern divisions. There was, however, a 16% decrease in property fires over the two-year period.

Proactive fire prevention methods were promoted through the strengthening of structural fire safety inspections and commercial training. However, issues relating to the enforcement of fire safety compliance in buildings and businesses were a major drawback which prompted the urgent need for NFA to pursue appropriate amendments to the National Fire Service Act to strengthen NFA's fire safety compliance and enforcement roles.

Fire Safety Coordination

Fire safety education programs delivered by the NFA resulted in improved fire safety knowledge, behavior and response skills among the public. Partnerships with external organizations were developed and enhanced to help the NFA improve the public's knowledge about fire safety and fire-safe behavior and how to respond to fire. Such partnerships with Vodafone ATH Fiji Foundation and Leadership Fiji realized the sponsorship of two new Smokehouse units which were assigned to the Western and Northern divisions, respectively, for the enhancement of fire safety education for the school children in all the regions. Documentaries and news media coverage of fires with fire safety messages also contributed to greater public awareness.

Legislative Amendments

For the effective implementation of structural fire safety compliance inspections in accordance with the National Building Code of Fiji, the National Fire Service Act, 1994 was reviewed and the proposed amendments identified. These amendments to the NFS Act, 1994 were discussed at a public forum and a legal consultant was engaged to provide professional assistance and advice during the consultation process.

Objectives of the amendments to the Act relate to: the enlargement of NFA powers, strengthening and clarification of duties and function, establishment of coordination committees, enhancement of revenue raising powers, reduction and elimination of weaknesses/ roadblocks, increase in the quality of service delivery, and the reduction in losses from fires and related emergencies. Cabinet approved these amendments to legislation by way of the National Fire Service (Amendment) Decree, 2009.

REPORT ON OPERATIONS 2008 AND 2009

EMERGENCY INCIDENT RESPONSES

The number of incidents attended to by NFA for each year is as follows:

Incident	2008	2009
Property fire	271	228
Motor vehicles/Bus	53	47
Grass/Bush/Cane/Rubbish	136	671
Special services/ Malicious/Others	185	287
Private Fire Alarms	591	623
Total	1,236	1,856

FIRE CAUSES

The most common causes of structural fires are men, women and children and the need for change in attitude towards fire safety is one of the biggest challenges for NFA and the Fiji community. The most common causes of house fires during the period have been:

- Unattended cooking
- Electrical-related fires
- Children playing with matches
- Poor placement of mosquito coils, candles, diyas etc.

SIGNIFICANT INCIDENTS

January

2008 - A fatal fire occurred in Nukui, Rewa during Tropical Cyclone Gene where an elderly man died in his home. Cause of the fire was a lit candle fallen over and igniting nearby combustibles. Flood evacuation and relief activities were carried out in all divisions during the month following Cyclone Gene.

2009 - Conducted flood rescue operations following heavy rainfall particularly in the Western division.

February

2009 - A significant fire occurred at the Koro Sun Resort in Savusavu which destroyed the kitchen facilities. Another significant fire occurred at Aarkay Motors in Suva which completely destroyed the automotive workshop and its contents.

March

2008 - Firefighters contained a fire on the 5th floor of the Parade building in Knolly St, Suva occupied by Colonial National Bank. The fire destroyed the entire 5th floor. This fire was of significance having been the first major high-rise building fire for NFA. The cause of fire was an electrical fault in the ceiling mounted air conditioning unit.

May

2008 - A significant fire incident on the roof of the 9-storey Tanoa Plaza Hotel which firefighters managed to stop its spread to the rest of the building.

August

2008 - RAR incident at Tagaqe where two people died due to a vehicle accident. Another RAR incident occurred in Naievuevu, Cuvu where a bus fire resulted in 12 fatalities and a number of serious injuries.

September

2008 - A house fire in Raviravi, Ba resulted in the death of a 6-year old boy. Another house fire in Wasavulu, Labasa resulted in the death of a male adult.

October

2008 - A silo containing 1200 tons of split peas collapsed at the FMF plant in Walu Bay. NFA responded this search and rescue operation for a 24-year old man who died instantly when he was pushed by the peas under a nearby gas tanker.

An 8-year old boy died from burns received in a fireworks incident during the Diwali celebrations whilst a 4-year old boy died in a house fire in Lautoka after locking himself in the bathroom even though he had previously escaped from the fire.

November

2008 - A significant fire incident occurred at the old fish factory building at PAFCO in Levuka. Another significant fire incident occurred at Kaba's Supermarket in Naqara, Taveuni where NFA firefighters stopped the fire from spreading to 6 nearby houses and a 10,000 litre diesel tank.

FIRE SERVICE DELIVERY

Fire hydrants

In 2009, a fire hydrants review exercise was conducted in all the fire stations to plot all existing fire hydrants, identify defective hydrants and additional hydrants required. This exercise facilitated the requirements of a Cabinet submission seeking grant allocation for the installation of additional fire hydrants and replacement of the defective ones.

A total of 2,194 existing hydrants were confirmed as on the ground and a total of 2,631 hydrants were proposed to meet the shortfall of fire hydrants located in the main centers around the country. NFA focused on high risk priority areas for the installation of hydrants in urban centres. Other options for availability of water for fire suppression will be explored for rural areas.

All future new developments will be expected to include the purchase and installation of fire hydrants required for that area, as part of the project development cost.

Water supply

Consistent water supply in major areas, particularly in the Western division, continues to pose a major risk for the effective delivery of fire fighting operations. Whilst consultation with the department of water supply continues, Stations have been assigned to identify alternative water sources as a secondary means of water supply. Secondary water sources such as nearby rivers, creeks, swimming pools, water tanks and natural pools have been identified by each Station. In the event of high risk areas without a secondary water source, discussions are held with community leaders to propose the installation of water tanks as an alternative water supply as well as a secondary water source for fire operations.

Fire appliances and Equipment

NFA had a total of 45 vehicles by the end of 2009 compared to 42 vehicles in 2008. The increase is attributed to the donation of a brand new light rescue vehicle by the Coral Coast Chapter of the Fiji Islands Hotels & Tourism Association in 2008 for use by NFA's Sigatoka Fire Station. This new vehicle is a rapid response light fire rescue with RAR capability, equipped with a combination cutter/spreader hydraulic rescue tool (Jaws of Life). This vehicle provides coverage between Pacific Harbor and the Natadola turnoff corridor.

Three new fire appliances and 100 new fire tunics were imported from China in 2009 to supplement the current fast ageing vehicle fleet and provide much needed protective clothing required by the fire fighters, respectively. The new fire appliances include a 12,000 litre and a 5,000 litre tank capacity fire appliances and a quick response vehicle.

FIRE SAFETY COMPLIANCE

Structural Fire Safety

This department was established in July 2007 to reduce and/or prevent liabilities, improve capacity to deliver quality services and help contribute to the full compliance of the fire requirements of the Building Code of Fiji and National Fire Service Act, 1994.

Structural fire safety activities involved the following:

- Approval of building plans
- Fire safety compliance inspections
- Business license renewals
- Liquor license renewals

NFA has consulted with all municipalities and rural authorities in a bid to seek their cooperation with regard to NFA's SFS objectives as outlined in the Roadmap. Meetings were also held with Architects and Engineers to continue the good working relationship. Workshops were held to up-skill NFA staff on the requirements of the National Building Code relating to Fire safety compliance.

It is encouraging to note the positive feedback from municipalities, fire agents and suppliers on the realigning of their approval procedures and processes for annual business licenses and liquor license renewals to include compliance to fire safety requirements.

The strengthening of NFA's role in the NFS Act has empowered our fire officers to carry out their duties effectively. This process has, however, highlighted the need for NFA to draw up a National Fire Policy and Regulations on the standards for all Fire safety equipment and Certification of Agents.

Commercial Training

Many businesses look to NFA as the expert authority for fire related training requirements and staff had tried very hard to provide the learning outcomes that customers required. The enactment of the Health and Safety at Work (HASAW) promulgation requires businesses to formalize their fire safety training requirements.

The establishment of a dedicated commercial training department in April 2008 was based on three distinct reasons:

- Increasing the level of fire safety awareness and training in the commercial sector through the delivery of structured programs.
- Establish an additional income stream by charging commercial rates for the delivery of commercial training programs.
- Equip the community in preparedness and response for fire and other emergencies in line with NFA's vision.

In April 2009, the NFA was recognized as a Private-Vocational School under the provisions of the Education Act, to conduct courses for:

- Fire Evacuation drill
- Fire Safety at Work
- Fire Warden training
- Fire Team training.

In September 2009, the Training Productivity Authority of Fiji (TPAF) approved NFA's approval for the above courses to be Grant claimable; the currency of the competency will probably need to be determined.

The introduction of the HASAW legislation has increased the requirement for most companies employing more than ten people to undertake at least one of the proposed training products. Organizations with staff greater than thirty will require three of our training products.

A total of 31 fire officers were approved by TPAF as authorized trainers where 13 were based in the Central division, 13 in the Western division and 5 in the Northern division.

A total of 122 fire evacuation drill exercises were conducted in 2009 at more than 50 work sites. More than 1,320 workers from over 20 organizations were trained in Fire Safety at Work, about 1,000 workers from more than 20 companies underwent Fire Warden training and 2 organizations underwent Fire fighting team training which involved a total of 40 workers.

FIRE SAFETY AWARENESS

Fire Safety Awareness

Community awareness activities have basically involved the delivery of fire safety messages to the various communities in each station area. A popular program with the communities and the children especially, has been the *Twisties* Smokehouse visits with "Smockey the Fire Bird" and practical exercises that the children participate in after a lecture and demo by the fire officer. These programs have been very effective with the children from pre-school through to class 8 and NFA continues to acknowledge with gratitude the continued partnership and support of Goodman Fielder Fiji Ltd, who sponsored this *Twisties* Smokehouse unit.

The sponsorship of a second Smokehouse unit by the Vodafone ATH Fiji Foundation was a welcome addition to NFA's fire safety campaigns. This new *Vodafone* Smokehouse unit has been assigned to cater for the fire safety campaigns in the Western division. A third Smokehouse unit is currently being manufactured locally and sponsored by Leadership Fiji. This Smokehouse unit will be assigned to the Northern division to cater for the fire safety awareness programs in the North.

NFA is grateful for the partnerships and support by the business community for the enhancement of fire safety messages to the community.

National Fire Safety Week

Fiji's first ever National Fire Safety Week was held in October 2008 to raise Fire prevention and safety at the national level to enhance public awareness on the importance of fire prevention and preparedness. The theme: "Keep your home Fire Safe...It's Your Job!" was arrived at following the trend of increasing residential fires and in particular the consistently high fatality rate of 8 deaths per annum caused by residential fires recorded in 2005, 2006 and 2007. This theme was continued in 2009's National Fire Safety Week program.

FINANCIAL SUMMARY

Income

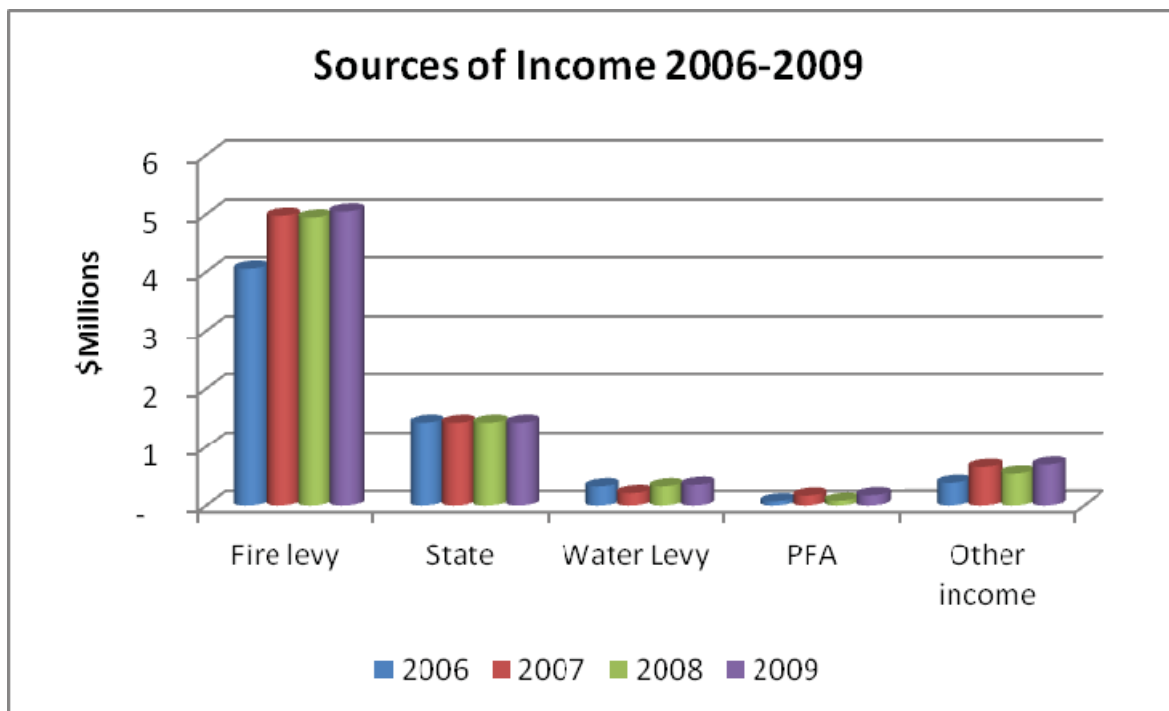
Total income for 2009 was \$7,688,738 compared to \$7,312,539 for 2008. The slight increase in income was attributed to a marked improvement in fire safety compliance inspections and commercial training, and the billing and vigorous collection of false alarms monitoring and attendance.

Sources of Income

The major sources of income for NFA during the period were:

- Fire insurance levies contributions of \$5.05 million in 2009 compared to \$4.95 million in 2008.
- Annual Government grant totaling \$1.4 million vep in 2008 and 2009.
- Water levy contributions totaling \$350,000 for 2009 compared to \$324,497 for 2008.
- Structural fire safety compliance inspections totaling \$315,841 in 2009 compared to \$159,435 in 2008.

Government grants represented 18% of the total income and remained at the same level as the previous year. These grants are utilized for NFA's capital projects.

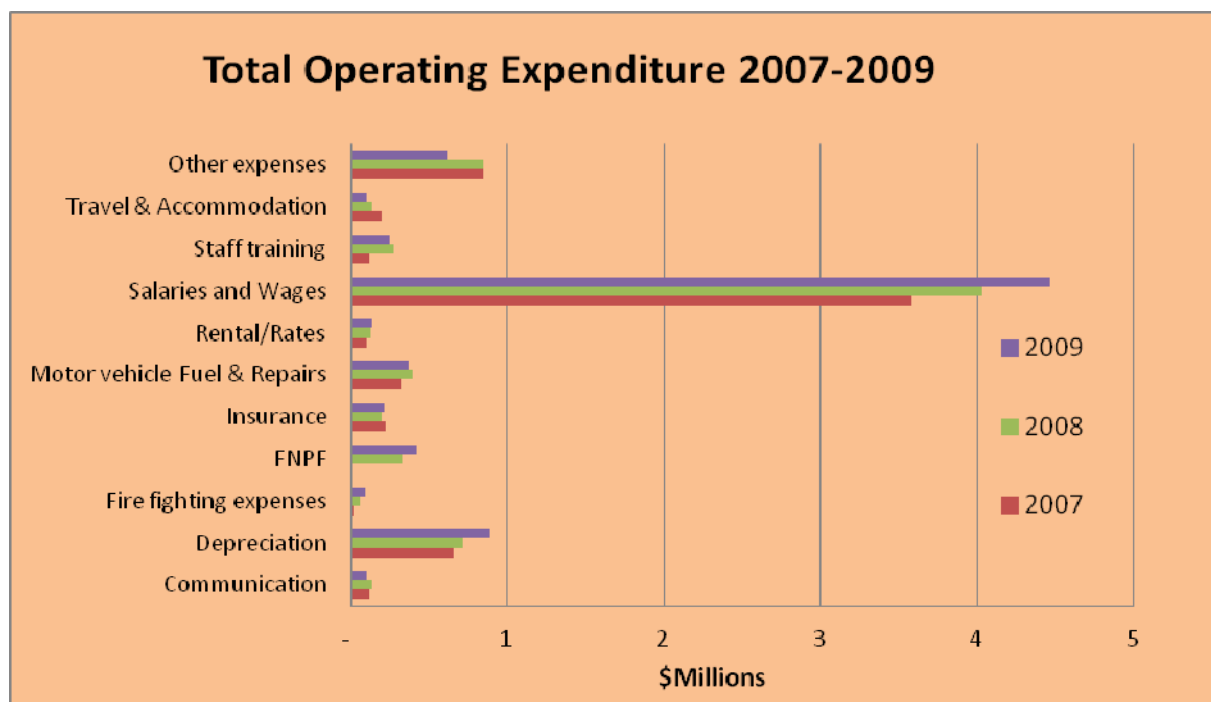


Expenses

The total expenditure for 2009 was \$7.64 million compared to \$7.23 million for 2008. The increase in expenditure levels has been attributed mainly to the increase in employee benefits and other expenses.

In 2009, \$4.9 million (2008: \$4.4 million) was attributed to salaries and other employee expenses such as superannuation and employee benefits.

Total operating and administration expenses for the years 2008 and 2009, compared against 2007, were distributed as follows:



FINANCIAL PERFORMANCE

The financial performance of the Authority for the years ended 31 December 2008 and 2009 are detailed in the appended audited financial statements respectively.

OUR PEOPLE

The total number of permanent staff as at 31 December 2009 was 271, compared to 277 staff in 2008. The decrease is largely attributed to the retirement of two operations staff, termination of three staff whilst four tendered their resignation. However, the firefighters have increased in the number of career fire fighters from 186 to 242 following the recruitment of an additional 60 officers in 2008 (30) and 2009 (30).

Type	2008	2009
Career firefighters	260	252
Administration & Technical Staff	17	19
Auxiliary firefighters	12	1
Volunteer firefighters	37	39
Total	326	311

Retirements

- Josaia Matanibuka, Senior Firefighter, Nausori retired after 26 years of service
- Tupou Saubulinayau, DFO Structural Fire Safety retired after 31 years of service

Resignations

- Rohit Chand, Senior Firefighter, Ba Fire Station, effective 26th September 2009
- Jagath Karunatne, Manager ICT, 30th Jan 2009
- Patrick Young, Manager Training & Development, 6th March 2009
- Simeli Tuivaga, Admin Driver, 27th November 2009
- Temalesi Tunidau, Part Time Cleaner, July 2009

International collaborations

Japan

- Firefighter Joeli Naqase of Labasa, Water Rescue Course, 2008
- Senior Firefighter Epenisi Rigamoto, Suva, Water Rescue Course, 2008
- Senior Firefighter Laisiasa Tui, Valelevu, Fire Fighting Techniques, 2008
- Sub Officer Sefanaia Cola, Lautoka, Fire Prevention Techniques, 2008
- Two technical advisors from the Matsusaka Fire Service were seconded for 3 months to provide technical assistance with the aim of improving NFA's service capability and technical skills of its fire officers, 2009
- Senior Firefighter Jimmy Chow, Valelevu, attended the Rescue Techniques Course in Osaka Japan, 2009

Malaysia

- Senior Firefighter Apisalome Biautubu, Suva, attended the International Structural Fire Fighting Course, 2008
- Senior Firefighter David Fong Toy, Savusavu, attended the Rope Rescue Course, 2008
- Senior Firefighter Epenisi Rigamoto attended the Road Traffic Accident Management Course, 2009

Australia

- Ms Soela Naivolasisiga (HR Officer), Ms Mileta Ting (Corporate Affairs Officer) and Ms Ashni Deo (Accountant) were on a two weeks work attachment with Country Fire Authority, Australia, Feb 2008
- Long Term Work Attachment – Divisional Fire Officer Qionilau Moceitai was on a one year work attachment with the Country Fire Authority, from July 2008-July 2009
- Senior Firefighter Tevita Seru and Senior Firefighter Shamsheer Nabi attended a two-weeks Fire Investigation Course in Fiskville Training College, CFA, 2009
- Mr Jone Koroi (Director Corporate Services & Board Secretary) attended the AFAC Conference, in Melbourne Australia, 2009
- Mr Michael Sanipati (Mechanic) and M Hauma Sa'anga (Senior Mechanic), were on work attachment with the Cranbourne District Mechanical Workshop for CFA, 2009

China

- Successful negotiation of an agreement in principle for a Memorandum of Understanding with the Chinese Fire Service for the provision of technical assistance to NFA.

PUBLIC RELATIONS

Media and Stakeholder communications

There has been positive media coverage about NFA since the engagement of the new Corporate Affairs department whose networking arrangements with all Media agencies have educated them on NFA's operations and constraints, being more proactive in alerting the Media on NFA's success stories and operations, and on time when defending NFA on negative publicity or criticism.

NFA's new website www.nfa.gov.fj was developed with the assistance of Government's ITC department and launched in April 2008 as a great marketing and information window to the world and a cost-effective tool for public relations and information dissemination.

Rebranding of NFA

NFA achieved a milestone event in launching its new NFA brand in April 2009 that changed the image of the fire service to reflect the effective and efficient services that it has the potential to provide. The brand communicates great potential for Fiji's Fire Service to go beyond our shores.



The 3D gridded pattern suggests useful inter-connectivity, implying teamwork, synergy and cooperation within NFA and between relevant stakeholders in building safer communities.

The motto: ***Always Ready*** denotes how readiness can make all the difference in the time of an emergency.

The rebranding exercise signaled NFA's change in direction, focus and attitude, embarking on a major shift in strategic direction. NFA has been pigeonholed as a fire response entity which is no longer true because we have moved from just traditional fire response to a wider range of services.

Our current positioning in the marketplace is no longer reflective of our business and therefore change is inevitable to reflect how NFA will become a modern fire service by realizing our full service delivery potential.

The classic NFA insignia remains an integral part of NFA's identity, both as a unifying symbol and as a reminder of a rich and proud history. The emblem will continue to play an important part of NFA's corporate identity, serving as a frontline operations badge. And where this should happen, the more corporate or brand-oriented logo will simply play an endorsing role.



**NATIONAL FIRE AUTHORITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

**NATIONAL FIRE AUTHORITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

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Directors Report

Year Ended 31 December 2008

In accordance with a resolution of the Authority, the members submit the balance sheet of the Authority as at 31 December 2008, and the related income statement, statement of changes in equity and statement of cash flows for the year ended 31 December 2008 and report as follows:

Authority's members

The names of the Authority's members during the year and up to the date of this report were:

<u>Member</u>	<u>Appointed</u>	<u>Term Expired</u>
John Low	17/05/2007	
Peter McPherson	31/12/2007	
Satish Badal	17/05/2007	
Jone Mika	17/05/2007	
Senileba Lavaci	17/05/2007	29/04/2008
Azmat Khan	17/05/2007	
Jagat Singh	14/08/2008	31/03/2010

State of affairs

In the opinion of the directors:

- there was no significant change in the state of affairs of the Authority that occurred during the financial period under review not otherwise disclosed in this report or the financial statements; and
- the accompanying balance sheet gives a true and fair view of the state of affairs of the Authority as at 31 December 2008 and the accompanying incomes statement, statement of changes in equity and statement of cash flows gives a true and fair view of the result, changes in equity and cash flows of the Authority for the period then ended.

Principal activities

The principal activities of the Authority during the course of the financial year were to coordinate the Fiji National Fire Service activities for the purpose of fire protection and other emergencies and establish courses of training to members of the fire service.

Operating result

The operating profit of the Authority for the year 31 December 2008 was \$80,554 (2007: \$1,249,758).

Reserves

There were no amounts transferred to or from reserves during the year.

Dividends

There was no dividend paid during the year.

Directors Report Year Ended 31 December 2008

Other matters

As at the date of this report:

- (a) The Authority's members are not aware of any circumstance which would render the values attributed to current assets in the Authority's financial statements misleading.
- (b) (i) No charge of the assets of the Authority has been given since the end of the financial year to secure the liabilities of any other person;
- (ii) No contingent liabilities have arisen since the end of the financial year for which the Authority could become liable except as disclosed in the financial statements;
- (iii) As at the date of this report, the Authority members are not aware of any circumstances that have arisen, not otherwise dealt with in the report, which would make adherence to the existing method of valuation of assets or liabilities of the Authority misleading or inappropriate; and
- (iv) Apart from the matters specifically referred to in the financial statements, in the opinion of the Authority members the results of the operations of the Authority during the financial year were not substantially affected by any item, transaction or event of an abnormal nature.

Events subsequent to balance date

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

Dated at Suva this 18th day of March 2011.

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



Chairman



Member

Statement by Directors Year Ended 31 December 2008

In accordance with a resolution of the members of the National Fire Authority, we state that in the opinion of the members:

- i. the accompanying balance sheet of the Authority is drawn up so as to give a true and fair view of the state of affairs of the Authority as at 31 December 2008;
- ii. the accompanying income statement of the Authority is drawn up so as to give a true and fair view of the results of the Authority for the period ended 31 December 2008;
- iii. the accompanying statement of changes in equity of the Authority is drawn up so as to give a true and fair view of the changes in equity of the Authority for the period ended 31 December 2008;
- iv. the accompanying statement of cash flows of the Authority is drawn up so as to give a true and fair view of the cash flows of the Authority for the period ended 31 December 2008;
- v. at the date of this statement, there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due; and
- vi. all related party transactions have been adequately recorded in the books of the Authority.

For and behalf of the Authority and in accordance with a resolution of the Authority's members.

Dated at Suva this 18th day of August 2011.



Chairman



Member



8th Floor, Ratu Sukuna House,
Mackintosh Street,
P. O. Box 2214,
Government Buildings,
Suva, Fiji Islands

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ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

INDEPENDENT AUDIT REPORT

NATIONAL FIRE AUTHORITY ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

Scope

I have examined the financial statements of the National Fire Authority for the year ended 31 December 2008 in accordance with Section 37 of the National Fire Services Act and Section 3 of the Audit Act. The National Fire Authority is responsible for the preparation and presentation of the financial statements and the information contained therein. The financial statements consist of the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Statement of Cash Flows and the accompanying notes.

I have conducted an independent audit of these financial statements in order to express an opinion on them.

My audit was conducted in accordance with the International Standards on Auditing to provide reasonable assurance as to whether the financial statements are free of material misstatements. My audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with the accounting policies stated in Note 1 of the financial statements, government instructions and regulations so as to present a view which is consistent with my understanding of the Authority's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Unqualified Audit Opinion

In my opinion:

- (a) proper books of accounts have been kept by the Authority, as far as it appears from my examination of those books; and
- (b) the accompanying financial statements which have been prepared in accordance with International Financial Reporting Standards;
 - (i) are in agreement with the books of account
 - (ii) to the best of information and according to the explanations given to me:

- give a true and fair view of the state of affairs of the Authority as at 31 December 2008 and of the results of the Authority for the period ended on that date; and
- give the information required by Section 37 of the National Fire Services Act in the manner so required.

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



Tevita Bolanavanua
AUDITOR-GENERAL

Suva, Fiji

24 March 2011



**INCOMES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 \$	Restated 2007 \$
Income			
Revenue	2	7,312,539	7,428,165
Expenses			
Personnel expenses	3	(4,431,870)	(3,902,277)
Depreciation		(713,478)	(655,059)
Operating and administration expenses	4	(2,086,637)	(1,621,071)
		<u>(7,231,985)</u>	<u>(6,178,407)</u>
Net operating surplus for the period		<u>80,554</u>	<u>1,249,758</u>

The incomes statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 25 to 42.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 \$	Restated 2007 \$
Retained profits		
Balance at the beginning of the year	6,226,158	4,976,400
Net operating surplus for the year	80,554	1,249,758
Balance at the end of the year	<u>6,306,712</u>	<u>6,226,158</u>

The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 25 to 42.


**BALANCE SHEET
AS AT 31 DECEMBER 2008**

	Note	2008 \$	Restated 2007 \$
Current assets			
Cash and cash equivalent	15	327,379	455,059
Investments – short term	8	---	700,000
Trade and other receivables	5	1,680,469	1,140,420
Prepayments	6	377,202	4,079
Inventories	7	77,323	31,353
Total current assets		<u>2,462,373</u>	<u>2,330,911</u>
Non-current assets			
Property, plant and equipment	9	5,066,120	5,208,123
Total non-current assets		<u>5,066,120</u>	<u>5,208,123</u>
Total assets		<u>7,528,493</u>	<u>7,539,034</u>
Current liabilities			
Trade and other payables	10	611,012	656,916
Employee entitlements	11	202,650	189,968
Total current liabilities		<u>813,662</u>	<u>846,884</u>
Non-current liabilities			
Deferred revenue	12	408,119	465,992
Total non-current liabilities		<u>408,119</u>	<u>465,992</u>
Total liabilities		<u>1,221,781</u>	<u>1,312,876</u>
Net assets		<u>6,306,712</u>	<u>6,226,158</u>
Equity			
Retained profits		6,306,712	6,226,158
Total equity		<u>6,306,712</u>	<u>6,226,158</u>
Commitments and contingent liabilities	13, 14		

Signed in accordance with the resolution of the members of the Authority.



Chairman



Member

The balance sheet is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 25 to 42.

NATIONAL FIRE AUTHORITY
Statement of Cash Flows
For the year ended 31 December 2008

	Note	2008 \$	2007 \$
Cash flows from operating activities			
Cash receipts in the course of operations		5,321,805	5,230,858
Cash payments in the course of operations		<u>(7,016,224)</u>	<u>(6,423,845)</u>
Net cash (used in) operations		(1,694,419)	(1,192,987)
Government grant received		1,422,222	1,422,222
Interest income		22,819	93,412
VAT refund/ (paid)		<u>43,397</u>	<u>(62,872)</u>
Net cash (used in)/ provided by operating activities		<u>(205,981)</u>	<u>259,775</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		5,777	18,667
Payments for property, plant and equipment		(1,327,476)	(1,535,472)
Payment for investments		(300,000)	-
Maturity of Investments		<u>1,000,000</u>	<u>100,000</u>
Net cash (used in) investing activities		<u>(621,699)</u>	<u>(1,416,805)</u>
Net (decrease) in cash and cash equivalents		(827,680)	(1,157,030)
Cash and cash equivalents at the beginning of the year		<u>1,155,059</u>	<u>2,312,089</u>
Cash and cash equivalents at the end of the year	14	<u>327,379</u>	<u>1,155,059</u>

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 25 to 42.

**NATIONAL FIRE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

1. Statement of significant accounting policies

National Fire Authority (the "Authority") is a fully owned Government of Fiji entity domiciled in the Fiji Islands. The financial statements were authorised for issue with a resolution of the members on 24th February 2011.

The significant accounting policies which have been adopted in the preparation of these financials statements are:

a) Statement of compliance

The financial statements of the Authority have been drawn up in accordance with the provisions of the International Financial Reporting Standards (IFRS) and the requirements of the Fiji Institute of Accountants.

b) Adoption of International Financial Reporting Standards (IFRS)

The Authority has adopted IFRS with effect from 1 January 2007. An explanation of how the transition of IFRS affected the reported Income Statement, Statement of Changes in Funds, Balance Sheet and Statement of Cash Flows of the Authority is provided in note 19.

c) Basis of preparation

The financial statements are presented in Fiji dollars rounded to the nearest dollar. They have been prepared on the basis of historical costs and, except where stated, do not take into account changing money values or current valuation of non-current assets.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with the current financial year amounts and other disclosures.

The accounting policies have been consistently applied and, except where there is a change in accounting policy are consistent with those of the previous year.

d) Foreign currency transactions

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 realised or unrealised are included in the incomes statement.

e) Use of estimates and judgments

The preparation of the financial statements requires 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 recognised in the period in which the estimates are revised and in any future periods affected.

**NATIONAL FIRE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

1. Statement of significant accounting policies (continued)

e) Use of estimates and judgment (continued)

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements including the following notes:

Note 1(f) – Property, plant and equipment impairment

Note 1(g) – Allowance for doubtful debts

Note 1(h) – Impairment

Note 1(m) – Employee entitlements

f) Property, plant and equipment

(i). Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Costs include expenditure that is directly attributable to the acquisition of the asset. Profits and losses on disposal of property, plant and equipment are taken into account in determining the results for the year.

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

(ii). Depreciation

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives using the following rates:

• Land and buildings	10%
• Leasehold improvements	over the unexpired period of the lease
• Fire engines	5% - 10%
• Motor vehicles	20%
• Radio equipment	10%
• Fire fighting equipment	10%
• Office equipment	20%
• Furniture and fittings	15%
• Computer equipment	20%

Profits and losses on disposal of property, plant and equipment are taken into account in determining the results for the year.

(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 capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognised in the incomes statement as an expense as incurred.

**NATIONAL FIRE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

1. Statement of significant accounting policies (continued)

g) Trade and other receivables

Trade and other receivables are stated at their cost less allowance for doubtful debts and impairment losses. The collectability of trade receivables is assessed on monthly basis and at balance date and impairment losses are recognised in the incomes statement.

h) Impairment

The carrying amount of assets 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 recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. All impairment losses are recognised in the incomes statement. 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 estimates 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 amortisation, if no impairment loss had been recognised.

i) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable 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.

j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and cash at bank. Short term investments form an integral part of the Authority's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

k) Trade and other payables

Trade and other payables are stated at cost.

**NATIONAL FIRE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

1. Statement of significant accounting policies (continued)

l) Provisions

A provision is recognised in the balance sheet when the Authority has a legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required.

m) Employee entitlements

(i). Wages, salaries and annual leave

Liabilities for wages and salaries, incentives and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Payments for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii). Long service leave and gratuity benefits

The liability for long service leave and gratuity benefits is recognised in employee entitlements measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

n) Deferred revenue

Deferred revenue classified as non-current consists of deferred government grants and donations related to acquisition of assets which will be amortised over the useful life of the assets.

o) Income Tax

The Authority is exempt from income tax under the provisions of Section 17(24) of the Income Tax Act.

p) Revenue recognition

Revenue represents income earned from fees charged for fire services, insurance fire levy, interest earned, commission received, water levy and Government grants and is recognised on accrual basis.

**NATIONAL FIRE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

1. Statement of significant accounting policies (continued)

p) Revenue recognition (continued)

(i). Amortisation of deferred revenue

The benefits arising from the assets acquired by the Authority from Municipal Councils and those received from the Fiji Government and other organisations are credited to income statement at the rate those assets are depreciated.

(ii). Fire levy contributions

Fire levy contributions are brought to account on an accrual basis at 0.06% of the total of all sums insured during the year.

(iii). Government grant

Grants that compensate the Authority for the cost of an asset are recognised in the income statement on a systematic basis over the useful life of the asset. Government grants are paid to the Authority in quarterly instalments in accordance with the National Fire Service (Amendment) Act 1997.

(iv). Water levy contributions

Water levy contributions are brought to account on an accrual basis at a rate of \$0.50 per water meter per month as provided for in the National Fire Service (Amendment) Act 1997.

q) Expenses

(i). Personnel

Personnel cost comprising of wages and salaries paid to staff as well as the Company's contribution of superannuation and other Company contributions as required by law are recognised in the income statement.

(ii). Operating lease commitments

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

r) Comparative information

Comparative information has been restated where necessary to achieve consistency in disclosure with current financial year amounts.

**NATIONAL FIRE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

1. Statement of significant accounting policies (continued)

s) Standards, amendments and interpretations issued but not yet effective

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Authority's accounting periods beginning on or after 1 January 2008 or later periods, but the Authority has not early adopted them. No significant impact is expected to arise out of these standards, amendments and interpretations.

- IAS 1, Presentation of Financial Statements (effective from 1 January 2009);
- IAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009);
- IAS 36 (Amendment), 'Impairment of assets' (effective from 1 January 2009).

2. Income	2008	Restated 2007
	\$	\$
Amortisation of deferred income	188,322	179,806
Fire levy contributions	4,945,864	4,974,546
Government grants	1,422,222	1,422,222
Interest income	21,544	93,412
Private fire alarm rental, attendance and special services	80,165	167,176
Structural fire safety	159,435	-
Water levy contributions	324,497	209,850
Other income	170,490	381,153
	<u>7,312,539</u>	<u>7,428,165</u>
3. Personnel expenses		
Wages and salaries	4,035,053	3,589,032
Gratuity payment	34,234	3,900
FNPF contributions	323,880	271,822
TPAF levy	38,703	37,523
	<u>4,431,870</u>	<u>3,902,277</u>

The total number of employees at the end of the financial year was 277 (2007: 229).

NATIONAL FIRE AUTHORITY
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	Restated 2007
	\$	\$
4. Other operating expenses		
Audit fees	6,157	5,665
Accounting fees	---	7,500
Advertising	11,756	17,052
Bad debts	2,437	---
Bank charges	5,025	5,029
Communication	137,857	121,296
Community awareness	81,580	---
Reduction in Doubtful debts	---	---
Electricity	56,269	52,441
Fire fighting expenses	54,266	11,247
Fire station expenses	98,183	88,752
Insurance	198,841	222,334
Loss on disposal of plant and equipment	91,866	---
Motor vehicle - fuel and repair	394,494	319,713
Open day expenses	---	5,016
Premises rental and rates	122,516	103,114
Repairs and maintenance – others	61,974	56,988
Staff training	276,616	116,264
Travel and accommodation	134,253	196,325
Uniform	71,633	39,290
Other expenses	280,914	253,045
	<u>2,086,637</u>	<u>1,621,071</u>

**NATIONAL FIRE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

5. Trade and other receivables	2008	Restated 2007
	\$	\$
Trade accounts receivable	1,669,905	1,133,669
Less: provision for doubtful debts	<u>(6,577)</u>	<u>(17,871)</u>
	1,663,328	1,115,798
Deposits	10,543	8,347
Interest receivable	---	9,076
Staff advances	<u>6,598</u>	<u>7,199</u>
	<u>1,680,469</u>	<u>1,140,420</u>
<i>Provision for doubtful debts</i>		
Opening balance	17,871	26,176
Movement during the year	<u>(11,294)</u>	<u>(8,305)</u>
	<u>6,577</u>	<u>17,871</u>
6. Prepayments		
Prepayment - fire truck	<u>377,202</u>	<u>4,079</u>
7. Inventories		
Consumables and spares	<u>77,323</u>	<u>31,353</u>
8. Investments*		
Reserve Bank of Fiji notes	---	100,000
Home Finance Company Limited	---	200,000
Dominion Finance	<u>---</u>	<u>400,000</u>
	<u>---</u>	<u>700,000</u>

* The above short term investment have matured during the year.

NATIONAL FIRE AUTHORITY
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2008

9. Property, plant and equipment

	Land and buildings	Fire engines	Motor vehicles	Radio equipment	Fire fighting equipment	Office furniture & fittings	Computer equipment	Station requirements	Rescue equipment	Other assets	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Cost</i>											
Balance at 1 January 2008	3,550,733	3,934,703	375,296	443,371	869,568	64,289	85,515	12,434	96,154	179,105	9,743,883
Acquisitions	217,647	88,548	---	37,326	178,578	9,413	52,006	22,036	35,997	23,481	669,118
Disposals	(4,000)	(254,057)	---	---	---	---	---	---	---	---	(258,057)
Balance at 31 December 2008	3,764,380	3,769,194	375,296	480,697	1,048,146	73,702	137,521	34,470	132,151	202,586	10,159,944
<i>Accumulated depreciation</i>											
Balance at 1 January 2008	1,155,484	2,154,461	113,636	312,202	453,514	50,152	65,343	507	5,563	145,194	4,535,760
Depreciation charge for the year	327,741	143,736	75,059	25,467	87,001	8,061	10,465	3,235	10,086	9,402	713,478
Disposals	---	(160,414)	---	---	---	---	---	---	---	---	(160,414)
Balance at 31 December 2008	1,483,225	2,137,783	188,695	337,669	540,515	58,213	75,808	3,742	15,649	154,596	5,088,824
<i>Carrying amount</i>											
At 1 January 2008	2,395,249	1,780,242	261,660	131,169	416,054	14,137	20,172	11,927	90,591	33,911	5,208,123
At 31 December 2008	2,281,155	1,631,411	186,601	143,028	507,631	15,489	61,713	30,728	116,502	47,990	5,066,120

The carrying amount of property, plant and equipment has been adopted as the deemed cost. The asset revaluation reserve arising from the revaluation of land and buildings in 2002 has been transferred to retained earnings upon transition to IFRS.

NATIONAL FIRE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

10. Trade and other payables	2008	Restated 2007
	\$	\$
Trade accounts payable and accrued liabilities	515,398	604,477
VAT payable	95,614	52,439
	<u>611,012</u>	<u>656,916</u>
11. Employee entitlements		
Annual leave	94,974	100,631
Long service leave	107,676	89,337
	<u>202,650</u>	<u>189,968</u>
12. Deferred revenue		
Assets acquired from municipal councils	1,137,392	1,137,392
Assets received in aid from Japanese Government	279,026	279,026
Assets received in aid from Fiji Government	600,000	600,000
Assets received in aid from Australia	2,089	2,089
Grant received from Fiji Government	300,000	300,000
Fiji Hotels Association – slip on unit	50,000	-
Vodafone – Smokehouse	52,000	-
Rescue equipments from JICA	28,449	-
	<u>2,448,956</u>	<u>2,318,507</u>
Less: provision for amortisation	<u>(2,040,837)</u>	<u>(1,852,515)</u>
	<u>408,119</u>	<u>465,992</u>
13. Commitments		
Capital expenditure - Approved by the board and committed	<u>1,598,600</u>	<u>1,622,222</u>
	<u>1,598,600</u>	<u>1,622,222</u>
Operating lease commitments payable are as follows:		
Not later than one year	2,453	2,453
Later than one year but not later than two years	2,453	2,453
Later than two years but not later than five years	1,942	1,942
	<u>6,848</u>	<u>6,848</u>

The Authority is committed to minimum annual land lease rentals of \$2,160 on various leases.

**NATIONAL FIRE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

14. Contingent liabilities

Commitments and contingent liabilities as at balance date was nil (2007: nil).

15. Cash and cash equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and cash at bank. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	Note	2008 \$	2007 \$
Cash at bank and on hand		327,379	455,059
Short term investments	7	---	700,000
		<u>327,379</u>	<u>1,155,059</u>

16. Related parties

Identity of related parties

The Authority is wholly owned by the Government of the Republic of the Fiji Islands. The Authority undertook various transactions with Government owned entities on normal trading terms and conditions.

Directors and executive officers

The directors of the Authority in office during the year were and up to the date of this report are:

<u>Member</u>	<u>Appointed</u>	<u>Term Expired</u>
Azmat Khan	17/05/2007	
Hiagi Foraete	01/04/2010	
Jagat Singh	14/08/2008	31/03/2010
John Low	17/05/2007	
Jone Mika	17/05/2007	
Mosese Kama	01/04/2010	
Peter McPherson	31/12/2007	
Satish Badal	17/05/2007	
Senileba Lavaci	17/05/2007	29/04/2008

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that Authority.

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:

**NATIONAL FIRE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

16. Related parties (continued)

Key management personnel (continued)

<i>Name</i>	<i>Current title</i>
Joseva Gayidi	Chief Executive Officer
Jone Koroï	Director Corporate Services
Isoa Bokalaca Makutu	Divisional Fire Officer - North
Moceitai Qionilau	Divisional Fire Officer – Central/Eastern
Raj Durgeshwaran Pillay	Divisional Fire Officer - Western
Timoci Ranavue	Acting Divisional Fire Officer - Western
Tupou Taliai Saubulinayau	Divisional Fire Officer - Safety & Standards

Key management personnel compensation

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

	2008	2007
	\$	\$
Short term benefits	264,470	163,970

All transactions with related parties are made on normal commercial terms and conditions.

17. Financial risk management

The Authority's activities expose it to a variety of financial risks; market risk and credit risk.

Risk management is carried out by management of the Authority. The Authority's members provide direction for overall risk management covering specific areas, such as mitigating market risk and credit risk.

(a) Market risk

Market risk is the risk that changes in market prices, such as interest* rates will affect the Authority's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i). Political climate

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

(ii) Interest rate risk

At the reporting date the Authority did not have any interest-bearing financial instruments.

**NATIONAL FIRE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

17. Financial risk management (continued)

(b) Credit risk

Credit risk is managed by management with board oversight. Credit risk arises from cash and cash equivalents as well as credit exposure to outstanding receivables. The Authority monitors receivables balances on an ongoing basis with the result that the Authority's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Authority. On time payments from customers are monitored on a daily basis.

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

	Note	Carrying amounts	
		2008	2007
		\$	\$
Cash and cash equivalents		327,379	455,059
Trade and other receivables		<u>1,669,905</u>	<u>1,133,669</u>
		<u>1,997,284</u>	<u>1,588,728</u>

Trade receivables

The table below summarises 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 (\$)
31 December 2008				
Trade receivables	979,578	37,980	1,439	650,908
31 December 2007				
Trade receivables	352,536	47,207	37,003	696,923

Refer to note 5 for movement in the allowance for impairment in respect of trade receivables.

18. Principal activities

The principal activities of the Authority during the course of the financial year were to coordinate the Fiji National Fire Service activities for the purpose of fire protection and other emergencies and establish courses of training to members of the fire service.

The Authority operates predominantly from their head office at Argo Street, Walu Bay. However, there are operational centres at Ba, Labasa, Lautoka, Nadi, Nasinu, Savusavu, Sigatoka, Tavua and Levuka.

**NATIONAL FIRE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

19. Authority details

Authority incorporation

The Authority was incorporated in Fiji under the National Fire Service Act, 1994.

Registered office

The registered office of the Authority is located at:

Argo Street
Walu Bay
PO Box 207
SUVA

20. First time adoption of International Financial Reporting Standards

The Authority has adopted IFRS with effect from 1 January 2007. An explanation of how the transition to IFRS affected the Statement of changes in funds for the Authority is provided below:

The Accounting Policies set out in Note 1 have been applied in preparing the financial statements for the period ended 31 December 2008, the comparative information presented in these financial statements for the period ended 31 December 2007 and in the preparation of an opening Balance Sheet as at 1 January 2007 (the Authority's date of transition to IFRS).

In preparing its opening IFRS Balance Sheet, the Authority has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (Fiji Accounting Standards (FAS)). An explanation of how the transition from FAS to IFRS has affected the Authority's financial position and financial performance is set out in the following tables and the notes that accompany the tables.

**NATIONAL FIRE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

20. First time adoption of International Financial Reporting Standards (continued)

(1) Reconciliation of equity reported under previous FAS to equity under IFRSs

(a) At the date of transition to IFRS: 1 January 2007

	Note	Previous FAS \$	Effect of transition to IFRS \$	IFRS \$
Current assets				
Cash and cash equivalents		418,404	---	418,404
Financial assets – short term		690,563	---	690,563
Inventories		---	---	---
Trade and other receivables		1,893,685	---	1,893,685
Total current assets		3,002,652	---	3,002,652
Non-current assets				
Financial assets – long term		100,000	---	100,000
Property, plant and equipment		4,327,710	---	4,327,710
Total non-current assets		4,427,710	---	4,427,710
Total assets		7,430,362	---	7,430,362
Current liabilities				
Trade and other payables		1,634,934	---	1,634,934
Employee entitlements	f(i)	48,960	81,141	130,101
Total current liabilities		1,683,894	81,141	1,765,035
Non-current liabilities				
Provisions		45,218	---	45,218
Deferred revenue		643,709	---	643,709
Total non-current liabilities		688,927	*	688,927
Total liabilities		2,372,821	81,141	2,453,962
Net assets		5,057,541	81,141	4,976,400
Equity				
Asset revaluation reserve	f(ii)	1,263,131	(1,263,131)	---
Accumulated surplus	f(i), f(ii)	3,794,410	1,181,990	4,976,400
Total equity		5,057,541	(81,141)	4,976,400

**NATIONAL FIRE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

20. First time adoption of International Financial Reporting Standards (continued)

(b) Reconciliation of balance sheet as at 31 December 2007

	Note	Previous FAS \$	Effect of transition to IFRS \$	IFRS \$
Current assets				
Cash and cash equivalents		455,059	---	455,059
Financial assets – short term		1,144,499	---	1,144,499
Inventories		31,353	---	31,353
Trade and other receivables		700,000	---	700,000
Total current assets		2,330,911	---	2,330,911
Non-current assets				
Financial assets – long term		---	---	---
Property, plant and equipment		5,208,123	---	5,208,123
Total non-current assets		5,208,123	---	5,208,123
Total assets		7,539,034	---	7,539,034
Current liabilities				
Trade and other payables		656,916	---	656,916
Employee entitlements	f(i)	100,631	89,337	189,968
Total current liabilities		757,547	89,337	846,884
Non-current liabilities				
Provisions		---	---	---
Deferred revenue		465,992	---	465,992
Total non-current liabilities		465,992	---	465,992
Total liabilities		1,223,539	89,337	1,312,876
Net assets		6,315,495	89,337	6,226,158
Equity				
Asset revaluation reserve	f(ii)	1,263,131	(1,263,131)	---
Accumulated surplus	f(i), f(ii)	5,052,364	1,173,794	6,226,158
Total equity		6,315,495	(89,337)	6,226,158

**NATIONAL FIRE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

20. First time adoption of International Financial Reporting Standards (continued)

(c) Reconciliation of income statement as at 31 December 2007

	Note	Previous FAS \$	Effect of transition to IFRS \$	IFRS \$
Income				
Revenue		7,428,165	---	7,428,165
Expenses				
Personnel expenses	f(i)	(3,894,081)	(8,196)	(3,902,277)
Depreciation		(655,059)	---	(655,059)
Operating and administration expenses		(1,621,071)	---	(1,621,071)
		<u>(6,170,211)</u>	<u>(8,196)</u>	<u>6,178,407</u>
Net operating profit		1,257,954	(8,196)	1,249,758
Other income		---	---	---
Total profit for the period		<u>1,257,954</u>	<u>(8,196)</u>	<u>1,249,758</u>

(d) Analysis of effect of transition on retained earnings

	Note	(\$)
Retained earnings at 31 December 2007		5,052,364
Effect of transition on provisions	f(i), f(ii)	<u>1,173,794</u>
Restated opening balance - 1 January 2008		<u>6,226,158</u>

(e) Reconciliation of cash flow statement for the period ended 31 December 2007

The adoption of IFRSs has not resulted in any material adjustments to the cash flow statement.

(f) Notes to the reconciliations

(i) Revision in measurement of provision for long service leave and gratuity

Under FAS the Authority was only accruing for the above employee entitlement provisions as and when the benefits became vested. The measurement basis has been revised in line with the new accounting policy in note 1(k).

**NATIONAL FIRE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

(ii) Transfer of asset revaluation reserve to retained earnings

Under IFRS, the asset revaluation reserve arising from the revaluation of property, plant and equipment in 2002 has been transferred to retained earnings. The value of property, plant and equipment has been taken as the deemed cost.

National Fire Authority
Disclaimer on additional financial information
For the year ended 31 December 2008

The following additional information, being the detailed income statement has been compiled by the management of National Fire Authority and does not form part of the statutory financial statements.

National Fire Authority
Detailed income statement
For the year ended 31 December 2008

	Year-to-date 2008 \$	Year-to-date 2007 \$
Income		
Amortisation of deferred revenue	188,322	179,806
Commission	10,052	8,995
Commercial training	55,315	3,306
Doubtful debts Recovered	11,294	---
Excess of Vat provision	---	253,010
Fire levy contributions	4,945,864	4,974,546
Gain on sale of fixed assets	---	18,667
Government grants	1,422,222	1,422,222
Interest income	21,544	93,412
Miscellaneous	5,994	80,295
Private fire alarm rental, attendance & connection fees	80,165	167,176
Rental income – Vodafone	14,435	16,880
Special services	14,235	---
Structural fire safety	159,435	---
TPAF grant	59,165	---
Water levy contributions	324,497	209,850
Total income	7,312,539	7,428,165
Less: Operating and Administration Expenses		
Audit fees	6,157	5,665
Accounting fees	---	7,500
Advertising	11,756	17,052
Bad debts	2,437	---
Bank charges	5,025	5,029
Board expenses	35,791	15,631
Commission	9,113	4,050
Communication	137,857	121,296
Community awareness	81,580	---
Depreciation	713,478	655,059
Doubtful debts	---	---
Electricity	56,269	52,441
Entertainment	2,791	7,713
Fire fighting expenses	54,266	11,247
Fire station expenses	98,183	88,752
FNPF	323,880	271,822
Gratuity payment	34,234	3,900
Insurance	198,841	222,334
Legal expenses	17,573	10,037

National Fire Authority
Detailed income statement (continued)
For the year ended 31 December 2008

	Year-to-date 2008 \$	Year-to-date 2007 \$
Loss on disposal of plant and equipment	91,866	---
Meeting expenses	24,220	13,546
Miscellaneous expenses	1,603	5,038
Motor vehicle - fuel and repair	394,494	319,713
Office expenses	---	3,183
Open day expenses	---	5,016
Postage and freight	12,782	25,070
Premises rental and rates	122,516	103,114
Printing and stationery	39,679	54,157
Professional fees	49,555	37,274
Repairs and maintenance - others	61,974	56,988
Salaries and wages	4,035,053	3,589,032
Staff amenities	20,159	1,397
Staff training	276,616	116,264
Subscriptions and donations	6,400	6,598
Subsistence allowances	12,678	32,388
Travel and accommodation	134,253	196,325
TPAF levy	38,703	37,523
Uniform	71,633	39,290
Volunteer brigade	39,981	26,604
Water	8,589	10,359
Total operating and administration expenses	<u>7,231,985</u>	<u>6,178,407</u>
Net surplus for the year	<u>80,554</u>	<u>1,249,758</u>

**NATIONAL FIRE AUTHORITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

**NATIONAL FIRE AUTHORITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

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NATIONAL FIRE AUTHORITY
Directors Report
Year Ended 31 December 2009

In accordance with a resolution of the Authority, the members submit the balance sheet of the Authority as at 31 December 2009, and the related income statement, statement of changes in equity and statement of cash flows for the year ended 31 December 2009 and report as follows:

Authority's members

The names of the Authority's members during the year and up to the date of this report were:

Member	Appointed	Resigned
John Low	17/05/2007	Suspended from Mar 2011
Peter McPherson	31/12/2007	
Satish Badal	17/05/2007	
Jone Mika	17/05/2007	
Senileba Lavaci	17/05/2007	29/04/2008
Azmat Khan	17/05/2007	31/03/2010
Jagat Singh	14/08/2008	31/03/2010
Mosese Kama	01/04/2010	
Hiagi Foraete	01/04/2010	

State of affairs

In the opinion of the directors:

- there were no significant changes in the state of affairs of the Authority that occurred during the financial period under review not otherwise disclosed in this report or the financial statements; and
- the accompanying balance sheet gives a true and fair view of the state of affairs of the Authority as at 31 December 2009 and the accompanying incomes statement, statement of changes in equity and statement of cash flows gives a true and fair view of the result, changes in equity and cash flows of the Authority for the period then ended.

Principal activities

The principal activities of the Authority during the course of the financial year were to coordinate the Fiji National Fire Service activities for the purpose of fire protection and other emergencies and establish courses of training to members of the fire service.

Operating result

The operating profit of the Authority for the year 31 December 2009 was \$44,880 (2008: \$80,554).

Reserves

There were no amounts transferred to or from reserves during the year.

Dividends

There was no dividend paid during the year.

NATIONAL FIRE AUTHORITY
Directors Report
Year Ended 31 December 2009

Other matters

As at the date of this report:


- (a) The Authority's members are not aware of any circumstance which would render the values attributed to current assets in the Authority's financial statements misleading.
- (b)
 - (i) No charge of the assets of the Authority has been given since the end of the financial year to secure the liabilities of any other person;
 - (ii) No contingent liabilities have arisen since the end of the financial year for which the Authority could become liable except as disclosed in the financial statements;
 - (iii) As at the date of this report, the Authority members are not aware of any circumstances that have arisen, not otherwise dealt with in the report, which would make adherence to the existing method of valuation of assets or liabilities of the Authority misleading or inappropriate; and
 - (iv) Apart from the matters specifically referred to in the financial statements, in the opinion of the Authority members the results of the operations of the Authority during the financial year were not substantially affected by any item, transaction or event of an abnormal nature.

Events subsequent to balance date

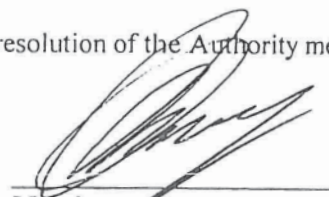
There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Authority, to affect significantly the operations of the Authority, the results of those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

Dated at Suva this 11th day of April 2012

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



Chairman



Member


NATIONAL FIRE AUTHORITY
Statement by Directors
Year Ended 31 December 2009

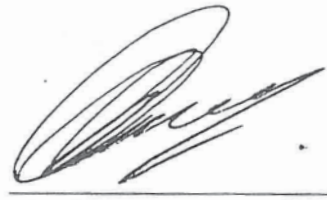
In accordance with a resolution of the members of the National Fire Authority, we state that in the opinion of the members:

- i. the accompanying balance sheet of the Authority is drawn up so as to give a true and fair view of the state of affairs of the Authority as at 31 December 2009;
- ii. the accompanying income statement of the Authority is drawn up so as to give a true and fair view of the results of the Authority for the period ended 31 December 2009;
- iii. the accompanying statement of changes in equity of the Authority is drawn up so as to give a true and fair view of the changes in equity of the Authority for the period ended 31 December 2009;
- iv. the accompanying statement of cash flows of the Authority is drawn up so as to give a true and fair view of the cash flows of the Authority for the period ended 31 December 2009;
- v. at the date of this statement, there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due; and
- vi. all related party transactions have been adequately recorded in the books of the Authority.

For and behalf of the Authority and in accordance with a resolution of the Authority's members.

Dated at Suva this 11th day of April 2012



Chairman

Member



8th Floor, Ratu Sukuna House
Maquluva Street,
P. O. Box 2214
Government Buildings,
Suva, Fiji Islands

REPUBLIC OF THE FIJI ISLANDS
OFFICE OF THE AUDITOR GENERAL

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ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

INDEPENDENT AUDIT REPORT

NATIONAL FIRE AUTHORITY ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

Scope

I have examined the financial statements of the National Fire Authority for the year ended 31 December 2008 in accordance with Section 37 of the National Fire Services Act and Section 3 of the Audit Act. The National Fire Authority is responsible for the preparation and presentation of the financial statements and the information contained therein. The financial statements consist of the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Statement of Cash Flows and the accompanying notes.

I have conducted an independent audit of these financial statements in order to express an opinion on them.

My audit was conducted in accordance with the International Standards on Auditing to provide reasonable assurance as to whether the financial statements are free of material misstatements. My audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with the accounting policies stated in Note 1 of the financial statements, government instructions and regulations so as to present a view which is consistent with my understanding of the Authority's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Unqualified Audit Opinion

In my opinion:

- (a) proper books of accounts have been kept by the Authority, as far as it appears from my examination of those books; and
- (b) the accompanying financial statements which have been prepared in accordance with International Financial Reporting Standards;
 - (i) are in agreement with the books of account
 - (ii) to the best of information and according to the explanations given to me:

- give a true and fair view of the state of affairs of the Authority as at 31 December 2008 and of the results of the Authority for the period ended on that date; and
- give the information required by Section 37 of the National Fire Services Act in the manner so required.

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



Tevita Bolanavanua
AUDITOR-GENERAL

Suva, Fiji

24 March 2011



**NATIONAL FIRE AUTHORITY
INCOMES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Notes	2009 \$	2008 \$
Income			
Revenue	2	7,688,738	7,312,539
Expenses			
Personnel expenses	3	(4,932,500)	(4,431,870)
Depreciation		(885,758)	(713,478)
Operating and administration expenses	4	(1,825,600)	(2,086,637)
		<u>(7,643,858)</u>	<u>(7,231,985)</u>
Net operating surplus for the period		<u>44,880</u>	<u>80,554</u>

The incomes statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 56 to 69.

**NATIONAL FIRE AUTHORITY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2009**

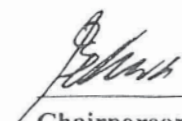
	2009 \$	2008 \$
Retained profits		
Balance at the beginning of the year	6,306,712	6,226,158
Net operating surplus for the year	<u>44,880</u>	<u>80,554</u>
Balance at the end of the year	<u>6,351,592</u>	<u>6,306,712</u>

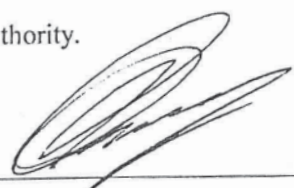
The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 56 to 69.

**NATIONAL FIRE AUTHORITY
BALANCE SHEET
AS AT 31 DECEMBER 2009**

	Note	2009	2008
Current assets		\$	\$
Cash	14	-	327,379
Prepayments	6	141,239	377,202
Trade and other receivables	5	1,482,189	1,680,469
Inventories	7	83,646	77,323
Total current assets		<u>1,707,074</u>	<u>2,462,373</u>
Non-current assets			
Property, plant and equipment	8	6,148,192	5,066,120
Total non-current assets		<u>6,148,192</u>	<u>5,066,120</u>
Total assets		<u>7,855,266</u>	<u>7,528,493</u>
Current liabilities			
Bank Overdraft	14	344,588	-
Trade and other payables	9	679,579	611,012
Employee entitlements	10	273,342	202,650
Total current liabilities		<u>1,297,509</u>	<u>813,662</u>
Non-current liabilities			
Deferred revenue	11	206,165	408,119
Total non-current liabilities		<u>206,165</u>	<u>408,119</u>
Total liabilities		<u>1,503,674</u>	<u>1,221,781</u>
Net assets		<u>6,351,592</u>	<u>6,306,712</u>
Equity			
Retained profits		6,351,592	6,306,712
Total equity		<u>6,351,592</u>	<u>6,306,712</u>
Commitments and contingent liabilities	12, 13		

Signed in accordance with the resolution of the members of the Authority.


Chairperson


Member

The balance sheet is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 56 to 69.

NATIONAL FIRE AUTHORITY
Statement of Cash Flows
For the year ended 31 December 2009

	Note	2009 \$	2008 \$
Cash flows from operating activities			
Receipts from customers		5,867,732	5,321,805
Payments to suppliers and employees		<u>(6,372,918)</u>	<u>(7,016,224)</u>
Net cash (used in) operations		(505,186)	(1,694,419)
Government grant received		1,422,222	1,422,222
Interest income		(7,390)	22,819
VAT refund/ (paid)		<u>395,110</u>	<u>43,397</u>
Net cash (used in)/ provided by operating activities		<u>1,304,756</u>	<u>(205,981)</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	5,777
Payments for property, plant and equipment		(1,976,723)	(1,327,476)
Payment for investments		-	(300,000)
Maturity of Investments		<u>-</u>	<u>1,000,000</u>
Net cash (used in) investing activities		<u>(1,976,723)</u>	<u>(621,699)</u>
Net (decrease) in cash and cash equivalents		(671,967)	(827,680)
Cash and cash equivalents at the beginning of the year		<u>327,379</u>	<u>1,155,059</u>
Cash and cash equivalents at the end of the year	14	<u>(344,588)</u>	<u>327,379</u>

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 56 to 69.

**NATIONAL FIRE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

1. Statement of significant accounting policies

National Fire Authority (the "Authority") is a fully owned Government of Fiji entity domiciled in the Fiji. The financial statements were authorised for issue with a resolution of the members on 11th April 2012

The significant accounting policies which have been adopted in the preparation of these financial statements are:

a) Statement of compliance

The financial statements of the Authority have been drawn up in accordance with the provisions of the International Financial Reporting Standards (IFRS) and the requirements of the Fiji Institute of Accountants.

b) Adoption of International Financial Reporting Standards (IFRS)

The Authority has adopted IFRS with effect from 1 January 2007. An explanation of how the transition of IFRS affected the reported Income Statement, Statement of Changes in Funds, Balance Sheet and Statement of Cash Flows of the Authority is provided in note 19.

c) Basis of preparation

The financial statements are presented in Fiji dollars rounded to the nearest dollar. They have been prepared on the basis of historical costs and, except where stated, do not take into account changing money values or current valuation of non-current assets.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with the current financial year amounts and other disclosures.

The accounting policies have been consistently applied and, except where there is a change in accounting policy are consistent with those of the previous year.

d) Foreign currency transactions

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 realised or unrealised are included in the incomes statement.

e) Use of estimates and judgments

The preparation of the financial statements requires 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 recognised in the period in which the estimates are revised and in any future periods affected.

**NATIONAL FIRE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

1. Statement of significant accounting policies (continued)

c) Use of estimates and judgment (continued)

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements including the following notes:

Note 1(f) – Property, plant and equipment impairment

Note 1(g) – Allowance for doubtful debts

Note 1(h) – Impairment

Note 1(m) – Employee entitlements

f) Property, plant and equipment

(i). Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Costs include expenditure that is directly attributable to the acquisition of the asset. Profits and losses on disposal of property, plant and equipment are taken into account in determining the results for the year.

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

(ii). Depreciation

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives using the following rates:

• Land and buildings	10%
• Leasehold improvements	over the unexpired period of the lease
• Fire engines	5% - 10%
• Motor vehicles	20%
• Radio equipment	10%
• Fire fighting equipment	10%
• Office equipment	20%
• Furniture and fittings	15%
• Computer equipment	20%

Profits and losses on disposal of property, plant and equipment are taken into account in determining the results for the year.

(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 capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognised in the incomes statement as an expense as incurred.

**NATIONAL FIRE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

1. Statement of significant accounting policies (continued)

g) Trade and other receivables

Trade and other receivables are stated at their cost less allowance for doubtful debts and impairment losses. The collectability of trade receivables is assessed on monthly basis and at balance date and impairment losses are recognised in the incomes statement.

h) Impairment

The carrying amount of assets 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 recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. All impairment losses are recognised in the incomes statement. 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 estimates 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 amortisation, if no impairment loss had been recognised.

i) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable 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.

j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and cash at bank. Short term investments form an integral part of the Authority's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

k) Trade and other payables

Trade and other payables are stated at cost.

**NATIONAL FIRE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

1. Statement of significant accounting policies (continued)

l) Provisions

A provision is recognised in the balance sheet when the Authority has a legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required.

m) Employee entitlements

(i). Wages, salaries and annual leave

Liabilities for wages and salaries, incentives and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Payments for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii). Long service leave and gratuity benefits

The liability for long service leave and gratuity benefits is recognised in employee entitlements measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

n) Deferred revenue

Deferred revenue classified as non-current consists of deferred government grants and donations related to acquisition of assets which will be amortised over the useful life of the assets.

o) Income Tax

The Authority is exempt from income tax under the provisions of Section 17(24) of the Income Tax Act.

p) Revenue recognition

Revenue represents income earned from fees charged for fire services, insurance fire levy, interest earned, commission received, water levy and Government grants and is recognised on accrual basis.

**NATIONAL FIRE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

1. Statement of significant accounting policies (continued)

p) Revenue recognition (continued)

(i). Amortisation of deferred revenue

The benefits arising from the assets acquired by the Authority from Municipal Councils and those received from the Fiji Government and other organisations are credited to income statement at the rate those assets are depreciated.

(ii). Fire levy contributions

Fire levy contributions are brought to account on an accrual basis at 0.06% of the total of all sums insured during the year.

(iii). Government grant

Grants relating income – Government grants are paid to the Authority in quarterly instalments in accordance with the National Fire Service (Amendment) Act 1997. These grants are provided by the Government to provide financial support and are recognised in the income statement.

Grants relating asset - Grants that compensate the Authority for the cost of an asset are recognised in the income statement on a systematic basis over the useful life of the asset.

(iv). Water levy contributions

Water levy contributions are brought to account on an accrual basis at a rate of \$0.50 per water meter per month as provided for in the National Fire Service (Amendment) Act 1997.

q) Expenses

(i). Personnel

Personnel cost comprising of wages and salaries paid to staff as well as the Authority's contribution of superannuation and other contributions as required by law are recognised in the income statement.

(ii). Operating lease commitments

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

r) Comparative information

Comparative information has been restated where necessary to achieve consistency in disclosure with current financial year amounts.

**NATIONAL FIRE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

1. Statement of significant accounting policies (continued)

s) Standards, amendments and interpretations issued but not yet effective

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Authority's accounting periods beginning on or after 1 January 2008 or later periods, but the Authority has not early adopted them. No significant impact is expected to arise out of these standards, amendments and interpretations.

- IAS 1, Presentation of Financial Statements (effective from 1 January 2009);
- IAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009);
- IAS 36 (Amendment), 'Impairment of assets' (effective from 1 January 2009).

2. Income

	2009	2008
	\$	\$
Amortisation of deferred income	201,007	188,322
Fire levy contributions	5,047,927	4,945,864
Government grants	1,422,222	1,422,222
Interest income	-	21,544
Private fire alarm rental, attendance and special services	173,798	80,165
Structural fire safety	12,000	159,435
Water levy contributions	350,916	324,497
Other income	480,868	170,490
	<u>7,688,738</u>	<u>7,312,539</u>

3. Personnel expenses

Wages and salaries	4,468,530	4,035,053
Gratuity payment	4,000	34,234
FNPF contributions	416,810	323,880
TPAF levy	43,160	38,703
	<u>4,932,500</u>	<u>4,431,870</u>

The total number of employees at the end of the financial year was 271 (2008: 277).

**NATIONAL FIRE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009	2008
	\$	\$
4. Other operating expenses		
Audit fees	6,667	6,157
Advertising	1,813	11,756
Bad debts	-	2,437
Bank charges	15,398	5,025
Communication	104,235	137,857
Community awareness	23,075	81,580
Electricity	54,275	56,269
Fire fighting expenses	92,923	54,266
Fire station expenses	74,587	98,183
Insurance	216,246	198,841
Interest expense	7,390	-
Loss on disposal of plant and equipment	-	91,866
Motor vehicle - fuel and repair	366,650	394,494
Premises rental and rates	130,623	122,516
Repairs and maintenance – others	83,097	61,974
Staff training	251,330	276,616
Travel and accommodation	100,260	134,253
Uniform	38,791	71,633
Other expenses	258,240	280,914
	<u>1,825,600</u>	<u>2,086,637</u>

**NATIONAL FIRE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

5. Trade and other receivables

	2009	2008
	\$	\$
Trade accounts receivable	1,456,487	1,669,905
Less: provision for doubtful debts	<u>(6,577)</u>	<u>(6,577)</u>
	1,449,910	1,663,328
Deposits	6,362	10,543
Staff advances	<u>25,917</u>	<u>6,598</u>
	<u>1,482,189</u>	<u>1,680,469</u>
<i>Provision for doubtful debts</i>		
Opening balance	6,577	17,871
Movement during the year	<u>-</u>	<u>(11,294)</u>
	<u>6,577</u>	<u>6,577</u>

6. Prepayments

Prepayment - fire truck	-	333,628
Prepayment	<u>141,239</u>	<u>43,574</u>
	<u>141,239</u>	<u>377,202</u>

7. Inventories

Consumables and spares	<u>83,646</u>	<u>77,323</u>
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**NATIONAL FIRE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

8. Property, plant and equipment

	Land and buildings	Fire engines	Motor vehicles	Radio equipment	Fire fighting equipment	Office equipment	Furniture & fittings	Computer equipment	Station requirements	Rescue equipment	Other assets	Total
<i>Cost</i>												
Balance at 1 January 2009	3,764,380	3,769,194	375,296	480,697	1,048,146	73,702	136,801	137,521	34,470	132,151	202,586	10,154,944
Acquisitions	1,029,023	673,561	-	37,220	178,970	1,381	311	20,301	29,579	-	6,377	1,976,723
Disposals	-	(8,893)	-	-	-	-	-	-	-	-	-	(8,893)
Balance at 31 December 2009	4,793,403	4,433,862	375,296	517,917	1,227,116	75,083	137,112	157,822	64,049	132,151	208,963	12,122,774
<i>Accumulated depreciation</i>												
Balance at 1 January 2009	1,483,225	2,137,783	188,695	337,669	540,515	58,213	92,929	75,808	3,742	15,649	154,596	5,088,824
Depreciation charge for the year	449,625	160,091	75,059	27,760	106,119	6,785	12,060	16,907	7,851	13,263	10,238	885,758
Disposals												
Balance at 31 December 2009	1,932,850	2,297,874	263,754	365,429	646,634	64,998	104,989	92,715	11,593	28,912	164,834	5,974,582
<i>Carrying amount</i>												
At 1 January 2009	2,281,155	1,631,411	186,601	143,028	507,631	15,489	43,872	61,713	30,728	116,502	47,990	5,066,120
At 31 December 2009	2,860,553	2,135,988	111,542	152,488	580,482	10,085	32,123	65,107	52,456	103,239	44,129	6,148,192

The carrying amount of property, plant and equipment has been adopted as the deemed cost. The asset revaluation reserve arising from the revaluation of land and buildings in 2002 has been transferred to retained earnings upon transition to IFRS.

National Fire Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

9. Trade and other payables

	2009	2008
	\$	\$
Trade accounts payable and accrued liabilities	512,772	515,398
VAT payable	<u>166,807</u>	<u>95,614</u>
	<u>679,579</u>	<u>611,012</u>

10. Employee entitlements

Annual leave	113,428	94,974
Long service leave	<u>159,914</u>	<u>107,676</u>
	<u>273,342</u>	<u>202,650</u>

11. Deferred revenue

Assets acquired from municipal councils	1,137,392	1,137,392
Assets received in aid from Japanese Government	279,026	279,026
Assets received in aid from Fiji Government	600,000	600,000
Assets received in aid from Australia	2,089	2,089
Grant received from Fiji Government	300,000	300,000
Fiji Hotels Association – slip on unit	50,000	50,000
Vodafone – Smokehouse	52,000	52,000
Rescue equipments from JICA	<u>28,449</u>	<u>28,449</u>
	2,448,956	2,448,956
Less: provision for amortisation	<u>(2,242,791)</u>	<u>(2,040,837)</u>
	<u>206,165</u>	<u>408,119</u>

12. Commitments

Capital expenditure - Approved by the board and committed	<u>1,600,000</u>	<u>1,598,600</u>
	<u>1,600,000</u>	<u>1,598,600</u>

Operating lease commitments payable are as follows:

Not later than one year	2,453	2,453
Later than one year but not later than two years	2,453	2,453
Later than two years but not later than five years	<u>1,942</u>	<u>1,942</u>
	<u>6,848</u>	<u>6,848</u>

The Authority is committed to minimum annual land lease rentals of \$2,160 on various leases.

National Fire Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

13. Contingent liabilities

Contingent liabilities as at balance date was \$Nil (2008: \$Nil).

14. Cash and cash equivalents/Bank Overdraft

For the purposes of the statement of cash flows, cash includes cash on hand and cash at bank. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	Note	2009 \$	2008 \$
Cash on hand and Cash at bank		-	327,379
Bank overdraft		(344,588)	-
		<u>(344,588)</u>	<u>327,379</u>

15. Related parties

Identity of related parties

The Authority is wholly owned by the Government of the Republic of the Fiji. The Authority undertook various transactions with Government owned entities on normal trading terms and conditions.

Directors and executive officers

The directors of the Authority in office during the year were and up to the date of this report are:

Member	Appointed	Resigned
Azmat Khan	17/05/2007	31/03/2010
Hiagi Foraete	01/04/2010	
Jagat Singh	14/08/2008	31/03/2010
John Low	17/05/2007	Suspended from Mar 2011
Jone Mika	17/05/2007	
Mosese Kama	01/04/2010	
Peter McPherson	31/12/2007	
Satish Badal	17/05/2007	
Senileba Lavaci	17/05/2007	29/04/2008

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that Authority.

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:

National Fire Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

15. Related parties (continued)

Key management personnel (continued)

<i>Name</i>	<i>Current title</i>
Joseva Gavidu	Chief Executive Officer
Jone Koro	Director Corporate Services/ Acting CEO
Isoa Bokalaca Makutu	Divisional Fire Officer – North and Western
Moceitai Qionilau	Divisional Fire Officer – Central Eastern
Raj Durgeshwaran Pillay	Divisional Fire Officer – Western and North
Timoci Ranavue	Acting Divisional Fire Officer – CE
Tupou Taliai Saubulinayau	Divisional Fire Officer - Safety & Standards

Key management personnel compensation

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

	2009	2008
	\$	\$
Short term benefits	<u>33,816</u>	<u>264,470</u>

All transactions with related parties are made on normal commercial terms and conditions.

16. Financial risk management

The Authority's activities expose it to a variety of financial risks: market risk and credit risk.

Risk management is carried out by management of the Authority. The Authority's members provide direction for overall risk management covering specific areas, such as mitigating market risk and credit risk.

(a) Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Authority's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i). Political climate

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

(ii) Interest rate risk

At the reporting date the Authority did not have any interest-bearing financial instruments.

National Fire Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

16. Financial risk management (continued)

(b) Credit risk

Credit risk is managed by management with board oversight. Credit risk arises from cash and cash equivalents as well as credit exposure to outstanding receivables. The Authority monitors receivables balances on an ongoing basis with the result that the Authority's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Authority. On time payments from customers are monitored on a daily basis.

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

	Note	Carrying amounts	
		2009	2008
		\$	\$
(Bank overdraft) / Cash and cash equivalents		(344,588)	327,379
Trade and other receivables		1,456,487	1,669,905
		<u>1,111,899</u>	<u>1,997,284</u>

Trade receivables

The table below summarises 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 (\$)
31 December 2009				
Trade receivables	843,338	10,705	1,221	601,223
31 December 2008				
Trade receivables	979,578	37,980	1,439	650,908

Refer to note 5 for movement in the allowance for impairment in respect of trade receivables.

17. Principal activities

The principal activities of the Authority during the course of the financial year were to coordinate the Fiji National Fire Service activities for the purpose of fire protection and other emergencies and establish courses of training to members of the fire service.

The Authority operates predominantly from their head office at Argo Street, Walu Bay. However, there are operational centres at Nausori, Valelevu, Pacific Harbour, Navua, Sigatoka, Nadi, Denarau, Lautoka, Ba, Tavua, Rakiraki, Labasa, Savusavu, Taveuni, and Levuka.

National Fire Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

18. Authority details

Authority incorporation

The Authority was incorporated in Fiji under the National Fire Service Act, 1994.

Registered office

The registered office of the Authority is located at:

Argo Street
Walu Bay
P O Box 207
SUVA

**National Fire Authority
Disclaimer on additional financial information
For the year ended 31 December 2009**

The following additional information, being the detailed income statement has been compiled by the management of National Fire Authority and does not form part of the statutory financial statements.

National Fire Authority
Detailed income statement
For the year ended 31 December 2009

	<u>Year-to-date 2009</u>	<u>Year-to-date 2008</u>
Income		
Amortisation of deferred revenue	201,007	188,322
Commission	12,009	10,052
Commercial training	89,873	55,315
Doubtful debts Recovered	-	11,294
Fire levy contributions	5,047,927	4,945,864
Government grants	1,422,222	1,422,222
Interest income	-	21,544
Miscellaneous	10,951	5,994
Private fire alarm rental, attendance & connection fees	173,798	80,165
Rental income – Vodafone	12,000	14,435
Special services	10,723	14,235
Structural fire safety	315,841	159,435
TPAF grant	41,471	59,165
Water levy contributions	350,916	324,497
	<u>7,688,738</u>	<u>7,312,539</u>
Total income		
Less: Operating and Administration Expenses		
Audit fees	6,667	6,157
Advertising	1,813	11,756
Bad debts	-	2,437
Bank charges	15,398	5,025
Board expenses	38,718	35,791
Commission	10,242	9,113
Communication	104,235	137,857
Community awareness	23,075	81,580
Depreciation	885,758	713,478
Electricity	54,275	56,269
Entertainment	2,805	2,791
Fire fighting expenses	92,923	54,266
Fire station expenses	74,587	98,183
FNPF	416,810	323,880
Gratuity payment	4,000	34,234
Insurance	216,246	198,841
Interest	7,390	-
Legal expenses	2,104	17,573

Detailed income statement (continued)
For the year ended 31 December 2009

	Year-to-date 2009	Year-to-date 2008
Loss on disposal of plant and equipment	-	91,866
Meeting expenses	14,294	24,220
Miscellaneous expenses	2,162	1,603
Motor vehicle - fuel and repair	366,650	394,494
Natural Disaster	49,278	-
Office expenses	872	-
Postage and freight	12,205	12,782
Premises rental and rates	130,623	122,516
Printing and stationery	43,545	39,679
Professional fees	9,233	49,555
Repairs and maintenance – others	83,097	61,974
Repeater Rental	36,105	-
Salaries and wages	4,468,530	4,035,053
Staff amenities	8,585	20,159
Staff training	251,330	276,616
Subscriptions and donations	4,473	6,400
Subsistence allowances	10,181	12,678
Travel and accommodation	100,260	134,253
TPAF levy	43,160	38,703
Uniform	38,791	71,633
Volunteer brigade	-	39,981
Water	13,438	8,589
	<u>7,643,858</u>	<u>7,231,985</u>
Total operating and administration expenses		
	<u>44,880</u>	<u>80,554</u>
Net surplus for the year		

